

Trade and Commercial Organisation in Bengal,
with special reference to the English East India Company,
1650 - 1720

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ABSTRACT

The main emphasis of this study is on the economic activities of the English East India Company in Bengal from about 1650 to 1720. The Company's trade in Bengal at the beginning of this period was not very important quantitatively. But the main significance of the Bengal trade in the commercial complex of the Company was that it was an expanding trade which soon exceeded the Company's trade either in Madras or Surat. This development was a natural outcome of the growing demand in England and on the Continent for cheap Bengal products.

The Company's trade in Bengal was plagued throughout the period by several factors, of which the two most important were the chronic shortage of liquid capital, and the exactions by local potentates who often challenged the Company's alleged freedom of customs - free trade. The problem of inadequate capital was further accentuated by the poor demand for the English manufactures in Bengal. However, the enormous increase in the export trade of the Company during the period indicates that it was successful in dealing with all these three problems.

The internal organisation of the Company's trade in Bengal depended on the indigenous merchants, and inspite of the close connection between these merchants and the

Company, the former succeeded in maintaining their independent credit and influence. The specialised activities of a class of merchants, and the refinement and development of the existing machinery for credit and exchange indicate that merchant capital and commercial organisations were capable of quite sophisticated operations in Bengal.

In the internal economy of Bengal, the activities of the European Companies gave an impetus to production and led to certain commercial and industrial innovations. But despite the increase in the production of export commodities, the condition of the actual producers, weavers in particular, probably remained unchanged and poor. The only class which profited from the increasing trade, it seems, was the merchant - middlemen. Though the expanding export trade brought in its train a large import of bullion and specie to Bengal, it had hardly any impact on the price level. Most of this treasure was drained towards upcountry by the local potentates and the big merchants.

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PREFACE

The aim of this work is twofold : first, to make a specific study of the various economic activities of the European Companies, specially the English East India Company, in Bengal, and secondly, to cast light on the indigenous trade and commercial organisation, and the interaction between the two. The period 1650 - 1720 - when Bengal was exposed to the powerful impact of the European merchant capital - provides a convenient field for the study of the responses of the commercialised sector in the indigenous economy to a positive ^{external} stimulus. The region selected is suitable for such a study because Bengal had attained a high degree of commercialisation within the broad framework of an agrarian economy, and because its products were among the chief pivots of Indo - European trade in the second half of the 17th century.

The English East India Company's trade in Bengal developed quickly in magnitude. There was indeed a phenomenal increase in the Company's trade, both in value and volume, in the course of the period under study. The vast increase in the Company's export trade from Bengal indicates that it was reasonably successful in overcoming the difficulties connected with the structure and organisation of its trade in that region. Though the English trade in

Bengal during the period was not yet very important quantitatively, its main significance during the period was that it was an expanding trade and was fast emerging as the most important branch in the trade complex of the Company in India.

Few attempts have so far been made to analyse the trading activities of the Indian merchants and examine the nature and character of their commercial organisation vis-a-vis the European Companies trading in India. The present work provides a study, though sketchy because of the lack of detailed information, of the responses of the traditional merchants in their methods and organisation of trade to the new situation arising with the appearance of the European Companies of monopolistic merchant capital.

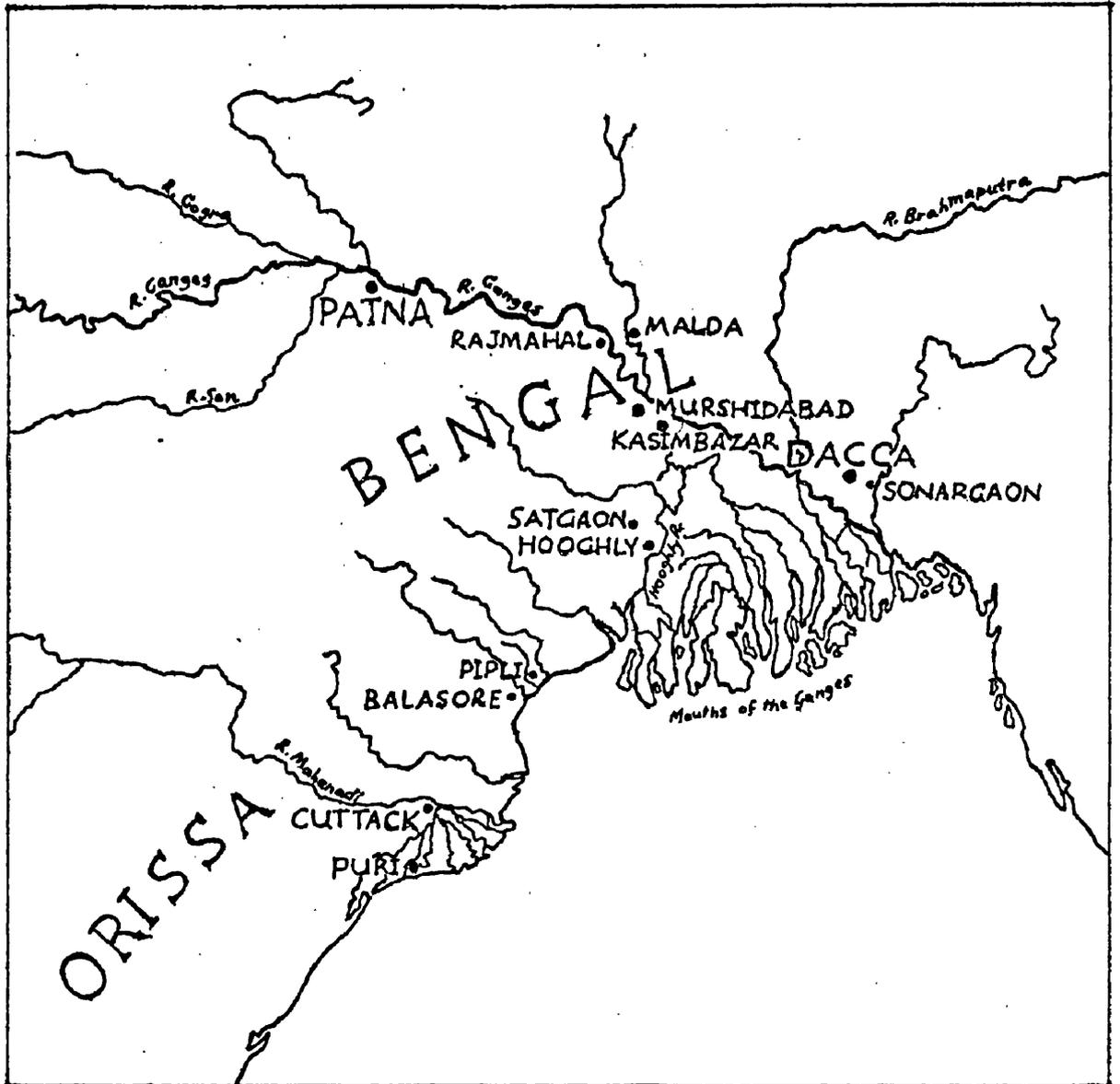
The present study is mainly based on the voluminous records of the English East India Company preserved in the different libraries of the United Kingdom and supplemented by the records of the Dutch East India Company preserved at the Algemeen Rijksarchief, The Hague. I have modernised the spellings in all the extracts quoted from the contemporary records.

I have received help from many sources in writing this volume. I am gratefully indebted to Dr. K.N. Chaudhuri of the School of Oriental and African Studies for his

inspiring guidance and sympathetic help throughout the course of my work. I must record my thanks to the Commonwealth Scholarship Commission for awarding to me a scholarship for three years which enabled me to carry out my research. My thanks are also due to the Central Research Fund, University of London, for giving me a grant to procure photo-copies and microfilms of some of the records of the Dutch Company preserved at the Algemeen Rijksarchief. Finally, I would like to thank the University of Calcutta for granting me study - leave throughout the course of study abroad.

ABBREVIATIONS

A.G.D.	Accountant General's Department, Range 11, India Office Library.
B.M. Addl.Mss.	British Museum Additional Manuscript.
C & B Abst.	Coast & Bay Abstracts., India Office Library.
C.H.I.	<u>Cambridge History of India.</u>
D.B.	Despatch Books, India Office Library.
E.F.I.	<u>English Factories in India</u> , ed., Foster and Fawcett.
Fact. Records.	Factory Records, India Office Library.
Hedges' Diary.	<u>The Diary of William Hedges</u> , ed., H. Yule.
Home Misc.	Home Miscellaneous Series, India Office Library.
J.A.S.B.	<u>Journal of Asiatic Society of Bengal.</u>
K.A.	Koloniaal Archief, Algemeen Rijksarchief, The Hague.
Master's Diary.	<u>The Diaries of Streynsham Master</u> , ed., R.C. Temple.
O.C.	Original Correspondence, India Office Library.
Rawl.	Rawlinson Manuscript, Bodleian Library, Oxford.
Roe's Embassy.	<u>The Embassy of Sir Thomas Roe</u> , ed., R.C. Temple.



Centres of Trade in Bengal, 1650-1720

Chapter I

Introduction

'The Paradise of Nations' - thus Aurangzeb was said to have styled Bengal.¹ No official farman, parwana or other official papers of the Mughal Empire ever mentioned Bengal without adding 'the Paradise of India', an epithet - according to Monsieur Jean Law, the chief of the French factory at Kasimbazar in the 'fifties of the 18th century - given to it par excellence.² Bengal's wealth in mediæval period was legendary and the cheapness of wares there was attested by most of the foreign travellers who visited the region in the 17th century.³

Geographically the term Bengal is used here in its contemporary sense to denote the territories included in the Mughal suba of Bengal. Broadly speaking this area comprised the modern provinces of Bengal (East

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1. The author of Riyaz - us - Salatin calls Bengal 'Jinnat - ul - bilad' or 'Paradise of Provinces', vide, Ghulam Husain Salim, Riyaz - us - Salatin, text ed. Maulavi Abdul Hak Abid, p. 4; Trans. Maulavi Abdus Salam, p. 4. Humayun bestowed on Gour in Bengal the epithet 'Jinnat - Abad' or 'the realm of Paradise', vide, Abul Fazl, Ain - i - Akbari, Text. Vol. I, ed. Blochmann, p.390; Trans. Jarrett, Vol. II, pp. 122-123; Al Badaoni, Muntakhab - al - Tawarikh, Text ed. Maulavi Ahmed Ali, Vol. I, p.349; Trans. Ranking, Vol. I, p. 458.
 2. S.C. Hill, Bengal in 1756 - 57, Vol. III, p.160.
 3. Thomas Bowrey, A Geographical account of countries round the Bay of Bengal, pp.193-94; Sebastian Manrique, Travels. Vol.I, pp.54-55; F. Bernier, Travels in the Mogul Empire, pp. 438-39; Linschoten, The Voyages of, p. 93.

and West), Bihar and Orissa. The Suba - i - Bangala which was incorporated in Akbar's dominion between 1576 and 1582 excluded Chittagong. In 1666 Shaista Khan conquered Chittagong and annexed it to the Bengal suba. The whole of Bengal was administered as a province/ (suba) by the governors (subadars) appointed by the Mughal emperor.

The structure of provincial administration in Bengal during the period under review was based on the same model as it was in the time of Akbar. The administration was divided into two distinct parts - executive and revenue - and both were independent of each other. The former was the responsibility of the nazim, also called subadar and the latter was under the diwan. Both the officers were appointed by imperial order and were guided in the affairs of administration by rules and regulations laid down in Dastur - al - amal or code of procedure issued by the emperor's order.⁴

Despite the distinct division of the spheres of authority of the nawab and diwan, frequent conflict arose between the two. Haji Safi Khan who was the diwan in 1678.⁵ was not on good terms with the nawab Fidai Khan.

4. Riyaz - us - Salatin, Tr. op.cit., pp. 247-48; Salimullah, Tarikh - i - Bangla, Tr. Gladwin, pp. 30-31.

5. Saqi Mustad Khan, Maasir - i - Alamgiri, p. 193; trans. J.N. Sarkar, p. 105.

The two often complained to the emperor against each other. Their relation became so strained that after the death of Fidai Khan, his son left Bengal in fear of the diwan Haji Safi Khan. The English factors reported that Haji Safi Khan's son fled from Cuttack through fear of Fidai Khan's son, Muhammed Salah, the new subadar of Orissa as Fidai Khan was a great enemy of Haji Safi Khan.⁶ At the end of our period only, the two offices of nawab and diwan were conferred on one person - namely Murshid Quli Khan.

Though most of the imperial officials in Bengal, as in other parts of the Mughal Empire, were subject to transfer after three years of service,⁷ the period under study witnessed three long viceroys. Shah Shuja governed the province for 21 years (1639-59) with a caretaker during his absence for two years in the middle. Shaista Khan ruled for 23 years (1664-1688) with a two years' break under two short term successors. And the governorship of Prince Muhammed Azim extended over ten years (1698-1707), though mostly through his son as deputy. The long periods of their rule were greatly responsible for the fact that the province enjoyed

6. Fact. Records, Hugli, Vol. 7, ff. 88, 90, 98.

7. Tavernier refers to a custom of the Mughal Empire according to which a subadar was expected to return from a province after three years, vide, Tavernier, Travels in India, Vol. II, p. 63.

unusually long peace. Another factor, of course, contributed towards this. These three viceroys were near kinsmen of the Emperor and their position was much stronger than the ordinary servants of the crown who had ruled before them. Hence they could enforce obedience at home in full confidence of being backed by the sovereign. 'Local opposition soon found itself powerless against them, rivals felt their intrigues at the imperial Court against these Bengal viceroys futile'. Consequently, Bengal enjoyed peace and relative political stability compared with most other provinces of the Mughal Empire.⁸

As the imperial officials in Bengal, as in other subas, were temporary and transferable, most often they were devoid of any long term interest in the region they governed and were only eager to maximise their immediate income without any regard for the consequences. Extortionate demands of the local potentates and their monopolistic design were a familiar phenomena of the 17th century India, and Bengal was no exception to that. As we shall see later, at least three of the Bengal nawabs - Mir Jumla, Shaista Khan and Prince Azim - tried to monopolise some sectors of the province's economy. It seems that posting in Bengal

8. J.N. Sarkar (ed.), History of Bengal, Vol. II, p. 216.

was considered lucrative, and hence even the nawabs or subadars tried to extend their stay in the province by presenting the emperors with gifts in kind and cash. Thus it was reported by the English factors in November 1679 that Shaista Khan got back the governorship of Bengal by a present of 3 crores of rupees to the emperor.⁹ Again in February 1702 they reported that Prince Azim retained the office by giving 30 lacks of rupees to Aurangzeb.¹⁰ Sometimes the office of the faujdar of some important port - towns like Hugli or Balasore was sought by many who offered large sums to the nawab. In 1672 Malik Qassem secured the governorship of Balasore 'by expense of three score thousand rupees'.¹¹ In 1677 several persons tried to get the office of the 'buxbandar' of Hugli. Aziz Beg offered 12 elephants and 10,000 rupees. Iuderam, a local merchant, was also ready to pay a handsome sum of money while Imam Quli stood 'fairer chance offering more money than any'. But ultimately Ali Naqi 'was made Buxbandar of Hugli'.¹² It is significant to note that sometimes the Europeans could influence the appointment of these officials or even could get rid of those who hindered their trade, by bribing the provincial authority. Thus it was reported

9. Home Misc., Vol. 803, f. 154.

10. O.C., 4 Feb. 1702, no. 7852, Vol. 63; Fact. Records, Misc., Vol. 3A, entry of 4 Feb. 1702.

11. Fact. Records, Hugli, Vol. 4, pt. I, f. 10.

12. Fact. Records, Hugli, Vol. 7, pt. II, ff. 5, 21; pt. III, f. 61; Buxbandar means divisional port but it seems the English factors used the term to mean the office of the faujdar.

in 1672 that Malik Qassem, the governor of Hugli, was turned out of his office by the Dutch who paid Rs.150,000 to the nawab and Rs.50,000 to other imperial officers.¹³ In July 1672 the Dacca factors wrote that 'Malik Qassem is intended for Balasore, but hope we may, if you please to give us leave and power, prevent it'.¹⁴

However, the Mughal conquest ushered in Bengal an era of peace and prosperity. It helped to re-establish that contact with Upper India - and through Upper India by the land route with the Central and Western Asian countries-- which Bengal had lost when its Muslim rulers shook off the overlordship of Delhi. The imperial conquest led to an increase of the province's maritime trade. The Portuguese and Magh menace which hindered indigenous traders in the 16th century were removed completely by the expulsion of the Portuguese from Hugli in 1632, and the conquest of Chittagong in 1666.

Bengal, like the rest of India, had a predominantly agricultural economy. It's raw silk and textile industries were organised as cottage industry. The natural products of Bengal were profusely abundant. In the beginning of the

13. Fact. Records, Hugli, Vol. 4, pt.I, ff. 4-7; Vol.7, pt.I, f. 81.

14. Fact. Records, Hugli, Vol. 7, pt. I, f. 82.

17th century Pyrard de Laval found that Bengal exported rice 'not only to other parts of India as well to Goa and Malabar', but even to 'Sumatra, the Moluccas and all the islands of Sunda to all of which Bengal is a very nursing mother who supplieth them with their entire subsistence and food'.¹⁵ Bernier was inclined to believe that the 'pre-eminence ascribed to Egypt (which had been represented throughout the Middle Ages as the finest and most fruitful country in the world) was rather due to Bengale'.¹⁶ Rice from Bengal, as the French traveller tells us, was supplied to Patna, Masulipatam and many other parts on the Coromandel Coast as also to Ceylon and the Maldives. Bengal sugar was not only sent to Golconda and the Carnatic, but to Arabia and Mesopotamia through the towns of Moka and Basra, and to Persia by way of Bandar - Abbasi.¹⁷ Bernier was also eloquent in describing the industries of Bengal - "In regard to valuable commodities of a nature to attract foreign merchants, I am acquainted with no country where so great a variety is found.....there is in Bengale such a quantity of cotton and silks, that the Kingdom may be called the common storehouse for those two kinds of merchandise, not

15. Pyrard de Laval, The Voyages of, Vol. I, p. 327; M.A.P. Meilink: Roelofz, Asian Trade and European Influence, p. 68.

16. Bernier, op.cit, p. 437.

17. Ibid., p. 437.

of Hindoustan or of the Empire of the Great Mogul only, but of all the neighbouring Kingdoms, and even Europe".¹⁸ In craftsmanship also Bengal enjoyed an enviable position. 'The inhabitants (of Bengal), both men and women, are wonderously adroit in all such manufactures such as of cotton, cloth and silks and in needlework such as embroideries which are worked so skillfully down to the smallest stitches that nothing prettier is to be seen anywhere'.¹⁹

Till the 'seventies of the 16th century Satgaon was the most important port which from ancient times was the chief emporium of trade in the western part of Bengal. It was the advantageous position of Satgaon - on the river Saraswati in the loop formed by it before it falls into the Ganges - that made it 'the great port of Bengal for ocean - going ships in the middle Ages'. Its wealth was the theme of mediavel Bengali poetry and foreign travellers' tale. According to the poet Mukundaram, it used to attract so much foreign trade that the merchants of Satgaon never left their home town.²⁰ It was the royal port of Bengal till the emergence of Hugli in the last quarter of the 'sixteenth century, and the latter prospered so rapidly that made the former 'hide its diminish'd head' in the

18. Ibid,, p. 439

19. Pyrard de Laval, op.cit., Vol. I, p. 329.

20. R.K. Mukherjee, Economic History of India, p. 122.

beginning of the 17th century.²¹ As the chief mart of Bengal, it attracted merchants from different parts of India and diverse other countries.²² It was the chief emporium of Portuguese trade since 1537, and popularly known to them as 'porto piqueno'. Even in 1567 Caesar Federici found Satgaon 'a remarkable faire cite' where 'every year they lade thirty or five and thirty ships, great and small, with rice, cloth of Bombast and of divers sorts, Lacca, great abundance of Sugar, Mirabolans dried and preserved, long Pepper, Oyle of Lerzeline and many other sorts of merchandise'.²³

But the historic port of Satgaon began to decline from the middle of the 16th century mainly due to the freak of nature. The river Saraswati on which it was situated and through which flowed the main current of the Hugli began silting up and was navigable only by smaller vessels. The mouths of the feeders of the Ganges became choked with sand and the water supply diminished till at last only the tidal Ganges remained navigable, and the Saraswati dried up into narrow channels, thereby rendering navigation by merchantmen and large vessels very difficult;

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21. Riyaz-us-Salatin, text, op.cit., p.33; Trans.op.cit., p.29; Crawford, A. brief History of Hugli District, p.2; Hunter, Statistical Account of Bengal, Vol.III, p.299; G. Toynbee, A. Sketch of the Administration of the Hooghly District, p2
22. Campos, History of the Portuguese in Bengal, p.113; S.Dey, Hooghly Past and Present, p.150.
23. Caesar de Federici, "Extracts of...his eighteen year Indian observation, p.114.

even the smallest craft could not ply except for a few weeks in the monsoon. This sounded the death - knell of Satgaon as an important port.²⁴ The Saraswati actually had been silting up from the beginning of the 16th century. De Barros found Satgaon in 1532 'not....so convenient for the entrance and departure of ships'.²⁵ Even in 1540 the harbour of Satgaon was becoming difficult to the access of big ships. Though in 1567 Satgaon was described as a reasonably fair city abounding in all things, its importance as a port was visibly declining.²⁶

Apart from the natural cause, the activities of traders, specially the Portuguese, also helped the decline of Satgaon and the rise of Hugli as the principal port of Bengal. The Portuguese were the dominant seapower in the Indian Ocean in the 16th century, and it seems that a great part of the seaborne trade of Bengal was concentrated in their hands. They began to frequent Bengal from the 1530's, and had important settlement at Satgaon. In the 'sixties of the century they felt it necessary to build temporary

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24. Salimullah, op.cit., Tr.p.87; Campos, op.cit., pp.22,57; S. Dey, op.cit., pp.9,150; Hunter, op.cit., p.299; S.K. Mitra, Hugli Zelar Itihas - o - Banga Samaj. pt.II, p.639; A. Karim. Murshid Quli Khan and his times, p.214; R.K. Mukherjee, op.cit., p.122; J.N. Sarkar, op.cit., Vol.2, pp. 318, 364.
25. Quoted in S. Dey, op.cit., p. 113.
26. Caesar de Federici, op.cit., p.115; C.R. Wilson, Early Annals of the English in Bengal. Vol. I, pp. 134-36; Crawford, op.cit., p.2.

quarters at a place downstream during the trading seasons as their big ships could not reach Satgaon, and they burnt those villages when they left Bengal every year after brisk trade activities.²⁷ But they found making and unmaking of villages did not lead to either comfort or economy, and so were anxious to shift their 'porto piqueno' to a convenient place 'on a navigable river with sufficient anchorage'. Thus their choice fell on Hugli which soon supplanted Satgaon as the principal port of Bengal. Not only the Portuguese, even the merchant princes of Satgaon who once boasted that they sat at home and grew rich while all the world came to them to trade, were forced, one after another, by the declining importance of Satgaon to leave the place and seek livelihood elsewhere. The great majority of them moved only a short distance and settled down in Hugli which rose to the position of the chief port of Bengal and remained so throughout the 17th and early part of the 18th century.²⁸

The external trade of Bengal, and through Bengal of Upper India thus deserted Satgaon and was diverted to Hugli where the Portuguese mastered the major portion of the overseas trade, albeit the limited activities of a few Malaya, Arab and Indian traders. Even the inland trade was mostly diverted to Hugli, though Satgaon remained the royal

27. Caesar de Federici, op.cit., p. 115.

28. C.R. Wilson, op.cit., Vol. I, p. 135; J.N. Sarkar, op.cit., Vol. II, pp. 364-65.

port and the seat of the governor and the Imperial Customs house till 1632 when Hugli took its place officially as the royal port.²⁹ This natural change of fortune aroused the jealousy of the Mughal officers at Satgaon, and was misunderstood by the court historians who called it 'stealing away of business and wealth of the royal port by the treachery of the Feringis'. Abdul Hamid Lahori, the official historian of Shah Jahan, states:-

"During the rule of the Bengalees a party of Feringi merchants, inhabitants of Sandip, used to frequent Satgaon and populated (i.e. colonised) a place on the estuary one kos beyond Satgaon.....In course of time, owing to the stupidity and carelessness of the rulers (governors?) many Feringis assembled here....In due course a large town grew up here and it came to be known as Hugli Bandar. It became the practice for ships from Farang to call at this port and carry on their trade; so the market of Satgaon declined and lost its splendour and use".³⁰

The Hugli port, founded by the Portuguese towards the close of 1579,³¹ developed with amazing rapidity under them. It soon rose to the position of 'the richest, the

29. Crawford, op.cit., pp. 188-89; J.N. Sarkar, op.cit., Vol. II, p. 318; Hunter, op.cit., Vol. III, pp. 299-300; G. Toynbee, op.cit., p. 2; S. Dey, op.cit., p. 18.

30. Abdul Hamid Lahori, Padshahnama, Text. Vol. I, p.434; Elliot and Dowson, History of India as told by its own Historians, Vol. VII, p.31; J.N.Sarkar, op.cit., Vol.2, pp.318-19.

31. S. Chaudhury, "The Rise and Decline of Hugli", Bengal Past and Present, Vol. LXXXVI, pt.1, Jan-June, 1967, pp.37-40.

most flourishing and the most populous' of the various 'bandels' or trading ports in Bengal. It became the common emporium of trade where, as John Cabral wrote on 12 Nov. 1633, the vessels of India (Portuguese India), China, Malacca and Manila repaired in great numbers. The Portuguese missionary further says - "Not only the natives of the country, but also Hindustanis, the Moguls, the Persians and the Armenians came there to fetch goods".³² Van Linschoten, who visited India between 1583 and 1589 wrote that 'there is great trafficke used in those partes by divers ships (and merchants which all the year divers times both go to and from all the Orientall Ports.'³³ Ralph Fitch, the English traveller, who visited Hugli in 1588 stated that Hugli was the 'chief keep' of the Portuguese.³⁴ According to Ain - i - Akbari, completed in 1596-97, Hugli was a more important port than Satgaon.³⁵ Thus it appears that at the end of the 16th century Hugli became the premier port in Bengal, and fully deserved to be called, not 'Porto piqueno', but 'Porto Grande' (the Great Haven), the name by which Chittagong was known to the Portuguese.

32. Manrique, op.cit., Vol. II, p. 392.

33. Linschoten, op.cit., Vol. I, p. 95.

34. Quoted in Campos, op.cit., p. 55.

35. Abul Fazl, Ain - i - Akbari, Tr. (Sarkar & Jarret). Vol. II, p. 137.

Though the Mughals were the rulers of the country, the Portuguese supremacy in Hugli was so strong that it rendered the Mughal authority content merely with collecting customs duties and market dues. The Portuguese enjoyed almost absolute independence; even the Mughal governor of Bengal could enter the Portuguese town of Hugli only with their consent and the Mughal ships had to submit to various regulations enforced in the port. Even as early as 1535, Rebello had forbidden any alien ship from touching Satgaon without permission. In fact the superiority of the Portuguese vessels over those of the Indians and other foreigners made the enforcement of the principle - that any ship without a Portuguese pass would be treated as enemy ship and hence liable to capture and confiscation - practicable. In order to destroy the 'moorish' trade, they applied the rule to Bengal.³⁶ Even the fleets of the viceroy of Bengal, as Cabral states, had to submit to certain formalities while entering Hugli.³⁷ This very supremacy of the Portuguese in Hugli rendered the task of opening trade with Bengal very difficult for the Dutch and English East India Company. The English factors

36. Campos, op. cit., pp. 62, 112.

37. Manrique, op. cit., Vol. II, p. 393.

at Surat wrote in Feb. 1616 that 'hitherto they had not found it practicable to open a trade in the countries bordering on the Ganges, the Portuguese being in exclusive possession of the commerce in this part of the Peninsula'.³⁸ The Dutch also found that any substantial trade with Bengal was impossible so long as the Portuguese were firmly entrenched there.³⁹

The palmy days of the Portuguese in Bengal came to an end in 1632 when Qasim Khan captured Hugli after inflicting a crushing defeat on them. Hugli was then made the royal port of Bengal, and all the offices and records were removed to Hugli where Mughal authority was firmly established.⁴⁰ Though the Portuguese were allowed to return to Hugli in 1633, the blow was too severe for them to revive; they lost their pre-eminent position in Bengal trade for good. Despite their decline, trade however flourished unabated in Hugli. It now became the seat of considerable maritime trade on the part of the indigenous merchants.⁴¹ Soon after, the Dutch and English East India Company established their factories in Hugli and started trade directly with Bengal.

38. William Foster (ed.) Letters Received from the Servants of the East India Company, Vol. V, pp. 119-120.

39. T. Raychaudhuri, Jan Company in Coromandel, pp. 75-76.

40. S. Dey, op.cit., p. 18; Hunter op.cit., Vol. III, p.300; G. Toynbee, op.cit., p.2; O'Malley & M.M. Chakraborty, Hugli District Gazetteer, p. 31.

41. C.J.Hamilton, The Trade Relations Between England and India, 1600-1896, p.31. O'Malley & Chakraborty, op.cit., pp.53, 189.

The merchants of Bengal had a long established tradition in overseas trade and kept it alive throughout the seventeenth century. They owned big ships which traded to different Asian countries - from the Red Sea ports of Aden and Jedda in the west to Sumatra and Malacca in the east. Indeed the merchants of Bengal were quite powerful and influential. The first attempt of the Dutch Company to open up trade with Bengal after the fall of the Portuguese in 1632 was frustrated by the opposition of the muslim merchants of Hugli.⁴²

Thus in the middle of the 17th century when the European Companies established their factories in Bengal, trading activities were brisk there. Provisions were cheap, much cheaper than in other parts of India. The region enjoyed political stability which fostered the growth and development of trade and commercial activities. Its economy was self - sufficient and hence the import market was strictly limited. The export had to be paid by importation of bullion and specie - the only items in demand during the period. It was against this background that the English East India Company began its trade in Bengal.

42. T. Raychaudhuri, op.cit., p. 76.

Chapter II

Foundation of the English East India Company's Trade in Bengal

The English East India Company was officially founded by a royal charter dated 31 Dec. 1600.¹ Generally four sets of arguments are put forward to account for the foundation of the Company - namely, the exclusion of the Dutch and English merchants from Lisbon by Philip II after 1585, thus debarring them from the Portuguese spice markets, the growing consciousness of the maritime strength of England and the great impulse to the spirit of enterprise following the defeat of the Spanish Armada, the fear of the Dutch monopoly of spice supplies and finally, the desire to find new markets for English woollens.² But recent research points out that the circumstances leading to the foundation of the English East India Company in 1600 can be traced back to that movement of diversification in the direction of English foreign trade which began with the stoppage of commercial relations with Antwerp in the last quarter of the sixteenth century.³

However, the First (1601-3) and the Second (1604-6) Voyages were made, not to India, but to Achin, Bantam

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1. W. Foster, England's Quest of Eastern Trade, p. 150; C.H.I., Vol. V, p. 77.
 2. K.N. Chaudhuri, The English East India Company, p.10.
 3. Ibid., pp.10-14; For the movement referred to here, see, Ibid., pp. 5-7.

and the Moluccas, the immediate aim being the acquisition of the spices and pepper of the East Indies.⁴ The first English ship anchored in the road of Achin in 1602 but found that the port was too well - frequented by Indian shipping to make the purchase of pepper anything but expensive.⁵ The English, however, found that pepper was cheaper in Bantam, and hence established a factory there in 1603.⁶ But they could find no satisfactory market for English manufactures, specially woollen cloth, in the Malayan Archipelago while they discovered that Indian textiles were universally accepted as the medium of exchange for spices. This trading pattern prompted the English East India Company to secure Indian calicoes for barter against its export commodities from the spice Islands. Hence when the Third Voyage (1606 - 7) was in preparation, it was resolved that the fleet, on its way to Bantam, should attempt to open up trade at Aden and Surat. Accordingly, Hawkins arrived at Surat in 1608 and proceeded to Agra where he was graciously received by the Mughal emperor Jahangir. But the suspicion of the Portuguese and their influence with the merchants of Surat - who represented that commerce with the English would mean a rupture with the Portuguese and the

4. C.H.I., Vol. V, p. 77.

5. D.K. Bassett, The Factory of the English East India Company at Bantam, 1602-1682, Unpublished thesis, London University, 1955, p. 7.

6. Ibid., p. 8.

consequent ruin of their trade - prevented the establishment of a factory. In 1613, however, a permanent factory was established at Surat following a farman from the emperor.⁷

In the early years of its trade in India, the English East India Company had no intention to begin a direct maritime trade with Bengal. This might be due to a twofold reason - first, the Company was still in its infancy and naturally its trade with India was on a very small scale which made too many factories hardly necessary; secondly, the fact that the Portuguese were then the absolute masters of the Bengal ports might have acted as a deterrent in the opening up of the Bengal trade by the English Company. The first indication that the Company was desirous of starting a direct trade with Bengal is to be found in Sir Thomas Roe's despatch to the Company dated 24 November 1615. He wrote - "It is thought requisite that you seek trade in the territories of the Mogul in Bengal. I will inform myself of the fittest port and procure a farman for residence of your factors..."⁸ But Roe, too, was not very enthusiastic, it seems, to venture a maritime trade with Bengal. He suggested to the Surat factors that an attempt should be made overland

7. C.H.I., Vol. V, pp. 77 - 79.

8. B.M. Addl. Mss., 6,115, f.63a; W. Foster, The Embassy of Sir Thomas Roe to India, p. 79.

to open trade with Bengal, 'so desired by the Company and impressed into me by Captain Keeling'. But Kerridge and his colleagues at Surat doubted the advisability of such an attempt. "Bengal generally", they argued "is a hot country, the most of the inhabitants very poor Gentiles, and upon the sea coast, where there is any hope of benefit, the Dutch and Portingalls have trade, whereby we conceive that the transportation by land thither will be more hazardous and chargeable than the benefit by the sale of a small quantity can answer".⁹ Roe retorted to this, saying 'that Bengala should be poor I see no reason; it feeds this country with wheat and rice; it sends sugar to all India; it hath the finest cloth and pintadoes, musk, civitt and amber, (besides) almost all rarities from thence, by trade from Pegu'.¹⁰ The Surat factors were, however, little convinced and replied - "We deny not but that Bengala brings wheat, rice and sugar to India, makes fine cloths, etc..... Yet it followeth not that cloth will therefore sell, which in those hot countries is spent in quantities by princes and gentry only. Of the first there is none, and of the latter very few. We acknowledge transportation by water

9. Fact. Records, Surat, Vol. 84, pt. I, f.83; Letters Received etc., op.cit., Vol. IV, p.314.

10. B.M. Addl. Mss. 6,115, f. 105; W. Foster, The Embassy of Sir Thomas Roe, p. 193.

thither is cheap, yet we think it were better to rot in Ajmer without further charge and disgrace than after expense of time and moneys to return it thither to no other purpose".¹¹

The matter, however, rested for a time and the Surat Council wrote to the Company on 2 November 1616 that despite their desire to make trial of 'porto piqueno' for the settling of a factory, they could not attempt it for want of small ships fitting that purpose.¹² Roe, too, was little inclined to settle a factory in Hugli for 'it will vent no commodity, neither is there any mart from Cathay or Tartary'.¹³ He admitted that Bengal made fine cloth but thought that the Company need not settle a factory to buy that commodity which could be supplied at cheaper rates at Masulipatam and Gujarat. The ambassador further argued that Bengal sugar/^{was}'base', 'not worth freight' and the wax 'in no plenty', and though the best commodity was raw silk and pretty stuff made thereof, they were all available in Agra.¹⁴ In answer to the Company's letter, Roe wrote in December 1616 - "Whereas You write for new

11. Fact. Records, Surat, Vol. 84, pt.I, f.114; Letters Received etc., op.cit., Vol. IV, p.327

12. Fact. Records, Surat, Vol. 84, pt.I, f. 227; Letters Received etc., op.cit., Vol. IV, p. 342.

13. Roe's Knowledge of 'porto-piqueno' or Hugli, as perhaps it was from heresay, was scanty and not authoritative. He wrote to the Company on 24 Nov. 1616 that 'there is no mart nor resort of merchants'.c.f., B.M.Addl. Mss.6,115, f.137

14. B.M.Addl. Mss. 6,115, f.137; Roe's embassy, op.cit., pp. 308 - 9.

factories except the Silks of Bengala require it (which yet in my opinion is had cheaper at Agra than you will find it there to maintain a factory for it, being this people travel and live 'hardlyer' than yours can), I am of opinion your residences are sufficient and best chosen as they are".¹⁵ The Surat factors, being conscious of the Portuguese menace in Hugli, suggested opening up of trade with Pipli 'which report affirms less dangerous and more useful for sale of our commo(dities)', and requested Roe to procure a farman to that effect if he approved the venture.¹⁶ But after enquiry from 'men of knowledge', Roe reported that it was an 'ill harbour' with little hope of sale except of spices, nor can warrant the transport up of there by river to Agra'.¹⁷ He, however, failed to obtain a farman for trade in Bengal - though promised by Asaf Khan of assistance to that effect - mainly due to the Mughals' fear that the English would then leave Surat and would thus weaken its trade, and secondly, 'for the trouble like to ensue by our dissention with the Portugalls in those seas'.¹⁸ Rather in disgust he wrote to the Court of Committees on 14 February 1618 - "Bengala hath no ports

15. O.C., 1 Dec. 1616, no.411, Vol.4; Roe's embassy, op.cit., p.320.

16. Fact. Records, Surat, Vol.84, pt.I, f.264; Roe's embassy, op.cit., p. 309.

17. B.M. Addl.Mss. 6,115, f.182a; Roe's embassy, op.cit., p.309.

18. Roe's embassy, op.cit., pp. 309,377-78, 385,417,419.

but such as the Portingalls possess for small shipping; it will vent nothing of Yours. The people are unwilling in respect of the war, as they suppose like to ensue in their seas and the Prince hath crossed it, thinking we desire to remove thither wholly....."¹⁹

Though the first attempt to open up trade with Bengal thus failed, the Company never gave up the idea completely. Gradually it felt the increasing necessity of settling a factory in Bengal. Methold wrote to Roe in December 1618 that 'if any innovation or hopes of trade to Bengalla shall occur it cannot but be somewhat hopeful to our proceedings'.²⁰ Besides the Company's 'desire of great store' of Bengal silk,²¹ the pressing necessity of procuring more and more quantities of calicoes or cotton piece - goods (which, being much cheaper than linens imported from the Continent, had been at once taken into favour in England) for home markets, made English Company more eager to begin commercial intercourse with Bengal. In 1619 the Company ordered a largely increased supply of calicoes and their provisions to be made in such places 'as give best hopes, as well for attaining quantity

19. O.C., 14 Feb. 1618, no. 610, Vol. 5; Roe's embassy, op.cit. p. 434; E.F.I., 1618-21, p.14.

20. Egerton Mss. 2,086, f.45a; E.F.I., 1618-21, pp.49-50.

21. O.C., 15 Dec. 1619, no. 827, Vol. 7; E.F.I., 1618-21, p.161.

as also for their procuring to best advantage for price, condition etc'.²² This order, coupled with the manifest impossibility of providing sufficient quantities in Gujarat, made the Surat Council scrutinise carefully all the possible sources of supply. Their immediate attention fell on Samana (in Patiala) and Patna; on the latter place because the 'amberty' calicoes recently procured at Agra from Bihar traders were looked upon with favour. Thus resulted the first major attempt to open up trade with Bengal.

The task of establishing a factory at Patna was entrusted to Robert Hughes who reached the place on 3 July, 1620 with not merchandise but only bills of exchange to the value of Rs.4,000. He realised that a factory at Patna would be 'to good purpose' and forthwith advised Surat and Agra Council thereof, and entreated them to send an assistant with some English merchandise ^{more} and/money to proceed with the provision of goods.²³ On his arrival Hughes was warmly received by the governor Mukarrab Khan, and with the latter's assistance a house was secured in the principal part of the city. John Parker joined Hughes in September with a quantity of

22. Fact. Records, Patna. Vol. 1, f. 16.

23. Ibid., Vol. 1, f. 16; E.F.I., 1618 - 21, p. 212; R.C. Temple, "Documents relating to the first English Commercial Mission to Patna, 1620-21," Indian Antiquary, 1914, p.83.

English goods, and they soon started with the business of providing suitable investments for Europe. In the beginning it seemed that the main objective of procuring investment in raw silk and calicoes, which prompted the Company to attempt the Patna expedition, would answer well. After a few days of his arrival, Hughes wrote to the President and Council in Surat that 'it (Patna) promises plenty of commodity and doubtless will to good purpose be established a factory'.²⁴ He found that Luckwar, in the neighbourhood of Patna, could amply supply the Company's requirements in calicoes, and that Bengal silk was to be had in Patna in large quantities at 35 per cent cheaper than at Agra.²⁵ He further recommended that the best and cheapest course for the investment of calicoes would have been to buy it raw from the weavers and then bleach it. So far as raw silk was concerned, he bought a stock and set a staff of 30 men to reel it off into suitable skeins, and intended, if approved by the Company, to employ two or three hundred silk winders to work in the house throughout the year.²⁶ But soon in deference to the opinion of the Surat Council, he desisted from providing Bengal silk, though he was still convinced that it could not but prove a

24. Fact. Records, Patna, Vol. I, f. 1; R.C. Temple, Indian Antiquary, op.cit., p. 72.

25. Fact. Records, Patna, Vol. I, ff. 2-3; R.C. Temple, Indian Antiquary, op.cit., pp.70-71; E.F.I., 1618-21, pp. 192,194.

26. Fact. Records, Patna, Vol. I, f.5; R.C. Temple, Indian Antiquary, op.cit., p.74; E.F.I., 1618-21, p.198.

profitable commodity in England.²⁷ The two factors reported that Luckwar could provide infinite quantities of amberty calicoes and they would be easily able to procure ten or fifteen thousand pieces per year, and at Patna they hoped to provide three hundred maunds of Bengal silk yearly. They wrote that amberty calicoes and raw silk are the 'two main props which must uphold this a factory'.²⁸

But a somewhat discouraging report from Agra materially abated the hopes of the factors. The silk was found to be unskillfully wound, and although the raw material could be procured at cheaper rates at Patna than at Agra, when the cost of transport and charges of the factory was added to it, the result on the whole was discouraging. The remedy, as suggested by Hughes and Parker, was to send factors to Murshidabad where silk could be provided in great quantity and at least 20 per cent cheaper than in any other place in India. They further pointed out that there were innumerable silk winders and expert workmen at Murshidabad, and labour there was cheaper by a third than elsewhere.²⁹ However, despite the fact that calicoes were cheap and of excellent quality, the Company was doubtful whether it would not be

27. Fact. Records, Patna, Vol. 1, f.15; R.C.Temple, Indian Antiquary, op.cit., p.81.

28. Fact. Records, Patna, Vol. 1, f.18; R.C.Temple, Indian Antiquary, op.cit., p.83; E.F.I., 1618-21, p.213.

29. Fact. Records, Patna, Vol. 1, f.21; R.C.Temple, Indian Antiquary, op.cit., p.98; E.F.I., 1618-21, p.230.

better ultimately to buy them at a higher rate at Agra than to maintain a factory only for that commodity alone. These considerations, coupled with a double misfortune sustained by the factors, resulted in their withdrawal from Patna. In March 1621 the house occupied by the English was completely burnt though they could save themselves and the greater part of their goods. Secondly, Prince Parviz who succeeded Mukarrab Khan as governor evicted the English from their new house in June.³⁰ Under these circumstances, the enthusiasm of the factors cooled down and the decision of the Surat Council to close the factory was not at all unwelcome to them. This decision of the Surat Council was partly due to the death of Fettiplace and the consequent promotion of Hughes to the chief of Agra factory, and partly to an intimation from England that 3,000 or 4,000 pieces of amberty calicoes yearly would meet all their requirements and that Bengal silk was not to be sent to England in future.³¹ The Surat Council, however, directed

30. Fact. Records, Patna, Vol. 1, ff. 24,25,29; E.F.I., 1618-21, pp. 246-47,256.

31. Fact. Records, Surat, Vol. 1, pt. I, f. 17; E.F.I., 1618-21, p. 234.

Fact. Records, Patna, Vol. 1, f.30; E.F.I., 1618-21, p.257
Fact. Records, Misc., Vol. 1, f.116; E.F.I., 1618-21,p.327

in a second order that Hughes should proceed towards Agra, leaving Parker at Patna till the arrival of Young, another factor from Agra. But the two factors acted so promptly on the first order that they closed accounts and converted their capital into goods for the carriage of which all arrangements had been made, and so they ventured to disregard the second order of the Company.³² Thus the first expedition to settle a factory at Patna resulted in vain.

Twelve years later, by a strange mistake on the part of the Surat Council who wrote 'Patna' while they really meant 'Samana', Peter Mundy was sent from Agra to the former place on a similar errand. In fact, Mundy realised that the whole proceeding was the result of a mistake, and was strongly averse to the undertaking. He was so utterly convinced of his reasoning that he drew up a 'memorial of his Reasons against the Journey to Patna' in order to clear himself of blame, if the expedition would turn out as he expected.³³ However, the motive which prompted Fremlen, the chief of the Agra factory, to endeavour such an expedition to Patna, was twofold. First, he was trying to find a market for the quicksilver and

32. Fact. Records, Patna, Vol. 1, f. 35; E.F.I., 1618-21, p. 268.

33. R.C. Temple (ed.), The Travels of Peter Mundy in Europe and Asia, Vol. II, Travels in Asia, pp. 138-41.

vermilion 'lying dead' in Agra, and secondly, the Surat Council was looking for a fresh source of supply of coarse cotton goods for England.³⁴ The glut of quicksilver and vermilion was caused by the great quantities brought to India by private traders in 1631 'to the Honourable Company's extraordinary loss and hindrance'. In 1632 a consignment was sent from Surat to Agra to reduce the commodities to their 'pristine esteem and valuation'. But it hardly improved the situation and the commodities failed to realise a good price. So Fremlen was eager to diminish the quantity by sending it to Patna, and thus 'to cause the price of the residue to rise'.³⁵ The Company's search for a fresh source of supply for cotton goods originated from the effective decrease in the investment of that commodity in Gujarat which had been ravaged by the great famine of 1630-32.

Mundy's arguments against the expedition to Patna were that prices obtainable for quicksilver and vermilion at Patna were not known,³⁶ and that in any case

34. Ibid., pp. 138-39.

35. Ibid., p. 138.

36. So far as this assertion was concerned, Mundy was not correct, for he himself stated that Fremlen was encouraged to send the commodities to Patna by 'Nurhar; (Narahari ?) Virji Vora's (the merchant prince of Surat) factor and others who certified that quicksilver and vermilion were worth Rs. and 4½ per seer at Patna, c.f. Peter Mundy, op.cit., Vol. II, p.138.

the price of the commodities could not rise in Agra as the factors leading to such rise were in the hands of the dealers in Agra who controlled it throughout Hindusthan. So far as investment of cotton goods at Patna was concerned, Mundy argued that the time allowed for completing the business was only 75 days, of which 40 to 45 days would be spent on the journey, making it impossible to carry out the investment in the remaining time. Moreover, Patna provided no other cotton goods except amberty. So he sensibly concluded that Patna was not the place intended by the Surat Council but some other place like Daryabad or Khairabad within a few days' journey from Agra.

However, on reaching Agra in September 1632, Mundy applied to brokers for the provision of amberty, the coarse cloth desired by the Company. They brought a few pieces which proved too dear and unfit 'for our turns'. As no more brokers came to offer the commodity, Mundy sent two messengers to Luckwar (on 29 Sept.), where most of the cloth was woven, in order to procure an investment at reasonable price. On 5 October, one of the messengers returned with Gangaram, 'the chiefest broker in these parts for coarse linen' who stated that a satisfactory investment in amberty cloth might be made

but about forty to fifty days would be required to effect it, for more than a month was required for bleaching the cloth. So Mundy decided that it was impossible to perform 'anything this way', except to carry some samples of goods desired.³⁷ With regard to the disposal of quicksilver and vermilion, Mundy's efforts met with as little success. The absence of any great demand for these commodities and their prices falling everyday forced him ultimately to get rid of those at a low price.³⁸

Though Mundy could not wholly refute the utility of establishing a factory at Patna, his considered opinion was that it was against the Company's interest 'at present' for several reasons. First, amberly or white coarse cloth was then dearer than the usual price because most of the weavers were engaged in making fine linen for the royal household. Moreover, the cloth required several months for preparation and finishing, and above all, it would probably not equalise that of Gujarat 'which is now returning to its former estate, better known and allowed of both for goodness and cheapness than this is'. As for the rest of the country's commodities such as raw silk, indigo, gumlac and saltpetre,

37. Ibid., pp. 145-46.

38. Ibid., pp. 147-49.

they could be procured much better and cheaper elsewhere.³⁹ Secondly, the transportation of goods from Patna, as Mundy stated, was 'extraordinary far, dear and dangerous'. The goods, of course, might be sent down the river Ganges to the Sea or else by land but danger lay both ways, for the 'country swarms with Rebels and theives'. Thirdly, no secure trading was possible at Patna because of its governor, Abdulla Khan, who being of a cruel and covetous nature spared none, with little regard to law, trade or humanity. So Mundy's obvious conclusion was that it was most expedient to defer the settling of a factory at Patna until such time as samples be examined and premises considered.⁴⁰

Meanwhile under the direction of the President at Surat, the Masulipatam factors sent the ship Hopewell to the Bay in July 1631, her ultimate destination being Pipli. But this voyage failed of its expected success mainly due to bad weather, though it was held to be 'laid a good beginning to a future hopeful trade'.⁴¹ Next year the ship Pearl had been ordered to follow up the attempt made by Hopewell but bad weather again prevented it from getting into a Bengal port. The Company, however, did not give up the attempt to explore the possibility of the

39. Ibid., p. 151.

40. Ibid., pp. 151-52.

41. O.C., nos. 1411, 1421, Vol. 13; E.F.I., 1630-33, pp. 183, 203

Bengal trade. When Thomas Joyce was appointed to succeed Norris as Agent on the Coast, he was specially instructed to enquire into the necessity of retaining Armagon to push on the Bengal trade. In 1633 the Company made two more ventures to open up trade with Bengal. On the one hand, finding little employment for the ship Swan, the Masulipatam factors decided to send her to Bengal, and on the other, a party of eight Englishmen - including Ralph Cartwright, Merchant, and Thomas Colley, Second - were despatched in a country junk to Bengal. These attempts, it seems, had a more ambitious object than that of the previous voyages - namely, the settling of a permanent factory or factories in Bengal.

Here we can well pause a little and try to answer a logical question - why the Company delayed this action for so long, specially when the cheapness of wares ^{in Bengal} and the possibility of a large investment there was not unknown to them. Moreover, the English were hardly ignorant of the lucrative trade derived by the Portuguese in Bengal, and the profitable voyage made by the Dutch and Danes in the Bay. The reasonable answer seems to be that the commodities sought by the Company during this period were mainly calicoes of Golconda and other southern countries. The Bengal goods, if at all desired, were readily available at Masulipatam. So there was hardly any need to venture out to Bengal in

quest of these goods at the risk of being surprised by the Portuguese war vessels. Again, the enlargement of English trade, it appears, was effectually hindered for a time by the trouble at Masulipatam from whence they were forced to withdraw in 1628. On their return in 1630 there followed a change of policy, resulting in an increasing interest in the Bengal trade due to several factors. The soaring price of all staple commodities as a consequence of the great famine had rendered the coastal trade in rice, sugar and butter extremely remunerative, and the general dearth of piece - goods resulting from a heavy mortality among the weavers made raw silk and cotton of Bengal more valuable in the eyes of the English factors at Masulipatam. Another factor, which appears to be less obvious but equally effective, was the prospect of a lucrative private trade offered to the factors who, in the then state of affairs, had hardly any opportunity for investing their own capital. Furthermore, the capture of Hugli from the Portuguese by the Mughals in 1632 and the supposed intention of the Mughal emperor to stamp out their trade was a great inducement to the English factors who concluded that time was opportune for planting English trade in Bengal.

Resuming our story, the endeavour made in 1633 to begin direct commercial intercourse with Bengal was not wholly unsuccessful like the previous ones. The six

Englishmen sent in the country junk anchored off a place called 'Harssapoore' (Harishpur) on 21 April. A few days later Cartwright with two other Englishmen proceeded to Cuttack to meet the nawab of the province (Orissa), Aga Muhammed Zaman who granted them a parwana to trade free of all customs and to build houses or ships.⁴² Armed with this, they came down to Hariharpur, a place half way between Cuttack and their port. They summoned all the persons left at Harishpur, and started building up a factory at the former place.⁴³ Later on in that year Cartwright with two other Englishmen set out for Balasore. Meanwhile the Swan arrived at Balasore and finding no one there proceeded towards Balasore where Cartwright had already established himself. It is explicitly clear from the letter of Thomas Joyce and Nathaniel Wyche at Masulipatam in 1634 that the English established their factory at Balasore in 1633.⁴⁴ They reported that the settlement of the 'Bengala factory' was

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42. William Bruton, News from the East Indies or A Voyage to Bengalla, pp. 3-21; Bruton was one of the six Englishmen who took part in the expedition and his narrative is the main source of information for this venture.
43. That Hariharpur had been the first factory of the English in Bengal and established in 1633 was corroborated by Walter Clavell in 1676, vide, Master's Diary, Vol. II, p.84.
44. Yule lays down 1651 as the date when the English settled their factory permanently at Balasore, which does not seem to be quite correct (e.f.,) H. Yule, The Diary of William Hedges, Vol. III, p. 194; Wilson, however, gives the date of establishment of Balasore factory, as 1633, e.f. C.R. Wilson, op.cit., Vol. I, p. 13.

the 'first thing of note that was acted after our coming unto this Coast'. The motives which prompted them to settle the factory and the justification for maintaining it, as enumerated by the factors, were several. First, the scarcity of cloth and the extremely high price (which had gone up by 50% to 100%) of piece - goods was the prime motive for settling the factory in Bengal where cotton cloth 'is said to be wondrous cheap'. Besides, they found that the coastal trade between Bengal and Masulipatam or Coromandel Coast in rice, butter and different other commodities would not only produce a sufficient profit to clear the charge of such small vessels as would be employed in executing this trade, but also would 'raise an able overplus to quit the great expense' yearly incurred by the Company in the factories of Masulipatam and Armagon. Further Bengal would provide white cloth at cheap rate for not only Europe - trade, but the Persia trade and Southern trade too. Bengal sugar would be a profitable commodity in the Persian trade and would also help the Company to lade the ships with it in Bantam. Gumlac and sticklac would be cheap and suitable commodity for Macassar and Persia as for England. Silk could be bought in a large quantity, and also different commodities for Persia as 'Shashes', 'stuffs', 'allyjahs' and fine white cloth. So Bengal would enable the Company to carry on Europe - trade as well as Inter - Asiatic trade. Moreover, the Company thought it would provide them

with a good market for European commodities though only in vain. Most of the broadcloth and lead sent to Balasore for trial lay unsold for a long time and was then sent to Patna where too the result was not very encouraging.⁴⁵

However, despite the great expectation and the latent possibility of a brisk trade in Bengal, the progress in the early years was hardly satisfactory. Thomas Colley, who was left in charge of Hariharpur factory, died on 25 Aug. 1633.⁴⁶ In one year alone altogether five of the six factors in the Bay fell victim to the climate. Besides, the Arakanese pirates who frequently haunted the Bay harassed the English boats. The Portuguese, their recent reverse notwithstanding, still retained a hold on the trade of the country, and the Dutch opposition too was there. But it seems that the Portuguese hostility mainly stood in the way of an extensive English trade in Bengal, as is evident from the letter of John Poule who succeeded Thomas Colley at Balasore. "Those Portingalls", he wrote, "who (were) expelled (from) Hugli hath found great favour with Shah Jahan.... so that our expectation (of) Hugli is frustrated".⁴⁷

Owing to these various difficulties, Cartwright could

45. O.C., 25 Oct. 1634, no. 1536, Vol. 15; E.F.I., 1634-36, pp. 40-43.

46. Bruton, *op.cit.*, p. 26.

47. O.C., 17 July 1633, no. 1510, Vol. 14; Hedges' Diary, Vol. III, p. 177; E.F.I., 1630-33, p. 308.

not do more than establish factories at Hariharpur and Balasore which remained as the main stations of the English in Bengal for about a decade. All hopes of fresh settlements at 'Jagannath' (Puri) and Pipli had to be abandoned. The expulsion of the Portuguese from Hiji in 1636 and the consequent decay of Pipli, however, gave the English a fresh opportunity to develop the trade in Bengal.⁴⁸ But the Company failed to take advantage of it. Despite repeated appeals to the Court of Committees to send out properly qualified factors and two or three 'pinances' such as the Dutch had, neither men nor boats⁴⁹ ever came.

Even after the English had established their first independent station at Fort St. George in 1640, and thus a new impetus had been given to the Company's trade, Bengal trade seemed of so little consequence that the ship Diamond was sent in 1641 to the Bay to pay off debts⁵⁰ and fetch away the factors.⁵¹ In 1642 the factory at Hariharpur seems to have been closed partly on account of the silting up of the river, and partly due to the difficulties of sending goods there by sea.⁵² But Francis Day who came to^{Balasore} on a visit of inspection gave a report to the Company on

48. Master's Diary, Vol. II, p. 84.

49. O.C., 25 Oct. 1634, no. 1536, Vol. 15; Hedges' Diary, Vol. III, p. 179.

50. The debt of the English in Bengal exceeded Rs.8,000, vide, E.F.I., 1637-41, p. XXXVI.

51. O.C., 1641, no. 1787, Vol. 18; Hedges' Diary, Vol. III, p. 181.

52. E.F.I., 1642-45, pp. XXVII, 126 f.n.1; Master's Diary, Vol. II, p. 84.

3 Nov. 1643 deprecating its abandonment. "I think Balasore with the adjacent places," he wrote, "is not to be totally left, for it is no such despicable place as is voted it being an opulent Kingdom and You having been already at great charges in gaining the free custom of all sorts of goods, believe it if you had but an active man, two or three in these parts, you would find it very profitable if you double (the) stock (in) the Coast".⁵³ It is interesting to note here that the unwillingness of the factors to put an end to the Bengal trade was not so much inspired by the interest of the Company as by their own personal profit derived from extensive private trade.⁵⁴ Be this as it may, it seems Day's recommendations were carried into effect, and we find from the correspondence of Fort St. George in 1644 that Mr. Olton was sent to manage business in Bengal with the assistance of two other factors. The Company's stock in Bengal, however, at this period did only exceed a little over £2,000.⁵⁵

53. O.C., 3 Nov. 1643, no. 1797, Vol. 18; E.F.I., 1642-45, p. 65; Hedges' Diary, Vol. III, p.182.

54. An illustration of the huge private trade by Day and other Masulipatam factors is revealed by Trumball in 1644, vide, O.C., 1784, Vol. 18; E.F.I., 1642-45, p.72.

55. O.C., 8 Sept. 1644, no. 1885, Vol. 19; Hedges' Diary, Vol. III, p.182; E.F.I., 1642-45, p.191.

But still the Company's Agents in India could not decide for themselves whether they should continue the Bengal trade or not, and hence referred the matter to the Court of Committees in London for decision. In the meantime, however, there were several new factors which made the Bengal trade a necessity for the Company, and left hardly any doubt as to the utility of this branch of trade. The famines in the adjoining districts of Madras and Masulipatam coupled with desultory wars between the petty rulers had almost ruined the Coromandel trade, and as such the English were forced to search elsewhere for a new opening to feed their commerce.⁵⁶ Obviously enough their attention fell on Bengal. The Company finally resolved to 'advance and increase' its trade in Bengal,⁵⁷ and for that purpose establish a factory at Hugli, inland up the Ganges. Accordingly, the ship Lioness was sent to Bengal in 1650 under the command of Captain Brookhaven with three other factors. The Company ordered the Lioness to go up the Ganges to Hugli but the Madras Council, considering the hazard in such an attempt due to the dangerous character of navigation, decided that she should not venture beyond Balasore Road, 'but for the buying and bringing away of the goods or settling a factory

56. J. Bruce, Annals of the Honorable East India Company, Vol. I, pp. 402, 410, 424, 430.

57. O.C., 14 Dec. 1650, no. 2186, Vol. 22; E.F.I., 1646-50, p. 332; Hedges' Diary, Vol. III, p. 184.

at Hugli with acquisition of Prince's farman for free trade, was wholly referred to the said Captain's discretion'.⁵⁸ The factors designed for Hugli were to proceed thither in a hired vessel. The Lioness sailed on 28 Aug. 1650, and on reaching Balasore, the factors were busy with lading her. In the middle of December, when the ship was ready to depart, preparations were made for proceeding towards Hugli.

Brookhaven sent Bridgeman as chief, with two other factors to Hugli and drew up an instruction for their guidance.⁵⁹ These instructions clearly indicated that the Company was mostly interested in procuring three commodities in Bengal, namely saltpetre, silk and sugar, but not so much in the beginning in piece - goods which were particularly important in the early stage of European commerce with the East Indies. So it can reasonably be argued that the English trade in Bengal was more necessary for the investment of Europe - trade and not for the barter trade with the spice Islands which was the main motivation behind early Dutch and English settlements in the Eastern Coast of India.

58. O.C., 18 Jan. 1651, no. 2200, Vol. 22; E.F.I., 1651-54, pp. 16 - 17; Hedges' Diary, Vol. III, p. 187.

59. O.C., 14 Dec. 1650, no. 2186, Vol. 22; E.F.I., 1646-50, pp. 332-34; Hedges' Diary, Vol. III, pp. 184-86.

However, according to Brookhaven's instructions, the factors, after reaching Hugli and establishing a factory there, were to proceed to Rajmahal, the then capital of Bengal, and through the assistance of Gabriel Boughton, the English surgeon, (who was high in governor Shah Shuja's favour) to obtain a grant for special trading privileges. In the absence of any information regarding the proceedings of the Hugli factors, it could be assumed these instructions were carried out, and from various letters in the series known as 'Original Correspondence', it can be ascertained that the English established Hugli factory in the beginning of 1651.⁶⁰ The foundation of the factory in Hugli was an important landmark in the history of the English Company's trade in Bengal. It became and remained almost throughout the seventeenth century the nucleus of English trade there, and it was the springboard from which they penetrated further inland, established factories at Patna, Kasimbazar, Dacca and Malda, and in due course derived an extensive trade in Bengal.

60. O.C., 2219, 2208, 2228, Vol. 22; O.C., 2360, Vol. 23; E.F.I., 1651 - 54, pp. 45, 63, 84.

Chapter III

Growth and Development of the Company's Trade

The growth and development of the English Company's trade in Bengal, like the opening up of its trade in that region, was a slow, steady and gradual process. Right from the beginning as also throughout the period under review many factors, namely - private trade of the Company's servants, Interlopers, official rapacity, wars and chronic shortage of capital - continued to plague the Company in Bengal, as in other parts of India. But despite these hindrances, the Company was able to drive an extensive trade which resulted in a remarkable increase in the value of English trade in Bengal. In the early years, of course, the English Company's investment was almost insignificant compared to that of the Dutch Company whose extensive trade operations in Bengal dwarfed those of their rival Company. But in the course of only three decades of the inception of its trade, the investment of the English Company was reported to have exceeded that of the Dutch.¹ Quantitatively, however, the English trade in Bengal was not yet very significant, though by the close of the century it was

1. Fact. Records, Hugli, Vol. 8, pt. III, f. 13a.

becoming the most important branch of trade derived by the English Company in India. The main significance of Bengal in the trade Complex of the Company during the period was that it was an expanding trade - 'the rising'st trade in India',- to quote the Company's factors in Bengal.²

The growth and development of the Company's trade can be studied under several aspects - First, the relationship of the Company with the local rulers and the problem of securing trading privileges; secondly, the control and organisation of factories as necessary prelude to the expansion of trade, and thirdly, the expansion of Bengal trade, taking as an indicator the value of annual investments, and the associated factors responsible for the level of such investments.

Relationship with Local Rulers and the Problem of securing Trading Privileges

From the beginning the Company tried to obtain an invidious trading privilege giving it an obvious advantage in competition even with the local merchants. It claimed that it gained these differential advantages through various farmans, nishans or letters-patent, and tried to maintain these privileges throughout the period.

2. O.C., 23 Nov. 1659, no. 2830, Vol. 26; E.F.I., 1655 - 60, p. 296.

This, however, led often to disputes with local authorities who frequently challenged the authority and bonafide of those claiming such concessions - a common phenomenon which, in its turn, was in essence exploitative rather than an effort on the part of the officials to enrich the royal treasury. The English, on their part, tried to resist such bureaucratic exploitation, when they felt it went beyond a certain limit, by open recourse to arms. Thus at one stage war broke out between the Company and the Mughals but the settlement which followed the war saw the final consolidation of the Company and the steady growth of its trade in Bengal.

Most writers on the early history of English trade in Bengal have repeated, with varying degrees of reservations, the picturesque story according to which the concessions that enabled the Company's servants to establish factories and to trade duty - free in that province were obtained through the magnanimity of a surgeon named Gabriel Boughton who cured first an imperial princess and then one of the consorts of Prince Shuja, the viceroy of Bengal. He declined to receive any personal remuneration but asked that in lieu thereof his countrymen might be granted the commercial privileges

they had long desired.³ There are various versions of the story which differ from one another in details.⁴ A careful and critical analysis of the different narratives makes it clear that Gabriel Boughton got the concession of free trade for himself only, and not for the English in general. Bowrey's account represents that the concessions of free trade was general to the English while others imply that they were special concessions to Boughton himself, though they were made to cover the transaction of Brookhaven in his first voyage. The latter version is more likely and this is corroborated by the instructions to James Bridgeman and other merchants whom Brookhaven was sending up from Balasore (in Dec. 1650) to start a factory in Hugli. In these instructions, stress was laid upon the necessity of a farman from Shah Shuja for trade in Bengal - a clear proof that no general concession had yet been obtained from the Prince - and reference was made to certain promises secured from Boughton of assistance therein.⁵ That the privileges granted by Shah Shuja were personal to

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3. Charles Stewart, History of Bengal, pp. 251-52; Robert Orme, History of the Military transactions of the British Nation in Indostan, p.8; Hedges' Diary, Vol. III, p. 167; For Boughton and Privileges of the Company, see, William Foster, "Gabriel Boughton and the Grant of Trading Privileges to the English in Bengal", Indian Antiquary, Sept. 1911, pp. 247-57.
4. Bowrey, op.cit., pp. 233 - 34; Orme Mss. O.V. 12, ff.3-10; Fact. Records, Fort St. George, Vol XXX, ff. 35 - 40; Home Misc., Vol. 68, ff. 27 - 34.
5. O.C., 14 Dec. 1650, no. 2186; Vol. 22; E.F.I., 1646 - 50, p. 333.

Boughton and not general to the English, we know for certain from the traditional account of English privileges in Bengal, written in Feb. 1685 allegedly by John Beard,⁶ the Company's Agent from Oct. 1684 to August 1685, where it was stated - "He (Prince Shuja) offers Mr. Boughton that if he would trade, he should be free from paying of custom and all other duties, and gave Mr. Boughton two nishans to that end".⁷ It is true, however, that the account goes on to say that in 1650 Captain Brookhaven's ship 'upon the account of Mr. Boughton's nishans was free of all duties'; but this, if true, might have been due to the factors' making out that their goods belonged to Boughton.⁸

It is clear that the first nishan or letters - patent for the Company's trade in Bengal was obtained by James Bridgeman from Shah Shuja in Aug. 1651, and it was founded upon a farman procured by Davidge from Shah Jahan a year earlier. The obvious meaning of the latter document⁹ was merely to free the Company from the payment of rahdaries or road - dues on their goods collected in Oudh, Agra, etc. and sent down to the western coast for shipment ; it could

6. William Foster, Indian Antiquary, op.cit., p. 253.

7. Fact. Records, Fort St. George, Vol. XXX, f. 36; Orme Mss., O.V.12, ff.3 - 10.

8. Fact. Records, Fort St. George, Vol. XXX, f.36; Orme Mss., O.V.12, ff.3 - 10.

9. B.M. Addl. Mss.24,039, f.5; E.F.I., 1655 - 60, pp.414-415.

never have been intended at Delhi, even by the wildest extension of the meaning of the farman, to exempt the English from paying the usual customs duties on their goods exported from Bengal. Nevertheless, Bridgeman succeeded, by giving a present of Rs.3,000, in obtaining a nishan from Shah Shuja which adopted the English contention that the imperial farman had freed them from all duties in Bengal.¹⁰ The English factors reported - "... if it (the privilege) can be maintained in its full vigour will in short time quite (quit) the charges".¹¹ In 1656 the English obtained another nishan from Shah Shuja which confirmed the privileges enjoined in the previous one.¹²

The Company's chief concern was to establish exclusive and preferential trading privileges in the face of multiform bureaucratic exploitation. Hence much of its subsequent effort was directed towards acquisition and extension of such privileges as an aid to their all-out attempt to secure an exclusive control of the local market. The eagerness of the political authorities to attract the Europeans in local trade appears to have been ubiquitous.

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10. B.M. Addl. Mss. 24,039, f.6; E.F.I., 1655 - 60, p.111.
 11. O.C., 14 Jan. 1652, no. 2246, Vol.22; E.F.I., 1651 - 54, p. 97.
 12. B.M. Addl. Mss. 24,039, f.7; Home Misc. Vol. 629, ff.5-8; E.F.I., 1655 - 60, p.111; Fact. Records, Misc. Vol. XLV, f.346; Hedges' Diary, Vol. III, p.189; Master's Diary, Vol. II, p. 21.

Accordingly concessions involving immediate sacrifice of revenue were granted with the expectation that it would yield in the long run an increased revenue from the expanding trade. But the local potentates, often without any long - term interest in the region which they governed only temporarily, and always desirous to maximise their immediate income, offered various hindrances in the exclusive enjoyment of those privileges by the Company. But the general suggestion¹³ that these officials were eager to treat the foreign traders as 'milch cows' could hardly be accepted in its entirety though there was some truth in the exploitative nature of the former. There were several aspects which complicated the question of privileges of the Company. So long as the Company's trade in Bengal was small, the Mughal officials were not greatly concerned at its exemption from customs duties. And if any difficulties were raised, these were removed by presents or bribes. The situation, however, changed when the trade increased considerably and private English ships appeared in Bengal in great numbers. The issue was further complicated by the indigenous merchants' attempts to cover their own goods with the Company's dustuck, thus illegally securing

13. T. Ray Chaudhuri, Jan Company in Coromandel, p. 16.

exemption of duties for those goods. Moreover, one of the main causes of the conflict between the local officials and the Company was essentially one of trade rivalry where the former was backed by political power which they exercised indiscriminately. Most of these local potentates in the second half of the 17th century took active part both in inland and overseas trade, and often tried to monopolise some sectors of trade which the foreign Companies, themselves strongly monopolistic, tried to foil. Again, the trouble arose quite frequently due to the ambiguity of the concessions which the rival parties interpreted in different ways to suit their respective interests. However, there is no denying the fact that the English Company had to face extortion from local faujdars and other officials.

The first open conflict between the English Company and the Mughals in Bengal started in the time of Mir Jumla who held the viceroyalty of Bengal from 1660 to 1663. By the end of the 'fifties of the 17th century certain changes had taken place in the government of India and of Bengal. Following the illness of Shah Jahan a fratricidal war had broke out among his sons, and ultimately, his third son Aurangzeb succeeded in defeating his brothers and became the emperor of Mughal India in 1658. He appointed

Mir Jumla as viceroy of Bengal in 1660. The new governor had an extensive private trade on his own account, both inland and overseas, even when he was in the service of the Sultan of Golconda. He had previous business transactions with the English Company too.¹⁴ But in Bengal he began to give troubles to the Company from the beginning on the pretext of demanding payment of customs. It seems that Mir Jumla's real intention was to monopolise some sectors of the province's trade, and in fact he offered in 1660 to supply the English every year with as much saltpetre as they should require which the Company refused.¹⁵ These extortionate demands of the local officials and their desire for monopolising the local market were familiar phenomena in the 17th century trade history of India. Though Mir Jumla, on the representation of Jonathan Trevisa that the English goods were free from all duties by imperial farman, had given the Company a parwana for freedom of trade,¹⁶ he soon stopped all the saltpetre boats which came down from Patna. The Agent at Hugli, seeing that the Company was vexatiously hampered on all sides, at last seized a country vessel belonging to Mir Jumla in 1661 'as a security for the recovery of the debts'. The viceroy was greatly incensed and demanded immediate reparation for the offence, and

14. O.C., 25 May. 1661, no. 2886, Vol. 27; Fact. Records, Fort. St. George, Vol. XIV, f. 93; E.F.I., 1661-64, p.61.
 15. Fact. Records, Fort St. George, Vol. XIV, f.196; E.F.I., 1661 - 64, p.67.
 16. B.M. Addl. Mss. 24,039, f.8; E.F.I., 1655-60, p.416.

threatened to destroy the inland factories and expel the English from the country. Somewhat alarmed by the violence of Mir Jumla's threat, the Agent wrote to Madras for instructions and was directed to return the boat and apologize to the viceroy. Agent Trevisa submitted accordingly.¹⁷ But this dispute with Mir Jumla marked the beginning of a new period in the history of the Company in Bengal. The English now began to consider seriously how best they could protect themselves and their trade irrespective of the favour of the local officials, and in the quest of this search finally decided to protect their trade by open recourse to arms whenever necessary, thus abandoning the policy of 'peaceful trade'.¹⁸ The change of policy precipitated the conflict of the 1680's. The factors, who had apologized in 1661 for seizing a small boat, waged open war against the Mughals in 1686, capturing indigenous ships and burning ports.

The Company's relations with Shaista Khan who came to Bengal as viceroy in 1664 was again far from cordial. Like Mir Jumla, he also at times tried to monopolise some sectors of the province's trade.¹⁹ Though he confirmed in 1672 the nishan of Shah Shuja enjoining

17. Bruce, op.cit., Vol. 1, pp. 560-61.

18. See Infra, p. 68, for change of Policy.

19. O.C., 21 June 1664, no. 3029, Vol. 28; Fact. Records, Hugli, Vol. 1, Consult. 11 July 1664.

the English freedom of trade,²⁰ the order was very little observed in practice. When he left Bengal in 1677 - only to come back at the end of 1679 - the new nawab Fedai Khan and diwan Safi Khan altogether disregarded it. However, in 1678 the English procured fresh nishan from Prince Muhammed Azam who succeeded Fedai Khan as governor of Bengal. But the Company was not content with this practice, and considered it very expensive and troublesome that they would have to procure a fresh order for freedom of trade from every succeeding governor. It was apparently such considerations which caused the Company to ask for an imperial grant giving them the freedom of trade. But it seems doubtful whether the English Company had at any time obtained such a farman. As noted earlier, Shah Jahan's farman - on the basis of which the English contended that they were exempted from paying customs - could never have been intended to give the Company the entire freedom of trade in Bengal. It was specifically clear in its terms, and it only exempted English goods collected in Oudh, Agra etc. from road duties. Moreover, there was hardly any reason why the English should be exempted from customs while all the merchants, indigenous or foreigners, were

20. Fact. Records, Misc. Vol. 3, f.159; Home Misc; Vol. 629, ff.43-46; O.C., 21 June, 1664, no. 3029, Vol.28.

bound to pay it. Even some of the Company's factors doubted the alleged privilege of customs - free trade. In 1669 Joseph Hall, the then chief of Balasore factory, wrote - "It's wonder that after so many year's trade the Hon'ble Company should write out to know the privileges they enjoy, which as yet I never could see any more than which their peshcashes yearly hindered the Nawab and Governor to demand sight of their pretended farman, but their eyes being yearly thus blinded, they are willing to believe what the English affirm."²¹ Again a passage in the Court minutes of the English East India Company raises further doubts as to the bonafide of the concessions claimed by the English. According to this - submitted to the Court on 4 Sept. 1674 in the form of a report by a committee specially appointed to investigate the question of trade in Bengal - the privilege was first procured by Gabriel Boughton and 'gave the English only a liberty to trade, paying custom according to the King's farman but was altered and made to pay no custom according to the King's farman'.²² The English position regarding trade - privileges was perhaps best expressed by the author of the traditional account of its trade in Bengal, who stated - " ... we have

21. O.C., 12 May 1669, no. 3275, Vol. 30.

22. Court Book, Vol. 29, 4 Sept. 1674, f.72; Sainsbury (ed), Court Minutes of The East India Company, 1674-76, p.81.

had privileges continued from time to time.....with much struggling and great bribes".²³

However, the English succeeded in obtaining an imperial farman from Aurangzeb which they received in 1680. But the farman was interpreted differently by the factors of the Company and the local officials, and led to frequent disputes. The farman was particularly addressed 'to all present and future' governors of Surat and the relevant clause ran as follows -"... it is agreed of the English nation besides their usual custom of two per cent for their goods, more one and a half per cent jizyah or poll money, shall be taken. Wherefore it is commanded that in the said place, from the first day of Shawwal, in the twenty-third of our reign of said people, three and a half per cent of all their goods, on account of custom or poll money, be taken for the future. And at all other places, upon this account, let no one molest them for customs, rahdari, peh-cash, farmaish²⁴ and other matters by the Emperor's court forbidden, nor make any demand in these particulars".²⁵ Read as above with a full stop after 'for the future', it would appear that the farman was intended to exempt all English goods from customs duties at Surat

23. Fact. Records, Fort St. George, Vol. XXX, f. 40; Orme. Mss., O.V.12, ff.3 - 10.

24. Rahdari - road dues; Peshcash - tribute; Farmaish - Commission for goods.

25. Fact. Records, Fort St. George. Vol. XXX, f.38; Wilson, op.cit., Vol. 1, pp. 78-79.

and in all other places. But if the full stop is placed after 'and at all other places', the meaning is completely reversed. The Company's factors tried to interpret the farman in the former sense as it was to their own advantage, which in the proper context, seems to be wholly incorrect. As Sir J.N. Sarkar observed - "Payment of duty on the goods landed at Surat could by no exercise of ingenuity exempt from duty a different cargo that had come from Home or China not through Surat but directly to Bengal and which therefore could not have paid duty at Surat. The English traders in Bengal had no reason to claim exemption from a law of the land, which merchants of all other nations had to obey".²⁶ Even some factors of the Company were well aware of the real intentions of the farman. The traditional account of English privileges, written in 1685, stated - "When the farman came, though there was a dispute upon it, yet, Haji Safi Khan, being our friend, a parwana was obtained of the Nawab and said Haji Safi Khan for free passing our goods upon the farman, interpreting the said farman in our favour". It further went on to add that the next diwan Bulchund pointed out that the farman did not at all concern Bengal, it being directly addressed to the governors of Surat and the 'meaning was that those that paid custom at

26. J.N. Sarkar, History of Aurangzib, Vol. V, p.322.

Surat should not be molested in any other place'. The diwan also asserted that if the English could have a rewana or receipt in a merchant's name that they had paid customs at Surat, he would not demand it from them.²⁷ Again, shortly after the receipt of the farman, the Dacca factors reported that it was 'not speaking very clearly as to that point (customsfree trade) without some adequate bribe given'.²⁸ In 1700 Edward Littleton, a member of the Bengal Council and later on the President of the New Company in Bengal, wrote about the farman that it was 'so ill penned in favour of the English that some if not most were then of opinion it had been better stifled than produced and made use of....'.²⁹ That the farman was never meant to exempt the English in Bengal from customs duties was confirmed by the emperor in 1682. In April that year the English came to know that Haji Safi Khan, the diwan, had received orders from Aurangzib requiring the English to pay 3½% customs on all goods exported from or imported to Bengal.³⁰ The controversy and conflict regarding the privileges dragged on until the outbreak of war in 1686.

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- Fort St. Goerge
27. Fact. Records, / Vol. XXX, f.38; Rewana - paying customs in a merchant's name.
28. Fact. Records, Hugli, Vol. 2, pt.11, f.99.
29. Rawl. A 302, f.207.
30. Fact. Records, Fort St. George, Vol. XXX, ff.38-39, Fact. Records, Dacca. Vol. 1, pt 11, f.32.

The first advocate of an open conflict with the Mughals was Gerald Aungier who became President at Surat and governor of Bombay in 1669 and recommended a 'severe and vigorous' policy to ensure the stability of the Company's trade in India. "Justice and necessity of Your estate now require", he wrote to the Directors in 1677, "that in violent distempers, violent cures are only successful; that the times now require you to manage your general commerce with your sword in your hands".³¹ The advice of Aungier fell on willing ears of the Company which under the guidance of Sir Josiah Child as governor in 1681 was resolved to take resort to a 'forward policy' in India. Similarly, for some years Agent Hedges in Bengal and Sir John Child at Surat had repeatedly urged the Company to have fortified settlements for the protection of English trade in Bengal and elsewhere. The former had thus expressed his opinion on one occasion - "The Company's affairs will never be better but always grow worse and worse with continual patching till they resolve to quarrel with these people and build a fort..... If this be not speedily taken in hand by us, there is no doubt to be made but it will soon be done by the Dutch who talk of it freely as often as we meet with them; and then we must expect to be soon turned

31. O.C., 22 Jan. 1677, no. 4258, f.8, Vol. 37.

out of this country".³² Though the Court of Directors raised objections³³ to the suggestion of a breach with the Mughals, it is evident from the course of their correspondence that they did not hold to these seriously and in their succeeding letters they dealt time and again with the subject of the acquisition of a fortified settlement.³⁴ They obtained permission from James II to wage war on the Mughals³⁵ and thus the conflict finally broke out in 1686. Though the supposed motive of the war was to retaliate against injuries and oppressions inflicted by the Mughal officials, the real intention was the acquisition of a fortified settlement in order to frustrate the alleged design of the Dutch to drive the English out of India. Indeed, after the bitter experience of 1682 in Bantam, the main concern of the English Company was to prevent

 32. Hedges' Diary, Vol. I, pp. 133-34, 161.

33. Briefly these are -: 1) it would be too expensive. 11) would enrage the Mughal who in revenge might seize all the Company's effects not only in Bengal but at Surat etc. 111) The Dutch might join the Mughals against the English. 1V) An attack on Bengal might not be effective since overseas trade there was small while an attack from Bombay would stop vast amount of Indian Trade to the Red Sea ports, Persia etc. which was worth about 2 or 3 million pounds, vide, D.B., 21 Dec. 1683, Vol.90, ff.240-241.

34. D.B., 2 July 1684, Vol. 90, ff.322; 17 June 1685, Vol.90 f.492; 14 Jan. 1686, Vol. 91, f.62.

35. Rawl. A. 257, ff.255,257; D.B., 14 Jan.1682, Vol.91, ff. 59,62.

the Dutch from repeating the event in India. In most of their correspondence of the period, the Court of Directors urged their factors to try the acquisition of a fortified settlement in a bid to defeat the Dutch design.³⁶ In all probability, it was the fear of the Dutch rather than active enmity with the Mughal Empire that was responsible for the precipitation of the war in 1686.

The Directors made extensive preparations for the war and sent to Bengal the largest force which they had yet displayed in the Indian seas. Nicholson, who was appointed Admiral, was despatched first to proceed to Balasore, and having brought away the Company's men and goods, he was to send an ultimatum to the nawab, and if, as was probable, no satisfactory answer was received, the bulk of the force was to proceed to Chittagong and capture the 'town, fort and territory'. The squadron designed for Bengal had consisted of six ships but only half that number reached their destination when the skirmish started in Hugli in October 1686. The English subsequently retired to Sutanuti, 26 miles down the river from Hugli. Negotiations went on but with little result. Soon they burnt the imperial salt houses, stormed the Thana fort and seized the island of Hijli. The Mughals

36. Home Misc., Vol.803, f.507; Rawl. A.257, f.254; D.B., 3 Oct. 1684, Vol.90, f.385; 17 June, 1685, Vol.90, f.492; 14 Jan. 1686, Vol. 91, ff. 46, 62.

failed to expel the English from Hijli and opened negotiations. Meanwhile a fresh naval force was despatched to Bengal under the command of Captain Heath. The Mughal emperor, Aurangzeb, was at this time busy in his Deccan wars and had little time to give attention to a trifling matter in a distant province like Bengal. When he learned of the events, as the English factors reported, 'the King only ordered an exact map to be taken of Hugli etc. and to be sent to him'.³⁷ However, while the negotiations were still continuing, Heath and Charnock with their men attacked Balasore and set sail to seize Chittagong which they found strongly defended. Then the English offered their services to the King of Arakan against the Mughals but were received coldly by the King. Consequently they decided to return to Madras in Feb. 1689.³⁸

The English Company came back to Bengal in 1690 following a peace settlement. They were invited and welcomed by the 'good worthy nawab' Ibrahim Khan, the new subadar of Bengal.³⁹ The emperor accepted the

37. O.C., 25 June 1687, no. 5606, Vol. 47.

38. For detailed account of the war preparations and the course of the war, see, Hedges' Diary, Vol. II, pp.50-87; Wilson, Vol. I, pp.94-125; O.C., Vols. 46,47,48; D.B., Vols 90,91; Rawl. A. 257, ff.253-267.

39. O.C., 1 Feb. 1690, no. 5698, Vol. 48.

'repentance' of the English and wrote to the Bengal nawab that since the English had 'made a most humble submissive petition that the ill crimes they have done may be pardoned', they should be allowed to trade freely as formerly only paying Rs.3,000 in lieu of customs. The hasb - ul - hukm or imperial order was issued in 1691 under the seal of the imperial diwan Asad Khan.⁴⁰ The Bengal factors wrote jubilantly - "(we) received... from Dacca... the copy of the King's hasb - ul - hukm for being freed from custom only paying in yearly peshcash of Rs.3,000 which is an unexpected favour and of what considerable advantage to that Rt. Hon'ble Company no person can be insensible".⁴¹ The Company now settled its headquarters at Sutanuti, the nucleus of the future city of Calcutta, leaving Hugli for good.

The Company's quest for a fortified settlement in Bengal was successful as a result of an unexpected development at the close of the 17th century. The rebellion of Sobha Singh, a zemindar of Chandrakona in Midnapore, in 1696, joined later on by Rahim Khan, an Afghan Chief of Orissa, shook though temporarily the Mughal authority

 40. O.C., 5702, 5704, Vol. 48; Fact. Records, Calcutta, Vol. 1, pt. 11, ff. 93 - 94; Fact. Records, Dacca, Vol. 1, pt. 11, ff. 17 - 22.

41. Fact. Records, Calcutta, Vol. 1, pt. 11, f. 63.

in Bengal.⁴² But it gave the English Company the very opportunity for which it had so long waited. The Company from the beginning remained uncommitted to either side and took a 'most prudent method' in maintaining a friendship with both the parties in such a manner that 'the Raja doth not suspect them and yet the Nawab sends them thanks for their assistance against the Raja'.⁴³ The unimpeded progress of the rebels received its first rebuff from the Dutch who drove them from Hugli and who like the French had already declared themselves against the Raja.⁴⁴ The Dutch, like the French at Chandannagore, had already fortified themselves at Chinsurah near Hugli taking advantage of the general permission to the Companies to fortify themselves.⁴⁵ The English also seized the opportunity to fortify their factory at Calcutta. The Calcutta Council reported in April 1696 - "The nawab having given large liberty for securing ourselves and effects against the Raja, we think we never had so fair an opportunity and plea for building a fortification as this accident

42. For the rebellion and its impact on the trade in general, see, O.C., 6231, 6279, 6311, Vol. 52; O.C., 6408, 6425, 6485, Vol. 53; Fact. Records, Calcutta, Vol. 6, pt.1, ff.20-21, 38-42, 53-54, 58-59, 81, 83, 86-88; pt.11, ff.3-4, 6, 10, 17, 23-24, 32, 35-36, 39, 55, 85.

43. O.C., 30 Sept. 1696, no. 6279, Vol. 52.

44. O.C., 30 Sept. 1696, no. 6279, Vol. 52; 5 Dec. 1696, no. 6311, Vol. 52.

45. Om Prakash suggests (The Indian Social and Economic History Review, Vol. IV, no. 3, Sept. 1967, p.286) that there is no reference of Dutch fortification in the records of the Dutch Company. But it has been mentioned in more than one place in the records of the English Company, vide, Fact. Records, Calcutta, Vol.6, pt.1, f.42; O.C., 5 Dec., 1696, no. 6311, Vol. 52.

occasioned, a matter of great consequence and agreeable for our Rt. Hon'ble Masters' inclinations the which may be managed without any great noise and built in the nature of a factory but equivalent to a strong fort.....".⁴⁶ Of course the Company could not build any 'regular fortification' because, as the factors explained, it could not be expected that the government would allow the erection of a castle or any impregnable stronghold. But what they have done 'will answer the Hon'ble Company's expectations to keep us from the former abuses of the Nawab and faujdars of Bengal, their blocking up our factories and demanding unreasonable and unlawful sums of money from us'.⁴⁷ However, the fortification was followed in 1698 by the purchase of the zemindari of the three villages - Sutanuti, Govindapore, and Calcutta - which gave the Company a definite revenue regarded by Sir Josiah Child as a 'foundation of power'.⁴⁸

Despite the fortified settlement, the Company however could not secure its trade against occasional molestation by local officials in the early years of the 18th century. For many years Aurangzeb had been angered by the depredations of pirates who not only harassed the sea - borne trade in the eastern and western seas of India but also the pilgrim-traffic from Surat to Mecca. The local merchants and officials held the European Companies

46. Fact. Records, Calcutta, Vol. 6, pt. I, f. 42.

47. Ibid., pt II, f.55.

48. D.B., 12 Dec. 1687, Vol. 91, f.472.

responsible for these outrages and petitioned the emperor who was greatly incensed specially by the inroads into the pilgrim traffic. The emperor issued a proclamation at the end of 1701 prohibiting trade of the Europeans and ordering arrest of all of them. Accordingly there followed in Bengal a stop of all trade of 'hatmen'.⁴⁹ At the beginning of 1702 the servants of the Old Company at Patna, Rajmahal, and Kasimbazar were seized with all their effects. But the blow was more severe to the New Company which at one stroke lost not less than Rs. 62,000.⁵⁰ The Old Company retaliated, as a remedy, by detaining all 'moors' shipping bound for Surat and Persia for nine days 'which so alarmed the merchants in Hugli that they presently represented the case to the government'. The action had its desired effect; the government soon waved off the prohibition.⁵¹

The most important development in the annals of the Company's trade in Bengal in the first two decades of the 18th century was the grant of a farman by the new emperor Farrukhsiyar for free English trade in return for a payment of only Rs.3,000 yearly as peshcash. For a long

49. O.C., 24 Dec. 1702, no. 8097, Vol. 65.

50. O.C., 7996, Vol. 64; Hedges' Diary, Vol. II, pp.105-6; Bruce, op.cit., Vol. III, p.506.

51. O.C., 24 Dec. 1702, no. 8097, Vol. 65.

time the English were anxious to secure one consolidated farman enjoining free movement of their trade in the country. The sentiment of the English was expressed in Pitt's (Governor of Madras) letter to 'Zeudy Khan', Lord High Steward of Shah Alam's household, whose help the former sought for obtaining such a farman. In Bengal, as Pitt wrote, they had the King's farman and the Prince's nishan with several Nawab's parwanas for being customs free upon paying three thousand rupees per annum. But still obstructions were put on the English trade at various inland factories. So he expressed the hope that a way might be found in a farman to remove their difficulties in future which would 'lead greatly to the honour of the King and the augmentation of the riches of his country'.⁵² At last, however, Surman embassy which was sent to Farruksiyar was successful in procuring the much - desired farman in 1717.⁵³ The farman is regarded as the Magna Carta of the English trade in Bengal.⁵⁴ It gave de jure recognition to the privileges which the English claimed to have enjoyed since the reign of Shah Jahan.⁵⁵ It

52. Home Misc., Vol. 69, f. 184.

53. For Surman embassy, see, Home Misc., Vols. 69-71; Fact. Records, Misc. Vols. XLX, XX.

54. S. Bhattacharya, The East India Company and the Economy of Bengal, p. 29.

55. For the provisions of the farman, see, Home Misc., Vol. 69, ff.130-31; S. Bhattacharya, op.cit., pp.28-29; Abdul Karim, Murshid Quli Khan and his times, pp.166-67.

contained such significant provision as - "That all the goods and necessaries which their factors bring or carry away either by land or water are custom free, that they may buy or sell at their pleasure'- a concession which, as the English claimed later on, gave them unqualified rights of trade in Bengal.⁵⁶ The free trade of the English on the payment of Rs.3,000 per annum was confirmed but it was limited to export and imports only. The provision therefore seems to have excluded the inland trade and also probably private trade of the servants of the Company. The different interpretation of the farman again led to serious conflicts between the Company and the officials in Bengal later on. Many of the provisions of the farman, however, were not observed and several of them were soon challenged by the diwan and subadar Murshid Quli Khan.⁵⁷ But still it can be said that the farman opened the way for the establishment of commercial and political supremacy of the English in Bengal.

Control and Organisation of factories

Any study in the growth and development of the Company's trade in Bengal is incomplete without an account

56. Home Misc., Vol. 69, f. 130.

57. For Murshid Quli and the working of the farman, see, S. Bhattacharya, op.cit., pp. 30-68; Abdul Karim, op.cit., pp. 166-191.

of the methods of control and organisation of different factories. Already by the early 'fifties, the Company had organised two factories in Bengal - namely, in Hugli and Balasore, both of which were port towns. But as the trade increased both in volume and variety, the Company found it necessary to establish more inland factories to facilitate the procurement of cargoes for home bound ships. Consequently, another factory was established in 1658 at Kasimbazar - the famous centre for silk- for providing silk and piece - goods.⁵⁸ Next year the factory at Patna was settled for the procurement of saltpetre.⁵⁹

In 1668 another factory was established at Dacca. In the early years of the 'sixties of the 17th century the Company was in no mood to increase the number of factories in Bengal. On the contrary, it intended to close down all the factories in the Bay except the one in Hugli in a bid to cut down 'vast charges'. In December 1663 the Directors wrote that the Balasore factory should be dissolved as it was 'altogether useless', and the factory at Kasimbazar to be discontinued since prices of taffaties were high there, and little profit accrued from their sale in London. They also thought that permanent residence at Patna was needless

58. O.C., 2673, 2685, 2691, Vol. 25; occasional agency seems to have been employed at Kasimbazar as early as 1653 or 1654, vide, O.C., 2435, Vol. 24.

59. O.C., 2690, 2691, Vol. 25.

and that saltpetre could be procured by sending there factors in proper season.⁶⁰ Next year they complained of the high prices of taffetas, sannoes and gingham sent from Bengal and that their sale in the London market did hardly give any encouragement to prosecute the Bay trade.⁶¹ The Bengal factors replied that as for reducing the number of factories in Bengal, those at Patna and Kasimbazar could not be given up without losing the trade in saltpetre and taffetas. For each of the commodities advances must be continually made beforehand and the goods came 'dribbling in all the year'. To send factors to these places, as the Bengal Council reported, for a few months only would not suffice; nor would it be safe to reckon on purchasing supplies in Hugli, as there would be no certainty of getting the necessary quantities, while the prices there would be very high.⁶² It may be profitable at this point to look at the investments in different factories and the relative importance of these factories in the trade structure of the Company in Bengal. In 1664 the Bengal General Letter provided the following particulars of commodities which might annually be provided in the Bay 'having a whole stock, at least $\frac{2}{3}$ left in the country' after the despatch of Europe ships⁶³ -

60. D.B., 16 Dec. 1663, Vol. 86, f. 344.

61. D.B., 21 Dec. 1664, Vol. 86, f. 458.

62. O.C., 1 Sept. 1669, no. 3069, Vol. 29.

63. Fact. Records, Misc., Vol. 3, ff. 45-46; Fact. Records, Hugli, Vol. 1, Consult. 20 June, 1663.

Balasore-:

Ginghams	....	6,000	pcs....	at	Rs.80	p.	corge....	Rs.24,000
Cotton Yarn..		500	mds....	"	"	16	p. md.....	" 8,000
Sticklac.....		500	"	"	"	4	"	" 2,000
Sannoos.....		6,000	pcs....	"	"	80	p. corge....	" 24,000
Cowries.....		900	mds....	"	"	10	p. md.....	" 9,000

Hugli-:

Cossaes.....		5,000	pcs..	from	Rs.4	to	8p.pc.....	Rs.30,000
Solampores or Sannoos.....		4,000	" ..	"	"	3 to 4"	".....	" 16,000
Sannoos.....		5,000	"					" 20,000

Dacca-:

Cossaes.....		8,000	pcs..	from	Rs.4	to	10p.pc....	Rs.56,000
Sannoos.....		5,000	" ..	"	"	4 to 8 "	"....	" 30,000
Humhums.....		2,000	" ..	"	"	6 to 12"	"....	" 18,000

Kasimbazar-:

Taffetas Superfine.....		1,000	pcs...at	Rs.12	p.pc.....	Rs.12,000	
Do Fine.....		5,000	"....	"	" 9 "	".....	" 45,000
Do Ordinary..		15,000	"....	"	"4 to 4 $\frac{1}{2}$	p.pc.....	" 67,500
Silk - of 'what fineness and quantity' desired							

Patna-:

Saltpetre.....	Twice boiled, 20,000 mds. with charges about Rs. 2 $\frac{1}{2}$ p.md...Rs.50,000						
Baftaes, Amberties.....	A large quantity. ⁶⁴						

64. There is a note at the end of this account which runs thus-
"prices shown are what they may be bought for at the beginning of the year, but the same sort and goodness to be bought at the time of the arrival of the ships will be 30% to 40% dearer". vide, Fact. Records, Misc., Vol. 3, ff.45-46; Fact. Records, Hugli, Vol.1, Consult. 20 June, 1663.

The main intention of the Court of Directors for establishing a factory at Dacca was not the provision of piece - goods for Europe. In 1664, in answer to the Bengal Agency's enquiry whether they should start investment at Dacca, the Directors asked them to find out whether any quantity of broadcloth and other English manufactures would be saleable there, and if so, that only 'will be the more encouragement for us to order you' to establish the factory there.⁶⁵ One of the main concerns of the Company throughout the period was the very small and limited market in Bengal for European manufactures, and hence it had to import a large quantity of specie and bullion to pay for its increasing investment. So when the Court was informed that Dacca would buy large quantities of English products and that best cossaes, mulmuls etc. might be procured there, they gave permission to start a factory at Dacca. They hoped that the sale of considerable quantity of English manufactures at Dacca would bear the charge of the new factory.⁶⁶

The 'sixties of the 17th century also witnessed the inauguration of a policy by the Court of Directors to encourage sailing of their ships up the river Hugli, which hitherto came upto Balasore only. Unlike the Dutch, the

65. D.B., 21 Dec. 1664, Vol. 86, f. 460.

66. D.B., 24 Jan. 1668, Vol. 87, f. 123.

English Company did not take their ships right upto Hugli for loading and unloading of cargoes. The English Company procured all the export commodities at the various inland factories and brought those mostly through waterways to Hugli. These merchandise were then despatched in sloops to Balasore where the sea - bound ships were laden. Similarly, the commodities imported by the Company were transhipped at Balasore and were taken in small boats to Hugli from whence they were distributed to various inland factories. Thus upto the 'seventies of the century Hugli served mainly as an entrepot port. This caused unnecessary delay in the departure of ships and incurred extra expenditure in the transport of cargoes to and from Balasore. Moreover, the small vessels used for the transhipment of goods were vulnerable to rough weather and were often lost in the course of the journey.⁶⁷ Again these boats, whether private or belonging to the Company, were sometimes requisitioned by the local faujdars or nawabs for their own use, thus making quick loading and unloading, as also speedy departure of ships, impossible. In a letter to the Madras Council in 1665 the Hugli factors reported that one hindrance to

67. D.B., 21 Dec. 1664, Vol. 86, f.458.

the speedy loading of the ships was the fact that the boats built the previous year at Hugli had been 'commandeered' by the governor to fetch the nawab's salt and that 'formerly boats might have been procured here freight, now few or none, arising from ill government of this place'. They suggested that if the ships from England would come into the Hugli river, these difficulties would largely disappear.⁶⁸

The first English ship intended for Hugli was the Lioness despatched in 1650 but fearing the passage to be full of danger, the Agent at Madras did not permit her to attempt navigation of the river upto Hugli, and accordingly she went only upto Balasore Road.⁶⁹ The Court of Directors frequently urged the Bengal factors to see that the ships should go upto Hugli instead of being discharged and reladen at Balasore and thus their business in the Bay would be 'brought into some decorum'. As an inducement, they decided in 1663 to pay 10 shillings per ton extra to the chartered ships for all goods carried direct to Hugli but, as the Court reported, the owners and commanders of the ships were still averse to it.⁷⁰ Seeing that the Dutch ships of 600 tons performed the feat of

68. O.C., 1 Sept. 1665, no. 3069, Vol.29; E.F.I., 1665 - 67. pp. 138-39.

69. O.C., 18 Jan. 1651, no. 2200, Vol. 22.

70. D.B., 31 Dec. 1662, Vol. 86, f. 131; 2 Jan. 1663, Vol.86, f.203; 21 Dec. 1664, Vol. 86, f. 458; E.F.I., 1661 - 64, pp. 290-91; Stevens, "The Port of Calcutta", Journal of Society of Arts, Vol. XLVII, p.635; A.K.Ray, "A Short History of Calcutta", Census of India, 1901, Vol. VII, pt. I, p.113.

sailing up and down the river, one Captain Elliot ventured to essay the task but was prevented by Agent Trevisa who considered the risk too great, much to the chagrin of the Court of Directors. The Captain, however, left a memorandum in Hugli stating that the passage up the river Hugli was hazardless and it was proposed that the vessels should in future go direct to Hugli and that Balasore should be abandoned. This was what the Court had desired for so long and what even the Bengal Council accepted in principle.⁷¹ So the Directors made fresh offers but without much success. The local agents, though aware of the advantages to be gained, sent no ships up the river as they had no pilots. The local pilots were too expensive and the owners refused to risk their ships without proper pilots or charts to indicate the 'depths and sounding'. The Directors, however, were of opinion that the commanders of ships would not attempt it till the prevention of the great private trade the latter were driving at Balasore.⁷² In 1667 the Court built a small vessel, the Diligence, 60 tons, for the purpose of surveying the river and also sent six apprentices to be trained as pilots to navigate in the Hugli river.⁷³ In 1671

71. D.B., 2 Jan. 1663, Vol. 86, ff. 202-3; O.C., 11 Sept. 1669, no. 3344, ff. 9-10, Vol. 30. Fact. Records, Fort St. George, Vol. XLV, f. 177.

72. D.B., 12 Dec. 1677, Vol. 88, f. 516.

73. D.B., 24 Jan. 1668, Vol. 87, ff. 120-21; 20 Nov. 1668, Vol. 87, ff. 202 - 3.

they raised the offer to 20 shillings per ton extra,
besides ordinary freight for all goods carried to Hugli.⁷⁴
The renewed offers of the Company gave an increased
impetus to the navigation of the river and in 1672, in
accordance with the order of the Directors that ships
should go up the river, the Rebecca, a vessel of 200
tons, assisted by the sloop Diligence and chief pilot
Samuel Hacon, made the journey up and down the river in
safety.⁷⁵ But it took the Company a few years more to
make the ships come right upto Hugli for actual loading.
In 1676, in his report of the trade in Hugli, Walter
Clavell was very insistent on the advantage possessed by
Hugli in its navigable river and urged the importance of
having trained pilots to bring the Company's ships^{up} to the
town, thus avoiding trans-shipment of cargoes at Balasore.⁷⁶
In 1678 the ship Falcon piloted by the sloop Arrival got
safely to Hugli with a cargo of bullion and goods valued
at £40,000. But three other ships - Williamson, Nathaniel,
and Society - which came in the same year to Balasore did
not adventure up the river for want of necessary orders
from their owners, though they were requested to do so by
the Council in accordance with the wishes of the Company.
The commanders of these ships, however, came to Hugli on

74. D.B., 18 Dec., 1671, Vol. 87, f. 508.

75. Fact. Records, Hugli, Vol. 7, pt.I, f. 52; E.F.I., new series, Vol. II, f. 342.

76. Fact. Records, Misc. Vol. XLV, ff.320-21; E.F.I., new series, Vol. II, ff.82-83.

sloops and were satisfied with the navigability of the river.⁷⁷ It seems that from the 'eighties of the century it became a general practice for the Company's ships to load and unload in Hugli instead of at Balasore which was henceforward abandoned in favour of Hugli. The navigation of the ships up the river to Hugli was considered very advantageous to the Company as it had 'excellent conveniences for carrying the European commodities up into the inland town and the cities and the like for bringing down the commodities purchased in this or some other kingdoms'.⁷⁸

The Company had to open a new factory at Malda to meet the increasing demand for calicoes. The inception of the factory at Malda in 1676 was mainly due to the initiative and commercial instinct of Streyntsham Master who was sent to Bengal to reorganise the factories there. The Company's servants who had been sent to Rajmahal to superintend the coinage of the English bar silver in the Mughal mint there, had, during their leisure hours, explored the neighbourhood. They reported that 'Malda on the other side of the Ganges, where the Dutch have lately built a factory' was a place eminently suitable for the provision of coarse goods for Europe.⁷⁹ Master seized upon this information as a chance of carrying out the clause in his commission allowing

77. Fact.Records, Hugli, Vol. 7, pt.I, ff.111-15; E.F.I., new series, Vol. IV, pp. 166-67; D.B.:, 12 Dec. 1677, Vol. 88, f.522.

78. Bowrey, op.cit., pp. 166-67.

79. Fact. Records, Misc, Vol. XIV, ff. 135-36; Master's Diary, Vol. I, p.398; Fact. Records, Kasimbazar, Vol.I, Consult. 14 Oct. 1676.

him to purchase any goods suitable for the home markets not hitherto imported into England.⁸⁰ He proposed that several hundreds of rupees should be invested in samples of goods to be procured at Malda and that these samples should be forwarded for the Company's inspection and approval. He asked Richard Edwards, who was bound for Rajmahal in charge of the Company's bullion, to provide the samples at Malda and to find out how the trade of the place was conducted so that the Council might judge the advisability of making a settlement there.⁸¹ The proximity of Malda to the mint was an important factor in the eyes of the Council, for should the place prove to be commercially valuable, it would be definitely more convenient to consign the bar silver there than to send it to Rajmahal where it had to be carefully guarded until the Mughal officials were pleased to coin it.

Richard Edwards sent samples of goods as also a report on the trade of Malda. He stated that Malda drove a thriving trade in Cossaes, mulmuls, elatches etc. with merchants from Gujarat, Agra and Benaras, the goods being conveyed both by land and water. He detailed the lengths and breadths of the various kinds of goods usually made but added that there would be no difficulty in getting the local

80. Master's Diary, Vol. I, pp.204,216; D.B., Vol. 88, ff. 287, 295.

81. Fact. Records, Misc, Vol. XIV, f.136; Master's Diary, Vol. I, pp. 398-99.

weavers to make cloths of different dimensions and patterns if desired. But he held out very little hope of trading by barter, 'the vend of imported goods' being very inconsiderable; neither did he consider the soil of the district suitable for making saltpetre. On the whole, his report on Malda as a centre of cotton goods was sufficiently favourable to warrant the settlement of a factory there.⁸² As regards the settling of the factory, the Court asked the Bengal Council whether trade there would 'answer the charge' and their business might not as effectually be done by sending some persons at the proper season to make investment without being at the charge of maintaining factors there all round the year. The Directors wrote "....".... for by experience we find that the multiplying of factories doth augment our charge, divide our stock, and cause many debts". But the particular inducement for which the Court was inclined to settle a factory at Malda was that 'the (Malda) goods of which you sent us musters are very well liked of here and therefore we have ordered a large quantity thereof to be provided, to which end we order that you invest there of the stock we now send you in the goods we write for to the value of 80 or 100,000 Rupees"...⁸³ The official commencement of the factory was

82. Fact. Records, Misc., Vol. XLV, ff. 334-37; Master's Diary, Vol. I, pp. 399-402.

83. D.B., 12 Dec. 1677, Vol. 88, f.519.

made in December 1679 when Master made Fytche Nedham the chief of the factory there and in 1680 the Company established a permanent factory there.⁸⁴

As noted earlier, when the Company returned to Bengal in 1690 after the war, it settled its headquarters at Calcutta, leaving Hugli for good. As a centre of English trade, Hugli had several limitations. It was separated from the sea by a long and dangerous river journey; secondly as it stood on the west bank, it was open to attack from land. Calcutta, on the other hand, was much nearer to the estuary and free from the operations of the European rivals as well as the Marathas and the nawabs of Bengal. Moreover, the position of Calcutta at the lower reaches of the river made deep water channels and anchorages available which were lacking in Hugli. The settlement of the English at Sutanuti, however, led to resentment among the local merchants and officials who thought, perhaps not wrongly as later developments proved, that this would utterly ruin 'Bunder Hugli by drawing down the whole trade from thence'. The English tried to appease local officials by pointing out that there were several merchants such as the Dutch and French sufficient to keep

84. Fact. Records, Malda, Vol. 1, Consult. 22 April, 1680. The assertion of Yule (Hedge's Diary, Vol. III, p. 195) that the factory was built in 1676 is wrong, vide, Master's Diary, Vol. II, p.337; Fact. Records, Hugli, Vol. 2, pt II, f.14; O.C., 4682, Vol. 40; Firminger, "Malda Diary and Consultation Book", J.A.S.B, new series, XIV, 1918, pp.3-4.

the trade running in Hugli. They tried to justify their withdrawal on the ground that the factory and ground in Hugli was too small for them, that the passage up the river was difficult for their ships to navigate and that the proximity of the governor's house to their factory was a source of constant trouble.⁸⁵ However, in 1700 the Company made Fort William (ie. Calcutta) as the seat of a new Presidency independent of Madras and the Bengal trade was now pursued with a new vigour.⁸⁶

Expansion of Bengal Trade

After the establishment of the factory in Hugli in 1651, the factors of the Company began trade operations on a serious scale. But as yet they were not well informed of the behaviour of the local markets and the commercial methods. As Captain Brookhaven instructed James Bridgeman and others in Bengal - "Whereas it is the design of our Masters, the Honourable Company, to advance and increase their trade in these parts of Orissa and Bengal, you are by all possible means to endeavour more and more to inform yourselves how best and most profitably to carry on the trade thereof".⁸⁷ At

85. Fact. Records, Calcutta, Vol. 5, pt. I, ff.28-29.

86. D.B., 20 Dec. 1699, Vol. 93, ff.249-51.

87. O.C., 14 Dec. 1650, no. 2186, Vol. 22; E.F.I., 1646-50, p.332.

this time the Company was interested mainly in the procurement of saltpetre, silk and sugar, but not so much in piece - goods for Europe investment. Particular directions for investment in these commodities were also given, specially to invest money in the best time of the season. Moreover the factors were instructed to invest at least half of their stock only in saltpetre and try to refine it in Hugli. They were further asked, in case they ran into debt, to do so for this commodity only, though the Company preferred to avoid debts because of the high rate of interest in Bengal.⁸⁸ Besides salt-
 petre, they were to invest the other half of their stock in the following manner - $\frac{1}{6}$ in silk, $\frac{1}{6}$ in sugar, $\frac{1}{6}$ in cloth (specially sannoes and addaties). Soon the Company bought a country vessel of 70 tons, renamed it as Transport, which was to sail to and from Hugli for carrying saltpetre and other commodities. But in these early years the Company's stock in Bengal was very small. To obviate the difficulty of small stock for investment, the Company instructed Pegu factors to raise money on their goods and transmit the proceeds to Bengal by bills of exchange. In 1652 the stock intended for Bengal was only £7,000 which was to be invested in commodities half for England and half for Pegu.⁸⁹

88. O.C., 14 Dec. 1650, no. 2186, Vol. 22; E.F.I., 1646-50, pp. 332-34.

89. O.C., 14 Jan. 1652, no. 2246, Vol. 22; E.F.I., 1651-54, p.97.

For some years in the early stage little benefit resulted to the Company from its Bengal trade mainly due to the large amount of private trade carried on by its servants. However, its importance began to grow once the Company and its factors realised that Bengal commodities were in great demand in Europe. The factors themselves were, as always, hopeful of driving an extensive and profitable trade in Bengal. In 1654 they wrote home - "These places of Bengal and Orissa sufficiently manifest that there is room for the employment of a very great stock; where although the Dutch invest at least 200,000 sterling yearly, nevertheless Your Worships supplying this place with stock sufficient and honest men to manage it, will soon find as great business and as much profit". They were shrewd enough to realise the prospects of Inter - Asiatic trade which would pay for the charges of maintaining factories in Bengal. They further wrote that with a largely increased commerce it would be easy to gain the favour of those in authority and secure the trade from interruptions whereas 'mere residencies without funds to employ, though the charges are heavy, produce nothing but disappointment'.⁹⁰

90. O.C., 28 Dec. 1654, no. 2435, Vol. 24; E.F.I., 1651-54, p. 304.

But in 1655 came the partial collapse of the Company in England; orders were sent out for the abandonment of the factories in Bengal. The Madras Council complained that the sums Bengal factors had paid for exemption from customs would counterbalance the profits of the trade and would be a benefit to the latter's private trade rather than to the Company's investment.⁹¹ In fact, Bridgeman and his colleagues in Bengal were acting irregularly and dishonestly. When called to account, two of them, Bridgeman and Blake, deserted the Company's service without offering any explanation.⁹² In 1657, the year the Madras Council was thinking of withdrawing from Bengal, the Company of merchant adventurers was amalgamated with the original Company in England. The grant of a new charter by Cromwell in that year put new life into the Company and enabled an effective trading stock to be raised. A commission was appointed in Bengal to enquire into the misdemeanours and corrupt practices which had been going on there, and to prevent further irregularities, private trade on the part of Company's servants was prohibited and their salary increased. In their letter of 31 Dec. 1657, the Court of Directors made Bengal an agency independent

91. O.C., 18 Jan. 1654, no. 2360, f.8, Vol. 23; Bruce, op.cit., Vol. I, p. 485; Wilson, op.cit., Vol. I, p. 28.

92. O.C., 10 Nov. 1656, no. 2579, Vol. 25; Wilson, op.cit., Vol. I, p. 28; Hedges' Diary, op.cit., Vol. III, pp. 187-88.

of Fort St. George.⁹³ At first all seemed to go well with the Company's trade in Bengal. "Bengal," the factors wrote home, "is a rich province. Raw Silk is abundant. The taffaties are various and fine. The saltpetre is cheap and of the best quality. The bullion ^{have} and pagodas you have sent/had an immediate and most favourable effect on the trade; the goods have been sold at great advantage. Our operations are growing so extensive that we shall be obliged to build new and large warehouses".⁹⁴ The stock furnished for investment also began to rise quite considerably. In 1658 it amounted to £23,000.⁹⁵

Throughout the 'sixties of the 17th century, the brightening prospect of the Company's trade in Bengal steadily increased owing partly to the Company's resolution to enlarge their operations in the Bay and partly to the growing demand for Bengal goods in England and Europe. In England, the restoration of the Stuarts in 1660 ushered in a period of political support for the Company. The new charter in 1661 granted them exclusive and monopolistic trade with the East Indies and empowered them to erect fortifications "within their limits".⁹⁶ There was a steady increase in the

93. D.B., 31 Dec. 1657, Vol. 84, f. 387.

94. Bruce, op.cit., Vol. I, pp. 544, 550, 560; Wilson, op.cit., Vol. I, p. 34.

95. O.C., 11 Sept. 1658, no. 2665, Vol. 25; E.F.I., 1655-60, p. 191.

96. Bruce, op.cit., Vol. I, pp. 556-58.

inflow of stock for investment in Bengal. In 1662 stock furnished amounted to £25,000; in 1668 it was valued at £34,000 besides the permission given to take up to £10,000 at exchange. Next year it rose to £40,000, and in addition liberty was given to take up £10,000 at exchange.⁹⁷ But even this stock was considered insufficient by the factors, and frequently they complained to the Court of Directors of the general smallness of stock available for investment in Bengal. The factors of the Dutch Company wrote home in 1660 that the English trade was of small importance and that they were not apprehensive of an effective competition by the English Company as the latter was "always short of money".⁹⁸ The English factors were insisting on larger stock to keep the weavers and sañtpetremen in 'constant employment' as otherwise they would be lured away by the Dutch whose trade was yet much larger than that of the English.⁹⁹ Meanwhile the factors complained of oppressions and exactions by the new nawab Shaista Khan to please whom they had to give expensive presents. They requested for larger stock as they thought 'greatness of the expense might be buried in the vastness of investment'.¹⁰⁰ As to the want of stock and of

97. D.B., Vol. 3, f. 92; Vol. 4, ff. 201, 303-4.

98. Dutch Records, (India Office Library), Vol. 23T, Letter no. DCII.

99. O.C., I Sept. 1665, no. 3069, Vol. 29; 16 April 1669, no. 3265, Vol. 30; E.F.I., 1668-69, p. 315.

100. O.C., 12 April, 1666, no. 3168, Vol. 29; E.F.I., 1665-67, pp. 257-58.

credit to supply it, the Directors replied that the extraordinary expense and presents to local officials 'ate up' most of the stock intended for investment in commodities.¹⁰¹

The two decades following 1670 were of considerable significance in the annals of the Company's trade in Bengal. There was an enormous increase in the trade handled by the Company which, after its expulsion from Bantam in 1682, concentrated more and more on trade in India, specially the Bengal trade. Even in 1672 the Dutch trade was far greater than that of the English Company. But after ten years English trade/^{had}so much increased that it was reported to have exceeded that of the Dutch.¹⁰² Of course, there were factors which inhibited the Company's investment in Bengal. As early as 1670 the Directors wrote to Hugli that 'India - goods are much fallen in price due to the great striving for India trade by European nations'.¹⁰³ Moreover the Company's trade was hindered by extensive private trade by its servants as also by the great Interloping activities in Bengal. Yet on the whole, during these two decades there was a definite progress marked by extensive trade activities. In

101. D.B., 7 Dec. 1669, Vol. 87, f. 303.

102. Fact. Records, Hugli, Vol. 4, f. 5; Vol. 8, pt III, f.13a

103. D.B., 29 Nov. 1670, Vol.84, f. 404.

1671 the stock furnished for Bengal was valued at £57,000 besides which permission was given to borrow money at interest from local merchants, if the factors failed to procure bills of exchange. However, the Company asked them to avoid, if they could, taking up money at a high rate of interest.¹⁰⁴ In 1675 the stock intended for Bengal was £85,000 and next year it increased to £110,000. In 1677, however, the Directors reduced it to £92,000.¹⁰⁵ On June 28, 1676 they wrote to Surat - "For some years past we have endeavoured to drive as full a trade for India as the market in Europe would bear, not only for our own advantage but for increasing the trade of the nation..... But we now by experience find that should we continue the bringing home such quantities as we do expect and had advised for, we cannot possible have vent for them in Europe, specially considering the competitors we have in that trade and the great war and troubles....."¹⁰⁶ From 1678 to 1680 the stock sent to Bengal was on an average about £110,000 yearly.¹⁰⁷

A new impetus to English trade in Bengal was given by the Directors in 1681 when they declared that they designed 'a great encouragement of our trade in the

104. Ibid.

105. D.B., Vol.88, ff. 155, 237 - 38, 390.

106. D.B., 28 June, 1676, Vol. 88, f. 309.

107. D.B., 12 Dec. 1677, Vol. 88, f. 521; 3 Jan. 1679, Vol. 89, ff. 23, 36; 31 Dec. 1679, Vol.89, f. 146.

Bay and yearly to increase therein'. In that year a vast stock was sent to Bengal amounting to £150,000 which 'is a far greater stock than ever went from England into those parts'. Besides, the Bengal factors were given liberty to raise money at interest to the value of £30,000 - £40,000.¹⁰⁸ Of this stock, £80,000 was ordered to be sent to Kasimbazar alone - 'it being a trade that we can with more advantage expatiate in (specially in Raw Silk, and black and coloured taffaties) than in any trade of India whatsoever'.¹⁰⁹ In its letter of Nov. 1681, the Court made Bengal a distinct agency independent of Fort St. George and decided to send £250,000 to Bengal for investment in the year 1682. They further asked the factors to take up money ^{at interest} upto the value of £100,000 to be invested only in raw silk.¹¹⁰ The total stock was to be distributed to the different factories in the following manner -

Kasimbazar	-	£140,000
Patna	-	£ 14,500
Malda	-	£ 15,000
Ballasore	-	£ 32,000
Dacca	-	£ 16,500
Hugli	-	£ 12,500
		<hr/>
		£230,500

108. D.B., Vol. 89, ff. 270-72, 277, 330.

109. D.B., 5 Jan. 1681, Vol. 89, ff. 278-79.

110. D.B., 14 Nov. 1681, Vol. 89, ff. 394-95, 404, 419; Bengal was made a seperate agency in July 1682 with the arrival of Agent Hedges, vide, O.C., 4830, Vol.42.

And the remaining part of the stock was to be invested in raw silk at Kasimbazar.¹¹¹ The motive behind the enlargement of the Bay investment was also for obviating 'the designs of the Interlopers and the Dutch'.¹¹² The Directors further intended to increase the Bengal stock to £500,000 or £600,000 in future for 'We know very well that full purses and well stored warehouses are the most admirable tools that anyone can use to abate interest in India'. But it seems they did not succeed entirely in sending such a large stock to Bengal. They asked the Bengal factors to take up as much money at interest as they needed and to keep the weavers and saltpetremen in 'constant employment' lest the latter be enticed by the Dutch or other merchants.¹¹³ The Company was well aware that a 'double stock' in any part of India was profitable specially in the Bay where there was such a variety of commodities and the rate of interest so very high. But as the Directors pointed out, two factors inhibited such a venture - absence of 'an infallible security of our estate and privileges from the governors or force of the Dutch, and lack of fidelity and truth of the Chief and Council'.¹¹⁴ In 1686 the stock sent for Bengal was small. The reasons for so little stock, as the Court of Directors

111. D.B., 18 Nov. 1681, Vol. 89, ff. 422-23.

112. D.B., 18 Nov. 1681, Vol. 89, f. 425.

113. D.B., 6 Sept. 1682, Vol. 90, f. 35; 30 May 1683, Vol. 90, f. 159.

114. D.B., 21 Dec. 1683, Vol. 90, f. 246.

explained, were that they were apprehensive of a conflict with the Mughals in Bengal and so did not want to risk any 'considerable value'; secondly, there was vast quantity of different kinds of goods upon the Company's hands and now that the Interlopers were 'perfectly subdued', it did not want to burden itself with multitudes of goods.¹¹⁵

Bengal trade was so lucrative that the Company could hardly withdraw totally from it. Even during the war it tried to procure Bengal commodities at Ahmedabad and Madras through Armenians and other indigenous merchants as also through European free traders.¹¹⁶ In 1689 the General and Council of Bombay wrote that the Bengal trade was of 'great import to our Masters' and that it was 'so choice a jewel in the Company's trade'.¹¹⁷ The Directors thus admonished the Bengal Council in 1691 - "You have almost ruined us soon after the last war by lying still and treating and talking and spending a great deal of money and time while you might have loaded the Beaufort and Rochester home to us which if you had done at that time the profit of those two ships arriving here would have defrayed half the charge of the war on that side of India though it was very great".¹¹⁸ So it is

115. D.B., 14 Jan. 1686, Vol. 91, f. 32.

116. D.B., Vol. 91, ff. 303-4, 395-96, 424, 470, 577; Vol. 92, ff. 148, 179, 197.

117. O.C., 4 Dec. 1689, no. 5686, Vol. 48.

118. D.B., 18 Feb. 1691, Vol. 92, f. 147.

obvious that the Bengal trade was extremely profitable to the Company. In 1698 the Court of Directors decided to send £200,000 to Bengal for investment in different commodities.¹¹⁹ But at the close of the century rivalry and animosity among Englishmen at home led to the birth of a new Company, popularly known as the 'English Company' as opposed to the Old Company which was now obliged to assume the title 'London Company'. In 1698 the New Company was promulgated by a charter as an exclusive Company trading on a joint stock under the name of the 'English Company Trading To The East Indies'.¹²⁰ The two separate Companies now tried to ingratiate themselves in official favour and to outbid each other in trade with separate factories in Calcutta and Hugli. The English Company sent Sir William Norris as ambassador to emperor Aurangzeb to secure trading privileges but with little success.¹²¹ However, the two Companies were amalgamated in 1702 as the 'United Company of Merchants of England Trading To The East Indies'. Finally the union of the two Companies was consummated by the award of Goldolphin in 1708-9.

119. D.B., 28 Oct. 1698, Vol. 93, f. 120.

120. For the circumstances leading to the birth of the new Company, see, Bruce, op.cit.; Vol. III, pp. 251-60; Wilson, op.cit., Vol. I, pp. 151-52; Hunter, History of British India, Vol. II, pp. 306-10, 319-20.

121. For Norris Embassy, see, H. Das, The Norris Embassy to Aurangzib, 1699 - 1702.

Despite occasional hindrances to English trade referred to earlier, the investment of the old and new Companies was almost steady without any remarkable reduction during the first decade of the 18th century. On an average the old Company (as also after the amalgamation of the two Companies) invested over £200,000 yearly in Bengal commodities.¹²² Sometimes, of course, the Company had to reduce tonnage and investment in Bengal due to unfavourable circumstances in Europe or England. In 1706-7 the Company sent a small quantity of tonnage in comparison to what was usually sent and the sum for investment too was considerably reduced. The reasons for such reduction in tonnage and investment as the Directors stated, were the heavy duties on almost all sorts of goods, the dullness of market in Europe, and the scarcity of silver.¹²³ An interesting feature of this decade was that more and more emphasis was put on the Bengal trade with a corresponding reduction of the Madras trade. The point is illustrated by the fact that in 1708 out of a total stock of £300,000 for Coast and Bay investment, £210,000 was allotted to Bengal, while the remaining £90,000 was sent to Madras. Next year, similarly out of the total amount of £300,000 for the Coast and Bay, £240,000 was for Bengal, while £60,000 was allotted to Madras.¹²⁴

122. D.B., Vol. 93, f.311; Vol. 94, f.447; Vol. 96, ff.94, 253, 465, 652.

123. D.B., 18 Jan. 1706, Vol. 95, f.512.

124. D.B., 7 April 1708, Vol. 96, f.253; 4 Feb. 1709, Vol. 96, f.465.

In the second decade of the 18th century there followed again a progressive development of the Company's trade in Bengal. The investment of the Company throughout this decade was on an average well over £200,000 yearly. The following table would indicate the expansion of the Company's trade in Bengal and the emphasis given on this branch of trade as compared to that in Madras - ¹²⁵

Stock sent to

<u>Year</u>	<u>Bengal</u>	<u>Madras</u>	<u>Total</u>
1710	£180,000	£ 80,000	£260,000
1711	£180,000	£ 90,000	£270,000
1712	£170,000	£105,000	£275,000
1713	£120,000	£ 98,000	£218,000
1714	£150,000	£100,000	£250,000
1715	£200,000	£110,000	£310,000
1716	£200,000	£100,000	£300,000
1717	£270,000	£130,000	£400,000
1718	£250,000	£138,000	£388,000
1719	£257,000	£191,000	£448,000
1720	£150,000	£150,000	£300,000
1721	£200,000	£100,000	£300,000
1722	£270,000	£120,000	£390,000

It is clear from the above table that Bengal was gaining more and more importance in the trade complex of the Company. Indeed by the end of our period the trade of the Company in Bengal surpassed and far outshadowed that in either Madras or Surat both in value and magnitude. As a matter of fact,

 125. Collected from D.B., Vol. 96, f.652; Vol. 97, ff.124,431, 769; Vol. 98, 192,452,778; Vol.99, ff.73-74, 362,632; Vol. 100, ff.136, 179,565; Vol 101, f.132.

right from the beginning of the 17th century the Company was giving more and more emphasis on the Bengal trade. In Surat - political instability, Maratha threat, oppression of local governors coupled with and aggravated by the enmity of the indigenous merchants - and in Coromandel - local feuds and internecine wars - injected an element of uncertainty in the trade of those two centres and a corresponding stimulus to trade in Bengal which enjoyed a relative political stability. In fact, the chief importance of the Bengal trade, so far as the English Company was concerned, was that it was an expanding trade. The Dutch who were the most formidable rival of the English Company in Bengal in the second half of the 17th century failed to keep pace with the expansion of the English trade in the early 18th century. The steady growth of the demand for Bengal goods in the European markets was yet another inducement for the English Company to concentrate more and more on the Bengal trade. The culmination of the English trade in Bengal was precipitated after the battle of Plassey which gave them political suzerainty in Bengal through which they had at their disposal the entire resources of the country for the establishment of a commercial and political hegemony.

Chapter IVBengal Merchants and Commercial Organisation

An attempt is made in this chapter to analyse the trading activities of the Bengal merchants and examine the nature and character of their commercial organisation vis - a - vis the English East India Company trading in Bengal. The appearance of the European Companies gave rise to a new situation in the commercial life of Bengal in the second half of the seventeenth century. These Companies entered the market as buyers and sellers of goods and created problems in ^{their} supply and delivery. There is evidence to show that the quantities of goods entering trade flows were now greater than before, and the increased demand put great pressure on supplies. Again, the Bengal merchants, who had a long experience of dealing with individual traders from various parts of Asia, had to deal for the first time with foreign Companies of monopolistic merchant capital during this period. It will be our aim to study the response of the traditional merchants in their methods and organisation of trade to this new situation.

The activities of the Bengal merchants had certain distinct features. They acted as brokers to the European Companies which could not deal directly with the producers

for provision of goods for Europe. But they were not merely brokers but also traders operating exclusively with their own capital. All of them were primarily merchants - buyers and sellers of different commodities, and their business extended to any class of goods which was expected to yield a profit. They also acted simultaneously as shroffs or money - changers and bankers, received deposits and arranged remittances by means of bills of exchange or letters of credit on their various agents in the different trade marts of Bengal. Occasionally they served as middlemen, specially in the transactions between the European Companies and the ruling class. These Companies, on their part, on various occasions made use of the merchants' influence with the ruling nobility to win favour or privileges for them. But despite that, the European Companies most often mistook the Bengal merchants as mere brokers and tried, though unsuccessfully, to coerce them into submission following trade disputes. Time and again they tried to break the rings and bargaining position of the Bengal merchants, specially their monopolistic designs but only in vain. Throughout the period the Bengal merchants maintained their credit and influence quite independent of the European Companies.

The term 'Bengal merchants' is used here in a wide sense and includes all the indigenous merchants trading

in Bengal as opposed to the Europeans. We shall discuss the subject under the following heads- 1. Bengal Merchants and the English East India Company. 11. Bengal merchants' trade on their own account i.e. their overseas trade. 111. some estimate of their wealth and iv. finally our conclusions.

Bengal Merchants and the English East India Company

In this section we shall discuss the activities of several important merchants in different trade marts of Bengal, specially with reference to their relation and transaction with the English East India Company. Every important merchant, it appears, had one main centre for his activities though he managed his commercial organisation through a network of gomastas or agents in almost all the trade centres of Bengal.

The two Balasore merchants, Khemchand and Chintaman Shah, played a significant role in the commercial life of Bengal in the second half of the seventeenth century. These two merchants were generally referred to in the records of the English Company as 'Chimcham' and 'Chintamund Saw'. They were the most influential merchants at Balasore on their own account, taking a prominent part both in the internal and external trade of the country, sometimes trading jointly and at other times on separate accounts. For many years they were the principal brokers to the English Company

at Balasore for providing commodities for the investment of the Company. But their role as independent traders and merchants was no less important than that as brokers to the Company. Perhaps that was the reason why they could bargain effectively with the Company, even in the face of the threat of being deprived of their position as chief brokers.

Of the two merchants, Khemchand seems to have enjoyed greater repute and better position than his partner and colleague Chintaman. As early as 1669 Khemchand entered into an engagement to supply goods for the Company's investment.¹ Generally this investment at Balasore at this period consisted mainly of such piece - goods as sannoes, nillaes, and gingham, and occasionally, if cheap and of good quality, doreas and cossaes also.² Khemchand was mentioned in the records of June that year as 'chief merchant of Balasore'. But soon the Company became concerned at the high rates charged by him, and the Hugli factors wrote in October 1670 that they endeavoured 'to redress by drawing the provision out of Khemchand's hands, whom we find not fitting to be much longer employed in your business'.³ However he still enjoyed in 1672 the title

1. O.C., 28 May 1669, no. 3282, Vol. 30; 12 Oct. 1669, no. 3352, Vol. 30.

2. The Company made an agreement with the Balasore merchants on 2 Oct. 1680 for the provision of 10,000 gingham, 14,000 nillaes and 15,000 sannoes, vide, Fact. Records, Balasore, Vol. 1, Consult. 2 Oct. 1680.

3. Fact. Records, Misc., Vol. 3, f. 140.

of chief broker and merchant to the Company. In that year when Safsi Khan succeeded Safi Khan as the governor of Orissa, Khemchand and two other merchants, Haricharan and Jairaj Shah, accompanied Boremull (? Puranmall) to Cuttack to obtain a parwana for the English trade in that province.⁴

The financial position of the Company at Balasore was precarious throughout the year in 1673. On the onehand, the provision of cargo for an unusually large number of ships which had arrived at the end of the previous year⁵ had depleted the sources of the Balasore factory, on the other, due to the Dutch war, no money was available on bills of exchange from the Dutch who usually provided funds to the English Company in this way. The Balasore merchants provided the commodities for the Company's investment accepting payment half in Europe - goods and half in ready money.⁶ But now Khemchand was unwilling to provide any investment for the Company without an advance of cash. The disappointed factors reported- 'Khemchand keeps aloof off and seeing we have no money to advance here is unwilling to take off our goods'.⁷ However, the Company was finally

4. Fact. Records, Hugli, Vol. 7, pt. 1, ff. 34-40; E.F.I., new series, Vol. II, p. 339.

5. Six ships came to Bengal in 1672 and left with a cargo valued at about Rs. 547,718, vide, E.F.I., new series, Vol. II, p. 343.

6. Fact. Records, Misc., Vol. XLV, f. 324; Master's Diary, Vol. II, p. 86.

7. Fact. Records, Hugli, Vol. 4, pt. 1, f. 54.

able to barter some of the lead and broadcloth for piece - goods but this resulted in a financial loss of about 20% for the Company.⁸

Khemchand was seldom subservient to the Company and owed his position as a merchant and banker independent of the English. Streyنشam Master, who was in Bengal during 1676 - 80 to reorganise the Company's trade, reported that Khemchand and Chintaman were the only 'money'd men amongst the merchants' at Balasore and that there were 'no other merchants so able and capable to procure the said goods or that can undertake them cheaper'.⁹ He stated on 30 August, 1676 that Khemchand was 'very high and indifferent whether he dealt with the Company or not'.¹⁰ However, in order to prevent bad debts by which the Company suffered considerably at Balasore, Master entered into a contract with the Balasore merchants in which he insisted that for all money 'advanced on account', the leading merchants, Khemchand and Chintaman Shah, should be mutual securities, both for their own transactions as well as those of their less wealthy colleagues. According to this agreement, the investment was to be divided into ten parts, viz. four parts to be assigned to Khemchand, two to Chintaman and the

8. *Ibid.*, Vol. 4, pt. I, f.4.

9. *O.C.*, 1 Sept. 1679, no. 4647, Vol. 40; Master's Diary, Vol. I, p. 101; Vol. 11, pp. 217, 219.

10. *Fact. Records, Misc.*, Vol. XIV, f. 48; Master's Diary, Vol. I, p. 303.

remaining four among the smaller merchants at the joint discretion of the Chief of the factory, Khemchand and Chintaman. These merchants obliged themselves, in return for a full advance on the whole investment, to repay any arrears within a month after the departure of the ships for Europe, and in default, to pay $1\frac{1}{2}$ p.c. interest until the arrears were settled. Failure to supply goods contracted for entailed forfeiture of the merchants' share or shares, as the case might be, in the investment. The contract was to remain in force during the Company's pleasure 'unless the merchants through their defaults shall cause a breach thereof'.¹¹

A careful analysis of this contract between the Company and the Balasore merchants brings to light certain interesting points. Khemchand was, with little doubt, the most influential merchant and the chief broker to the Company in Balasore and was responsible for providing 40% of the Company's investment. Chintaman was only next to Khemchand in influence and credit providing 20% of the investment. In the selection of other merchants for providing investment, both Khemchand and Chintaman, besides the chief of the factory, had

 11. B.M. Addl. Mss., 34,123, ff. 43a - 44a; O.C., 3 Sept. 1679, no. 4648 Vol. 40; Master's Diary, Vol. 11, pp.222-4.

an effective voice. But they had no right to terminate the contract, even if they desired to do so, and were thus tied down to the Company. Thus Master sought to protect the Company by this contract from loss through 'persons of small or no estates employed in the investments' by taking security of Khemchand and Chintaman on behalf of other merchants.

Notwithstanding the contract, Khemchand and Chintaman could, however, exert their independence, as they refused, to the surprise of the Company's factors, to stand security for three merchants 'since their affairs were esteemed desperate'.¹² Again they refused to give security for some merchants fearing the latter would supply inferior goods. The Hugli Council appreciated this stand of Khemchand and Chintaman which is evident from their letter of Oct., 1679 - "We admire Khemchand and Chintaman should refuse to be security for those persons who provide any goods of the investment enordered with you..... The security desired, you may tell, was for persons, which, when they have considered, we suppose, they will not be so scrupulous as you now represent'.¹³

The Hugli Council gave permission in 1678 to
 Khemchand and his fellow merchants to build^a/warehouse

12. O.C., 1 Sept. 1679, no. 4647, Vol. 40; Master's Diary, Vol. I, p. 101; Vol. II, p. 219.

13. O.C., 1 Oct. 1679, no. 4659, Vol. 40.

in the Balasore factory 'at their own charge' for various goods for investment to be stored in 'until they were priced'. The main condition attached by the Council for building this warehouse was that the merchants had to do it in the Company's name, and that they could bring or put no other goods therein except in case of 'very great exigency and then to advise and have licence from Hugli for their so doing'.¹⁴

Khemchand not only provided investment for the English but sometimes he used to purchase Europe - goods from the Company for trading in those articles in the country. At one time he proposed that he might be allowed to buy the entire supply of broadcloth (which formed quite a substantial part of the Company's imports to Bengal) imported yearly by the Company. He made this proposal to the English as early as 1675 but nothing seems to have come out of it, and in 1677 the Company rejected his offer and entered into a contract with Sukanand Shah, an eminent merchant and shroff at Kasimbazar, who bought all the broadcloth imported to Bengal.¹⁵ Khemchand, however, had to accept Europe - goods in part payment for the Company's investment and he used to sell these commodities

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14. O.C., 15 Nov. 1678, no. 4522, Vol. 39; Fact. Records, Hugli, Vol. I, Consult. 14 Nov. 1678.
 15. Fact. Records, Kasimbazar, Vol. I, Diary & Consult., 28 May, 16 June, 9 Aug., 13 Aug. 1677; Fact. Records, Balasore, Vol. I, Consult., 28 July, 1677.

in the inland markets,¹⁶ though sometimes the 'clogging of them' in the hands of the Indian merchants (as these articles had little sale in Bengal) was a positive deterrent for their continued sale to the traders by the Company.

That these two Balasore merchants were very influential is evident from the fact that they acted as brokers between the Company and the prospective buyers, specially when the latter were high officials of the state. In 1673, in order to avoid difficulties in financial transaction, the Hugli Council instructed Hall in Balasore that if Malik Qasem (at that time faujdar of Balasore) wanted to buy guns from the Company he must pay cash, or Khemchand should buy them for him. The Company decided that Khemchand could buy as many guns as he wanted at eight rupees a maund, but Raja Mansingh, another prospective customer for whom Khemchand was acting as a broker, would have to pay nine rupees per maund.¹⁷ In 1679 Chintaman approached the Balasore factors with a letter from Malik Qasem desiring to provide the latter with a quantity of iron ordnance. The factors declined to deal with the

16. In 1677 the Kasimbazar Diary noted that Khemchand used to send Europe - goods there for sale through his gomastas, vide, Fact. Records, Kasimbazar, Vol. I, Diary, 18 Sept. 1677.

17. Fact. Records, Hugli, Vol. 4, pt. 1, f. 98; E.F.I., new series, Vol. II, p. 365.

governor except through the brokers and finally transacted the business through Khemchand and Chintaman.¹⁸ In the same year in regard to a dispute with the Dutch concerning a house and a piece of ground in Balasore, the factors were directed to get the Quanungo's chaup, if necessary, by means of Khemchand or Kalyan Ray.¹⁹

Khemchand and his fellow merchants often formed rings and bargained effectively with the Company which had to yield, though very reluctantly, to their terms. In 1680, inspite of all persuasion and threats used by the Company, the merchants 'obstinately refused to give any more than 208 (rupees) for 100 p. Rials....unanimously joining together and with one consent declaring as much....'²⁰ The Balasore merchants were shrewd enough to realise that time was on their side and that the Company would have to yield if it did not want to lose the full investment for the year. The Company ultimately surrendered with the following remark;... delay in a business of such import being of consequence, we having well weighted the thing (as) the investment of this year enordered on Balasore may be much retrenched, if not wholly lost,

18. Fact. Records, Hugli, Vol. 7, pt. 111, f. 43.

19. Fact. Records, Hugli, Vol. 5, pt. 1, ff. 41-42.

20. Fact. Records, Hugli, Vol. 2, pt. 11, f. 95.

those people appearing resolute at this pinch of time as well knowing our necessity of taking their goods, we judged best to give order....'²¹

The Company's investment at Balasore for 1681, mainly in nillaes, gingham and sannoes, amounted to Rupees 138,000.²² An advance of Rs.25,000 was paid to the merchants and distributed among them according to their respective shares in the following manner-²³

Khemchand	Rs. 12,000
Nimdas	" 1,255
Hira Shah	" 828
Goculchand.....	" 1,875
Syed Nyamatullah..	" 875
Enayat Khan.....	" 875
Gangaram	" 1,656
Sibram	" 575
Bihary	" 575
Nilu Shah	" 575
Bhikary Shah.....	" <u>1,011</u>
	Rs. 25,000

It is clear from the above list that Khemchand was still by far the most influential merchant at Balasore providing 48% of the total investment of the Company there. However, when the Company decided to enlarge the investment for that year by an additional amount of about Rs. 35,000, Chintaman

21. Fact. Records, Hugli, Vol. 2, pt. II, ff. 95-96

22. In 1677 the Company's investment at Balasore amounted to Rs. 187,000 and in 1682 it was for Rs. 198,700, vide, Fact. Records, Hugli, Vol, 7, pt. 11, f. 21; O.C., 17 June 1682, no. 4823, Vol. 42.

23. Fact. Records, Balasore, Vol. I, Diary & Consult., 21 June 1681.

Shah (who was excluded earlier) was allowed to have a share in the investment, but it was small, and though greater than that of other merchants, not comparable at all with that of Khemchand.²⁴

Chintaman Shah, who was even in 1679 referred to as 'one of the Company's chief merchants',²⁵ received a severe reprimand in July 1680 from the Hugli Council for 'boggling' about a debt he owed to the Company.²⁶ He was excluded from any share in the investment for 1681 for three reasons - his dealing with the Interlopers, his being in 'serious debt' (as Sir James Fawcett says), and his engagement with nawab Rashid Khan.²⁷ The Balasore consultation of 21 June 1681 states that the Hugli Council gave 'express order' not to employ Chintaman anymore as he was acting for the nawab. This seems a curious and small reason for his exclusion, the Company generally considering trade with rival English Interlopers or bad debts as the principal reason for discontinuing the services of a particular broker. The actual debt owed by Chintaman to

24. Fact. Records, Balasore, Vol. I, Diary & Consult., 22 Aug. 1681.

25. Master's Diary, Vol. II, p. 236.

26. Fact. Records, Hugli, Vol. 6, pt. I, ff. 21-22.

27. E.F.I., new series, Vol. IV, p. 272. Sir James Fawcett completely ignores Chintaman's engagement with the Nawab as a reason for discontinuing his services as a broker by the Company, c.f., E.F.I., new series, Vol. IV, p. 272. Chintaman occasionally acted as agent or gomasta to nawab Rashid Khan of Orissa, vide, O.C., 25 March 1681, no. 4726, Vol. 41; Fact. Records, Hugli, Vol. 3, pt. I, ff. 20-21.

the Company could hardly be considered serious, since it stood in the Company's book at Rs. 5,729:3:4 only.²⁸ Khemchand, however, came forward and put pressure on the Company by saying that without Chintaman's help he would not be able to go through with the investment, and he also offered to stand security for his colleague.²⁹ Chintaman, too, as security for his debt gave an obligation for Rs.5,000 owing to him by the factors of the King of Siam,³⁰ the interest of which stood at about 600 rupees. The Hugli Council left the whole matter to the Balasore factors 'who seemed willing to give another imprest to Chintaman'.³¹

It is interesting to note that the Company at this time began to realise the disadvantages of depending too much on the syndicate formed by Khemchand, Chintaman and their fellow merchants for providing Company's investment at Balasore. Early in 1679 Mathias Vincent, the Agent at Hugli, wrote that the Balasore goods would not come down to their usual prices till Khemchand and 'those that hang on him or side with him would be thrown off'.³²

28. Fact. Records, Balasore, Vol. I, Diary & Consult., 21 June 1681.

29. Fact. Records, Hugli, Vol. 3, pt. I, f. 44; O.C., 8 July 1681, no. 4742, Vol. 41; Fact. Records, Balasore, Vol. I, Diary & Consult., 21 June 1681.

30. The King of Siam had a regular trade with Bengal during this period. In 1682 four of his ships came to Bengal with different commodities of which elephants comprised the main bulk, vide, K.A., Vol. 1267, f. 1398.

31. O.C., 8 July 1681, no. 4742, Vol. 41; Fact. Records, Hugli, Vol. 6, pt. I, f. 29; Fact. Records, Balasore, Vol. I, Diary & Consult., 21 June 1681.

32. O.C., 9 Feb. 1679, no. 4576, Vol. 39.

In 1681 the Hugli Council resolved that the best way of providing the investment at Balasore was not by 'these great merchants'.³³ As a result and in accordance with the Court's order to encourage and employ new merchants 'who depend not on any of the Knott of Khemchand etc',³⁴ the Balasore factors entered into a contract on 27 Sept. 1681 with 'Rewadass & Company' for providing such goods as were wanting to complete the full investment for the year and distributed an advance of Rs.20,000 amongst these merchants in the following manner-³⁵

Rewadas	.....	Rs. 5,500
Bulchund	....	" 3,500
Shyamdas	....	" 5,750
Abhiram	.....	" 5,250
		<hr/>
		Rs.20,000

The Hugli Council was glad that 'Rewadass & Company' agreed to supply goods at a more reasonable rate than Khemchand and his fellow merchants. This belied the apprehension of the Balasore factors that the merchants there were too afraid of Khemchand to enter into a separate contract with the Company.³⁶ However, it did not diminish in any way the influence and position of

33. Fact. Records, Hugli, Vol. 3, pt. I, f. 44.

34. D.B., 5 Jan. 1681, Vol. 89, ff. 256-57; Fact. Records, Hugli, Vol. 6, pt. I, f. 29.

35. Fact. Records, Balasore, Vol. 1, Diary & Consult., 29 Aug. 17 Oct. 1681.

36. Fact. Records. Hugli, Vol.6, pt. I, ff. 41-42.

Khemchand and Chintaman as principal merchants of Balasore. Even in 1682 Khemchand was still in a position to dictate his terms to the Company, though by then, it appears, he had lost the title of chief merchant. The investment for that year, amounting to Rs.198,700, was proportioned by the Hugli Council in the following manner - Khemchand and Chintaman Rs.55,000 (Chintaman Rs.20,000), Rewadas Mahta and Mahmud Hussain Rs.37,500, Rajaramdas Rs.21,000, Hira Shah Rs.20,000 and the rest among 13 other merchants.³⁷ Khemchand immediately declared that he would not accept any share in the investment unless he might be allowed such a part of it as in 'proportion to his late title of chief merchant' and that he would receive no 'imprest' money nor make any provision of goods for the Company.³⁸ The Hugli Council directed the Balasore factors to distribute Khemchand's share, in case of his refusal to accept it, among others or new merchants, and they resolved not to have a chief merchant in any factory 'on whom the rest shall have dependence'.³⁹ The factors at Balasore were not happy with the decision of the Hugli

37. O.C., 17 June 1682, no. 4823, Vol. 42; Fact. Records, Hugli, Vol. 6, pt. I, f. 57.

38. O.C., 17 June 1682, no. 4823, Vol. 42; 27 June 1682, no. 4824, Vol. 42; Fact. Records, Vol. 6, pt. I, f. 58.

39. O.C., 17 June 1682, no. 4823, Vol. 42; Fact. Records, Hugli, Vol. 6, pt. I, f. 58.

Council. They wrote back that 'the resolution would be of ill consequence and much to the prejudice of the Company's affairs'. They reported that a ship on private account had already arrived at Balasore while several others were expected and that Khemchand still persisted in his refusal knowing well he would find other customers (e.g. the Interlopers) for his goods. Actually, as the factors stated, he had made an investment for rupees one lakh and sent gomastas to different inland marts to secure as many weavers as they could and purchase all the goods 'they meet with'. The Balasore factors concluded - "it will be very material and requisite he be continued in this year's business, if not, we doubt the moiety of the goods enordered here will be not got in".⁴⁰

By 1684, however, Khemchand's position was definitely on the wane, at least, in the eyes of the Company's chief factor at Balasore, who stigmatised him as 'an encourager of Interlopers', 'a base unworthy person', 'not worth a cowry of our Company's investment', and that he 'fell short in the investment which is considerable'.⁴¹ As such, it appears, he was replaced by Chintaman Shah as the Company's chief merchant.⁴² Chintaman began to gain

40. O.C., 14 July 1682, no. 4829, Vol. 42.

41. Fact. Records, Hugli, Vol. 10, ff. 11-12.

42. E.F.I., new series, Vol. IV, p. 344; Fact. Records, Balasore, Vol. 1, Diary, 13 March 1684; Fact. Records, Hugli, Vol. 6, pt. II, f.9.

confidence of the Company from 1682. In that year his gomasta lent Rs.10,000 to the Company at Malda at 1 per cent interest per mensem (general rate being $1\frac{1}{4}\%$ to $1\frac{1}{2}\%$ p.m.). In March 1684 the Company procured bills of exchange from both Khemchand and Chintaman, in each case amounting to Rs.8,500.⁴³

Both Khemchand and Chintaman Shah had regular transactions with the Interlopers who visited Balasore during this period, albeit the Company's warning 'not to have any dealings' with them, directly or indirectly, under 'pain of incurring the Honourable Company's displeasure and forfeiting their employments'.⁴⁴ We have already noticed that Khemchand was branded as 'an encourager of Interlopers', and perhaps that was the reason for his losing the title of chief merchant of the Company at Balasore. Time and again the Company attempted to dissociate the Bengal merchants from the Interlopers but with little success. In 1683 the Hugli Council directed the Balasore factors not to fail in reassuring and confirming their promises to Khemchand and the rest of the merchants that they would have 'considerable and sufficient' investment for that year from the Company, and to impress upon them that it would be 'an everlasting discredit to leave their

43. Fact. Records, Hugli, Vol. 10, f. 47; Fact. Records, Balasore, Vol. 1, Cash Account of March, 1684.

44. Fact. Records, Balasore, Vol. 1, Diary & Consult., 2 Oct. 1680.

old masters, by whose employment they have most of them got their estates'.⁴⁵ In another instruction of the same year the Balasore factors were asked to be 'frequent in minding' Khemchand and Chintaman of their promise and obligations not to trade with the Interlopers 'in hopes that shame may work upon them, esteeming them persons that make so great scruple to break through all obligations when they stand in competition with their interest'.⁴⁶ But all these efforts were to prove ineffective. The Balasore merchants never refrained from their dealings with the Interlopers. Even in 1684 Chintaman's gomasta was found buying a considerable quantity of piece-goods in Dacca, presumably for supplying the Interloping ships and to the great prejudice of the Company's affairs. Though the Hugli Council declared that they would not encourage 'such villains in making preparations for Interlopers', they could hardly prevent these transactions between the Bengal merchants and the Interlopers.⁴⁷

Despite the pronounced displeasure of the Company with the activities of Khemchand and Chintaman,

45. O.C., 2 May 1683, no. 4941, Vol. 43.

46. O.C., 30 May 1683, no. 4947, Vol. 43.

47. O.C., no. 5264, Vol. 44; Fact. Records, Hugli, Vol. 6, pt. 11, f. 195.

it could hardly dispense with the services of these merchants. Their assistance was essential not only for providing the full investment at Balasore, but for keeping up good relations with the ruling class, as these merchants had great influence on the latter. In April, 1685 the Hugli Council directed the chief of the Balasore factory to employ Chintaman Shah to negotiate with Mahmud Khan and thus to please Malik Burcoordar, the faujdar of Hugli, who seemed to have become incensed with the Company at the time. Again, in that very year Khemchand and Chintaman were employed 'as Company's merchants' to clear up an affair with the government 'for peace sake'.⁴⁸

By the close of the 'eighties of the century, both these merchants had lost their influence and power to a great extent. Khemchand died in November, 1687⁴⁹ and the Company took summary proceedings against his partner and colleague, Chintaman Shah following doubts about his solvency. Chintaman was alleged to be considerably indebted to the Company and there being little likelihood of recovering his debt, the Company decided to recover it by seizing his ships. Accordingly,

48. O.C., 2 April 1685, no. 5355, Vol. 45; 9 May 1685, no. 5378, Vol. 45.

49. Fact. Records, Hugli, Vol. 11, f. 187.

when a ship arrived in November, 1686, of which Chintaman was a part owner, the other being Khemchand, Captain Nicholson captured it.⁵⁰ The Balasore factors wrote in 1687 that Chintaman was not 'worth anything'.⁵¹ But it appears from later records that until his death, Chintaman traded considerably on his own account. In 1691 he offered to buy the English ship Bengal Merchant for Rs.17,000.⁵² In the same year, at least two of his ships sailed on trading voyages to Tenasserim and the Maldives.⁵³ Even in 1695 his ship Fatechund 'burthen 10,000 mds'. sailed for the Maldives.⁵⁴ After his death in 1695, the Company put a peon (on the pretext of a debt amounting to Rs.10,138 which Chintaman owed to the Company) on his ship which came from the Maldives with Rs.16,000 worth of cowries, and several other commodities, thus preventing its sale or letting on freight. His son-in-law, Ram Roy, pleaded on the basis of his papers that Chintaman's loss through the seizure of his ships and their cargoes by the Company during the war amounted much more than the debt he owed. However, the Company found

50. Fact. Records, Balasore, Vol. 1, Consult., 16 Nov. 1686.

51. Fact. Records, Hugli, Vol. 11, f. 189.

52. Fact. Records, Calcutta, Vol. 1, pt. 11, ff. 95,127; Vol. 5, pt. 11, ff. 132,142.

53. Fact. Records, Calcutta, Vol. 1, pt. 11, ff. 31,36; One of these ships was named Jagganathprosad

54. Fact. Records, Calcutta, Vol. 9, pt. 11, ff. 19,45.

other creditors of Chintaman clamouring for satisfaction out of the ship and finally made a settlement with Ram Roy who agreed to pay Rs.700 yearly till the debt was cleared.⁵⁵

Turning to Hugli, we find Mathuradas was the chief merchant of the Company there at least from the 'seventies of the century, though his name as chief merchant can only be traced from 1680 onwards. It is apparent from his own statement that he rose into prominence as a merchant through his dealings with the Company.⁵⁶ Like Khemchand and Chintaman at Balasore, he played a significant role in the commercial life of Bengal not only as the chief merchant of the Company but as the most influential merchant on his own account in Hugli. Like other Bengal merchants of the time, he handled a wide variety of commodities, buying Europe - goods from the Company and also providing investment for Europe. In 1679 the Company made a contract with him for 6,000 pcs. of romalls, valued at Rs.30,000 payable to him half in money and half in goods. In the same year, he bought 1,500 tolas of gold from the Company for about Rs.20,000.⁵⁷ Next year the Company agreed to sell him 13 chests of treasure

55. Fact. Records, Calcutta, Vol. 2, pt. I, ff. 162,195;

Vol.9, pt. 11, ff. 89-90,105,124; Vol.10, pt.I, f.3.

56. O.C., 14 Dec. 1694, no. 5949, Vol. 50.

57. Fact. Records, Hugli, Vol. 2, pt. I, ff. 68,95-96.

(11 chests of fine bar silver and 2 of rials valued at about 1 Lakh of rupees) on the same terms and rates as in the contract with Sukanand Shah of Kasimbazar.⁵⁸

Like Khemchand and Chintaman Shah, Mathuradas was not simply a broker to the English Company but a merchant of considerable credit and influence, quite independent of the Company, who traded on his own account and also with other Europeans, notably the French and the Interlopers. He operated his business, much to the annoyance of the English Company, with monopolistic designs. The Kasimbazar factors complained in 1682 that Mathuradas stayed there for about a month giving considerable sum of money for raw silk and even endeavoured to entice away some of the Company's picars.⁵⁹ In the same year they reported that the picars demanded unreasonable prices and two of their ring leaders, Chaturmal and Govindji in collusion with Mathuradas, succeeded in luring away a great number of picars who promised (on penalty of Rs.1,000) not to deal with the

58. Fact. Records, Hugli, Vol. 2, pt. II, f. 98. The value of 13 chests of treasure is calculated on the basis of the data found in Factory Records, Hugli, Vol. 2, pt. II, f. 101 and A.G.D., Range 11, Vol.41, ff. 21,26.

59. Fact. Records, Kasimbazar, Vol.2, Diary. 2 June 1682.

Company. Mathuradas offered these picars, as the factors reported, 'a great price'.⁶⁰ The Court directed the Bengal Council to free itself from the monopolising clutches of Mathuradas and others by forming a joint stock of a hundred merchants but the Company failed to organise such a joint stock in Bengal.⁶¹ In 1684 Mathuradas, still the chief merchant of the Company, was found buying up cloth around Dacca, much to the displeasure and hindrance of the Company.⁶² The Company was further displeased with him when he was found very 'importunate' to get back his principal of Rs.14,000 with interest from the Company.

As a result, perhaps, when the Company resettled in Bengal after a brief withdrawal following the war of 1686-88, it tried to get rid of Mathuradas. Job Charnock, the Agent in Bengal, wrote to Stanley in Hugli to contract with Sudanand, Chaturmal and other merchants and not 'to have anything to do with Mathura, that notorious villain', and to 'utterly reject him'.⁶³ He advised Charles Eyre at Dacca to procure from the nawab 'as much as possible

Vol.4, pt.I, f.29.

60. Fact. Records, Kasimbazar, Vol. 2, Diary.17 June 1682;/

61. D.B., 5 Sept. 1683, Vol. 90, f. 219.

62. Fact. Records, Hugli, Vol. 6, pt II, f. 152; Vol.10, f.207.

63. Fact. Records, Calcutta, Vol. 5, pt. I, f. 7.

that he (Mathuradas) may be discountenanced in such a manner as to leave Bengal'.⁶⁴ It appears that the English received a parwana from the nawab on Ali Akbar, the faujdar of Hugli, warning Mathuradas that if he indulged in future in his 'ill behaviour' to the English, it would result in his total expulsion from the country. But it was hardly put into effect, the obvious reason being the credit and influence enjoyed by Mathuradas.⁶⁵ The faujdar, as the factors reported was severely displeased with the parwana and wrote to the diwan that a person who brought Rs.18,000 to the King's treasury could hardly to be turned out of the country.⁶⁶ The Company also soon realised that it was not possible to procure full investment in Bengal without the cooperation of Mathuradas who by 1691 had become one of the most influential merchants in Hugli. The Court directed the Bengal Agency to adjust all differences with Mathuradas and to hold a 'fair correspondence' with him. They further

64. Fact. Records, Calcutta, Vol. 5, pt. I, f. 15. Similar instructions were issued frequently by Job Charnock to different factories, vide, Fact. Records, Calcutta, Vol. 1, pt. I, ff. 21,30,41; Vol. 9, pt. I, f.40.

65. Fact. Records, Calcutta, Vol. 9, pt. I, f. 76.

66. Fact. Records, Calcutta, Vol. 9, pt. I, f. 150. As the Hindus generally paid 5% as customs during the period, the value of Mathuradas' annual trade (exclusive of the investment provided for the Company, since these commodities for the Company's investment were exempted from customs duty and carried by the Company's dastak) could not be less than about 4 lakhs of rupees.

wrote that they had reports not only from Englishmen but from Indians and Armenians that he was 'competently rich' and 'his masters in Dacca are men of very great estates, money'd men and who can upon occasion take up what money they please at small rates under 6 p.c. per annum and make very great investments beforehand in whatever goods you shall order either at Malda, Dacca, Patna or Benaras'. The Company knew it could not buy commodities from Mathuradas or cause him to provide goods altogether so cheap as it could by giving out money in advance to picars. But now as the Bengal goods were 'fetching' a very good price in England and on the Continent, the Company's main concern was for a greater investment and therefore it asked the Bengal Council to enlarge investment even by allowing Mathuradas 10 to 12 p.c. commission if he would provide sufficient commodities for the Company.⁶⁷ In August, 1693 Mathuradas visited Sutanuti factory and undertook to provide commodities worth more than rupees one lakh with his own money.⁶⁸

Later in that year the Court directed the Bengal Council to ask Mathuradas to provide as much raw silk as he could, allowing him 'competent profit to his content',

67. D.B., 22 Jan. 1692, Vol. 92, f. 179.

68. O.C., 19 Aug. 1693, no. 5886, Letter no. 22, Vol. 50.

it (silk) being 'the very best commodity that could
be sent from India'.⁶⁹

Apart from Mathuradas' monopolistic designs, the great concern to the Company was his dealings with the Interlopers and the French who frequented Bengal during this period. Occasionally, he acted as broker to the French Company also.⁷⁰ It can be assumed that his attempt to buy raw silk or piece - goods in the inland marts was motivated mainly by the desire to supply the Interlopers and the French. In fact, he was the mainstay of the Interlopers in Bengal as is evident from the Court's letter in 1693-..."no Interlopers, if they could (meaning if the Bengal Council could reconcile Mathuradas), would adventure to Bengal, their hopes and confidence of making a voyage being singly in that man". In order to frustrate the activities of the Interlopers in Bengal, the Court gave instruction to settle all quarrels with Mathuradas and reconcile him by allowing a substantial profit in his investment for the Company.⁷¹ Mathuradas was a typically shrewd merchant, always aiming at maximum bargains, even ready to go back on his words when there was a chance of a greater profit. The Bengal

69. D.B., 27 Oct. 1693, Vol. 92, ff. 297-98.

70. Fact. Records, Calcutta, Vol. 6, pt. 11, f. 50.

71. D.B., 10 April 1693, Vol. 92, f. 256.

Council reported in 1693 that though he had entered into an agreement with Agent Ellis to provide an investment of Rs.70,000, with the arrival of the French as prospective buyers, Mathuradas informed the Council that he was not going to comply with the contract. Thomas Pitt, the great Interloper (who later on became the governor of Fort St. George), was a friend of Mathuradas.⁷²

Though Mathuradas was the chief merchant of the English Company in Hugli and provided a large part of the Company's investment, he was not in the least subservient to it. When implored by the Company not to deal with the Interlopers, he shrewdly replied that being a merchant in the 'King's country', he was free to correspond and deal with anyone he liked.⁷³ The Company, however, tried repeatedly to dissociate him from the Interlopers but with little success. A very interesting report in this respect was sent by the Bengal Council in 1694 which is worth quoting here in length - "... we sent for Mathuradas from Hugli and made him many fair promises by way (of) encouragement in order to the withdrawing him from the Interlopers, telling him how that he had no occasion to creep to such a sort of people whose residence and trade was

72. O.C., 14 Oct. 1693, no. 5886, Letter no. 34, Vol. 50; B.M.Addl. Mss., 22,842, Vol. 1, f. 74.

73. Fact. Records, Calcutta, Vol. 3, pt. 11, f. 130.

but for a year, that our house was the most safe and
 securest hold and more for his reputation and credit
 to be concerned with so ancient a people as the Rt.
 Hon'ble Company who were able to protect him from any
 affront or injury he might at one time or other receive
 from the government,⁷⁴ that we would always keep his
 hands employed and be concerned with him so far as he
 could be able to manage....provided he would not deal
 with the Interlopers, Your Honours' enemies, and many
 more expressions to this effect, upon which he made
 many solemn deprecations that he knew no other house
 than ours and that his first rise^{was} from us whom he would
 serve to the utmost of his power, that he had no occasion
 to serve a new people's interest when the old was so
 potent and fresh in his memory, that he would endeavour
 to disengage himself from the Interlopers as soon as
 possible, and much more to this effect was his disclosure,
 but notwithstanding all his promises, we cannot but acquaint
 your Honours, he was proved false to your interest by
 continually corresponding with and assisting the Interlopers

 74. The Company claimed in 1697 of 'giving him all
 assistance in our power which was not a little
 serviceable to him with late troubles by securing
 him from the claws of the government when a more
 eminent merchant than himself felt the smart'. vide,
 Fact. Records, Calcutta, Vol. 6, pt. 11, f. 51. The
 trouble referred to here was probably caused by
 Mathuradas' transactions with Sobha Singh who rebelled
 against the Mughals in 1696.

in all their designs....he is a person whose covetousness blinds all other considerations whatever which makes him rich at all...."⁷⁵ As the Company could not dispense with the services of Mathuradas, the Bengal Council continued to carry on as friendly a correspondence with him as possible, and at the beginning of 1694 gave him an advance for goods amounting to Rs.170,000.⁷⁶ The Court advised the Bengal Council in 1696 that inspite of all the allegations against Mathuradas being true, they should keep him in employment as 'he has a great stock and potent friends' and asked them to send his goods with a distinctive mark so that the Company could know for itself the quality of goods supplied by him. In the same letter, however, they pointed out that the last^a consignment of goods delivered by him to Captain Dorill 'was very good and some of such sort of which our factors could never send'.⁷⁷

The question might be asked here why Mathuradas was suddenly considered so indispensable to the Company after all the disparaging^a remarks made about him earlier. The obvious answer is that the Company knew he was a merchant of very large credit and influence who could assist it not only for providing investment for Europe

75. O.C., 14 Dec. 1694, no. 5949, Vol. 50.

76. Fact. Records, Misc., Vol. 3A, f. 268; O.C., 14 Dec. 1694, no. 5949, Vol. 50.

77. D.B., 14 May, 1696, Vol. 92, f. 494.

but also supplying money at low rates of interest. In 1696 the Court wrote to Bengal - "If your stock should fall short, we may reasonably expect that Mathuradas.....should be willing to assist you at a moderate interest, we being well assured he can have credit of the great men in Dacca at 4 p.c. per annum".⁷⁸ Perhaps this was why the Company could not get rid of him. He even attempted to monopolise the sale of some of the Europe - commodities imported to Bengal. Quite a few times he offered to buy all the broadcloth imported yearly by the Company. In 1698 he was about to enter into a contract with the Company to buy silver worth rupees two lakhs but ultimately abandoned it fearing exactions from the nawab.⁷⁹

But the Company was gradually becoming more concerned at his 'monopolising temper' and the hindrance created by his formation of 'rings' with other merchants. It seems that the Bengal Council was really exasperated when in 1699 Mathuradas, in collusion with two other

78. D.B., 14 May, 1696, Vol. 92, F. 495.

79. Fact. Records, Calcutta, Vol. 3, pt. I, f. 121.

eminent merchants, Udaycharan and Goculchand, refused to accept the Company's dadney or advance, unless his two compatriots Nainsook and Pranathan (who were debtors to the Company) were reinstated as merchants to the Company, and Golobray (whose father was alleged to be his enemy) was turned out of the Company's service. "This insolence in Mathuradas", the Calcutta factors reported, "is greatly owing to the countenance he hath had from this Agency, for upon Captain Dorill's arrival he was at the brink of destruction, his credit ruined, and could not have subsisted above a year longer, but the erroneous account that was given of him to the Rt. Hon'ble Company gained their esteem and got him credit again after he received their imprest money"⁸⁰. The Company, however, did not comply with his demands and when the Council found that he had made no application for dadney, divided the 'imprest' money designed for him to the amount of Rs.250,000 amongst other merchants.⁸¹ But soon Mathuradas reconciled himself with the Company and received dadney for the investment amounting to Rs.100,000.⁸² In 1700 Mathuradas seemed to have been assisting the New Company

 80. Fact. Records, Calcutta, Vol. 3, pt. II, ff. 128-29
 81. Fact. Records, Calcutta, Vol. 3, pt. II, ff. 140-41
 82. Fact. Records, Calcutta, Vol. 3, pt. II, ff. 155

more actively and stood security for it for the payment of customs if it failed to procure the Emperor's farman for a free trade in Bengal.⁸³ Early that year, following his failure to obtain a nishan from the Prince, the Old Company's factors reported that he had become 'the ridicule of the province', 'his reputation sunk', and that he became entirely the New Company's 'creature'.⁸⁴ But by 1702, as the Fort William General Letter reports, Mathuradas was 'grown very old and going off the stage who hath been a bird raised upto pick (peak) at your own eyes'. It adds further - "Although he is grown very rich since the New Company's settling in Hugli, yet without the interest of the English within five years would be brought to as low an ebb as he was on Captain Dorill's arrival".⁸⁵ In that very year in which this letter was written he was turned out of the New Company's services, and he and his brother Bullubdas were replaced by Jay Krishna as broker.⁸⁶ But this apparently did no harm to the trading activities of Mathuradas' firm. With his brother, two sons, Bittuldas and Dwarakadas, and two other friends, Paran and Gossairam, he traded considerably maintaining gomastas in all the

83. Records of Fort St. George, Letters to Fort St. George, 1699-1700, p.42.

84. Ibid., p. 41; Fact. Records, Calcutta, Vol. 7, pt.111, F.14

85. O.C., 24 Dec. 1702, no. 8097, Vol. 65.

86. O.C., 28 Aug. 22 Sept. 29 Sept. 1702, no. 7913, Vol. 64; 24 Dec. 1702, no. 8097, Vol. 65.

trading centres of Bengal. Even in 1703, after the union of the two Companies, the Court of Directors were still so apprehensive of his credit and influence that they wrote....."his monopolising temper hath been such as to make us look upon him (as) dangerous".⁸⁷

Mathuradas' real crisis and actual ruin came not from the withdrawl of the patronage of the English Company, but from his speculation in revenue farming. The English factors reported in 1705 -"... that family has suffered much by Mathuradas his engagement with government and farming revenues which involved them in many troubles from which he has not been able to free himself/^{perfectly} though his endeavours have cost him a great expense of time and money'. He died in 1706, 'worth but little money' and it was said that his family 'was near ruined before he died by his engagement to the government'.⁸⁸

Among the Kasimbazar merchants, the two most influential ones were Sukanand and Chaturmal Shah. Both of them, it appears, were mainly shroffs or bankers, though more frequently than not, they traded in other

87. D.B., 26 Feb. 1703, Vol. 95, f. 58.

88. O.C., 23 Dec. 1705, no. 8416, Vol. 68; 29 Dec. 1706, no. 8408, ff. 27,56-57. Vol. 68.

commodities and provided part of the Company's investment in Bengal. The names of both these merchants were mentioned frequently in the records of the Company as eminent merchants of Kasimbazar. Before his death in 1680, Sukanand Shah was definitely a merchant of greater influence and credit than Chaturmal. He used to buy quite a substantial part of the treasure imported by the Company and most often lent money to the Company for its investment in different factories. He performed the function of a banker too, issuing bills of exchange or letters of credit in favour of the Company whenever it needed them. A few examples of his transactions of this nature with the Company can be cited here. In May 1677 the Company procured from him letters of credit on his gomasta at Patna to pay Job Charnock what money he required at the usual rate of interest. In March 1679 the English factors borrowed Rs.30,000 from Sukanand for sending to Patna. In October that year, he issued bills of exchange for Rs.20,000 each to Patna and Dacca in favour of the Company. Next year his gomasta Paramanand Shah gave Rs.20,000 to the factory at Malda and the Company further requested Sukanand to supply it with more money.⁸⁹

89. Fact. Records, Kasimbazar, Vol. 1, Diary & Consult., 28 May 1677; 25 March 1679; 15 Oct. 1679; 15 Jan. 1680; Fact. Records, Malda, Vol. 1, Diary, 13 May 1680.

That he was a great shroff on whom the Company relied greatly is evident from a Kasimbazar letter - "We finding no market for our treasure unless dispose of it underrate much to the disadvantage of the Honourable Company, our chief and ablest shroff (Sukanand) being dead".⁹⁰

Though mainly a shroff, Sukanand traded in other commodities as well, sometimes making attempts at monopoly, specially of Europe - goods imported to Bengal. In 1677 he proposed to buy all the broadcloth and silver that came to Bengal yearly. Though Khemchand had made the same proposal to buy broadcloth two years earlier, the Company ultimately negotiated with Sukanand and agreed to sell all its broadcloth to him. But he did not get the exclusive monopoly to buy all the silver. As late as 1680, a few days before his death, he again made an offer to buy all the silver.⁹¹

Chaturmal was another eminent shroff of Kasimbazar who had substantial transactions with the Company. From time to time, he used to buy treasure from the Company and sometimes managed the affairs of the Company at the mint at -----

90. Fact. Records, Kasimbazar, Vol. 2, Diary & Consult., 24 Sept. 1680.

91. Fact. Records, Hugli, Vol. 1, Diary & Consult., 28 July 1677; 9 Aug. 1677; Fact. Records, Kasimbazar, Vol. 1, Diary & Consult., 28 May, 16 June, 9 Aug., 13 Aug. 1677

Rajmahal. He had an efficient gomasta there whose help was frequently sought by the Company.⁹² His son Domurmāl and several gomastas like Udaychand and Fatechund helped him in his multifarious trading operations. Occasionally he used to buy lead, tin, copper plates etc. from the Company, whenever he found the transaction profitable.⁹³ He had close correspondence with Mathuradas, and seems to have assisted the latter in his various investments. We have noticed earlier that the Company had complained once that he and Mathuradas were the ringleaders who incited the silk picars at Kasimbazar to refuse to deliver silk at the Company's price and offered them lucrative prices if sold to Mathuradas.

Throughout the period, the rings formed by the merchants and their bargaining position were ^{of} great concern for the Company. Despite the fact that they also acted as brokers to the Company, the Bengal merchants could effectively bargain with the Company which in most cases had to submit to their terms as we have seen earlier. Those were definitely not isolated instances. Even as late as 1702, the Company had to yield to the pressure of the

92. Fact. Records, Hugli, Vol. 6, pt. II, f.154; Fact. Records, Kasimbazar, Vol. 4, pt.I, f.30.

93. Fact. Records, Kasimbazar, Vol. I, Diary & Consult., 13 Aug. 1677; 5 Jan. 18 Jan. 1678.

Armenian merchants. The Council in Calcutta reported that, since the Armenian merchants were 'holding together to beat down' the freight of goods for Gombroon and Basra, they contracted with Khoja Surhaud Israeli who offered thirty eight thousand rupees 'to have the whole ship for the voyage'.⁹⁴ The Company, however, tried many times to break such rings and the bargaining position of the Bengal merchants, specially their monopolistic designs, by fostering the formation of a joint stock in every factory in Bengal. The advantages of such a joint stock were well summed up by the Court in 1684 - First, it would save the Company from making any bad debt; secondly, it would make it easier to dispose of Europe - commodities by distributing those annually among the joint stock merchants at the time of the contract and thirdly, in case of the late arrival of ships from Europe and the consequent shortage of funds (which occurred quite frequently) the joint stock merchants

94. Fact. Records, Calcutta, Vol. 4, f. 18. Khoja Surhaud Israeli was one of the most influential Armenian merchants in Bengal during the 'nineties of the 17th and early part of the 18th century, trading extensively on his own account, as also providing investment for the Company. In 1697 the Company contracted with him for the provision of commodities worth Rs.250,000, vide, Fact. Records, Calcutta, Vol.3, pt. II, ff. 228-29.

would provide goods with their own funds.⁹⁵ From the early 'eighties of the century directions were sent to different inland factories to form a joint stock of merchants, with about 100 shares, each amounting to the value of Rs.500 or Rs.1,000. These merchants, it was proposed, should choose from among themselves a chief merchant who was to be the president and seven or eight to be his council. This body was to handle the whole business of the joint stock.⁹⁶ The model was obviously borrowed from Madras where the Company had already fostered such a joint stock of merchants in 1680, though such a system was actually first organised in Pulicat sometime earlier.⁹⁷ In Bengal, however, the Company

95. D.B., 5 Mar, 1684, Vol. 90, ff. 260-61.

96. D.B., 21 Dec. 1683, Vol. 90, f. 245; O.C., 4 Sept. 1684. no. 5190, Vol. 44.

97. Records of Fort St. George, Diary and Consultation Book, 1680 - 81, p. 43.

failed to organise a joint stock.⁹⁸ It may well be asked why the Company failed in Bengal when it could organise such a joint stock in Madras. In the absence of any direct evidence, it may be argued that the influence, power and credit of the Bengal merchants- who perhaps apprehended that a joint stock, with its various obligations to the Company, would reduce their independence and curtail their bargaining position and monopolistic designs - frustrated the attempts of the Company. It is interesting to note that in Madras, too, there was considerable apathy among the great merchants to join a joint stock and only by

98. It is interesting to note the different observations on the question of forming a joint stock from different factories in Bengal. From Dacca - "... this can never be done here, the people.....are as wicked and envious sort of people as the world affords and they are for destroying (not assisting) one another, they will be and are sometimes 2 or 3 at most (and will be not more) in partnership, all equal". From Malda - "We do not apprehend which way it will make for Hon'ble Company's interests to have the country merchants jointly...they yearly joining hand in hand for their own interests, will leave no stone unturned whereby they may raise the prices of what goods are to be provided and lower what goods are to be sold.....It is observed the best policy in this country is to deal distinct, not having one merchant present at contracting with another by which means may bring them to comply at cheaper and more reasonable terms". From Patna- "We much doubt of bringing our old or new petremen to it, we knowing by experience, they are unwilling to trust their own brothers, much less to be securities for one another which makes us fear, the abler sort will not be brought to it". vide, Fact.Records, Hugli, Vol. 10, ff. 165,182-83, 195.

offering Pedda Yenkataadry the post of first and chief merchant and giving 25 out of 100 shares to the 'Company' of Yenkataadry and Cussa Muddo Verona, while 7 other chief merchants had only $2\frac{3}{4}$ shares each, that the Company succeeded.⁹⁹ Of course, the social and political factors in Madras were quite different from those in Bengal. The strong caste affiliations of the merchants in Madras and the fact that they lived there under the Company's rule made it easier for the Company to organise them into a joint stock. But the position in Bengal was quite different. There were too many great merchants like Khemchand, Chintaman and Mathuradas who could easily defy the Company and carry on their own business which Yenkataadry and his fellow merchants in Madras perhaps could not. The fact that during the 'eighties of the century, the English Company's trade in Bengal was greater than that in Madras precludes any suggestion that a joint stock was essential in Madras for a greater investment there than any where else. In Surat, too, though the investment was not as big as it was in Bengal, the Company did not or perhaps could not organise a joint stock of merchants. In the beginning of the 18th century, however, the Bengal Agency wrote to the Court that a joint stock of

99. Records of Fort St. George, Diary and Consultation Book, 1680-81, pp. 44-45, 48.

merchants would not work to the benefit of the Company
 in Bengal.¹⁰⁰ The reasons for such assertion cannot
 be traced in the records of the Company.

Bengal merchants' overseas trade

It has already been suggested that the Bengal
 merchants were active both in the inland and overseas
 trade on their own account, irrespective of their business
 with the Company. In fact, the merchants of Bengal had
 a long - established tradition in overseas trade and
 kept it alive throughout the 17th century. The Portuguese
 traveller, Barbosa found in the beginning of the 16th
 century many merchants in the 'port of Bengala' who owned
 ships and traded to Malabar, Cambay, Pegu, Tenasserim,
 Sumatra, Ceylon and Malacca.¹⁰¹ At the end of the 15th
 century, every year four or five ships/sailed from Bengal to
 Malacca or Sumatra with provisions and textiles.¹⁰² Bengal
 ships also traded with the Red Sea ports of Aden and Jeddah.¹⁰³
 At the beginning of the 17th century, Pyrard de Laval found

100. D.B., 5 Mar. 1702, Vol. 93, f. 542.

101. D. Barbosa, The Book of....., (ed.), M.L. Dames, Vol. II,
 p. 145

102. M.A.P. Meilink Roelofz, Asian Trade and European
 Influence, p.3

103. H.L. Chablani, The Economic Condition of India during
 the Sixteenth Century. p. 60.

Bengal merchants in the Island of Maldive and named one Mohammed 'Coca' as an honourable, rich and discreet merchant of Bengal.¹⁰⁴ At the time of the Mughal attack on Hugli in 1632, there were at least 12 or 13 local merchants there who operated with a large capital.¹⁰⁵

The first attempt of the Dutch Company to open up trade with Bengal after the fall of the Portuguese was frustrated by the opposition of the muslim merchants of Hugli.¹⁰⁶ In 1645 the Danes seized several ships of the Bengal merchants by way of reprisal for injuries suffered at the hands of the local authorities in Bengal. In 1665 out of 12 muslim ships to Achin, 4 belonged to the merchants of Bengal.¹⁰⁷

When Bowrey visited Bengal in the 'seventies of the century, the Nawab and the merchants of Hugli, Balasore and Pipli had about '20 saile of ships of considerable burthen' that annually traded to sea'.¹⁰⁸

As regards the activities of the several merchants, discussed in the previous section, in the external trade of the country, we can have some idea of the ventures of the two Balasore merchants. Both Khemchand and Chintaman took an active part in overseas trade during this period.

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104. Pyrard de Laval, op.cit., Vol.I, pp. 236,259,332-33.
 105. Sebastian Manrique, op.cit., Vol. II, p. 397.
 106. T. Raychaudhuri, op.cit., p. 76.
 107. Dagh Register, 9 or 10 March 1665, quoted in R.K. Mukherjee, Economic History of India, p. 130.
 108. Bowrey, op.cit., pp. 168, 179-80.

They owned ships which sailed on trading voyages to different countries and sometimes these ships were owned jointly by them. It is a great pity that the Balasore factory records, which could have given us a graphic picture of the foreign trade of these two merchants, are extant only for the years 1679 to 1687, and that too with many gaps in between. The records of the Dutch Company which are more detailed in their information fail to give us an unbroken series of lists of ships with their cargoes that either left or arrived at Hugli and Balasore. The Dutch factors claimed that they collected these lists yearly from the customs house in the ports of Bengal. Since it will give an unreliable picture if only one consolidated list is drawn up chronologically of the trading vessels of the two Balasore merchants by combining the two sources, it would be better to consider the two tables derived separately from the two different sources.

TABLE 1 On the basis of Balasore Factory Records:- ¹⁰⁹

<u>Owner</u>	<u>Arriving from</u>	<u>Commodities brought</u>	<u>Date of entry</u>
Khemchand	Tenasserim	21 elephants	20 March, 1680
Khemchand	Tenasserim	elephants	29 Jan. 1684
Khemchand	--	--	29 Jan. 1684
Chintaman	Tenasserim	elephants	5 Feb. 1684
Khemchand	Achin	--	21 Mar. 1684
Khemchand & Chintaman	Cochin China	elephants, chanks, cloves	1 April 1684
Khemchand & Chintaman	Tenasserim	elepahnts	5 May 1684
Chintaman	'Coringo' (?)	elephants	6 May 1684
Khemchand & Chintaman	--	--	15 Nov. 1686

109. The list is prepared from the Diaries of various dates in the Factory Records, Balasore, Vol. I.

TABLE 2 (On the basis of the records of the Dutch East India Company) 110

A. Outbound Ships

<u>Owner</u>	<u>Destination</u>	<u>Commodities</u>	<u>Date of Sail</u>	<u>Name of Ships</u>
Khemchand	Tenasserim	200 mds.ghee,100 mds.oil, piece-goods.	7 Jan.1682	Guruprosad
Khemchand	Gale(Ceylon)	500 mds.rice, piece-goods	28 Jan.1682	Bhagabatprosad
Khemchand	Gale	1,000 mds.rice, piece-goods.	4 Feb.1682	'Mosiaheddy'
Chintaman	Jaffnapatam	700 mds.rice, 10 mds.cummin, 100 mds.long pepper, 4 mds. opium, 50 mds. peas, piece-goods.	25 Feb.1682	Krishnaprosad
Khemchand	Gale	1,400 mds.rice, piece-goods.	21 Feb.1683	Bhagabatprosad
Chintaman	Maldives	600 mds.rice, 50 mds.butter, 325 piece-goods.	25 Feb.1683	Keshari
Khemchand	Gale	7,000 mds.rice, 5 mds.candy sugar, piece-goods.	3 Mar.1683	'Moemeddy'
Chintaman	Maldives	5,500 mds.rice, 50 mds.oil, 50 mds.butter, 800 piece-goods.	18 Feb.1684	--
Chintaman	Gale	600 mds.rice, piece-goods.	21 Feb.1684	--
Khemchand	Gale	13,000 mds.rice, 400 mds.sugar, 20 mds. sugar, 2,200 piece-goods.	9 Mar.1684	--
Khemchand	Achin	9,000 mds.rice, 800 mds.sugar, 30 mds.silk, 10 mds. opium, 250 mds.oil, 150 mds.saffron, 300 mds.butter, 120 mds. cummin, 100 mds. peas.	9 Mar.1684	--

 110. The list has been prepared from K.A., Vol. 1267, ff.1338 - 1341, 1399-1402; Vol.1276, ff.1178vo, 1264vo, 1266; Vol.1292, ff. 498vo, 535; Vol.1303, ff.309vo - 310.

B. Inbound Ships

<u>Owner</u>	<u>Arriving from</u>	<u>Commodities</u>	<u>Date of Entry</u>	<u>Name of Ships</u>
Khemchand	Tenasserim	22 elephants, 50 mds. staff copper, 40 mds. spelter, 90 mds. tin, 2 casks of porcelain.	6 May. 1682	Guruprosad
Khemchand	Gale	7 elephants, 40 mds. arrack, 12 lbs. nutmeg.	10 Aug. 1682	Bhagabatprosad
Khemchand	Gale	11 elephants, 225 mds. arrack, 2,000 coconuts, 800 'cahan' cowries.	12 Sept. 1682	'Mosiaheddy'
Chintaman	Jaffnapatam	5 elephants, 4000 cowries, 1 md. nutmeg, $\frac{1}{2}$ md. mace, $1\frac{1}{2}$ md. cinnamon.	21 Sept. 1682	Prosad
Khemchand	Tenasserim	19 elephants, 50 mds. tin.	11 May. 1683	--
Chintaman	Maldives	1,800 'cahan' cowries, 500 coconuts.	1 Sept. 1683	--
Khemchand	Gale	14 elephants, 1000 'cahan' cowries, 200 mds. arrack, 10 mds. cinnamon, 8 mds. nutmeg.	Oct. 1683	--
Chintaman	Gale	9 elephants, 750 mds. arrack, 36,000 cowries.	March. 1685	--
Khemchand	Achin	22 elephants, 18 seers gold	May. 1685	--

The two tables, specially the second one, help us to form a fairly good idea of the direction and composition of the external trade of the two Bengal merchants. It is apparent that in overseas trade as in inland trade, Khemchand was more active than his partner and colleague Chintaman. Khemchand's trade was mainly with Gale in Ceylon, though he traded at the sametime with Tenasserim and Acbin also, Chintaman was more concerned with the Island of Maldive, though his trading vessels went to Jaffnapatan and Gale also. The commodities exported by these merchants to the Eastern Islands comprised mainly rice, butter, oil, sugar, ghee and piece-goods. Besides these, they also exported long pepper, opium, silk, saffron, little peas etc. The most important item of import was elephant. No ship of these merchants came home without elephants. Obviously elephants were quite a profitable commodity to sell to the Nawabs, zemindars and other high officials of the State. Other items of import consisted of tin, cowries, cinnamon, copper, nutmeg, spelter, arrack, porcelain and even gold. The two merchants confined their overseas trade to the islands in the Eastern Seas and had no trade with the Western Coast of India. This was perhaps due to the fact that they could hardly withstand the competition of the Surat

merchants who were the principal participants in this branch of trade. It seems that Bengal-Surat trade was a monopoly of the Surat merchants. Out of 10 indigenous ships that sailed from Bengal for Surat between Dec. 1681 and January 1684, all except one (which belonged to Zulphicar Khan, the Siamese King's gomasta in Bengal) belonged to Surat merchants and not a single one to Bengali merchants.¹¹¹ Even the ships of the great Surat merchant, Abdul Goffur traded with Bengal and as this branch of trade was quite profitable the Surat merchants tried to exclude other competitors from it.¹¹²

Except for Mathuradas, we do not have any evidence of other Bengal merchants' (discussed in the previous section) overseas trading activities which probably implies that they did not take part in it. But Mathuradas took part in the external trade of the country, though it seems, on a limited scale. As early as 1683 his gomasta at Patna, Ramdas, was reported to be procuring goods for a ship intending to sail for Surat.¹¹³ In 1700 a ship belonging to him was captured by the Portuguese for want of a pass and taken to Goa.¹¹⁴ It seems Thomas Pitt, who was then

111. K.A., Vol. 1267, ff.1337vo-1340; Vol. 1276, ff. 1176vo; Vol. 1292, ff. 498vo, 499, 533-534vo.

112. K.A., Vol.1276, f.1264vo; Vol. 1292, f.498vo.

113. Fact. Records, Hugli, Vol. 9, f. 151.

114. B.M. Addl. Mss., 22,842, Vol.1, f.74.

governor of Fort St. George, assisted him in his overseas trade ventures. Sometimes he freighted English ships, as in 1702, together with Armenian merchants for trading voyages to Surat.¹¹⁵ But it is quite certain that his activities in the external trade of the country was not as extensive as those of his fellow merchants, Khemchand and Chintaman.

An interesting feature in the composition of Bengal merchants engaged in overseas trade in the 17th century was the presence of subadars, faujdars and other members of the ruling class in Bengal. As early as the 'forties of the century, we find the subadar of Bengal, Shah Shuja, had his own ships engaged in overseas trade. He even tried to monopolise some sectors of the province's external trade and made himself the sole purchaser of elephants, one of the chief items of the Dutch Company's import to Bengal.¹¹⁶ In 1651 a 'junk' belonging to the faujdar of Hugli went to Gombroon with different merchandise and to bring back horses as a return cargo.¹¹⁷ In 1654 the Dutch Company refused many applications made by 'governor Jaffer' for muslim vessels to Khedda, Colombo

115. O.C., 23 Dec. 1701, no. 7807, Vol. 63;
27 Jan. 1702, no. 7837, Vol. 63.

116. T. Raychaudhuri, op.cit., p. 76.

117. O.C., 8 May 1651, no. 2219, Vol. 22; E.F.I., 1651-54 p. 63.

and Cochin. But the Company was, however, obliged to grant two passes for two of the Nawab's vessels to Tenasserim and Achin, and one for the faujdar's to the Island of Maldive. The Dutch also issued three more passes for the vessels of nawab Nawazish Khan, the faujdar of Rajmahal and Ahmed Beg, ex-faujdar of Hugli. 118
 Again in 1656 the faujdar of Hugli appealed for a pass for his vessels to Colombo and Shah Shuja had asked for three passes for Colombo, Cochin and Jaffnapatam. But all these requests were politely refused because ^{of} Shah Shuja's attempt to monopolise some sectors of the province's external trade. The Dutch Company similarly refused a request for the services of one of their mates for a ship sailing for Persia. 119

A cursory glance at the list of the Bengal ships that were engaged in overseas trade between 1682 and 1684 reveals that except for the ships of the two Balasore merchants, all the others belonged to the members of the

118. Translation of Dutch Records, Vol. 18T, no. DL.
 The possession of a pass from a Company rendered the ship of an individual merchant immune from seizure and confiscation by the ships of that particular Company.

119. Ibid., Vol. 18T, no. DL.
 The pass system, its impact on the composition, extent and direction of the foreign trade of the merchants of Bengal, and the various objects for which the European Companies enforced it, has been discussed by Om Prakash, "The European Trading Companies and the Merchants of Bengal, 1650-1725", Indian Economic and Social History Review, Vol. I, No. 3, 1964.

ruling class. In fact, Buzurg Umeed Khan, the nawab of Patna, sent between December 1681 and December 1683, four ships to Tenasserim, Gale and Siam with different merchandise. Malik Qasem, the faujdar of Hugli (for sometime also of Balasore) despatched four ships between Jan. 1682 and Jan. 1683 to Tenasserim, Gale and the Islands of Maldive (2). Between Jan. 1682 and March 1684, four ships of nawab Nurullah Khan of Orissa traded to Pegu and Maldives. Even nawab Shaista Khan, the subadar of Bengal, had a share in this branch of trade. In January 1682 one of his ships sailed for the Island of Maldive and another for Tenasserim. Nasib Khan, the shahbandar of Balasore, who was referred by Bowrey as an eminent merchant,¹²⁰ sent between Jan. 1682 and Jan. 1683 three ships to the Islands of Maldive (2) and Tenasserim. The next Shahbandar, Shuja Khan, was equally interested in overseas trade and sent four ships between Jan. 1683 and Feb. 1684 to the Islands of Maldive (2) Achin and Gale.¹²¹ Though the evidence cited above is fragmentary in nature, nonetheless it helps us to form some idea of the extent, direction and composition of the external trade of the nobility in Bengal. It appears that most of the trading

120. Bowrey, op.cit., p. 74.

121. K.A., Vol. 1267, ff. 1336-1338vo, 1341; Vol. 1276, ff. 1176vo - 1179; Vol. 1292, ff. 498vo-533vo-535.

voyages of the ruling class were confined to the Eastern seaports. The main items of export and import varied little from those handled by the two Balasore merchants. A good idea of the size of the various ships of the Bengal merchants can be found from the details of several ships seized by the Company during the war (1686-88) in Bengal. The English Company captured a ship named Balasore, 500 tons, belonging to Malik Burcoordar, the faujdar of Hugli. The English further seized and appropriated as prize several other ships of the Bengal merchants - Hugli 600 tons, Achin Merchant 300 tons, Dacca Merchant 400 tons, and Katherina 270 tons, besides Doorea Doulat 400 tons, belonging to the King of Siam.¹²² Bowrey stated that he saw a ship of Nasib Khan, the shahbandar of Balasore, which was about 500 or 600 tons.¹²³ So it can be safely asserted that at least some of the ships of the Bengal merchants were of the same size as the big ships of the European Companies engaged in Indo-European trading voyages.

The nobles and the members of the ruling family also freighted their goods in the ships of individual merchants or the European Companies. Thus as early as 1653 we find that the faujdar of Hugli sent 11 bales of

122. O.C., 18 April, 24 May, 1 Nov., 6 Dec., 12 Dec. 1687, no. 5576, Vol. 47.

123. Bowrey, op.cit., p. 74.

goods in one of the English Company's ships.¹²⁴ Malik Qasem, a faujdar of Hugli, also transported his goods in 1672 on a Company's ship.¹²⁵ The nobles often acted through their agents or gomastas. Haji Mohammed, an agent of Malik Qasem, made a trip to Gombroon with sugar and other commodities vendible there in one of the English ships. As return cargo he brought besides 4 horses - hing 7 bales, tobacco 7 bales, rose water 1 chest, attar 10 chests, fruits 29 jars, almonds 150 mds., arrack 2 chests and 8 sheep. The Company brought all these commodities freight free, except the horses and assisted Malik Qasem's agent with money in Gombroon as it expected to gain 'a profitable influence in Hugli out of it'.¹²⁶ In 1687 the English captured a Spanish ship carrying considerable quantity of goods belonging to the nawab of Cuttack from Tenasserim.¹²⁷ It seems that from the 'nineties of the 17th century freighting of European ships by Bengal merchants for trading voyages to Surat and Persia became a general practice. Important Bengal merchants like Benarasi Seth, Janardan Seth, Khoja Surhaud Israeli used to freight Company's ships for such ventures.

124. E.F.I., 1651-54, p. 188.

125. E.F.I., new series, Vol. II, p.345.

126. Records of Fort St. George, Diary & Consultation Book, 1672-78, pp. 43-44.

127. O.C., 12 Dec. 1687 no. 5576, Vol. 47.

Wealth of the Bengal Merchants

It is not possible to give a precise idea of the wealth or working capital of the Bengal merchants due to the complete absence of any evidence of that kind in contemporary records, except for some fragmentary evidence here and there regarding the total value of the contract made by the English Company with these merchants or the total value of the goods of a particular ship belonging to a particular merchant. To rely on this kind of evidence for making even a conjecture about the wealth of the merchants would be not only unscientific but also ridiculous. But it may be possible to have some very rough idea of the wealth of at least one of the merchants namely, Khemchand. There is little doubt that he was a rich merchant and perhaps the richest at Balasore during the 'seventies and 'eighties of the century. That explains why he was quite often mulcted of quite substantial sums by the greedy and oppressive faujdars of Balasore or nawabs of Orissa. As early as 1672 Safshi Khan, the governor of Orissa, arrested Khemchand who accompanied Boremull (Puranmall ?) with two other merchants, Hari Charan and Jairaj Shah, to the nawab to obtain a parwana for the English. The nawab imprisoned Khemchand only, without any serious charge against him, and it seems only to extract

some money from him. Khemchand had to buy his release by complying and giving security to pay Rs.10,000 in 17 days and Rs.20,000 in three months.¹²⁸ But this did not appear to have affected in any way the financial position of the wealthy merchant. The English factors wrote -

"Khemchand..... notwithstanding his present troubles, he hath estate sufficient to indemnify our masters which is sufficient for our proceeding in delivering him this day his share of the 25,000 rupees being 7,500".¹²⁹ Thomas Bowrey gives a vivid description how nawab Rashid Khan extracted a large sum of money from Khemchand in 1674. The hungry nawab, as Bowrey relates, fell on Khemchand, 'a great Banjan merchant' and 'great broker to the English East India Company' and demanded rupees one lakh from him. Before he appeared in front of the nawab, Khemchand took off his gold turban, jewels and rings, put on 'mean clothes', 'thereby to plead poverty'. Then he began to 'bemoan' his sad accident and loss he had lately received (referring to the robbery of Rs.1500,000 while going to the country for marrying his daughter - the truth of which was attested by Bowrey). But the nawab was little moved by the story and he declared that he was well satisfied now that the

 128. Fact. Records, Hugli, Vol. 7, pt.I, ff.39,43a; E.F.I., new series, Vol. IV, p.339.

129. Fact. Records, Hugli, Vol. 7, pt. I, f. 45a.

report of Khemchand's wealth was not untrue. After many apologies, and feeding the nawab's courtiers, he got off by paying Rs.50,000.¹³⁰ If we believe Bowrey, it is any one's guess how wealthy Khemchand was who could part with fifty thousand rupees in cash to satisfy the nawab and spend fifteen lakhs of rupees in one daughter's marriage only, while he had several other children—specially bearing in mind that none of these transactions hampered his normal activities either in inland trade or overseas trade of the country. But as we have noticed earlier, Khemchand's fortunes declined considerably at the close of the 'eighties of the century. Still at the time of his death, as the English factors at Balasore reported, he 'left clear in money and goods ninety odd thousand rupees'.¹³¹

There is no doubt that the Bengal merchants carried on their trading transactions with large capital, though their fortunes never gave rise to such fabulous tales as the wealth of Virji Vora or Abdul Goffur of Surat. We have some evidence as to the size of particular transactions of some of the Bengal merchants. Golap Roy, who was mainly a shroff in Dacca and once stood security

130. Bowrey, op.cit., pp. 152-6.

131. Fact. Records, Hugli, Vol. 11, f. 187.

for the customs to be paid by the English Company, was accepted by the nawab as security for Rs.350,000 for the Raja of Coochbehar.¹³² In 1699 the share of the investment designed for Mathuradas by the Company amounted to Rs.250,000.¹³³ Bearing in mind that he used to provide investment not only for the Old and the New English East India Companies but also for the French and the Interlopers, it might well be said he was worth several lakhs of rupees. Khoja Surhaud, the Armenian merchant, had once contracted¹³⁴ with the Company to supply goods worth Rs.250,000, though his main trade was independent of his contracts with the Company. Janardan Seth, who was the Company's broker at¹³⁵ Calcutta, was reported to be worth several lakhs of rupees.

Conclusion

It may rightly be concluded on the basis of evidence and discussion made earlier that the Bengal merchants throughout the period held fast to their traditional organisation, though they had to extend the methods generally practised but there was hardly any innovation to encompass the new situation arising with the appearance of the Europeans. At the same time it

132. Fact. Records, Hugli, Vol. 10, f. 119.

133. Fact. Records, Calcutta, Vol. 3, pt. II, ff.140-41.

134. Fact. Records, Calcutta, Vol. 3, pt. II, ff. 228-29

135. D.B., 13 Jan. 1714, Vol. 98, f. 196.

can be asserted that the commercial aptitudes of the Bengal merchants were certainly not inferior to those of the Europeans. The former could perhaps claim to be what Adam Smith called a speculative merchant who 'enters into every trade when he foresees that it is likely to be more than commonly profitable and quits it when he foresees that its profits are likely to return to the level of other trades'.¹³⁶ It is very difficult to make an estimate of the rate of profit in order to measure the incentive to trade in Bengal during this period. Still it may be said that the merchant traded on profit-motive and hence the rate could not be less than the current rate of interest which was roughly 15% to 20% during the period under study. So it may be conjectured that the rate of net profit was at least 25% to 30%., if not more. We find the faujdar of Hugli once borrowed three lakhs of rupees at 25% from the nawab¹³⁷ and surely the faujdar expected some substantial profit after paying so high a rate of interest.

An analysis of the trading activities and methods of these merchants reveals the keenest competition among buyers and sellers, an eager search for exclusive information,

136. Quoted by Lucy S. Sutherland, A London Merchant, 1695-1774, p. 19.

137. O.C., 28 May 1669, no. 3282, Vol. 30.

the organisation of rings and commercial monopoly which the European Companies tried to foil by fostering the formation of joint stock associations of local merchants but only in vain. S. Arasaratnam's ¹³⁸ contention that such joint stocks flourished and were established in almost every important factory of the Dutch and the English Companies and that supply through these joint stock partnerships had become the norm by 1700 does not seem tenable at all so far as Bengal is concerned, though it may be valid for Coromandel. In Bengal the ~~trader's~~ business was the concern of individuals rather than of groups acting in common interest, though we hear about such joint ventures as Khemchand, Chintaman and 'Company' or lower down the scale, Rewadas and 'Company' at Balasore or Ramnarain, Raghunath and 'company' in Hugli - which were exceptions rather than rules. In Bengal, as in other parts of India, the merchants operated with their own capital and there was hardly any close financial link between the merchants and the public, as for example it was already developing in England in the 17th century through the joint stock Companies. In fact, it can be asserted that as a result of the growth of the joint stock Companies, the ownership

138. S. Arasaratnam, 'Indian Merchants and their Trading methods (cirea 1700)', Indian Economic and Social History Review, March 1966, Vol. III, no. 1, p. 86.

of capital was divorced from management in England and these Companies could undertake commercial ventures with limited liability to individual merchants. These joint stock associations may rightly be called the precursors of modern industrial type of organisations. In India, however, commercial venture was mainly the risk of individual merchants. It is true that sometimes the merchants acted as depositors of funds or even traded with capital supplied by the nobility for investment in the trade but the risk of any disaster or loss was his own.

The specialised activities of a large class of merchants, specially the shroffs and the remarkable growth of a financial machinery for credit and exchange,¹³⁹ inescapably lead to the conclusion that merchant capital and commercial organisation was highly developed in Bengal. Again, though the European Companies from time to time dominated the markets for particular commodities, it cannot be said that they ever dominated the commercial outlook - that position was held by individual Bengal merchants who

139. Tavernier's general statement (Tavernier, Travels in India, ed. Ball, vol. I, pp.28-29) that 'in India a village must be very small if it has not a money changer or shroff who acts as banker to make remittances of money and issue letters of exchange' seems to hold good for Bengal in the 17th century.

through their wealth and abilities might also be said to control the entire wholesale trade within the area of their operations. Of course, it is true that none of the Bengal merchants ever held the position comparable in credit and influence to that enjoyed by Virji Vora, the great merchant prince of Surat, Molla Abdul Goffur, or the Parrack family of Surat or even the Malaya family of Coromandel but, nonetheless, they played quite a significant role in the commercial life of Bengal. Finally, it is of great interest to note that most of the prominent Bengal merchants during our period were not local people but outsiders mainly from Gujarat and Rajasthan as their names, and in case of Khemchand and Chintaman, their signatures,¹⁴⁰ suggest. This is rather peculiar since both in Surat and Madras all the prominent merchants were local people, and this only historically traces the fact that Bengalis had never been and are still not business-minded.

140. O.C., 3 Sept. 1679, no. 4648, Vol. 48; 13 Mar. 1684, no. 5110, Vol. 43; 2 Feb. 1686, no. 5471, Vol. 45.

CHAPTER V.STRUCTURE AND ORGANISATION OF EXPORT TRADE

The success of the English East India Company's trade in Bengal depended on several factors other than the purely economic ones of supply and demand. Of these factors the most important was the Company's organisation of its commerce and certain aspects of those industries producing some of its export commodities from Bengal. The Company encountered certain problems which may broadly be divided into two categories - first, financing the investment and secondly, procurement of goods for England and Europe. Throughout the period under review, the Company in Bengal, as in other parts of India, suffered from a chronic shortage of funds for investment. The problem of inadequate working capital was accentuated by the poor demand for Company's European imports in Bengal. Though the quantity of merchandise imported by the Company to Bengal was not generally large, the market for even this small amount was strictly limited. The only item for which there was a steady demand in Bengal was bullion and specie. But as their supply was seasonal and often limited, the Company had to explore additional means for financing its investments. The extensive credit market in Bengal and the coastal and freight trade to various Asian ports ultimately played a significant role in reducing the Company's shortage of inadequate liquid capital. The success of the Company's trade also depended on

the effective procurement of goods suitable for England and Europe, and their timely despatch from Bengal. As the Company could not deal with the producers in most cases, it had to employ certain merchant-middlemen or brokers in each factory for the provision of goods for the return voyage of the ships. The problems faced by the Company in the procurement of goods were various - bad debts arising out of the failure of these brokers to provide goods against advances paid at the time of contract, frequent losses due to the attempts on the part of the merchants to force goods on the Company which were not up to the samples attached to the contract, the delay in despatching ships owing to the non-compliance of the merchants to provide goods within the specified time, the competition from other buyers in the market, the formation of rings by indigenous merchants to raise the price of different commodities and finally, the lack of funds for providing dadney or advance for goods at the proper time of the season. The organisation of industry, too, was a matter of great importance for the success of the Company's trade in Bengal. As the Company was catering for buyers in England and on the Continent, it had to adjust the colour, pattern and size of various piece-goods and silk according to the taste of these consumers. Hence at various times it sent to Bengal dyers, throwsters, painters and weavers to instruct the indigenous weavers and producers in dyeing, painting

and weaving of silk and piece goods to suit the demands of the markets in England and Europe. Also the Company had to organise the saltpetre industry, specially its refining. Here we shall analyse the various problems connected with the Company's finance for investment, the procurement of return cargoes, and the organisation of industry, and how it dealt with those problems during the period under study.

Financing Company's Investments.

The story of the English East India Company in Bengal was essentially one of expanding capital investments for procuring cargoes for the English and other European markets. The actual financing of the trade was always a complicated and difficult matter for the Company. During the early voyages in the beginning of the 17th century, the Company's practice was to buy the Eastern commodities, mainly spices, with gold and silver. But the mercantilist theory and a limited supply of precious metals inhibited large exports of bullion and specie which could be shipped to the East Indies. As a result, the Company was obliged, specially in the later period, to send out along with bullion English manufactures and goods which were in little demand in the Asian markets. There was, however, one commodity, namely Indian cloth, which was readily acceptable to the producers of spices and hence, if procured in adequate quantities, could make up for the shortage of bullion and specie. This urged the Company to exchange

cheap Indian cotton goods with the spices of the East Indies. Thus trade ceased to be bilateral - between England and the East Indies - and became multilateral or triangular. This was the familiar pattern of the Eastern trade during the first half of the 17th century. But after that, as the spice trade was monopolised by the Dutch, there was no need for the English Company to exchange Indian cotton goods for the spices of the East Indies. The English Company's requirements for spices were now met by the small number of factories on the western coast of Sumatrà and those in South India. Indian cotton and silk piece-goods and saltpetre now became the principal attraction of the Eastern trade to the English Company. These commodities had gained a substantial market in England and on the Continent. And despite the agitation waged against it, the export of bullion increased gradually along with the export of English manufactures. But the growing demand for Indian goods in England gave rise to clamours for protecting English industries against the onslaught by the former. At the same time the agitation against the export of bullion and the difficulty of procuring it induced the Company to explore additional or alternative means of financing the Indian investments.

There were in general several factors which complicated the issue of financing the investments in India. The first and foremost was the anti-monopolist group in England which

wanted a slice of the cake - a share in the lucrative Eastern trade from which it was debarred by the Company's monopoly. This group, led by some leading merchants and politicians of the day, tried time and again to foil the monopoly of the Company and utilised every opportunity to put hindrance in the way of its trade and commerce. Secondly, the merchantilists - who wanted a conservation of national wealth measured in terms of its stock of gold and silver - agitated against the export of bullion by the Company, which they considered a sectional gain at the cost of the nation. They believed that the country suffered from acute shortage of coins and also from fluctuations in the rates of exchange on account of the drain of bullion.¹ Thirdly, the industrialists and manufacturers of English woollens and other products were alarmed by the steady demand for Indian cloth and silk which successfully competed with their own products and led to the general decline of trade.² Finally, as England like other European countries depended mainly on the Spanish American colonies for the supply of gold and silver, any political rift between herself and Spain added to the difficulty of procuring precious metals.

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1. K.N. Chaudhuri, "East India Company and the Export of Treasure in 17th Century," Economic History Review, 2nd series, Vol XVI, Aug. 1963 pp. 23-24,28; H.R.H. Groome & R.J. Hammond, An Economic History of Britain, pp.88,89.
 2. E. Lipson. The Economic History of England, Vol II, pp . Lxxxiii, XC. A Anderson, Origin of Commerce of the British Empire, Vol.II, pp. 528, 646.

The Company and its supporters argued that the monopoly of the Eastern trade was essential for its success because of the Company's large investment of capital in its factories in the different parts of Asia and for securing grants and concessions from the ruling authorities there. They pointed out that it was because of their monopoly that the Company could procure Indian goods at reasonable prices, overcoming the keen competition of other European and Asian merchants, and bring them to the consumers in England and on the Continent at competitive prices. They further argued that the Company was instrumental in conserving a large quantity of bullion which otherwise would have been spent on the purchase of Indian and other Eastern commodities at higher prices from European markets to the detriment of the nation and the consumers who would be at the mercy of the foreign merchants. Moreover, the re-exports of considerable proportion of Eastern goods to the Continent enabled the Company not only to increase English trade and commerce but also to bring in substantial amount of bullion in return. Since the Company procured its gold and silver from its agents on the Continent, it was not directly responsible for the shortage of bullion in England either for coinage or for the fluctuation of the rate of exchange which was inherent in the bimetallic currency system.

Finally, the substantial statutory export of English manufactures and goods to India and other countries proved the Company's patronage of the national industries and its concern for their welfare.³

There were several methods adopted by the Company to finance its expanding investments in Bengal during 1650-1720. Throughout this period, the export of bullion and specie was the normal means of financing the Bengal trade. The capital available for the purpose of investment was, however, limited in the early years of the Company's trade in Bengal. But this did not pose a serious problem as the volume of export from Bengal was small during those early years. The main difficulty faced by the Company was in providing funds for the investment in the proper season which generally started after the shipping season was over.⁴ As the price of most of the commodities went up considerably (sometimes by 40% to 50%)⁵ during the time of shipping, the Company had to start investment for goods just after the departure of Europe-bound ships i.e. generally from February or March, and hence it always needed a stock to be left for such investments in India after paying for the

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3. L.S. Sutherland, The East India Company in Eighteenth Century Politics, pp. 22, 36; A. Anderson, op.cit. Vol.II, pp. 508-9, 655; K.N. Chaudhuri, Economic History Review, op.cit., Aug. 1963, pp. 23-28.
 4. The shipping season in Bengal was generally from September to January.
 5. D.B., 28 Jan. 1659, Vol. 84, f.411.

previous year's goods. As early as 1651, the Company resolved to keep the factories supplied with 'a competent stock beforehand' and the factors wrote that 'this was the only way to make the trade flourish'⁶. But generally throughout our period the factories were left with hardly adequate stock after the ships had left. To obviate the difficulty the Company sent in the early years stock to Bengal by bills of exchange from other factories. Thus as early as 1651 the Bay factory received nearly Rs.6,000 from Pegu in bills of exchange.⁷ Again in January 1652 the Bengal factors were asked by the Surat factory to provide sugar and gumlac and they were asked to draw bills of exchange for the purpose on the Agra factors to the extent of Rs. 15,000 or else borrow to that amount.⁸ In December 1652 the Agra factory was again asked to send Rs.10,000 to begin sugar investment in Bengal as there was about 40% difference between prices in February and those at the time of shipping.⁹

The supply of capital, however, was gradually on the increase and as the export from Bengal grew steadily in volume, so did the import of bullion and specie. Throughout our period the investment in Bengal was dependent to a large

6. O.C., 18 Jan. 1651, no. 2200, Vol.22; E.F.1., 1651-54, pp. 13-14.

7. O.C., 18 Jan. 1651, no. 2200, Vol.22.

8. O.C., 27 Jan. 1652, no. 2242, Vol.22.

9. O.C., 10 Dec. 1652, no. 2297, Vol.22.

extent on the Company's export of bullion from England and was seldom independent of such financial assistance. Besides the problem of inadequate supply of bullion, the Company had to face some peculiar problems in Bengal in converting the bullion into local currency required for investments. Generally during this period, the Company converted the bullion, whether silver or gold, either by selling them to local shroffs or money-changers or by coining them in the mint at Rajmahal. Sometimes, of course, when conversion was not possible by either of these two ways due to the shortage of time required for sending and coining the bullion in the mint, or absence of substantial merchants to take off the bullion, the Company had to pay for its investments partly in foreign silver or in gold. Thus in 1678 the Hugli Council persuaded the merchants to take silver rials as part payment against investment.¹⁰ Next year the weavers in Kasimbazar were paid in silver¹¹ and the silk merchants in gold.¹¹ Even the most prominent merchants were often thus paid by the Company. In 1679 Mathuradas received 1,500 tolas¹² of gold as barter for his goods supplied to the Company. But the merchants generally preferred payment in cash thus making the problem of investment more complicated for the Company.

10. Fact. Records, Hugli, Vol. 1, Diary, 26 Sept. 1678.

11. Ibid. Vol. 1, Diary, 15 Feb. 1679, Vol. 2, f.17.

12. Ibid. Vol. 2, ff. 95-96; Master's Diary, Vol. 2, pp.258-59.

In 1678, both in Hugli and Dacca, the merchants could be persuaded to take only half of the value of the contracts for piece-goods in rials and the rest had to be paid in cash within 8 to 10 days.¹³

Of the precious metals sent to Bengal, the Company's factors preferred silver to gold since the former had a better market in Bengal. Silver rials, popularised by the Portuguese throughout Asia, were in great demand. It was easier to convert the rials into local currency than any other specie and hence they were more easily accepted by the merchants against contract for goods. In 1677 the merchants in Hugli complained that they could not sell cruzadoes timely enough to start investment and asked for rials instead.¹⁴ The attitude of the Bengal merchants in this respect was quite rigid. The Kasimbazar factors reported in 1679 that 'merchants will give much more for coin both of gold and silver known to them than for ingots which are or at least specified of the same finish.'¹⁵ As the gold market in Bengal was not profitable and as the Company had to suffer losses in converting gold whether by selling or minting, the Bengal agency always discouraged the export of gold from Europe for the purpose of investment

 13. Fact. Records, Hugli, Vol. 1, Diary, 25 Sept. 1678; Vol. 7, pt. II f. 115.

14. Ibid., Vol. 1, Diary, 18 Sept. 1677.

15. Ibid. Vol. 7, pt. II, f. 33.

in Bengal. In 1678 when the Company ordered £10,000 as 'quickstock' for Bengal - the greater part of it in gold and only a small quantity in silver - the factors wrote that it would certainly occasion a great loss for the Company.¹⁶ Again the Hugli factors wrote in 1680 - "We always looked upon gold as merchandise it being so even when in mohars but silver is cash or sooner converted thereunto".¹⁷ During this period, Dacca was the chief market for gold where it was reported to have produced 10% more than anywhere else.¹⁸ Minting the gold entailed a loss of 20% for the Company. The court of Directors reported that even in Dacca one 'great ingot' was disposed of in 1685 at a loss of about 30% and in another similar transaction at Patna the loss ranged between 12 to 14 per cent.¹⁹ As usual, they attributed this loss - with little justification it seems - to the dishonesty of their servants in Bengal. As to the low price of gold and mohars, the factors wrote in 1679 that it was due to the little demand, 'the government being as yet poor and not arrived to the hoarding age'.²⁰

16. Fact. Records, Hugli, Vol. 1, Diary, 1 Aug. 1678.

17. Ibid. Vol. 5, pt. II f. 112.

18. D.B., 12 Dec. 1677, Vol. 88, f. 522; Fact. Records, Hugli, Vol. 1, Diary, 1 Aug. 1678.

19. D.B., 14 Jan. 1686, Vol. 91, f. 48.

20. Perhaps referring to the temporary governorship of Prince Azam. Generally after stabilising their position, these governors started amassing vast fortunes.

The market price of gold mohars appears to have been subjected to sharp fluctuations from time to time as it is evident from the following table -

<u>Date.</u>	<u>Place.</u>	<u>Price of gold mohar</u>
Early 1670	Hugli	Rs.15 - 2an. to Rs.15 - 4an.
Feb. 1677	Kasimbazar	Rs.13 - 14an.
April 1677	"	Rs.13 - 14an.
July 1677	"	Rs.13 - 10an.
Aug. 1678	Dacca	Rs.13
Dec. 1678	Kasimbazar	Rs.12 - 13an.
Sept. 1684	Malda	Rs.12 - 6an. to Rs.12 - 8an.
Sept. 1711	Hugli	Rs.15 to Rs.15 - 8an.
Sept.1711	Calcutta	Rs.14 - 8an. to Rs.15 - 8an.

In 1679 the Bengal factors reported that the Company would lose 22 per cent on the sale of gold, and in order to reduce the loss, they asked for larger supplies of silver. The low price of gold and gold mohars which characterised the late 'seventies continued to embarrass the Company, and the

21. Fact. Record, Hugli, Vol.2, f.14; Fact. Records, Kasimbazar, Vol.1, Diary, 15 Feb, 24 April, 25 June, 27 July 1677; Fact. Records, Hugli, Vol.1, Diary, 1 Aug. 1678; Fact. Records, Hugli, Vol.10, f.185; B.M. Addl.Mss., 34,123, ff. 2a, 3a. For the price of gold and gold mohar, see, Irfan Habib, The Agrarian System of Mughal India, pp. 384-87, K.N. Chaudhuri, "Treasure and Trade Balances, the East India Company's Export trade. 1660 - 1720." Economic History Review. Vol. XXI, 1968, pp. 486-90.

22. Fact. Records, Hugli, Vol. 2, pt. 1, ff. 14, 17.

Directors resolved in 1686 to send henceforth only rials to Bengal which might be 'exchanged into Rupees without the trouble, charges or prejudice of the mint and become much sooner useful for investments.'²³ The exact mechanism of price fluctuations of gold is not clear. However, the reasons for such fluctuations may be traced to the larger supply of gold by the Company, the imposition of a 5% duty for coinage in the mint, the payment of soldiers in mohars sometimes during this period, and the frequent change of subadar in Bengal during the late 'seventies.²⁴

Though silver was in greater demand in Bengal, the Company quite often encountered difficulties and losses in disposing of or converting it. Coining in the mint yielded more but in the early years the Company preferred selling silver to the shroffs because of the hazards involved and time required in the former process. Generally 100 pieces of silver rials fetched about 206 to 209 sicca rupees,

23. D.B., 14 Jan. 1686, Vol.91, f.48.

24. D.B. 12 Dec. 1677, Vol. 88, f.522. (In this letter the Company wrote to Bengal that it sent a greater quantity of gold than formerly); Fact. Records, Hugli, Vol.1, Diary, 1 Aug. 1678; Shaista Khan left Bengal in 1677 only to come back in 1680 while in the interim period two subadars Fidai Khan and Prince Azam ruled Bengal. The factors reported in 1677 that 'the Prince at Pata lately paid his soldiers in gold mohars which is reason they are so much fallen that uncoined gold is dearer than coined gold'.
vide , Fact. Records, Kasimbazar, Vol.1, Diary, 27 July 1677.

sometimes as low as 205 and at the most 210 rupees throughout our period, though in the mint they produced 219 to 221 sicca rupees excluding the charges and customs. The net yield from 100 rials was about Rs. 213 - 14 an.²⁵ The fluctuation of silver price depended mostly on the rates of exchange to Agra. Any decline in this rate of exchange had its immediate effect on the price of silver in Bengal and resulted in a consequent fall in the latter and a contraction in the silver market. John Kenn gave an interesting report on the mechanism of the exchange operation in 1661. He wrote - "To pay money in Kasimbazar and receive it in Patna, upon Bill of Exchange a month after date, always yields profit. I have known it from 1 to 6 p.c., when the silk sells well at Agra, the produce is usually sent to Kasimbazar in money overland, which is the reason that when great sums of money come from thence the exchange of money to Patna in one day doth sometimes fall 2½ to 3 p.c."^{25a} In 1678 the Kasimbazar factors reported that 'exchange to Agra is much fallen from 99 to 96 rupees the 100 and leave came to the Gujarat merchants to draw thither which makes us fear our silver will not sell so soon as otherwise it might have done'.²⁶ Next year they wrote that the rise in

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25. Fact. Records, Hugli, Vol.1, Diary, 16 Nov. 1677; Fact. Records, Kasimbazar Vol.1, Diary, 18Aug., 30 Aug. 1677, 16 Sept., 29 Sept., 20 Oct., 1679; D.B. 14 Jan. 1686, Vol.91, ff. 48-49; D.B., 8 Jan. 1718, Vol.99, f.372.
- 25a. B.M. Addl. Mss., 34,123, f. 42a.
26. Fact. Records, Kasimbazar, Vol.1, Diary, 17 Aug. 1678.

the exchange from Agra caused 'abatement' in the price of silver.²⁷ Besides the rates of exchange to Agra, other contributory factors for the fluctuation of silver price were the supply brought by the Interlopers and other merchants, and the imposition of a 5% customs on all treasure coined in the mint. The Company's factors in Kasimbazar wrote in 1682 that the low price of silver was 'occasioned by the Interlopers' treasure being sold here at underrates besides 5% custom upon all treasure at the mint imposed lately' by the King.²⁸ The problem of selling silver was accentuated by the fact that substantial merchants were not often available in most of the factories to take off silver with ready money even at the price which entailed a loss for the Company. This was specially the case in Hugli and Malda factory. In 1678 as also in 1684 and 1685 the Hugli factors reported that they could not sell either silver or gold at all.²⁹ The report of the Malda factors in 1682 similarly conveyed their inability to sell any treasure.³⁰

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27. Fact. Records, Kasimbazar, Vol.1, Diary, 29 Sept. 1679.
28. Ibid. Vol.1, Diary, 7 Sept. 1682.
29. Fact. Records, Hugli, Vol.1, Diary, 25 Sept. 13 Oct. 1678; Vol.6, pt.II f. 165; Home Misc., Vol. 803, f.458.
30. Fact. Records, Malda, Vol.1, Diary, 17 Oct. 1680.

As a result, the general pattern for the disposal of the Company's treasures was to send them to Kasimbazar which was the only substantial market for precious metals throughout our period.³¹ The obvious advantage at Kasimbazar was that it was the main trading centre and the resort of great indigenous merchants, and the mint was nearby. If the treasure could not be sold, it could conveniently be sent to Rajmahal to be coined there. But even in Kasimbazar, as the factors reported in 1682, it was sometimes difficult to find any merchant to buy the treasure for ready money.³² Again, most often the shroffs who bought the treasure only paid half in ready money and the other half in a month's time. This is evident from the transactions between the Company and the important shroffs and merchants like Sukanand, Chaturmal, Haridas Nagar, Goculchand, etc. during this period.³³ To obviate all these difficulties connected with the sale of silver, Master entered into a 'firm and lasting contract' in 1679 with the great shroff and merchant, Chaturmal Shah, who agreed to take all the bullion imported by the Company at a fixed rate.³⁴

31. Fact. Records, Hugli, Vol.1, Diary, 25 Sept., 13 Oct. 1678

32. Fact. Records, Kasimbazar, Vol.2, Consult., 7 Sept. 1682.

33. Ibid. Vol.1, Diary, 28 Aug., 30 Aug., 16 Sept., 29 Sept., 2 Oct., 1679.

34. Master's Diary, Vol.2, pp. 306-8.

According to this contract, Chaturmal would pay 210 rupees sicca for 100 rials, and 13 rupees sicca for each gold mohar besides various rates for other kinds of bullion and specie. The bullion was to be weighed and delivered, and 'the risk of the same to Rajmahal and of money from thence to Kasimbazar to be upon the Company's account at Chaturmal's charge and at his risk while at Rajmahal'. This was a satisfactory arrangement, and relieved the Company of the uncertainty in obtaining cash for investments, and reduced the chance of loss through violent fluctuations in the prices of bullion. But unfortunately for the Company, the contract did not last long as Chaturmal failed to comply with the agreement due to the loss he suffered through it.³⁵

The coining of bullion in the mint at Rajmahal, though it yielded more than their sale value in the open market, was no smooth affair. Still the Company had to take recourse to coining its treasure after being disappointed with the bullion market in Bengal. In 1685 the Hugli General letter to Madras stated that the Bengal Council had stopped the sale of silver there. But the coining of the Company's treasure in the Mughal mint involved many problems and hindrance. The road and the distance from

 35. Fact. Records, Kasimbazar, Vol. 1, Diary, 24 Dec. 1679; 21 Feb. 1680; 2 March, 8 March, 1680; 27 Aug. 1680.

Hugli to Rajmahal via Kasimbazar were hazardous with the attendant risk of losing the whole boat-load of treasure or money on its way to or from Rajmahal due either to bad weather or robbery.³⁶ Again coining in the mint took considerable time, often more than a month and sometimes two or three months.³⁷ Another inhibiting factor against coining in the mint was the imposition of a 5% customs on all treasure in 1677.³⁸ Other hindrances too were there. In 1683 Bulchand, a local faujdar, sent a great quantity of copper to be coined which took up so much time at the mint that it was commented that the English could have coined 4 lacks of rupees during this time.³⁹ Next year the English were threatened by Rafiuzzama, the faujdar of Rajmahal and Malda, that the Company would be forced to sell all its gold mohars in the mint to him at his own price.⁴⁰

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36. Fact, Records, Calcutta, Vol.7, pt.1, f.11; D.B., 14 Jan. 1686, Vol.91, f.48; D.B., 12 Jan. 1705, Vol.95, f.389.
37. Home Misc., Vol. 803, f.458; D.B., 7 April, 1708, Vol.96, ff. 262-63.
38. Fact. Records, Kasimbazar, Vol.1, Diary. 24 Feb. 1677; Fact. Records, Hugli, Vol.1, Diary 1 Aug. 1678. Fact. Records, Kasimbazar, Vol.2, Diary, 7 Sept. 1682. In 1683 the Kasimbazar factors reported that they were advised from Rajmahal that a general parwana came from Dacca fixing the customs as follows - (vide, Fact. Records, Kasimbazar, Vol.3, Diary, 31 Jan. 1683)
- | | |
|----------------------|------------------------|
| of the English - 3½% | of the Hindus - 5% |
| of the Dutch - 4% | of the Armenians - 7½% |
| of the Muslims - 2½% | |
39. Fact. Records, Hugli, Vol.9, f.76.
40. Ibid. Vol.10, f.185.

In order to obviate the difficulties connected with the coining of bullion, the Company finally resolved in the early years of the 18th century to coin all the bullion imported in the mint at Madras, and then despatch them to Bengal. In 1705 the Court of Directors wrote to Bengal that they had sent silver to Madras from where it was directed to be sent to Bengal after being coined in the Company's mint there, thus saving the time and hazard of sending the bullion to Rajmahal.⁴¹ It seems that from then onward it became the general practice to coin all the bullion in Madras from where it was despatched to Bengal. In 1707 the Directors wrote they were glad that the Bengal factors did not send any silver to Rajmahal, and asked them not to alter the practice except in case of urgent necessity.⁴² The Madras rupees, though claimed by the Company to be of equal 'weight and matt' as the siccas or current rupees of Bengal, were deemed two per cent worse than the siccas by the shroffs. This, as the Company thought, was due to the intrigues of the shroffs who wanted to make a profit. In 1708 the Madras rupees in the Bay were current at 9 p.c. discount and the siccas at 9 $\frac{1}{2}$ %. The Directors expected that the

41. D.B. 12 Jan. 1705, Vol. 95, f.389.

42. D.B. 7 Feb. 1707, Vol. 96, f.98a.

difference between the siccas and Madras rupees would be less when the latter were once 'very current' in Bengal. Even if it did not, they thought, coining at Madras was much more advantageous considering the cheapness, speed and safety of coining at the fort as against the hazards and risks involved in sending the bullion to Rajmahal.⁴³

But in 1709 when the government refused to accept Madras rupees into the King's treasury, their batta sharply fell from 9 to 7 p.c.⁴⁴ Alarmed at the loss the Company would thus incur, the Calcutta Council wrote to Madras to send them henceforth all the uncoined silver which they now designed to coin at Murshidabad for which, as they claimed, they had already obtained a parwana from Murshid Quli Khan.⁴⁵

But the Directors did not accede to this proposal considering the advantages of coining at Fort St. George - namely, saving the duties of the mint as also the hazards of having the bullion seized, lost or stopped by the troubles in the country. The Company knew that the best solution, so far

43. D.B. 7 April 1708, Vol. 96, ff. 222-23, 260.

44. Beng. Pub. Consult., Range 1, Vol. 1, f.528; D.B., 5 Jan. 1711, Vol.97, f.125.

45. Beng. Pub. Consult., Range 1, Vol.1, f.528. It seems by 1708 Murshid Quli had established another mint at Murshidabad, vide, D.B. 7 April 1708, Vol.96, ff.262-63.

as the coining of bullion was concerned, was to have a mint of its own in Bengal as it had one in Madras, or at least to have the liberty of the free use of the mints in Bengal. As early as 1687 the Company asked for permission to establish a mint in Hugli in one of the clauses of the proposed treaty between the English and the Bengal ⁴⁶ subadar. Then onward it asked the Bengal factors frequently to try to get the liberty of a mint in Calcutta. Though in 1717 Emperor Farrukshaiyr's farman gave the English the liberty of a mint, it was only in name. Murshid Quli in collusion with the great indigenous banker Jagat Seth prevented the Company from enjoying the liberty of free coinage in the mint at Murshidabad.⁴⁷

Besides bullion and specie, the exportation of which seemd always to fall short of the Company's actual requirements throughout our period, the Company had to import different English manufactures and goods to pay for the increasing exports from Bengal. But this did not help the Company very much in solving the problem of financing

46. O.C. 18 June 1687, no. 5618, Vol.47; Home Misc., Vol. 68, f.35.

47. S. Bhattacharya, op.cit., pp. 31-33.

the investments since there was very little demand for these commodities in Bengal. Nevertheless, the Company had to import these wares to Bengal due to the unabated agitation against exportation of bullion or precious metals from England.⁴⁸ Again, as a greater exportation of English manufactures would provide the Company with the most formidable weapon against its critics in England, it always urged its factors in Bengal to find a greater 'vend' of English manufactures. The Hugli Agency, urging the Balasore factors to find a greater 'vend' for Europe - goods, wrote in 1684 that it would be a great service to the nation in general and the Company in particular 'who have so many enemies at home upon pretence of their not transporting any considerable quantity of Europe goods, that its their only support if they can find a vent for them'.⁴⁹ The Company tried to boost the sale of its merchandise by providing the Bay with large inventories and sometimes even by reducing prices drastically. The Court's policy was always directed more towards finding markets for English manufactures and goods than **securing**.

48. By an act of 1694 the Company was ordered to export goods valued at least £100,000 a year to the East.

49. O.C., 4 Sept. 1684, no. 5190, Vol.44.

large profit. The records of the Company decisively prove that it did all it could to increase the export of its European wares to India throughout the period. As early as 1681 the Court of Directors wrote -

"It being our earnest desire that such commodities as we send you from home specially Broadcloth may find a large consumption in all parts of India."⁵⁰ A year later we find them expatiating on the advantages of vending broadcloth 'which is the chief manufacture of this nation'. In 1675, in answer to the Bengal letter discouraging the import of broadcloth and other woollen manufactures, the Directors wrote - "They being the staple commodity of this nation, you and we must use our greatest industry to procure a vent for them, and if selling of them cheap would affect it, we give you liberty therein."⁵¹ . Even in 1711 one of the Company's main concerns was to find greater 'vend' of English manufactures in Bengal. In that year the Directors advised the Bengal Council that they would be extremely pleased 'if by your management a much greater quantity of our woollen goods or other English product were yearly vendable at both or either places, as it would prove a common benefit to our country and lessen our

50. D.B., 27 March 1661, Vol.86, f.18.

51. D.B., 24 Dec. 1675, Vol.88, f.232.

exportation of bullion and if ~~the~~ lessening of profit upon such goods would increase their consumption anything considerably, we should willingly submit thereto being more desirous of a large annual sale than a great profit'.⁵² But throughout the period Bengal markets with their limited demands for imports reacted very feebly to such blandishments.

The English manufactures and goods imported to Bengal generally comprised woollen cloths of different varieties - such as broadcloth, perpetuanoes,^{cloth} rashes, velvets and scarlets - metals and paints such as lead, tin, copper, iron, vermilion, quicksilver and brimstone etc. Most of these commodities were not readily saleable, and hence the Company had to face great difficulty in disposing of them. Though there was some demand for some of the metals, their price was often too low due to large imports from the East Indies. Thus, although tin was in some demand, most often its price was low owing to a 'great glut of them in town from Siam and other parts of the South Seas'.⁵³ Indigenous merchants as well as other

52. D.B., 5 Jan. 1711, Vol. 97, f.130.

53. Fact. Records, Hugli, Vol.5, pt. 1, f.52.

European Companies and traders brought to Bengal large quantities of tin, lead, copper, vermilion, quicksilver etc . thus overstocking the already limited import market, and made their sale by the English Company a formidable one. The problem for the Company was accentuated by the fact that none of the imported merchandise could be sold for ready money. Most of the merchants who bought these commodities paid only at three or four month's time from the date of purchase.⁵⁴ The Bengal factors wrote in 1669 that 'nothing is in request but money; some commodities may sell but readily in small parcels unless a large proportion of money accompanies them in barter.'⁵⁵

As the woollens, besides bullion, formed the bulk of its imports to Bengal, the Company's main concern throughout the period was to dispose of them at any cost. So it urged the factors time and again to boost the sale of broadcloth by all possible means. As we have seen earlier the chief inducement in opening a new factory at Malda in 1680 was the possibility of finding there a good market for broadcloth.⁵⁶ In 1684 the President in Bengal made an agreement with the Balasore merchants to take every

54. O.C., 30 June, 1669, no. 3303, Vol. 30.

55. Fact. Records, Misc., Vol. 3, f.100; E.F.I., 1668-69, p.311.

56. Supra, chapter III.

year in Europe - goods to the amount of one third of
 whatsoever money should⁵⁷ be delivered them. In order to
 keep up the sale and price of broadcloth the Company even
 tried to sell the commodity to one particular merchant
 only.⁵⁸ In 1717 it attempted a novel device for
 increasing the sale of broadcloth. The court of Directors
 asked the Bengal Council 'to oblige your merchants and
 those who are concerned with you in buying or selling
 goods always to appear before you during the winter season
 in our English cloth.' "This", as the Directors hoped,
 "if rightly managed may contribute very much to the larger
 vend because their example is likely enough to extend itself
 further."⁵⁹ But it was of no avail. The merchants could
 not be prevailed on to wear garments made of English cloth
 because 'it was not their forefather's custom'.
 Reduction in the price of broadcloth also failed to
 increase their sale.⁶⁰ Selling them to one particular
 merchant helped the Company very little either in
 maintaining the price or increasing their sale. Benarasi Seth,
 who bought all the broadcloth from the Company in 1714,

 57. O.C., 22 Dec, 1684, no. 5288, Vol.44.

58. Beng. Pub. Consult., Range 1, Vol 3, f.18.

59. D.B., 18 Jan. 1717, Vol.99, ff. 74-5.

60. Coast & Bay Abstract., Vol. 2, f. 126.

refused to purchase any more next year on the plea that he had 460 bales in Hugli and Calcutta, and another 100 bales at Patna.⁶¹ Of course, right from the beginning, the Company's factors were aware of the little demand for the European wares in Bengal. As early as 1669 they requested the Directors not to send more than $\frac{1}{4}$ of the total investment in English manufactures and goods.⁶² But even this comparatively small amount of Europe commodity could hardly find a favourable market. The factors wrote in great disappointment - "it is of little or no demand in the Country and therefore of low price; the truth is we have no people for trade, they knowing little or nothing but the taking of the Honourable Company's money and there with picking up cloth among the weavers".⁶³

Generally speaking in the early years the Company bartered English goods for its investments in Bengal. Most of the merchants were obliged to take $\frac{1}{2}$ the value of Europe-investment in English manufactures and goods. But this practice often led to frequent disputes and ill-will on the part of the indigenous merchants who were sometimes

61. Bengal Pub. Consult., Range 1, Vol. 3, f. 18.

62. Fact. Records, Misc., Vol. 3, f. 100; E.F. I., 1668-69, p. 311.

63. Home Misc., Vol. 803, f. 456.

saddled with unsaleable goods. The Company, too, on its part suffered loss through such barter, sometimes the loss running as high as 20%.⁶⁴ Moreover, the goods which the Company received against bartering Europe commodities were often of inferior quality. Hence at one time the Court disapproved of the barter system. In 1674 the Directors, 'desiring to keep the reputation of the Indian commodities for their goodness', asked the Hugli Council not to barter but to sell and buy goods for money unless they could barter for as good as those bought for money.⁶⁵ Similar was the vein of their letter in 1677 - "We observe the reason you give for dearness of cloth we complained of and do wholly dislike that way of barter and therefore we recommend you to sell our goods for money".⁶⁶ But as the bullion fell far short of the amount and also as the market for English wares was very limited, the Company could hardly do without bartering imported goods for Bengal commodities. It obliged the reluctant merchants to take off a quantity of Europe-goods along with cash against their investments for the Company. The problem of disposing of

64. In 1672 the Company bartered broadcloth, lead etc., for goods provided by Khemchand and other Balasore merchants but at 20% loss, vide, Fact. Records, Hugli, Vol.4, pt. 1, f. 4.

65. D.B. 23 Aug. 1674, Vol. 88, f.153.

66. D.B., 12 Dec. 1677, Vol. 88, f. 520.

English manufactures and goods was aggravated in 1702 when the Company was required to send one tenth of its total export in the product and manufacture of England.⁶⁷ The Court directed the factors to increase 'the vent thereof for we continue in the same mind rather to have it disposed of in greater quantities than for great profit.'⁶⁸ But all the same, the demand for European wares remained highly inelastic and the market hardly expanded. Quite often the Company asked the factors to try to sell broadcloth at Patna and the neighbourhood where it expected to find good market for it. But because of its dearness, broadcloth could not compete with similar cloth produced locally. The Company asked the factors to 'beat out the/said cloth' by selling its ware cheaper, but it seems hardly with any success.⁶⁹ As Patna was the only prospective market for English woollens, it was most often flooded with that commodity brought by different merchants who were obliged to accept it in part payment for the Company's investment.⁷⁰ The 'clogging' of the market by broadcloth was a common feature, specially during the first two decades of the 18th century. In 1714 the Bengal

67. D.B., 26 Feb. 1703, Vol. 95, f.49.

68. D.B., 12 Jan. 1705, Vol. 95, f.389.

69. D.B., 18 Jan. 1717, Vol. 99, ff. 74-75.

70. Thus in 1705 hundred bales of broadcloth belonging to Benarasi Seth were lying unsold at Patna, vide, Bengal. Pub. Consult, Range I, Vol. 3, f.18.

Council reported that Patna was so glutted with broadcloth that it was sold there at a lesser rate than in Calcutta 'wherefore Benarasi Seth sent 25 bales of broadcloth on freight to Surat'.⁷¹ Very often the small merchants who were obliged to receive broadcloth as part of the payment by the Company sold them at a loss, sometimes running up to 20%.⁷² The rich merchants, however, could hold out for a time and dispose of the merchandise at a more favourable time. But throughout our period even these influential and wealthy merchants refused on various occasions to accept broadcloth against the Company's investment on the ground that they could not dispose of what they had received earlier.⁷³ The Company, however, had often tried to impose broadcloth on its merchants as it was the only means to get rid of that commodity without incurring any heavy loss. In 1719 Benarasi Seth prevailed on the dadney merchants to take 5% of the whole contract in woollen goods as part of the dadney or advance. Moreover to prevent a fall in the price of broadcloth resulting from too many sellers of the commodity at the

71. Coast & Bay Abstract, Vol. I, f.529.

72. Ibid. Vol. 2, f. 233. The cloth which the merchants bought at 60 rupees was sold at Rs. 48.

73. Khemchand refused in 1673, vide, Fact. Records, Hugli, Vol. 4, pt.1, ff.54, 77; Benarasi Seth refused in 1715 vide, Beng.Pub. Consult., Range I, Vol.3, f.18.

same time, one of the merchants was appointed to sell for them as if in a joint stock, and divide the sale proceeds among them according to their respective proportion.⁷⁴

But all these devices could hardly increase the sale or raise the price of broadcloth. As a result financing the investment remained a great problem for the servants of the Company.

To obviate the difficulties arising out of the shortage of fund, the Company's factors in Bengal turned to other sources for supply of capital for financing the investments in the most appropriate season of the year. In the absence of sufficient quantitative data, it is not possible to compute the precise amount by which the Company's capital supply fell short of the actual requirements in a particular year. It does not seem that the value of bullion and merchandise sent to Bengal in a particular year (except in those years when it was not quite possible to send ships directly to Bengal because of wars) fell much short of the amount required for investment. But as we have seen earlier, the conversion of bullion whether by selling them to merchants or coining in the mint took considerable time, Again most of the imported merchandise

74. Beng. Pub, Cunsult., Range I, Vol. 4, ff. 110, 110a.

lay unsold for a long time, thus aggravating the problem of providing working capital for the different factories. But perhaps the most important factor which induced the Company's servants to turn to other sources for supply of money was the fact that the proper time for giving out advances for investment lay between February and June or July. But by then, after paying for the previous year's investment, the Company was hardly left with any substantial sum to start investment for the ensuing year. Moreover, the Company often remained indebted to the merchants for past investments even after the departure of Europe ships. The Kasimbazar factors reported in November 1700 that they were indebted by about a lack of rupees for the previous year's investments.⁷⁵ The Bengal factors frequently wrote to the Court of Directors insisting on the advantages of a double stock which should be left in Bengal after the departure of Europe ships.⁷⁶ The Directors seem to have appreciated the benefits following from such a 'stock left beforehand' but did never actually put it into practice.⁷⁷ Hence throughout the period the factors had to seek alternative sources of supply for

75. Fact. Records, Calcutta, Vol. 10, pt. III, f.2.

76. O.C., 18 Jan. 1651, no. 2200, Vol. 22; E.F.I., 1651-52, pp. 13-14; O.C., 8 Jan. 1702, no. 7820, para 11, Vol. 63; O.C., 24 Dec. 1702, no. 8097, para 15, Vol. 65.

77. D.B. 28 Jan. 1659, Vol. 84, f.411; D.B., 18 Jan. 1706, Vol. 95, f. 518; Rawl. A. 302, f.250.

making investment in the proper season.

Of the various additional or alternative sources of supply, the most useful and easily available was the local capital market which the Company found to be efficient and adequate for its purposes. Throughout the period the English Company borrowed money from local merchants and thus provided investment in the proper season. It is, however, not possible, in the absence of any systematic account in the Company's records, to compute the amount borrowed annually by the Company for such purposes. Still some idea could be formed from scattered information in the records. The following table indicates the amounts of the Company's debts to the indigenous merchants in different factories under certain specific dates.

78. Fact. Records, Hugli, Vol. 9, ff. 63.155; Vol. 10, ff. 109,164; Fact. Records, Kasimbazar, Vol. 4, pt.1, ff. 71,145; Fact. Records, Misc, Vol. 3A, f.392; Fact. Records, Calcutta, Vol. 6, pt. 1, ff.6 - 7, 26, Vol. 10, pt. III, f. 43; O.C., 4 Feb. 1702, no. 7852, para 3, Vol. 63; O.C., 15 Aug. 1702, no. 7996, Vol. 64.

<u>Date</u>	<u>Place</u>	Amount owed by the Company <u>to local Merchants</u>
18 May 1683	Kasimbazar	Rs. 250,000
29 Oct. 1683	Kasimbazar	Rs. 350,000
11 June 1684	Kasimbazar	Rs. 100,000
15 Sept. 1685	Dacca	Rs. 80,000
27 April 1685	Kasimbazar	Rs. 270,000
6 Oct. 1685	Kasimbazar	Rs. 250,000
21 Dec. 1695	Calcutta	Rs. 147,000
29 Feb. 1696	Calcutta	Rs. 300,000
15 Feb. 1700	Calcutta	Rs. 300,000
26 May 1701	Kasimbazar	Rs. 250,000
4 Feb. 1702	Kasimbazar	Rs. 200,000
15 Aug. 1702	Calcutta	Rs. 700,000

Generally the Company used to borrow money mainly from Kasimbazar and from there send out money to different factories, specially to Patna and Dacca by bills of exchange or letters of credit on the issuing merchant's agents. The Company also borrowed money regularly in Hugli, Balasore and Dacca. In other words, wherever they needed money, and it was found available in the local market, they resorted to borrowing. But it seems that by borrowing at Kalsimbazar, the Company gained certain advantages. Besides being the resort of numerous shroffs and merchants, Kasimbazar's proximity to Rajmahal enabled the

Company to pay off the debt after coining its treasure, thus saving interest charges which were always very high. As a result the Company sent out a higher proportion of its treasure and merchandise to Kasimbazar for sale there. But later on, specially during the first two decades of the 18th century when Calcutta rose to prominence and became the resort of important indigenous merchants, the Company, it seems, borrowed mainly in Calcutta. It would have been of great interest if it was possible to compute the amount of money supplied yearly by the Kasimbazar merchants to the Company. But here again the paucity of detailed information stands in our way. However, we can compile the full amount of the Company's debt for one year from March 1683 to February 1684. In these twelve months the Kasimbazar merchants provided the Company with about Rs. 200,000. During February 1683 and January 1684 Rs.168,000 were paid by the Company to the Kasimbazar merchants as payment of debts while another Rs.76,000 remained unpaid. During these twelve months the Company paid out about Rs.20,000⁷⁹ to the Kasimbazar merchants as interest for debts. Some idea regarding the amount of money borrowed at other

79. Compiled from Cash Accounts of Factory Records, Kasimbazar, Vol. 3.

factories can be formed from information scattered here and there in the records. In 1684 the Hugli Council asked Balasore factory to take up Rs.100,000 at interest not exceeding 1 per cent per month.⁸⁰ In 1699 the Company's treasurer received Rs.40,000 at interest from Metersen (Mitra Sen or Mathura Singh?). In the same year the Calcutta Council agreed to borrow another Rs.50,000 from him.⁸¹ As early as 1682 the Company borrowed Rs.50,000 from Dacca from the same merchant.⁸² Only at Patna, it seems, the Company did not borrow much locally though it is not possible to ascertain any reason for it. The Patna factory was generally provided with money from other factories. As early as 1679 the Kasimbazar factors took up the Rs.30,000 at $1\frac{1}{4}$ p.c. per month from Sukanand Shah⁸³ and sent the same amount to Patna.

Though the local capital market in India helped the Company to overcome the difficulties resulting from a shortage of fund for investment in the proper season, there were certain factors which inhibited the Company from borrowing freely in India. The chief deterrent in this respect was the high rate of interest prevailing in Bengal

80. Fact. Records, Hugli, Vol.10, f.86; Fact. Records, Balasore, Vol. 1, Diary, 22 April, 1684.
 81. Fact. Records, Calcutta, Vol. 3, pt.II, ff. 51-52, 61.
 82. Fact. Records, Dacca, Vol. 1, pt. II, f.57.
 83. Fact. Records, Kasimbazar, Vol. 1, Diary, 25 March, 1679.

during this period, and which ranged between 12 to 18 p.c. per annum.⁸⁴ This rate was rightly considered very high by the Company as money was available at 8 p.c. per annum in Madras or 9 p.c. at Surat.⁸⁵ As a result, the Court urged their factors in Bengal not to borrow money locally unless it was absolutely necessary. As early as 1677 they wrote to Bengal - "..... we desire what may be (necessary) to avoid paying interest which is so high in the country but when you see there is absolute necessity for it for a little time till our own stock can be coined, we leave it unto you to do what may be requisite therein".⁸⁶ The exorbitant rate of interest in Bengal was regarded by the Court as the 'rank poison' to their commerce and hence they asked the factors to prevent running into debt 'the interest of which eats deep and insensibly'.⁸⁷ But as the Company could hardly avoid borrowing money altogether, it accepted it as a necessary

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84. Fact. Records, Kasimbazar, Vol. 1, Consult. 15 Oct. 1679 Vol. 3, Consult. 8 Feb. 1683; Vol. 4, pt. 1, f.154; Fact. Records, Hugli, Vol. 6, f.164; Vol.10, ff.86, 99-100, 108, 248; Fact. Records, Balasore, Vol. 1, Diary, 22 April, 1684; Fact. Records, Calcutta, Vol. 2, pt. 1, ff. 16, 41; Vol. 3, pt. 11, f.49; Vol. 6, pt. III, f.14; Vol. 8, pt. II, ff.71-72; Fact. Records, Dacca, Vol. 1, pt. II, f.57; Rawl. A. 302, f.250; O.C., Nov.1684, no.5264, Vol. 44; D.B. 13 Feb. 1685, Vol.90, f.436.
85. D.B., 5 July 1682, Vol. 90, f.8; 12 Jan, 1705, Vol. 95, f. 381.
86. Ibid. 12 Dec. 1677, Vol. 88, f.520.
87. Ibid. 5 July 1682, Vol. 90, f.8; Ibid. 18 Jan. 1705, Vol. 95, f.519.

evil and tried to beat down the rate of interest by various means. In the early 'eighties the Court claimed to have reduced the rate of interest in Surat to 6 p.c. by sending 'great stocks of money' there. They reported - "... money was grown so plentiful there that any man in full credit might take up what he would at 4 p.c." Such a rate was of considerable advantage to the Company which asked Surat to go on buying goods throughout the year by which it would save about 20% in the price of goods while the interest for such a period (six months at the most) would be only 3 p.c. With the expectation of such advantages, the Bengal factors were asked to reduce the interest of money as it was in Surat or to 7, 8 or 9 p. cent at most 'by any contrivance or diligence or by any contract with the great moneyed men of the Bay'. The Court further wrote, presuming such rates would be available in Bengal, that it would 'probably be our advantage to be always in debt there £100,000 or thereabout'.

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88. D.B. 5 July, 1682, Vol.90, f.8, There is little doubt that large stock sent by the Company to Surat greatly reduced the rate of interest there. The Surat General letter stated in 1683 - "It is very true that the large stocks Your Honours sent out lately annually was the real cause that the rate of interest fell and not unlikely but at sometimes when Your Honours or the Dutch's occasions require no money, men of good reputations might for small sums procure after the rate of 4 p.c. per annum." Vide. O.C., 30 Nov.1683, no.5001, Vol.43

In 1682 the Court asked Bengal Council to begin an indigenous bank with a capital of £200,000 from the indigenous merchants there.⁸⁹ But it seems the Company did neither send^a sufficiently a large stock to Bengal in an attempt to reduce the rate of interest as it did in Surat nor could it form an indigenous bank to relieve it from borrowing money at exorbitant interest. It also tried unsuccessfully to form a joint stock of merchants who would provide investment with their own money.

The problem of financing the investment was made more difficult for the Company because of the fact that the rate of interest as also the availability of money depended to a large extent on the rate of exchange to Agra. If the latter rate was high, money would become scarce in Bengal and consequently the rate of interest would also be high. Sometimes even at this high rate of interest, it was difficult for the Company to procure any money. In 1682 the Kasimbazar factors wrote that the place was 'unprovided of cash by reason the exchange to Agra is so exceeding high'.⁹⁰ This was the pattern of the

89. D.B., 28 Aug. 1682, Vol. 90, f.22.

90. Fact. Records, Kasimbazar, Vol. 2, Consult., 7 Sept.1682.

credit market throughout our period. Even as late as 1700 the factors in Kasimbazar reported - "We cannot get money at interest here being very little ready money in the country and the exchange current from hence to Delhi and Agra is but 6 per cent and the shroffs make use of what ready money they have that way."⁹¹ Again the merchants or shroffs who lent money to the Company would often demand it back when the exchange to Agra took a sudden rise so that they could employ it more profitably. In 1684 the Kasimbazar factors reported that the merchants demanded their principal and had become 'very importunate with us for it'. They further wrote - "We cannot well avoid paying now, the exchange running high aloft which is the reason they want it to employ that way to their better ⁹²advantages". Any rise in the rate of exchange to Agra also impeded the sale of treasure by the Company. In 1678 the factors in Kasimbazar reported that they failed to come into contract with Gujrati merchants for sale of treasure as the latter employed all their money in exchange

91. Fact. Records, Calcutta, Vol.10, pt. II, f. 92.

92. Fact. Records, Kasimbazar, Vol. 4, pt. I, f.1.

to Agra, following a sudden rise therein.⁹³ The mechanism of this operation can be understood as follows. A favourable rate of exchange on Agra causes the Indian merchants in Bengal to engage in arbitrage transactions thus causing a temporary tightness in the local money market. Since the sale of the Company's silver required liquid funds, the merchants were obviously not in a position to offer attractive prices in view of their operations in bills of exchange.

There were other factors which hindered the Company from borrowing money locally for financing the investment. Sometimes the official exploitation of the Company in other parts of India led to its loss of credit in Bengal. Thus in 1702 Janardan Seth, the Company's broker, failed to borrow money on behalf of the Company from Hugli where a report was current that the Dutch and the English factories in Surat had been plundered by the Government to the extent of above six lacks of rupees to make satisfaction for the piracies committed on the 'mocco' (Mocha? or Mecca) and Malacca shipping in the previous year.⁹⁴ The late

93. Fact, Records, Kasimbazar, Vol.1, Diary, 17 Aug.1678.

94. Fact. Records, Calcutta, Vol. 8, pt.II, f.54.

arrival of Europeships also sometimes led to the loss of credit for the Company. The Calcutta factors wrote in 1702 that Fatechund Shah refused to accept their letter of credit to pay the English ten thousand rupees at Patna as 'no ship was yet arriving from England'.⁹⁵ Again most often the merchants clamoured for their money as soon as the ships arrived from England, thus aggravating the Company's problem of finance. In a general report in 1669, the Company's factors wrote - "If we chance to get into the merchants' debts, they call for their money as soon as our ships arrive and nothing will serve their turns but silver, they will not stay the coining it, because they will have the advantage themselves."⁹⁶ Sometimes the merchants who lent money were factors or agents of other merchants and demanded payment of their money when their masters asked for it, thus putting the Company in an awkward position. In 1685 the Kasimbazar factors reported that three of their merchants to whom they owed Rs.50,000 at interest had been 'very importunate' with them for their money as the latter's masters 'called upon them for it'.⁹⁷

95. O.C., 15 Aug, 1702, no. 7996, Vol. 64.

96. Rawl. A. 302, f. 250.

97. Fact. Records, Kasimbazar, Vol. 4, pt.1, f.108.

In the same year Sibram Poddar and others who were 'poddars' to the Dutch, and to whom the English Company was indebted for Rs.60,000, demanded their money back, part of which, as the factors believed, belonged to the Dutch.⁹⁸ But despite all these limitations, the credit market in Bengal was the most important as an additional source of supply for financing the Company's investments.

Apart from indigenous credit market, the Company often turned to other sources to replenish its finance in Bengal. Of these the Dutch were the most important source of supply for the English Company, especially in the early years of its trade in Bengal. The servants of the Dutch East India Company generally remitted money to Europe through the English Company. The general practice was that these factors deposited their money with the Company in Bengal and received a Bill of Exchange which their agents or correspondents cashed in Europe. In 1664 the Court of Directors made an agreement with John Lethieulier, a London merchant, to receive Rs20,000 - 25,000 from Jan Velters who was a factor of the Dutch East India Company in Bengal.

98. Fact. Records, Vol. 4, pt. 1, ff. 111-12.

Accordingly in 1665 Jan Velters paid Rs.25,000 to the English factory at Hugli and took a bill on the English Company at 2s. 6d. per rupee.⁹⁹ This was obviously a contrivance on his part for getting money remitted to Europe without the knowledge of his employers. Similarly other Dutch factors remitted money through the English Company. The practice became so common that the Company authorised its factors in Bengal in 1669 to take up from the Dutch up to £10,000 regularly at exchange.¹⁰⁰ It was not only the ordinary factors, but even the Chiefs or Directors of the Dutch factories in Bengal seem to have indulged in the same practice.¹⁰¹ The English factors in Hugli reported in 1681 that the Dutch Director there offered to pay Rs. 10,681 into the Company's treasury and to take bills as usual for it on the Company in England and that they had agreed to the transaction.¹⁰² For obvious reasons, the Company preferred taking up money by this sort of exchange than borrowing locally, and in 1674 the Court of Directors gave liberty to the Bengal Council to take up of the Dutch and draw upon them to the value of £20,000

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99. D.B., 21 Dec. 1664, Vol.86, f, 460; O.C., 1 Sept.1665, no. 3069, Vol.29.
100. O.C., 11 Sept. 1669, no. 3344. Vol. 30.
101. Velters himself was the chief of the Dutch factory at Piply, vide, K.N. Chaudhuri, Economic History Review, Vol. XXI, no. 3, 1968, p.492.
102. Fact. Records, Hugli, Vol. 3, pt. 1, f.7.

annually.¹⁰³ However, it is not possible to calculate precisely the exact amount of money which was actually received from the Dutch factors in Bengal for lack of quantitative data, except perhaps for one or two particular years. In 1669 the English Company received Rs.65,000 (£8,125) from the Dutch against bill of exchange.¹⁰⁴ Again in 1673 the amount was Rs.110,000 (£13,750) and next year it decreased to Rs.60,000 (£7,511. 5s.).¹⁰⁵ But sometimes, specially during the Anglo-Dutch wars, the Dutch source of supply was not available, thus aggravating the Company's already acute, problem of financing the Bengal trade. In 1669 the factors wrote that the Dutch had stopped further business with them in bills of exchange.¹⁰⁶ Again in 1674 it was reported that no money was to be had by exchange from the Dutch due to the war between the English and the Dutch, despite all assurance from the Company to honour and pay the bills as in peace time.¹⁰⁷ However, it seems, up to the 'eighties of the

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103. D.B., 17 Aug. 1674, Vol. 88, f.131.
 104. O.C., 30 Nov. 1669, no. 3377, vol. 30.
 105. D.B., 23 Dec. 1674, Vol. 88, f.153; Fact. Records, Hugli, Vol. 4, pt. I, f. 114.
 106. O.C., 30 June 1669, no. 3303, Vol. 30.
 107. D.B., 7 July 1673, Vol.88, f. 48; 31 Oct. 1673, Vol. 88, f. 75; 23 Dec. 1674, Vol. 88, f.153.

17th century, the Dutch factors provided a substantial part of the Company's finance in Bengal. Even in 1681 the Court directed the factors in Bengal to take about 40,000 or 50,000 rupees at the rate not exceeding 2s. 6d. per rupee from John Lethieulier's correspondents who were mostly Dutch factors in Bengal. ¹⁰⁸ But the Dutch sources seem to have dried up towards the close of the century when their trade was much reduced compared to that of the English.

Besides the Dutch, the English Company's servants, free merchants and other Europeans also supplied the Company with money for the necessary investments in Bengal. In the early years, however, the Company's servants generally paid money into the Company's treasury not in their own name but in the name of indigenous merchants thus concealing their private fortune from the Company. In 1679 Richard Mohun, a factor in Bengal, deposited ~~his~~ money in a country merchant's name and received a bill in return. ¹⁰⁹ Sometimes, however, these factors preferred to lend money to the Dutch Company as they deemed it more profitable. In 1674 the Bengal Agency reported that some factors found it to their greater advantage to lend what money they could spare to the Dutch Company at $1\frac{1}{2}$ p.c. interest per month. ¹¹⁰

108. D.B., 5 Jan. 1681, Vol. 89, f. 276.
 109. O.C., 1 Oct. 1679, no. 4660, Vol. 40.
 110. Fact. Records, Hugli, Vol. 4, pt. II, f.20.

Generally the factors deposited money with the Company against bills of exchange which they sent to their correspondents in England. A few illustrations of such transactions between the Company and its servants can be noted here. Abraham Adams, who was accountant at Fort William, on his departure for England in 1716, deposited Rs.27,728. 6. 3. and received a bill of exchange for £3,812.13. 1d. (at 2s.9d. per rupee) on the Court of Directors.¹¹¹ Even the President of the Company's affairs in Bengal remitted money to England by bills of exchange on the Court. In December 1717 the principal and interest of money deposited by Robert Hedges, the President in Bengal, amounted to Rs.40,045 for which he received a bill of exchange on the Court at 2s.9d. per rupee.¹¹² The succeeding President, Samuel Frake, paid Rs. 10,000 into the Company's treasury in 1718 against a bill of exchange on the Directors for £1,375 (at 2s.9d. per rupee).¹¹³ In the same year Henry Frankland, storekeeper at Fort William

111. Beng. Pub, Consult., Range 1, Vol. 3, f.117.

112. Ibid. Range 1, Vol 3, f.460.

113. Ibid. Range 1. Vol. 4, f. 1a.

and a member of the Bengal Council, deposited Rs.80,000 for which he received a bill of exchange on the Court for £11,000 (at 2s. 6d. per rupee).¹¹⁴ Besides the Company's servants, other Europeans too lent money to the Company at interest. In 1699 Noel Argons, a Frenchman, offered to lend Rs.15,000 to the Company at 1 p.c. interest per month.¹¹⁵ Derrickson, a free merchant, it seems, received a bill of debt from the Company in 1715 for his principal and interest amounting to Rs.30,731. 0. 6.¹¹⁶

Apart from short-term direct borrowings which were really bridging finance, the Company also tried to explore other available sources in an attempt to create funds required for its investment in Bengal and thus engaged itself in several branches of Inter-Asiatic trade. Similarly in order to tap yet another source of income, it encouraged the freighting of its ships by indigenous merchants and carried goods of these traders to different Asian ports on freights. The Inter-Asiatic trade and freight voyages not only provided additional sources of funds for investment but they also saved the Company the demurrage of its ships while in Asia. These ships which

Pub. Consult.

114. Beng./Range 1, Vol. 4, f. 3.

115. Fact. Records, Calcutta, Vol. 3, pt. II, f. 49.

116. Beng. Pub, Consult., Range 1, Vol. 3, f. 108a.

failed to sail for England in the proper season were obliged to stay on, thus incurring heavy demurrage. Under the circumstances the Company asked its servants to use their best efforts to employ those ships in Inter-Asiatic commerce and freight voyages. These commercial ventures eased, with little doubt, the problem of financing the investment for the Company, though in the absence of adequate data, any accurate estimate of the proceeds from such ventures is not possible. Throughout the period, the branch of the Inter-Asiatic trade in which the Company was mostly engaged was the Bengal-Persia trade. As early as 1652 the Company decided to lade a ship in Bengal for a voyage to Persia.¹¹⁷ In 1657 the Court directed the Bengal factors to send one ship annually with suitable cargoes to Persia.¹¹⁸ The ship Ann arrived at Gombroon in 1659 from Bengal with commodities on the Company's account as well as a considerable quantity of freight goods.¹¹⁹ But it appears that the Company never sent ships regularly on trading voyages to Persia. In 1682 the factors in Gombroon urged the Company to send one or two ships there regularly

117. O.C., 12 Feb. 1652, no. 2257, Vol. 22; E.F.1., 1651 - 54, p. 111.

118. D.B., 31 Dec. 1657, Vol. 85, ff. 15-16.

119. O.C., 2 April, 1659, no. 2730. Vol. 26.

from Bengal. They pointed out that the Dutch sent that year two ships from Bengal laden with cloth and sugar by which they 'seldom got less than 50 or 60 p.c.' so that one of the ships of 400 tons gained by one voyage from Bengal at least fifty five or sixty thousand rupees, besides the freight they got from Gombroon to Surat.¹²⁰ In 1683, however, the English Company sent two ships to Persia from Bengal - one of them, the Hare, carrying 2,171 bags of sugar, valued at Rs. 21,733.4, the other, Henry and William, laden with 2,821 bags of sugar and various other goods amounting to Rs.56,760.¹²¹ A large part of the profit thus earned in Persia went to Bengal in the form of silver abbasis and gold ducats. The freight voyages were generally undertaken to and from Surat and Persia. Whenever the Company failed to procure sufficient tonnage for freight to Surat or Persia, it filled up the ships with cargoes on its own account. Thus in 1690, besides the freight goods, about 200 tons were required to make up the full tonnage of the ship Kempthorne and the Company ordered to provide 5,000 or 6,000 mds. of rice and 1,000 mds. of wheat to make up her tonnage in a voyage to Surat.¹²² Individual Indian

120. O.C., 16 May 1682, no. 4820, Vol. 42.

121. Fact. Records, Hugli, Vol. 6, pt. II, ff. 4-5.

122. Fact. Records, Calcutta, Vol. 1, pt. 1, f. 36.

merchants also quite frequently freighted Company's ships for particular voyage to Surat or Persia either jointly or on their separate account. A few illustrations of such freighting of ships by indigenous merchants would not be inappropriate here. In 1701 several Hugli merchants, namely, Mathuradas, Brindabandas, Khoja Padroes and Khoja Phanous freighted one of the Company's ships for a voyage to Surat for Rs. 20,000.¹²³ Again in 1702 Khoja Sarhaud Israeli, the famous Armenian merchant in Bengal, chartered the Company's ship Colchester for a trading voyage to Gombroon and Basra for Rs. 38,000.¹²⁴ Janardan Seth, the Company's broker at Calcutta, chartered the Hester in 1707 for Persia at Rs. 30,000.¹²⁵ Khoja Sarhaud freighted the Howland in the same year for Persia at Rs. 34,000.¹²⁶ The earnings from such voyages either on freight or on the Company's own account were not negligible. In 1714 the ship Hanover's voyage to Surat produced about Rs. 59,548.¹²⁷ The estimated profit of the Cardigan's voyage to and from Persia in the same year was above Rs. 40,000.¹²⁸ In 1717 the small ship Arabella's earnings in her Surat voyage amounted to well over Rs. 17,000.¹²⁹ Though the Company

 123. O.C., 23 Dec. 1701, no. 7807, Vol. 63; 27 Jan. 1702, no. 7837. Vol. 63.

124. Fact. Records, Calcutta, Vol. 4, pt. 1, ff. 18, 20-22.

125. D.B., 7 April, 1708, Vol. 96, ff. 255-56.

126. Beng. Pub. Consult, Range 1, Vol. 1, f. 411.

127. C. & B. Abst. Vol. 1, ff. 508, 524.

128. Beng. Pub. Consult, Range 1, Vol. 2, f. 399a.

129. Fact. Records, Misc., Vol. 7, f. 37.

discussed in various deliberations the possibilities of deriving a lucrative trade from Bengal to China, Japan, Achin and other parts of the East Indies, ¹³⁰ it had never effectively traded to those parts from Bengal during our period, though the China trade seems to have provided substantial sums for investment on the Coromandel ¹³¹ Coast.

Procurement

The procurement of the return cargo for England and Europe was no less a baffling task than financing the investment, and one was intimately connected with the other. It involved problems partly technical in character and partly inherent in the local administrative, social and political organisation. Securing commodities of the right quality as also pricing and sorting out these, for instance, required considerable skill and dealing with the local merchant - middlemen called for great tact and vigilance. The machinery for the procurement of the investment had been organised, it appears, right from the beginning on a stable basis. For procuring the bulk of the return cargo, the Company had to depend on the indigenous merchant - middlemen as it could not deal directly with the producers

 130. D.B., 25 July 1701, Vol. 94, ff. 304 - 5; O.C., 8 Jan. 1702, no. 7820, para 11, Vol. 63; 25 Jan. 1703, no. 8110. ff. 11-12, Vol. 65; 29 Dec. 1701, no. 7810, ff. 9-10, Vol. 63.

131. R.N. Banerjee, The Commercial Progress and Administrative Development of East India Company on the Coromandel Coast during the first half of the 18th Century, pp 213-17.

on weavers. Money and merchandise were delivered to these middlemen in advance from four to six months before the time when the commodities were to be delivered. The middlemen in their turn gave advance to the weavers and saltpetremen. Thus a substantial part of the Company's investment was procured through a system based on giving advances to indigenous merchants. Connected with the advance given to the merchants was the problem of bad debts which was one of the main concerns of the Company throughout our period. The Company provided the merchants with samples of calicoes and silk ordered from England, and both the parties agreed to a price at the time when the contract was made. The fixing of prices and sorting of piece-goods and silk often led to wranglings between the Company and the merchants. Moreover there were the problems of competition from other European Companies and indigenous merchants trading in Bengal, and attempts at monopolisation of certain sectors of local trade (especially the saltpetre trade as was done by Mir Jumla and Shiasta Khan). Besides, wars, famines and official rapacity accentuated the difficulties of procuring investment on advantageous terms for the Company.

In order to avoid buying commodities at soaring prices - as we have seen earlier, sometimes at even 40 to 50% more than the usual rate - at the shipping season, the

Company had to give advance to the middlemen in the proper season for investment which was usually between February and June. Again, some of the commodities were not at all procurable sometimes without 'impress' or advance given earlier. Thus, in 1702, the Calcutta factors reported that raw silk and floretta yarn were not to be provided 'without giving impress'. Moreover, though the return cargoes were available for purchase with ready money during shipping season, most often the quality and the size were not up to the specification set out from England. Hence advance or dadney for procuring investment became an accepted norm in the pattern of the Company's trade in Bengal. For silk investment, advances had to be given throughout the year. There were three kinds of silk - namely Marchbund, Julybund & Novemberbund - in Bengal for which the Company provided dadney. The advance for 'Novemberbund' silk which was regarded as the best kind of silk was to be paid either in December or January. Similarly for 'Julybund' silk, which was next to 'Novemberbund' silk in quality, the 'impress' money was to be given in August or September, and for 'Marchbund' silk in April or May. As silk formed an important item of

132. Band or Bund is a technical term for a cocoon - rearing season in Bengal (c.f. N.Mukherjee, Monograph on the Silk Fabrics of Bengal, p.10); in other words, 'Bund' means silk from the cocoons of a particular season.

133. Fact. Records, Kasimbazar, Vol. 1, Consult, 30 Dec.1681
10 Jan. 1682; Fact. Records, Calcutta, Vol.10,pt.III,f.2.

the Company's investment in Bengal, inadequate capital for providing dadney at the proper time stood in the way of a full investment in that commodity. In 1699 the factors reported - "..... the best Kasimbazar silk is procured in March and November, but we seldom get any of it for want of money to give them in time on contracts to secure it." ¹³⁴ At Patna money was to be paid in advance to the saltpetremen in November for the provision of saltpetre. ¹³⁵ Similarly at Malda sometimes dadney was to be provided in January for piece-goods, specially in order to prevent the 'needy weavers' from falling into the hands of the Dutch and other competitors. ¹³⁶ So almost throughout the year the Company needed quite a substantial amount of money to provide advance against the provision of return cargoes.

From the beginning of its trade in Bengal, the Company, plagued by chronic shortage of working capital, took recourse to barter trade for procurement of return cargo. It seems that up to the 'eighties of the 17th century, bartering Company's imports for dadney or final payment against investment was a normal method of the Company's transactions in Bengal. As early as 1669 the

134. Rawl. A. 302, f. 250.

135. Fact. Records, Hugli, Vol. 10, f.196.

136. Fact. Records, Malda, Vol. 1. Diary, 3 Jan., 8 Jan. 1681.

Balasure factors wrote to the Court of Directors that goods there had for many years been provided with European commodities which were bartered to the merchants. ¹³⁷ Sometimes only a part of the payment against investment was made in barter for European merchandise; at other times the whole amount, specially when it was small, was paid in barter for English goods. A few examples of such transactions between the merchants and the Company will illustrate our point. In July 1679 the Company agreed on a contract with Muthuradas Shah, a prominent merchant of Hugli, for 6,000 pieces of romalls for which the Company was to pay half in money and half in Europe goods. ¹³⁸ Similarly in 1684 the Company entered into a contract with Rewadas of Balasure for cloth and other commodities for which it paid half in ready money and half in English merchandise. ¹³⁹ Sometimes the whole amount of the contract was paid in imported goods. Thus in 1684 the Company paid Chintaman Shah of Balasure for cloth amounting to Rs.8,100 and Lalchund, also of Balasure, for his cloth worth Rs. 17,000 fully in different commodities imported from England. ¹⁴⁰ As the import market was limited, the

 137. Fact. Records, Misc., Vol.3, f.99.

138. Fact. Records, Hugli, Vol. 2. pt. 1, f. 68.

139. Ibid., Vol. 10, f.76.

140. Ibid., Vol. 10, ff. 11,75.

Company found it convenient to impose English merchandise on the merchants as part or full payment against investment. In 1683 the Balasore factors wrote - "The only way we can contrive here or think on to put off our masters' cloth to their most and best advantage is to put our merchants to be taking of cloth now and then upon the account of their investment". In that year the following contract was made with the Balasore merchants -

<u>The merchants to provide:</u>		<u>The merchants to receive in English merchandise</u>	
Nillaes - 25,000 pcs,	Rs.1,06,250	Broadcloth	Rs.20,000
Ginghams- 20,000 "	61,000	Quicksilver	3,600
Sannoes - 20,000 "	70,000	Vermilion	2,000
Sannoes - 3,000 "	18,850	Lead	4,125
Romalls - 2,000 "	<u>11,000</u>	Copper plates	<u>12,000</u>
	Rs. 267,000		Rs.41,725

But it was becoming increasingly difficult to impose English merchandise and goods on merchants as barter for investment. Quite often they refused to accept imported goods or bullion against provision of investment. The Court, too, disliked the barter trade as they thought that it led to a loss for the Company. As early as 1674, they recommended to the Bengal factors 'to sell our goods for money so that you may buy all with money'. But the

 141. Fact. Records, ^{Hugli} Vol. 9, f.127.

142. D.B., 12 Dec. 1677, Vol. 88, f.520.

Company could hardly abandon the barter trade in the face of two factors - the compulsion to export a substantial part of the investment in merchandise and the small demand for such commodities in Bengal. As late as 1719, one finds that the Bengal Council tried to impose broadcloth on the dadney merchants as advance for the procurement of investment through its broker at Calcutta. The merchants, as the Calcutta factors reported, showed the 'utmost unwillingness by their obstinate and positive refusals' against such proposals. As last, however, the broker persuaded the merchants to take 5 p.c. in broadcloth at current market rates.¹⁴³

The Company was sometimes relieved of its shortage of cash by the local merchant - middlemen who provided the investment with their own money. Mathuradas, the chief merchant of the Company in Hugli, provided 250 bales of raw silk with his own money in 1695.¹⁴⁴ In 1696 the Calcutta Council asked the Dacca factors to enter into a contract with Puranmal Shah for goods to be provided with his own money, allowing him about 20% on the first cost of goods and exclusive of charges as brokerage etc. The demand of the merchants who provided investment with their own money was generally 20% above prime cost for goods and ¹⁴⁵ 7½% for charges. In Calcutta, however, when the Company

143. Beng. Pub, Consult., Range 1, Vol. 4, ff.110, 110a; Coast & Bay Abst., Vol.2, f.233, para.49.

144. Fact. Records, Calcutta, Vol.2, pt.1, f.95; Vol.3, pt.II, f.91

145. Fact. Records, Calcutta, Vol.6, pt.III, f.67.

contracted with the merchants for the main bulk of the investment, the merchants, whenever required to provide goods with their own money, were to be allowed interest at the rate of 1 p.c. per month for their money until paid in full. The Calcutta factors reported in 1699 that they entered into a contract with several 'moneyed merchants' who would provide the Company's investment with their own money, allowing them interest until 'the Company was in cash to pay them and give them full dadney'. Explaining the considerations on which they thought the contract was convenient for the Company, the factors wrote - "though it may be said that these merchants having money will of themselves provide goods against the next season and deliver in them for ready money and we save the interest, yet on the other side, we find that of late years the merchants have seldom brought in their ready money goods of such goodness and sortments as were proper for the European markets, though of necessity we took them whilst goods bore such a great price in Europe; for its their intent to lay their money out in goods proper for all markets so that if one party will not, another will take them." 146

As the Company could hardly afford to lose full investment for Europe ships, it had to procure goods through the

merchants who provided the commodities with their own money for which the Company paid them interest. Manickchund Shah offered in 1700 to provide goods worth 2 or 3 lacks of rupees with his own money.¹⁴⁷ The factors reported in 1717 that as they had no money to give out dadney, the merchants refused to contract for any goods until they agreed to allow one percent interest per month for half the amount of what they should contract for. The Company gave each merchant a bill of debt at interest for half the amount of what he obliged himself to provide. The bills were to be paid with interest when cash was available to the Company.¹⁴⁸ The merchants were often paid against their investment by such bills of debts by the Company. But sometimes its effects were disastrous for the merchants, specially the less wealthy ones. The Kasimbazar factors reported in 1701 that in the previous year having failed to get money of the shroffs, they were forced to pay their merchants for goods by bills at interest. The merchants who needed money 'in a little time', carried those bills 'so plentifully to the shroffs that they were much undervalued and a great many of them sold for considerable

 147. Fact. Records, Misc., Vol. 3A, f.392.

148. Beng. Pub, Consult., Range 1, Vol. 3, f.335.

loss', thereby ruining some of the merchants who, it was
 thought, would hardly recover themselves again.¹⁴⁹

However, procurement through such bills of debt by the Company appears to have been quite common from the 'nineties onward. Often the total amount of these bills of debt given as dadney to the merchants at Calcutta for one year's investment was quite large. In May 1695 the Company paid the merchants by bills on the mint amounting to Rs.327,519 on account of that year's contract for goods.¹⁵⁰ Similarly in March 1703 the merchants were paid by bills of debt for Rs.177,955. 7. 11 at the usual interest of 1 p.c. per mensem as the payment of the balance for the previous year's investment.¹⁵¹ The Company, occasionally it seems, paid the Armenian merchants for their goods by bill of exchange on the Court. Thus in 1703 Khaja Sarhauud Israeli received three bills of exchange on the Company in London for £1,356.5. - for seven thousand rupees worth of goods supplied by him. The Armenians sometimes provided part of the Company's investment in Bengal. As a matter of fact, as early as 1688, their representative Khoja Phanous Calendar made a contract with

 149.Fact. Records, Calcutta, Vol. 3, pt. III, f.111

150.Fact. Records, Calcutta, Vol. 2, pt. 1, ff.118,120,121.

151.Fact. Records, Calcutta, Vol. 4, pt. 1, f.57.

the Company in London to provide Indian goods for the Company at a certain profit. According to this, the Armenian merchants' goods were to be consigned to the Company which would allow them 30 p.c. profit on the first cost and charges.¹⁵² Again in 1694 Khoja Phanous Calendar made an agreement with the Company in London to, provide, specially, Patna commodities as investment for the Company. All these merchandise were to be procured by the Armenians with their own money and brought down and delivered to the Company either at Calcutta or Hugli and they were to be allowed 15%¹⁵³ upon the prime cost and all other necessary charges.

As we have already seen, the main bulk of the Company's return cargo was procured through a system based on giving advances to indigenous merchants. The dadney given to the merchants at Calcutta for the procurement of goods was generally from 70 to 75 p.c. of the total cost of the investment.¹⁵⁴ It appears that the full amount of the dadney was not paid all at once but on instalments. Again sometimes only a part of the dadney was paid in cash, the rest by bills of debt. The balance of the cost of

152. D.B., 15 Feb. 1689, Vol. 92, f.25.

153. Home Misc., Vol. 36, ff. 81-82.

154. Beng. Pub. Consult., Range I, Vol. 1, f.290; O.C., 2 Aug, 1707, no. 8494, Vol. 69; 26 March, 1708. no. 8544, Vol. 69; Beng. Pub. Consult., Range I, Vol. 2, ff.349-349a; Vol. 3, f.335.

investment was not paid till accounts were adjusted after the departure of Europe ships. The Court, however, did not like the practice of paying dadney, specially at such high percentage of the total cost of investment.

They were glad when in 1718 the factors reduced the dadney to 60%.¹⁵⁵ They wrote in February 1720 - "We can't but approve it (reduction of dadney) because it reduces a former ill custom, for on the Coast we don't make such advance of money beforehand".¹⁵⁶ The dadney was again reduced to 50 p.c. in 1722, of which 20 p.c. was paid in cash and the rest by bills.¹⁵⁷

The system of providing dadney for the procurement of return cargo involved the problem of bad debt which concerned the Company throughout the period of our study. The Company incurred bad debts whenever the merchant - middlemen failed to comply with the contract for goods. If the factors were careless in choosing the merchants for such contracts, there was little chance of **securing** the goods ordered or recovering the money. As a matter of fact, sometimes even merchants of repute failed to provide goods

155. Coast & Bay Abst., Vol, 2, f.276.

156. D.B., 3 Feb. 1720, Vol. 100, f.225.

157. Coast & Bay Abst., Vol. 2, f.319.

according to the contract, thus augmenting the Company's loss by bad debts. The recovery of these bad debts was a tedious and hopeless task. In 1695 the Company even attempted to make good its losses by seizing a ship with her cargo belonging to Chintaman Shah, an alleged defaulter.¹⁵⁸ As early as 1679, the Company tried to secure itself from bad debts at Balasore by entering into a contract with the merchants there, according to which, the merchants were to be mutual securities for each other's transactions.¹⁵⁹ But this contract does not seem to have worked for long. Time and again, the Court asked the Bengal factors to organise the merchants in different factories into joint stocks¹⁶⁰ which, together with other advantages, would secure the Company from bad debts. But, as we have noted earlier, the Company failed to form any joint stock societies in Bengal. However, the Company always tried to secure itself from bad debts. In the 'seventies or 'eighties of the 17th century, whenever the Company was required to appoint smaller merchants for silk

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158. Fact. Records, Calcutta, Vol. 2, pt. 1, ff.162,195; Vol. 9, pt. II, ff. 89-90, 105, 124; Vol. 10, pt. 1, f. 3.
159. B.M. Addl. Mss. 34123 f.47; O.C., 3 Sept. 1679, no. 4648, Vol. 40; Master's Diary, Vol. II, pp.222-4.
160. D.B., 14 Nov. 1681, Vol. 89, f. 398; 21 Dec. 1683, Vol. 90, f. 245; 5 Sept. 1683, Vol. 90, f.219; 5 March, 1684, Vol. 90, f.260.

investment, it made them provide eminent merchants as security for any such contract. Thus in 1677 and 1678 Jaychund Shah stood security in the name of his son Prananath for Jashodanandan, a silk pigar or merchant. ¹⁶¹

In Malda when the petty merchants and weavers made any contract with the Company, they had to stand security for each other. ¹⁶² In 1705 when the Company employed several weavers in Calcutta, it ordered - in order to prevent the danger of bad debts - that some merchants would stand security for all the weavers and that these merchants were to be allowed 3 p.c. on the value of the goods 'on consideration that he must make good what sums shall happen to be lost by any of the weavers that may chance to break or run away'. ¹⁶³ Next year, the Company, thinking it hazardous to trust the weavers - who fell defaulters last year - any longer without any good security, made an agreement with Nityananda, who should act as supervisor over all the weavers in the three towns. He had to answer for all danger and loss that would accrue thereon according to his contract and obligation

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161. Fact. Records, Kasimbazar, Vol. 1, Diary, 12 April 1677; 25 March 1678.
 162. Fact. Records, Malda, Vol. 1, Diary, 24 May 1680.
 163. Bengal. Public. Consult., Range 1, Vol. 1, f.195.

'for which trouble and risk' he would be allowed 3 p.c. on all goods procured from the weavers.¹⁶⁴ However though bad debt appears to be the Company's concern throughout the period, it does not seem to have suffered heavily from bad debts in Bengal. As a matter of fact the proportion of desperate and dead stock to quick stock was the minimum in the Coast and Bay as compared with that in Company's other factories in Asia^{164a} which is evident from the following table for January 1683 -

<u>Factories</u>	<u>Desperate Stock</u>	<u>Dead Stock</u>	<u>Quick Stock</u>
Bantam	£26,399	£24,339	£112,006
Surat	£18,784	£139,393	£199,299
Coast & Bay	£24,753	£18,336	£541,796
St. Helena	-----	£10,000	-----
	<hr/>	<hr/>	<hr/>
	£69,936	£192,068	£853,101

Among other major problems which the Company had to face in the procurement of return cargo was the failure of the merchants to provide goods in due time and their non-compliance to fulfil the contract even after accepting dadney or advance. Not only were the merchant-middlemen frequently in arrear, but often they failed to comply with

164. Bengal. Public, Consult., Range 1, Vol. 1, ff.301, 301a.
164a. Br. Mus. Addl. Mss., 22,185, f.4.

their contracts to deliver goods in due time. Again, some of the merchants quite frequently sold their goods to other European Companies or traders at lucrative prices, though they were provided with dadney by the English Company for providing the commodities for its investment. To obviate all these difficulties, the Company took recourse to various measures but hardly with complete success. In 1678 the Company entered into a contract with the Balasore merchants - Ramnarain, Ramchund and Ramjiban - who were to provide different commodities by the end of November, and in case they failed to bring these goods in due time, they were to pay 25 p.c. 'for what money shall be in their hands at that time'¹⁶⁵. The agreement with Khojla Sarhaud Israeli in 1699 was of great interest in this respect. Perhaps because he was such an eminent merchant, the obligation to honour the contract was not only his but also on the part of the Company. According to this contract, he was to provide the Company with different commodities to the value of Rs.250,000 and it was agreed if either party relinquished the contract, it had to pay ten thousand rupees to the other party.¹⁶⁶ It appears to be the only contract in -----

165. Fact. Records, Hugli, Vol. 1, Diary, 2 Sept. 1678.

166. Fact. Records, Calcutta, Vol. 3, pt. II, ff. 228-29.

which the Company bound itself to pay penalty if it cancelled the agreement on its own accord. The penalty or fine for delay in providing goods does not seem to have been imposed on the Calcutta merchants before 1702. In January that year, when several of the dadney merchants failed to provide goods in due time, the Company demanded interest for the money advanced 'in consideration that their goods were not sent home on the last year's shipping'. The merchants refused to pay any interest on the ground that their boats were stopped at different Chowkies,¹⁶⁷ and that it was never practised either by the English or any other European Companies. As last, however, they were compelled to pay interest for six months on the sum advanced to them for investment.¹⁶⁸ Then onward such penalty for arrears became normal in Calcutta. In 1707 the Company charged 10 p.c. on the merchants who were defaulters.¹⁶⁹ Even the great merchant, Khoja Sarhaud, was obliged in 1709 to pay interest for the money advanced to him because he failed to provide goods in due time.¹⁷⁰

But the Company could not prevent the dadney merchants from dealing with the Interlopers or other

167. Customs Houses.

168. O.C., 8 Jan. 1702, no. 7820, para. 34, Vol. 63.

169. Ibid., 2 May, 1707, no. 8494, Vol. 69.

170. D.B., 9 Jan. 1710, Vol. 96, f.662.

European Companies. Most of the Company's influential merchants - Khemchand and Chintaman at Balasore, Mathuradas in Hugli, and Chaturmal in Kasimbazar - had direct trade transactions with the Interlopers. They often sold their goods to the Interlopers or the French Company at higher prices, thus hampering the English Company's investment. As they were all prominent merchants, the Company could hardly censure them. But it tried to punish smaller merchants ^{were} whenever they/involved in such transactions. In 1683 Sambhunath, who was 'factor general for all the dealers in Malda', received dadney from the Company as usual and then carried all the goods to Hugli with the intention of selling them to the Interlopers. The Company sought a parwana from the local faujdar to 'deliver Ghanashyam, Maniram and other consorts of Sambhunath' up to the Company, and to find out Sambhunath or 'to distress their families'. But the faujdar not only declined to give any such parwana but even protected all these persons from the Company. The Malda factors asked the Hugli Council to seize Sambhunath forcibly and send him to Malda, 'which, if it succeeds, will break the neck of this design and become a terror and disappointment to the other combiners.'¹⁷¹ But nothing to this effect could

171. Fact. Records, Hugli, Vol. 9, f.143.

be done by the Company. The Malda factors reported in Nov. 1683 - "The bad example of Sambhunath running away to Hugli and underhand endeavouring (if not done) to sell the Honourable Company's goods to the Interlopers hath caused all the picars etc. to whom money hath been given out to abscond."¹⁷²

Among the difficulties faced by the Company in the procurement of return cargo were the attempts by ruling authorities to monopolise some sectors of the province's trade and the frequent stoppage of the boats carrying the Company's goods from inland factories to Hugli or Calcutta by local officials on various pretexts. We have already noted how Mir Jumla and Shaista Khan, the subadars of Bengal, tried to monopolise saltpetre trade much to the detriment of the Company's investment in that commodity.¹⁷³ Even at the close of the 17th century Prince Azim attempted to monopolise some branches of the local trade.¹⁷⁴ But these never posed a serious problem for the Company as none of the subadars or faujdars ever pursued

172. Fact. Records, Hugli, Vol. 9, f. 176.

173. Supra, Chapter III; See also, O.C., 21 June, 1664, no.3029 Vol. 28; Fact. Records, Hugli, Vol. 1, Consult. 11 July 1664.

174. Fact. Records, Calcutta, Vol. 3. pt. II, f. 87.

these monopolies either systematically or for a long period. More irritating and troublesome to the Company, however, was the fact that local authorities in different parts frequently stopped the boats carrying Company's goods on various pretexts. The stoppage of these boats at various chowkies often prevented the Company in loading the ships in due time and hence their departure was delayed. Though the Company always claimed that these stoppages arose out of the arbitrary acts of the local officials and were hence illegal and unjustified, most often they occurred because of the controversy regarding the payment of customs duties. The Company claimed its right, as allegedly granted by various farmans and nishans, of trading duty free which was frequently contested by local authorities.¹⁷⁵ Moreover the local officials often complained that the indigenous merchants frequently carried their own goods under the cover of the Company's dastak or letters patent, thus depriving the Kingdom of its legitimate dues on customs. This reason was most frequently mentioned for the official stopping of the Company's boats. Whenever confronted with such a situation, the Company took recourse to solicitations and offered bribes or presents to the

175. For discussion on this aspect, supra, Chapter III.

authorities to take off the stoppage on the boats. At least on one occasion the Bengal Council sent up soldiers to clear the boats. Sometimes when the Company was debarred from trading in the wake of a dispute with the ruling authorities, it procured its investment through eminent local merchants. Thus in 1711 when an embargo was imposed on the Company's trade in Kasimbazar, it contracted with Fatehchund Shah, a prominent merchant there, for goods worth Rs.83,000 allowing him $6\frac{3}{4}\%$ commission. According to this contract, he was to stand security for all bad debts at the aurungs or places of manufacture and to deliver the commodity at Calcutta. ¹⁷⁶ On occasions, when its trade was prohibited, the Company sent its goods to Hugli from other factories by Rewanna or paying customs ¹⁷⁷ in the indigenous merchants' names.

The competition from other European Companies and the Interlopers as also from the indigenous merchants further augmented the difficulties of the Company in the procurement of Europe investment. We have already noted how the Company was affected by the dadney merchants' sale of the commodities,

176. Beng. Pub. Consult., Range 1, Vol. 2, ff. 109, 112a; D.B., 2 Feb. 1713, Vol. 97, f.783.

177. Fact. Records, Calcutta, Vol. 8, pt. II, ff. 185-86; pt. III, f. 4; O.C., 24 Dec. 1702, no. 8097, Vol. 65.

for which they had received advance from the English
 Company, to the Interlopers or other foreign Companies. ¹⁷⁸
 Whenever the Company had to deal with the weavers directly,
 it had to face similar problems and the way of dealing
 with these was to provide them with dadney in order to
 keep them in constant employment so that they could not be
 enticed away by rival Companies, specially the Dutch.
 For example, the Malda factors repeatedly asked for money
 to keep the weavers engaged and thus to prevent them from
 going over to the Dutch. The factors were always apprehensive
 of the Dutch, who according to them, were 'daily practising
 and using utmost endeavours to get them (the weavers)
 from us'. ¹⁷⁹ This fear on the part of the factors of losing
 their best weavers for want of dadney was not unfounded.
 In 1682 the factors in Malda reported - "The Dutch (are)
 calling on all our picars and weavers preferring them great
dadney if in case they will bring a writing to bring us our
 remains and take no more dadney of us which causes a great
 many (of) them to flock thither". ¹⁸⁰

The Company even provided the saltpetre/^{men}with dadney
 all round the year in the face of the Dutch endeavour to

178. See ante, pp. 122-23, 127-28, 131-132.

179. Fact. Records, Malda, Vol. 1, Diary, 17 Oct., 25 Oct. 1680.

180. Fact. Records, Malda, Vol. 1, Diary, 20 April 1682.

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entice them away from the English. The Court of Directors asked the Bengal Council in 1673 to go on giving advance to the 'petremen' and weavers of taffeta in order to keep them employed even when their demand from Europe was restricted by wars so that they might not be lured away by the Dutch.¹⁸² Another aspect of the problem created by the competition of foreign and indigenious traders was often a rise in the price of commodities which hampered the Company's constant attempt to procure investment at as low rates as possible. In 1682 when the Directors ordered a 'vast quantity of silk', the Hugli factors reported that even if they could secure the full quantity of silk ordered, it would certainly cause all manner of silk to rise, at least to keep its price which might and was appearingly falling' because of the Gujarati merchants 'holding their hands' by reason of some troubles.¹⁸³ In 1684 when the Interlopers failed to arrive, there was a considerable fall in the price of saltpetre at Patna.¹⁸⁴ The Patna factors reported that when the Dutch left the place, the price of saltpetre was redcued to one rupee and a half per mound.¹⁸⁵ That prices of export goods in Bengal

181. D.B., 29 Nov. 1670, Vol. 87, f.401.

182. D.B., 7 July, 1673, Vol. 88, f.48.

183. Home Misc., Vol. 803, f.367.

184. Fact, Records, Hugli, Vol. 10, f.235.

185. Fact. Records, Calcutta, Vol. 11, pt. II, ff. 2-3.

were very sensitive to foreign demand we can see from another example in 1716 when the Company expected to buy goods at cheaper rates for ready money if no French ships arrived.¹⁸⁶ On the other hand, whenever there was a competition from the Interlopers or other foreign Companies for whom the middlemen supplied the investment, there was a sharp rise in prices.¹⁸⁷

In addition to all these problems in the procurement of return cargo, the examination and sorting of piece goods and raw silk and the fixation of their price were equally complicated affairs. The Company and the merchants often clashed over these complex issues. The general pattern of the procurement of Europe investment in three main centres of English trade in India - Bengal, Madras and Surat was practically the same. The Court of Directors generally sent separate lists of order by January or February of each year to the different factories in India. These lists were prepared about two years ahead of the arrival of goods in England in order to allow sufficient time for the despatch of the order, the negotiation of the contracts, and the procurement of goods through merchant-middlemen and their final shipment to England. When the Bengal Council received

186. C. & B. Abst., Vol. 2, f. 71.

187. Fact. Records, Hugli, Vol.10, f.207; D.B., 9 Jan. 1710, Vol. 96, f.676; Fact. Records, Calcutta, Vol 3. pt. 1, f.106.

the consolidated list, it sent out individual lists to different factories for procuring particular item of commodities available in each factory. These factories then started negotiations with merchant-middlemen (and in some cases with delols and weavers as in Malda) who provided the investment according to samples and on agreed prices against advances given to them. The only difference between the system in Madras and that in Bengal was that in the former place the Council contracted mainly with the joint stock merchants, while in latter place, as no such joint stock organisation could be formed, it had to deal with individual merchants who were willing and able to undertake such contracts. When the merchants delivered the commodities into the Company's warehouse at the scheduled time, these were examined and passed according to contract and sample in the presence of at least two members of the Council of which the warehousekeeper generally was one. If the goods did not come up to the sample delivered at the time of the contract, they were rejected unless the merchants agreed to a proportionate reduction in price. The Company's standing instructions regarding the sorting of goods according to the approved muster or sample were very exacting and strict. Two pieces of every sort of goods supplied by the merchants were always taken and sealed with the Company's

seal, one of which was sent each year to England with labels attached showing the agreed price and the number of pieces bought, besides the number of each sort packed therein. In accordance with the Company's standing order, the warehousekeeper with the help of the sorters, who were mostly English or Indian assistants, examined and sorted the cloth in the Company's warehouses. The officials in the subordinate factories similarly sorted goods supplied by the local merchants. The strictness in sorting often discouraged the merchants and angered the weavers, both of whom made unfavourable comparison between the English practice and that of other European traders who, they claimed, took whatever goods they could lay their hands upon. The Council, too, often shared the same opinion and pleaded with the Directors on their inability in improving the standard of cloth owing to the keen competition from other European concerns.

The actual pricing of goods was nearly as complicated an affair as sorting. Often general economic and political considerations were cited by merchants as reasons for demanding a certain price for goods delivered to the Company. The most common factors mentioned during price discussions were natural calamities and the consequent rise in the price of consumer goods. In 1677 the merchants declined to contract

for romalls at the previous year's price because, they alleged, cotton was dearer than in the previous year due to 'unseasonal rains'.¹⁸⁸ The saltpetre merchants at Patna demanded higher prices in 1684 on the grounds that they had to face trouble from the nawab and his officers in procuring saltpetre.¹⁸⁹ Often the rings formed by the merchants compelled the Company to pay higher prices for their goods. Sometimes the question of pricing led to serious controversy and conflict between the Company and the merchants. In January 1684 the Malda factors reported that they endeavoured daily to fix the price of goods at 'reasonable terms' but found it extremely difficult as all the picars and weavers 'stood off' at the instigation of two merchants, Sambhymath and Ghanashyam, who tried by all means to have merchants of their own choice^{to come} and fix the price of their goods. "If we should permit," the factors wrote, "it would certainly ruin the factory for the future and be an unspeakable damage to the Company."¹⁹⁰ The picars however, managed to procure a parwana from Dacca urging the faujdar (Cremull Mullick - Srimal Mallik?) to cause the English and the picars to appear in the adalat or Court

188. Fact. Records, Hugli, Vol. 1, Diary, 7 Aug. 1677.

189. Fact. Records, Hugli, Vol. 10, f.194.

190. Fact, Records, Hugli, Vol. 10, f.10.

and to have the silk priced by the King's Mockeem and Nerkee. The Kasimbazar factors did not at all like the prospect of the parwana being executed, which they thought would be of dangerous consequence to all the Company's affairs in the Bay, and a disgrace and dishonour to the English in general (specially appearance in the adalat). They wrote to the Hugli Council - ".....to have our goods priced by the King's brokers will occasion the loss of the privilege of pricing any goods for the future not only here but in all the factories.....which will be to the Company's unspeakable loss, so that we shall not be able to trade with any merchants unless they have what price they please of us.....". The situation was more embarrassing for the Company as the muckeem at Kasimbazar who was to price the goods according to the parwana, was one Nainsook, a merchant and one of the picars of the Company and a 'confederate' of Sambhunath and the others. This particular controversy dragged on for months. The local gazi or judge, as the Company alleged, not only remitted the merchants of Rs.150,000 which they received from the Company but awarded Rs.43,000 more to be paid to them by the Company. When Job Charnock, the then chief of Kasimbazar factory refused to pay the sum,

191. 'Mockeem' and 'Nerkee' mean brokers.

192. Fact. Records, Hugli, Vol. 10, ff. 41,50.

the picars obtained a parwana from the nawab to send him in person to Dacca, Charnock refused to obey and fled to Hugli, whereupon the diwan immediately proclaimed a stoppage on the Company's trade and prohibited any weaver or picar from dealing with the English.¹⁹³ The Company, however, never gave up its right to fix the price of goods and held fast to this principle throughout the period.

An interesting report on the manner of silk and taffeta investment at Kasimbazar as also the manner of fixing their price was submitted to Streynsham Master in 1676.¹⁹⁴ According to this, the proper time for buying the best silk was in December when the 'Novemberbund' or sortment came from the worm, and in April when the 'Marchbund' was made. The other sort which came out in July was coarse and not so clear or good coloured as the raw silk of November and March. Of these two, again, 'Novemberbund' was accounted the best. As to the manner of buying raw silk, the report stated, when the 'bund' was made, the factors wind off a sample in the house and computed how much of every sort of thread it held out. Then they asked for the silk merchants or picars and contracted with them accordingly. Every picar gave a bill for the quantity he agreed to bring

193. O.C., 19 Dec. 1684, no. 5287, Vol. 44.

194. Fact. Records, Misc., Vol XIV, ff. 326 - 30; Master's Diary. Vol. II, pp. 9-14.

in, intimating also the time of delivery which was generally three months from the date of contract. For every bale of silk, the picar received Rs. 20 less than what it would amount to according to the contract so that in case of 'abatement' of price later on, the Company might have something in its hand. The Company took this precaution in order to avoid trouble in recovering its money back when the silk was priced and the account made up. If the account exceeded what was at first given out to the picars, they were paid the rest in full. As regards the fixation of price, according to the report, when a 'convenient quantity' came into the factory, it was opened in the presence of the chief, the second and the third factor or the warehousekeeper of the factory. Then two bales of 4 maunds of raw silk at a time of each sort of thread together were thrown before the three persons, each of whom examined 5 or 6 skeins which he took from among the whole heap and thereby made a judgement of the whole, by comparing them with the sample on which the agreement was made with the picars. And as the parcel of silk appeared to each of them separately, everyone set down his price in a separate paper, 'whether equal with or how much worse or less in price than agreed on by muster'. When all the parcels were examined, the different prices of each picar's silk were

compared and added together, the third part of which aggregate was regarded as the price of the whole.

The method of taffeta investment and the fixation of its price are also interesting and worth noting here. The Company used to provide three different qualities or sorts of taffetas - fine, ordinary, and brown or unbleached - by sending round the town and adjacent places for the weavers to whom money was advanced. If the advance was for fine quality, the contract was that the 'warp' should consist of 2100 threads up and down and that both 'warp and woof' should be, though of different threads, of the best quality of silk called awwal namuna or first quality. The contract also laid down that they should weigh 50 rupees sicca, each 20 covids¹⁹⁵ in length and two covids in breadth and of such colours as agreed on, which they would dye themselves. In the case of ordinary quality, the taffeta should weigh 40 or ~~45~~ rupee sicca, the warp not twisted but to be of good silk, the woofing something worse than that of the fine variety; the warp was to consist of 1400 threads double or up and down. The colour also was agreed on contract but generally both in

195. 'In general one third of a yard, though some are 27 and 36 inches each', vide, Home Misc., Vol. 68, f.133; 'Formerly in use as the name of a measure, varying much locally in value. The word is probably an Indo-Portuguese corrupt form of the Portuguese covado, a cubit or ell?'
Vide, Hobson - Jobson, p.268.

fine and ordinary sort, the weavers failed to supply right type of colour contracted for. The brown taffeta was to be of 50 rupees sicca weight, each 20 covids and 1400 single threads in the warp, to be made of a good sort of silk and made without Kanjie (stiffening of rice starch) or any other sort of stiffening. All these varieties were to be brought in three to four months and were then priced according to their glossiness, weight, fineness and evenness. The method of fixing their price was that as soon as the weavers brought them in, each individual piece was measured and weighed in the presence of one of the factors who wrote down the particulars in a paper and delivered it to the chief. The factor took down in the paper the length of each piece, its weight, deficiency, if any, in length or breadth and the name of the weaver of that taffeta. The chief would enter these particulars into the weavers' 'waste book' and would then proceed to examine each piece and price them as they lay in order before him, guiding himself by their evenness, both of silk and colour, as also by their glossiness and weight.

A similar report on the method of providing cloth at Dacca was submitted to Streynsham Master by Samuel Hervy in 1676.¹⁹⁶ According to this, the best time for giving out

 196. Fact. Records, Misc., Vol XIV, ff. 333-34; Master's Diary, Vol. II, pp. 14-15.

money for cossaes, mulmuls etc. made in or about Dacca was the month of January. The delols or brokers, 'accustomed with and appointed by government to the business of cloth' would take four months' time for its delivery and within six months or thereabout would usually bring in the brown or unbleached cloth as it came from the weavers. The brokers, after receiving dadney, would deliver it to the picars who carried it to the centres of production and delivered it to the weavers. Thus the broker was security for the Company's money while the picar was bound to the broker and the weaver to the picar. The samples and their price were agreed on before the money was advanced though the Asian merchants (mostly Arabs and Mughals as the report states) who traded in Dacca cloth did not fix at first a definite price but when they received the goods in due course, the delols or merchants of the town valued them according to the prevailing market price. When the Company's cloth was brought in, the brokers examined, sorted and priced it for which they received two per cent from the picars by deduction. The chief and others in the factory interposed at the time of sorting and pricing 'with their judgment' demanding reductions in price and always receiving it (though not in exact proportion) for any short fall in length, breadth and goodness. But cloth much worse than sample was returned. Whatever money was agreed to be

paid 'upon abatement', the delols usually made it good in specie unless they could pay it by cloth according to muster. If at any time it happened that the brokers seemed to be partial and overrated the goods, a merchant of the city was chosen by joint consent of the Company and the merchants to arbitrate and fix a reasonable price.

The practice of employing a broker became an integral part of the Company's machinery for the procurement of its return cargo in Bengal, particularly in Calcutta where the Company contracted and made advances to merchants for the main bulk of its export from about the close of the 17th century. The practice of using a broker who was intimately connected with the investment of the Europeans in India was, however, reported as being common by travellers like Fryer and Ovington during the last quarter of the 17th century. Fryer stated that the brokers were allowed 2 p.c. on all bargains 'besides what they squeeze secretly out of ^{the price of} things bought'.¹⁹⁷ According to Ovington, the brokers who were of the 'Banian caste' and skilled in the rates and values of goods, were appointed 'for the buying and more advantageous disposing of the Company's commodities' and

 197. John Fryer, A New Account of East India and Persia, 1672-81, Vol. 1, p. 217.

were allowed 3 p.c. for their duties. ¹⁹⁸ In Calcutta the Council contracted for the investment through the broker who helped them in pricing and sorting of commodities brought in by the merchants. As the Company's investment in Calcutta was quite considerable, ¹⁹⁹ the office of the broker there became an important and influential one. In Surat, where the function of the broker was equally important, he had to buy his office by offering a substantial sum while in Calcutta no such custom was in vogue. ²⁰⁰ The Court of Directors were often apprehensive of the duplicity of the broker who, as they suspected, in conjunction with Calcutta Council raised the prices of commodities. They frequently asked the Council to have a strict eye on the broker's activities. Though the Directors' allegations were often exaggerated, there was little doubt that some members of the Calcutta Council made common interest with the broker for mutual advantages. Jaykrishna who was the Company's broker in Calcutta at a salary of Rs.1,000 per annum until 1699, was dismissed for receiving dustoree or brokerage from the merchants who brought the Company's commodities.

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198. J. Ovington, A Voyage to Surat in the year 1689, p.401.
199. In 1709 the intended investment in Calcutta, including ready money goods for Rs. 200,000, amounted to Rs.1850,000; vide, Beng. Pub. Consult., Range I, Vol. 1, f.481a.
200. It was reported that Vithul Parrack paid Rs.100,000 to become the broker of the Company at Surat. Another broker, Rustomjee Maneckjee, paid Rs. 20,000 as customary present to the English Company, vide, O.C., 14 Sept. 1700, no.7222, para. 48, Vol. 58. The Bengal factors reported in 1703 that 'it was never the custom here in Bengal for brokers to buy their places' vide, O.C. 25 Jan. 1703, no.8110, Vol. 65.

As early as 1695, he was accused of receiving dustoree to the amount of Rs. 4,400 (at the rate of quarter of an anna on every rupee) from the merchants, though it was said to be 'the custom for the chief broker and other servants to take it for themselves'. He was, however, cautioned not to take any more dustoree 'on the pain of loss of employment and disgrace' as it was 'disadvantageous' to the Company.²⁰¹ After his dismissal in 1699, he was replaced by Janardan Seth, whom the Council described as the person best qualified for a broker. But as Janardan was unwilling to accept the office on a salary of Rs.1,000 per annum, the Company agreed to his demand of $\frac{3}{4}\%$ brokerage on the value of total investment in Calcutta, without the payment of a regular salary.²⁰² Though a broker to the Company, Janardan was also a prominent merchant who supplied a substantial part of the Company's investment throughout the tenure of his office till he died in February 1712.²⁰³ The Court of Directors looked down upon Janardan as a villain who through the negligence of governor Russell monopolised all the trade. The Court's allegations against the broker were numerous - that he took commission on all that was bought; by threats and

201. Fact. Records, Calcutta, Vol. 2, pt. I, f. 133.

202. Ibid. Vol. 3, pt. II, f. 90.

203. Beng. Pub. Consult., Range I, Vol. 2, f. 189a.

violence he prevented the merchants from offering their goods at rates lower than what he had fixed; he engrossed provisions of all sorts and sold them to the ships' captains at exorbitant rates for his private ends; he instigated local officers and rulers to extort presents of money from the Company and secretly spread a rumour against the Company's rupees coined in Madras owing to which they were unduly depreciated in Bengal. ²⁰⁴ "No wonder", the Court of Directors wrote to the Bengal Council in January 1714, "that the late broker Janardan declares himself worth several lack of rupees who but a few years ago was Mr. Beard's servant and not worth one hundred ²⁰⁵ rupees". However, after Janardan's death, his brother ²⁰⁶ Benarasi Seth was appointed as the Company's broker. But the Court of Directors regarded him, too, as the chief source of all the mischief leading to the bad quality and high price of their investments from Bengal. They alleged that the broker had too much influence on some members of the Council who were much more devoted to his interest than that of the Company. Again, they complained, not without substance behind it, that Benarasi was not only a

 204. D.B., 9 Jan, 1710, Vol. 96, ff. 677-8; 5 Jan 1711, Vol. 97, f.125; 2 Feb. 1713, Vol. 97, ff.804-5; 13 Jan, 1714, Vol. 98, f. 202.

205. Ibid. 13 Jan, 1714, Vol. 98, f.196.

206. Beng. Pub. Consult, Range I, Vol. 2, f.189a; Coast & Bay Abst. Vol. 1, f.342.

broker, but 'by himself and creatures' sold most of the goods provided for the Company. ²⁰⁷ Benarasi soon lost his job, it appears, mainly due to the antagonism of Robert Hedges who was then governor in Bengal. Hedges reported that Benarasi and his family provided $\frac{2}{3}$ of all the goods, ²⁰⁸ and influenced the pricing and sorting, and that till this was 'cured', the Company could not get goods so cheap as otherwise it might. He further wrote that he was not in favour of removing Benarasi Seth entirely but for restricting his power and that it was not in the Company's interest that the chief merchant should also be the broker, for, if so, goods would 'come dear'. ²⁰⁹ However, following the Court's order, Benarasi was replaced in April 1715 by Ramkrishna Khan, another merchant of repute and influence in Calcutta. ²¹⁰ After Ramkrishna's appointment, the Calcutta Council was optimistic and wrote that it would encourage all merchants to bring in their goods and 'to price all truly'. ²¹¹ The Court, too, seemed happy at the dismissal of Benarasi and the appointment of Ramkrishna. "We see the

207. D.B., 12 Jan, 1715, Vol. 98, f.462.

208. As a matter of fact the various lists of investment in Calcutta show that the Seth family provided a little more than $\frac{1}{3}$ of the total investment, vide, Beng. Pub. Consult., Range 1, Vol. 2, ff. 302, 302a, 433-437; Vol. 3, ff. 38-46a.

209. Coast & Bay Abst, Vol. 1, f.472.

210. Bengal. Pub, Consult, Range 1, Vol. 30, ff. 26a, 31a; Coast & Bay Abst., Vol. 2, f. 28.

211. Coast & Bay Abst, Vol. 2, f. 28.

difference," they wrote, "already not only in the investments but likewise in the quicker returns brought us since Ramkrishna Khan hath been your established broker". At the same time they gave caution to the Calcutta Council - "Take care likewise that this broker or whoever succeeds be in no way concerned in investment directly or indirectly or in consequence in the goods ~~he~~ ²¹² prices as the former was, of whom we are told that his family and relatives sold two thirds or at least half the goods yearly provided". Ramkrishna could not enjoy the coveted office for long and died in November 1716 when Haranath was made the new broker on the recommendation of Hedges. ²¹³ But as Haranath, who was primarily a servant of Hedges and was considered 'unskilled in the goodness or value of muslins and of mean capacity and no repute', the Company had to price goods for 2 years without his assistance. ²¹⁴ In April 1719 the Calcutta Council declared in a long minute that Haranath was altogether unsuitable for his job and the only competent man then in Calcutta for the office of the broker was the ²¹⁵ much abused Benarasi Seth. In this minute the Council exposed that Hedges turned out Benarasi 'for no other reason

 212. D.B., 18 Jan. 1717, Vol. 99, ff. 76-77.

213. Coast & Bay Abst., Vol. 2, ff. 79, 175.

214. Ibid. Vol. 2, f. 79.

215. Beng. Pub, Consult, Range 1, Vol. 4, ff. 46. 46a; Wilson, op. cit., vol. 3, p. 113.

than wrong information, some secret jealousy or rather to promote his own servant'. All the allegations by Hedges against Benarasi, as the Council wrote, were 'his own inventions and out of mere prejudice at that juncture as afterwards plainly appeared by entrusting Benarasi Seth only with the management of all his private dealings until his death.'²¹⁶ However, Benarasi was again made broker in 1719 but neither he nor his son would receive any ~~dadney~~ nor could he provide any goods directly or indirectly for the Company either in his own name or in the name of any other person whatsoever. As for the rest of the family, as the Council reported, they had been separated for the last two years and every man acted for himself 'endeavouring to outvey/^{one} the other as any merchants whatever'²¹⁷. Touching on the reasons for reinstating Benarasi Seth, the Bengal Council wrote in 1722 - 'none but he could have influenced the merchants and secured the last and this year's investment on credit, he being bound with each merchant for what they borrowed of the shroffs.'²¹⁸ In fact, at that time, the Seths were the only merchants competent to

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216. Coast & Bay Abst., Vol. 2, f. 276; Beng. Pub. Consult., Range 1, Vol. 4, ff. 46. 46a; Wilson, op.cit., Vol.3, f.113
217. Beng. Pub. Consult., Range 1, Vol. 4, ff. 46, 46a; Wilson, op. cit., Vol. 3, p.113.
218. Coast & Bay abstr. Vol. 2, f.320.

manage properly the Company's investments at Calcutta. C.R. Wilson rightly observed - "As specially qualified agents, then, the Seths deserved to be paid highly; as employers of labour they were right to fix fair prices for the goods they sold to the Company. And their prices were fair. It is on records that goods bought at Calcutta, in 1711, for £43,000 could be sold in France for more than £150,000; and it cannot be denied that the Company made enormous profits in consequence of its monopoly. The broker and his friends made profits too, but what of that? No one but the Court of Directors would maintain that the whole duty of man should consist in ~~draining~~²¹⁹ good bargains for the Honourable East India Company".

Organisation of Industry

The Company had to organise certain aspects of those industries producing some of its exports, specially raw silk, taffeta and saltpetre for controlling the quality of goods from Bengal. As it was mainly catering for consumers in England and on the Continent, it had always to procure goods according to the taste and liking of the buyers there. Hence the Company had to be careful regarding the size, colour and glossiness of the different piece-goods, raw

219. Wilson, op. cit, Vol. II, pt. 1, p. LXIV.

silk and taffeta procured for the export market. Again, as the Company's silk had to compete with Italian and French silks, it had to be careful so that Indian silk would compare favourably with its competitive products from Italy or France. As a result, the Court of Directors sent regular instructions as to the manner of colouring and weaving the silk and taffetas. So far as saltpetre industry was concerned, the Company had to arrange sometimes for its refining. As the crude variety of saltpetre was of little use while the customs duty on it was the same as for the finer sort, the Company preferred the latter variety and refined it sometimes under its own auspices.

The techniques in the organisation of industry, adopted by the English Company, conformed in all essentials to those already prevalent in Bengal. The Company had, however, introduced a new element in the familiar pattern. While the Portuguese and Asian merchants before the English continued to buy from the manufacturers the best they could get at any given time, the English - forced as they were to trade for a high margin of gross profit per unit - insisted on supplies conforming strictly to samples and thus introduced the idea of specific standardisation which was apparently an innovation in this region. It is significant that the local industries could easily adjust themselves to the new situation, though only on the inducement of a greater charge being paid. The Balasore factors

reported as early as 1669 - "the sannoes, gingham etc. provided about this place cannot be made of length and breadths beyond those now sent, unless the price be augmented in a larger proportion than the dimensions, since use and custom^s amongst the weavers is not to be altered without a charge".

The Court of Directors frequently sent instructions as to the quality and colour of silk and taffetas which had to compete with the continental varieties in the consumer market. In 1659 the Court asked the Bengal Council to observe the following requirements in the weaving of silk and taffetas - 'that the silk be first spun or throwne, then boiled to get out the gum and then weaved for those formerly sent for England, only the woof (the thread that runs through the staff) is boiled and the warp (or thread that runs from end to end) is dyed in the gum by which means that which is boiled is glossy and pliable, and the other stiff and dull coloured which renders them fit for very few uses, whereas were both warp and woof boiled before dyed and according to pattern sent herewith, they would serve in most cases instead of Italian silks'. A similar

 220. Fact. Records, Misc, Vol. 3, f.99.
 221. D.B., Jan 28 1659, Vol. 84, f.411.

instruction was given in 1663 and the Bengal Council was asked to 'cause all taffetas to be made as near to the Italian fabric' as they could.²²² As the weavers in Bengal could not always produce silk and taffetas conforming to the specification of the Company, the Bengal Council asked the Directors to send dyers, throwsters and weavers to instruct the people in that art.²²³ The Court of Directors soon realised that if the manufacture of silk and taffetas could be modified as to length, colour and fineness, there would be a good market for them in Europe and hence sent in 1668 Roger Fowler, 'an able, skilful dyer', with several ingredients and materials 'for the better carrying of this work'.²²⁴ Then onward the Company often sent many dyers, weavers, etc. to Bengal to organise silk and taffeta industry there according to the Company's requirements. In 1679 the Directors reported that the 'increase and improvement' in the dyeing of black taffetas and other colours which the English dyers had introduced there, were of extraordinary advantage to them.²²⁵ But at

 222. D.B., 2 Jan. 1663, Vol. 86, f.202

223. D.B., 21 Dec. 1664, Vol. 86, f. 459.

224. D.B., 20 Nov. 1668, Vol. 87, f. 202.

225. D.B., 3 Dec. 1679, Vol. 89, f. 130. The Bengal weavers' fancy was upon mixed colours and they had no skill to dye good black and green or other colours which the Company required most. Vide, D.B., 18 Dec. 1671, Vol. 87, f. 506.

the same time they expressed some fears that the English weavers and dyers would not, once they had tasted the easy life of Bengal, concentrate on their business as the luxurious life in Bengal would breed pride and laziness among them.²²⁶ They further wrote that after several years' experience and consideration they thought that there was no way to carry on the dyeing business to any considerable effect in India without obliging the English dyers to teach their art of dyeing black and greens to some of their indigenous merchants whose parents or ancestors had for many years been retainers to the English factories.²²⁷ But even after stating this view, the Company continued²²⁸ occasionally to send out weavers and dyers to Bengal.

The refining of saltpetre was a matter of direct concern to the Company from the beginning of its trade in Bengal. As early as 1652, the factors reported that though saltpetre might be procured more cheaply and in larger quantities at Balasore and Hugli, the great difficulty was in refining it for want of 'convenient coppers and pans'. So they asked for those boilers which were sent to Assada for boiling sugar there. "In the

 226. The observation of the Court of Directors is worth quoting here -"But such are the temptations and avocation from business of that luxurious country and such is the high pride and laziness of many of our countrymen, when they go abroad to ease and plenty dominion and command over slaves, that they seldom prove intent upon their business although they did work hard for their bread at home and many times could not find to earn their bread by". Vide. D.B., 3 Dec. 1679, Vol.89, f.130.

227. D.B., 3 Dec. 1679, Vol. 89, f.130.

228. Home Misc., Vol.803, f.429; O.C., 18 Feb. 1701, no. 7449, f.12, Vol.60

absence of such implements", as the factors wrote, "the saltpetre must go home raw, increasing the charges for freight, customs etc". The general practice of refining saltpetre was by boiling the crude variety in great earthen pots but the task was rendered tedious and troublesome by the fact that these pans often broke in the process. On one occasion, as the factors reported, 200 pots fell to pieces in refining 600 bags of saltpetre. In a letter to St. Helena, the Court described a method of refining saltpetre other than by boiling at Patna (by a simple process of filtration and then drying in the sun) which the Bengal factors reported was never practised there. At the end of the period under review, the Company tried to refine saltpetre at Fort William but abandoned it soon as it was found to be ^{too} expensive, and decided to refine it at the place of making (i.e. Patna) where it might be easily done with

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229. O.C., 14 Jan. 1652, no. 2246. Vol. 22; E.F.I., 1651-54, p.95
230. D.B., 1 Aug. 1683, Vol. 90, f.192; Fact. Records, Hugli, Vol. 10, f.116. A peculiar and interesting account on the refining of saltpetre by the Dutch was given by Tavernier in the 'sixties of the 17th century. According to him, the Dutch established a factory or 'depot' at Chapra and refined saltpetre there. They imported boilers from Holland and employed refiners to refine saltpetre for them but did not succeed because the people of the country 'seeing that the Dutch wished to deprive them of the profits of refining, would not supply them any longer with whey, without the aid of which the saltpetre cannot be bleached'. Vide. Tavernier, op.cit., Vol. 2, p. 12.

care and a little advance in the price'.

In an effort to reduce the charges of different factories in the 'Bay' and to minimise the possibility of bad debts, the Company at one time attempted to set up a silk and taffeta industry in Madras or in Hugli where the position of the Company was much more secure than in Kasimbazar, the main centre of these industries. In 1661 the Court of Directors wrote to Bengal that the Company's 'advancing money beforehand to such a needy generation as the weavers are, specially where we have no power, may in the end make them (silk and taffeta) dear unto us'. They made certain propositions to the Bengal Council and asked them, if possible, to follow any one of them. First, whether it was possible to make contract with some Kasimbazar merchants to deliver the goods in Hugli so that there would be no need for maintaining a factory at Kasimbazar. Secondly, to try whether they could 'procure the making of taffetas at and about Fort St, George' by bringing silk from the Bay and persuading the weavers to transplant themselves from Kasimbazar to Fort St. George. If this could be done, as the Court observed, it would be highly conducive to their trade for obvious reasons. But if neither of the two

propositions was workable, the Council could try a third one - the making of taffetas in Hugli by inducing the weavers to come and live there.²³² The factors in Bengal reported that the first proposition was workable, but not the other two. As regards the making of taffetas in Madras, there were two difficulties. First, the cost of production would be very high since all provisions in Madras, when at the cheapest, were three times dearer than in Hugli or Kasimbazar, and consequently the weavers and other workmen employed therein could maintain themselves at $\frac{2}{3}$ less than those that would be employed in Madras. Secondly, it would be impossible to persuade any weaver from Kasimbazar to come and settle in the Company's town and jurisdiction in Madras 'for their caste and lineage is such that they shall lose their birth right if they come upon salt water'. Similarly it was difficult, as the factors reported, to bring weavers from Kasimbazar to Hugli for 'the making of taffetas and working of silk' though an arrangement could be made with the merchants and weavers to bring down their goods to Hugli.²³³ However, the Company maintained through most of the period its factory at Kasimbazar for the procurement of silk and taffetas.

 232. D.B., 28 Jan 1661, Vol. 85, ff. 367-68; E.F.I., 1661-64 pp. 62-63.

233. Fact. Records, Fort St. George, Vol. XIV, ff. 149, 176-77; E.F.I., 1661-64, p. 65.

In 1691 the Fort General letter stated once again that there was little chance of introducing the production of taffetas in Madras as there was a 50 per cent difference in the price of silk and wage rates between Bengal and Madras.²³⁴ In 1695 the Calcutta Council tried unsuccessfully to persuade two or three experienced silk weavers to go to Madras with some silk worms and mulberry trees.²³⁵ "These Bengal fellows", the factors wrote, "will not leave their native country notwithstanding all the arguments we can use and promises of great wages..."²³⁶

The structure and organisation of export trade was vital for the success of the Company's trade in Bengal. Whether in the question of financing the investment, procurement of return cargoes or organisation of some aspects of the industries producing export commodities, the Company had to pay special attention in order to make the Bengal trade a profitable venture. A close co-ordination between the Court of Directors and the Bengal Council was a necessary condition for the smooth running of the export

 234. Fact. Records. Misc. Vol. 3A, f.179

235. Fact. Records, Calcutta, Vol. 6, pt. I, f.10.

236. Ibid. Vol. 6, pt. II, f.76.

trade. The Council had to co-ordinate carefully between orders from England and the contracts for goods with the merchants. These merchant-middlemen, however, were generally disinclined to put down their own capital for providing Company's investment. The advance which they received, from the Company was a sort of security that the goods would be bought by the Company. The advance system indicates a general scarcity of working capital as well as the existence of a fairly limited outlet for export commodities, because once the goods have been ordered, if they were cancelled just before the shipping season when other traders had already procured their required orders, it was obviously difficult to sell them. The production of some of the commodities had to be standardised but as they were produced at the level of cottage industry, the problem of standardisation was a complicated one. Again there was the problem of prices which the Company always tried to keep down and thus provide as much investment as possible for the given amount of capital. The vast increase in the Company's exports from Bengal during this period indicates that it was reasonably successful in overcoming these problems connected with the structure and organisation of the export trade.

CHAPTER VIExport Commodities

The exports of the English East India Company from Bengal comprised a variety of commodities which were mainly of two categories - bulk goods, and textiles and raw silk. The bulk goods in the Company's export list were chiefly saltpetre, sugar, borax, turmeric, cowries, redwood and gumlac of different types. Some of these commodities, specially saltpetre and sometimes also sugar, turmeric, redwood or lac were taken as saleable ballast while several goods like raw silk, silk and cotton yarn, borax etc. were carried as make-weights. Throughout the period under review, textiles, rawsilk and saltpetre formed the most important items of the English Company's export from Bengal. In the early years of its trade in Bengal, the Company was, however, more interested in saltpetre trade than that in raw silk or piece - goods. But from the 'seventies of the 17th century, it concentrated more and more on the export of raw silk and by the 'eighties, there was a phenomenal rise in its export which far outshadowed saltpetre and other bulk goods. Similarly, the Company's trade in Bengal textiles comprising mainly silk and cotton piece - goods was insignificant up to the 'seventies of the 17th century. But from the beginning of the 'eighties,

there was a tremendous growth in the export of textiles which in its turn resulted from the great popularity of and the demand for cheap Bengal piece - goods throughout England and Europe. From then onward, as the demand for Bengal cloth grew steadily in the European markets, there was a corresponding growth in the export of textiles by the Company and this became a significant feature in the structure of the Company's export trade.

Long Term Trend of the Total Value of Exports.

An analysis of the total value of the Company's annual exports from Bengal reveals that the main trend was one of steady expansion throughout the period, with the exception of a few years when the export trade was interrupted by a number of factors such as wars in Europe and India, and unstable political condition, leading sometimes ^{due to} ~~to~~ stoppage of the Company's trade in Bengal. The increase in the total value of annual exports by the Company during the period under study can be seen from the fact that in 1652 the total amount intended for investment in Bengal was only £7,000¹ while the value of

1. O.C, 14 Jan, 1652, no. 2246, Vol. 22; E.F.I., 1651 - 54, p. 97.

exports in 1719/20 amounted to £336,973.² In other words, the total value of the export from Bengal at the end of our period was roughly about fifty times more than that in the beginning of the period. Of course, it should be noted that the tremendous increase in the value of export trade was not an uninterrupted progress. There were two main periods of depression, first during 1690/91 to 1694/95 and again in the years 1702/3 to 1706/7.³

In the absence of any precise quantitative data, it is not possible to enumerate the total value of the Company's annual exports from Bengal during the 'fifties of the 17th century. Our main source of information regarding the Company's exports - the Journals and Ledgers of the Company which give us the total quantities as well as invoice prices of Bengal goods shipped to London - begin only with 1663/64. Though the series continue up to the end of our period, there are a few gaps in between. However, as the Company's trade in Bengal was in its infancy in the 'fifties, it can be assumed that the total value of annual

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2. Most of the information regarding the English East India Company's exports are collected from various volumes (see Bibliography) of the Accountant General's Department, Range 11. In computing the value and volume of exports from Bengal, I have taken twelve months from July to June following as one year because most of the ships arrived in Bengal after July and left before June. In other words, the year 1719/20 means the year from July 1719 to June 1720.
 3. For the annual value of English export from Bengal see Table 1 in Appendix A

export was not at all significant quantitatively. As a matter of fact, the precise figure which we get from another source indicates that the total value of export for 1658/59 was only about £10,218.⁴

There was a marked increase in the total value of exports in the 'sixties. The highest figure recorded was for 1663/64 and amounted to £24,199 while the lowest was £14,537 during 1668/69. The value of annual export during the 'sixties was, on an average, about £18,000. In the 'seventies, however, there followed a sharp rise in the total value of the Company's export from Bengal, and the export during this decade more than doubled over that of the previous/^{one.} In 1671/72 exports rose to £53,123 and it seems that the value of annual export in the 1670's ranged between £50,000 and £60,000, the available figures for 1675/76 and 1676/77 being £52,297 and £58,547 respectively. In 1678/79 there was a sharp rise again in the total value of the Company's annual export which stood at £88,351.⁵

4. Rawl. C. 395, ff.17,25a. Here in these pages we find the list of cargoes carried by two ships, Love and Blackmore but the invoice of the latter is not complete. The total cost of sugar is not mentioned there. I have calculated the price of each bag of sugar from the invoice of the ship Love, and then found out the cost of the sugar bags carried by Blackmore. In all calculations, I have left out fractions and taken the approximate figures.

5. B.M. Addl. Mss., 34, 123, ff. 30a, 31.

But it was the 'eighties of the 17th century that witnessed the real boom in the total value of the Company's annual export from Bengal, and formed a peak in the Company's trade in Bengal before the war in 1686-88. The exports in 1681/82 were valued at £142,977. Next year it went up as high as £162,763. But in 1683/84 it slid down a bit, though was quite high at £146,668. The following year the total value of exports reached the final peak before the war and amounted to £210,063 while in 1685/86 it slipped down again to £181,785.

The Company's export from Bengal in the early years of 1690's was quite unimpressive compared with that of the earlier decade. The English, as we have already noted earlier,⁶ withdrew from Bengal in 1688 and came back in 1690. So obviously they needed sometime to reorganise the trade in Bengal which, coupled with the French wars during 1690-96, explains the low level of the total value of exports during these years. In 1690/91 the Company sent only one ship from Bengal with cargoes valued at £40,639. Next year no ship left Bengal as the Court of Directors did not send any ship to Bengal before March 1691 which arrived there only at the end of 1692.

6. Supra chapter III

One of these three ships, Berkley Castle, was captured and sunk by the French.⁷ The other two, Sampson and Charles the second, did not leave Bengal before January 1694. As a result, a small ship, the Tonqueen Merchant, which came probably from the East Indies, was sent to England with a cargo of only £11,770. In 1693/94 the total value of exports amounted to £58,944. The small amount in this year can be explained by the fact that two ships sent by the Company to the Coast and Bay were lost - Prince of Denmark taken by the French and Royal James and Mary wrecked in Bengal.⁸ In the next year, 1694/5 the actual value of exports to reach England was only £30,425, though the Bengal factors had loaded three ships in that year with a cargo worth £123,298,⁹ but only one, the Hawke, reached England with her cargo while others were captured by the French.¹⁰ In 1696/97, though only one ship Martha came from Bengal, the total value of export amounted to £90,490.¹¹ The average annual value for the next ^{two} years was about £73,000.

But the second period of boom in the Company's export

7. B.M. Addl. Mss., 38,872, f.11.

8. Ibid., f. 12.

9. Fact. Records, Misc., Vol. 3A, f. 298.

10. B.M. Addl. Mss., 38,872. f. 12.

11. In a letter to the Court of Directors, the Surat factors wrote in June 1696 that two ships, Martha and Sarah were despatched from Bengal to England in January 1696, the latter with a cargo of Rs.800,000 (£100,000); vide, O.C. 19 June 1696, no.6231, Vol.52. But I could not trace the ship Sarah in the A.G.D.

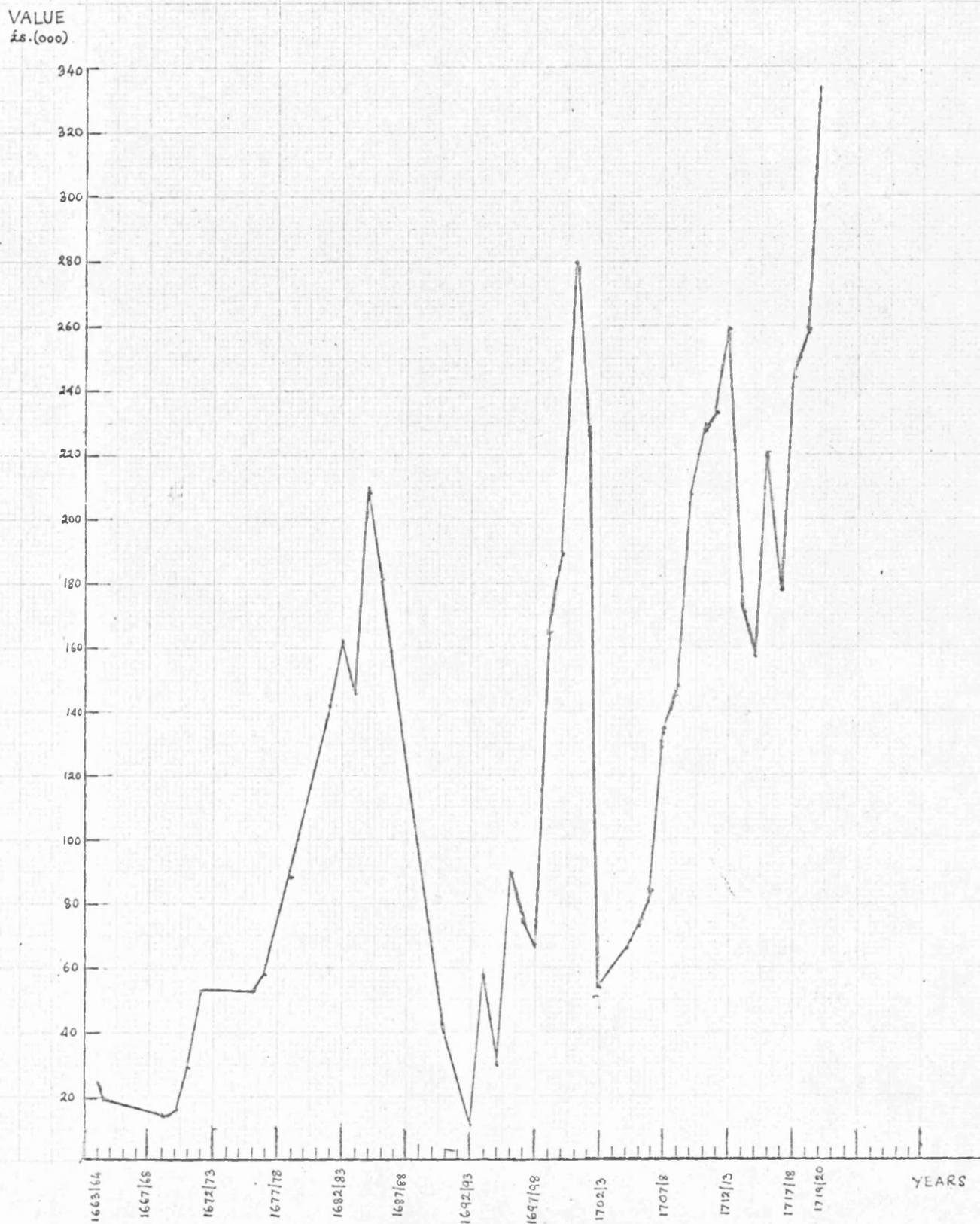
trade began in 1698/99. In that year, the cargoes exported from Bengal were valued at £163,053 rising to £190,275 and £280,672 in 1699/1700 and 1700/01 respectively. The total value of exports was again quite high in 1701/02 and amounted to £228,042.

But the Company's exports suffered a marked decline for a few years from 1702/3 till 1706/7. The average value of exports during these years did not rise over £70,000, the lowest being £54,713 in 1702/3 while the highest was £84,902 in 1706/7. Several factors contributed towards this depression in trade. In Dec. 1702 a prohibition was imposed in India on all trade of the 'hatmen' as a reprisal against piracy committed by Europeans on Indian ships on the Western Coast.¹² Again, the war of Spanish succession which began in 1702 also contributed to the slump in trade. But there also were more specific reasons for the decline of export trade from Bengal; as the Court of Directors stated in Jan. 1706, heavy duties were imposed on all sorts of East India goods in England, followed by a dullness of markets for imported goods and a general scarcity of bullion.¹³ However, the total value of the Company's annual exports began to rise steadily from

12. O.C., 24 Dec. 1702, no. 8097, Vol. 65.

13. D.B., 18 Jan. 1706, Vol. 95, f. 512.

FIGURE 1
 TOTAL VALUE OF THE COMPANY'S ANNUAL EXPORTS FROM BENGAL
 (MEASURED IN THOUSANDS OF POUNDS)



1707/8. The increase in the total value of cargoes can be seen from the following table¹⁴

<u>Years</u>	<u>Total value of Exports from Bengal</u>
1707/8	£135,662
1708/9	£148,995
1709/10	£208,892
1710/11	£228,474
1711/12	£233,859
1712/13	£259,593

In 1713/14, however, the value went down to £175,387, and fell to £158,732 in 1714/15. But next year it rose to £221,697 only to slide down to £178,821 in 1716/17. The next three years, however, witnessed again a steep rise in the total value of the Company's annual export from Bengal. In 1717/18 the total value was £244,918, rising to £259,279 next year and in 1719/20 it reached £336,973, the highest figure during the whole period under review. The adjoining graph shows the fluctuations in the total value of the Company's annual exports from Bengal.

Saltpetre

From the beginning of the Company's trade in Bengal, saltpetre was an important article of export to

 14. The amount for the year 1708/9 is inclusive of the value of the cargoes in the ship Anne which is to be found in Bengal General Ledger and Journal, Vol. 80, f. 102. But I failed to trace this ship in A.G.D.

England and Europe. As an essential ingredient of gunpowder, it was in great demand in the West. Besides, as saltpetre could be used as saleable ballast, its export was of additional advantage to the Company which otherwise had to take the uneconomic method of using iron as ballast to make the deep sea ships sailworthy. It was only in the early 'twenties of the 17th century that the shortage of saltpetre in England and the increasing difficulty in obtaining supplies of gunpowder had turned the attention of the Company to the possibility of importing this chemical from India. The first supply, however, reached England only in 1626.¹⁵ And once established, the saltpetre trade displayed a consistent growth, though the real expansion did not take place till after the civil war. But the Company's interest in saltpetre 'did not stretch beyond what was considered an essential obligation to national needs' because of two factors - first, the undeveloped state of market in England and secondly, the official restrictions on its free export and import both in India and England due to its being a strategic raw material for warfare.¹⁶ After 1635 all private

15. Court Book, IX, 320, 5 Jan. 1627; quoted in K.N. Chaudhuri, op.cit., p.189.

16. The English and Dutch factors were imprisoned at Agra in 1628 for exporting saltpetre clandestinely, vide, Balkrishna, Commercial Relations Between India And England, 1601-1757, p.101; For prohibition of exports from India, see, Fact. Records, Surat, cii, f.580; O.C., 24 April 1629, no. 1292, Vol.XII. The Company had to seek permission from the Privy Council for exporting 50 tons of saltpetre; cf. Court Book, XV, 221, 29 April 1635, referred to in K.N. Chaudhuri, op.cit., p.190

manufacture of gunpowder was prohibited in England and it was declared a royal monopoly. The Company undertook to sell all the imported saltpetre to the King at a price of £4 per cwt.¹⁷

The chief sources of saltpetre supply till the beginning of the 'forties were mainly Coromandel and Gujarat. Thevenot, the French merchant, recorded in 1666 the process of its manufacture in Ajmer from whence it was carried to the seaports of Western India and purchased by the Europeans to 'ballast their ships and to sell elsewhere'.¹⁸ But Coromandel seems to have supplied the main bulk of this commodity to the Europeans before the 1640's. In 1624 and 1625, 270,000 lbs. (Dutch) and 286,434 lbs. (Dutch) respectively of saltpetre were exported to Batavia from Coromandel. In the late 'thirties, however, Bengal saltpetre supplemented those from the Coast.¹⁹ From the 'fifties Bengal definitely replaced Coromandel as the chief source of supply.

In Bengal again saltpetre was produced mainly in the regions around Patna where it was available in abundance. The discovery of this source revolutionised the Company's saltpetre trade and led to its tremendous expansion in the second half of the 17th and 1st half of

17. K.N. Chaudhuri, op.cit., p. 190.

18. S.N. Sen (ed), Indian Travels of Thevenot and Careri, p.74.

19. T. Ray Chaudhuri, op.cit., pp. 168 - 69.

the 18th century. It is curious that the commercial expedition of Huges and Parker to Patna in 1620 did not mention the great possibility of saltpetre trade from that region. The reason might be two fold; the first explanation is that the commodity was not sought by the Europeans in those early years of their trade and secondly, perhaps saltpetre industry did not yet start to grow in the region of Patna. The saltpetre procured at Patna, however, was considered the best in quality for the manufacture of gunpowder. Moreover, the price of Bengal saltpetre was cheaper than that of other places.²⁰ It was reported in 1650 that saltpetre cost only Re. 1 per maund at Patna, though the customs and freight for bringing it to Hugli could raise the price to Re. 1. 12 annas per maund.²¹ Again from the point of transportation Bengal saltpetre enjoyed another advantage. The cheaper and more convenient transport down the Ganges enabled the Company to despatch cargoes of saltpetre from Patna to Hugli for lading the Europe - bound ships and also for supplying Madras with ballast for its vessels. All

20. It was stated that the cost of a md. of 74 lbs. at Patna was about the same as for a md. of 37 lbs. at Ahmedabad or just the half price; Moreland, From Akbar to Aurangzeb, p.121. Again the cost of a ton of saltpetre was reported to be £8 or £9 at the Coast while at Hugli it was to be procured at £6 per ton, vide, D.B., Jan. 28, 1659, Vol. 84, ff. 411-12; Ibid., 14 Sept. 1660, Vol. 85, f. 334.

21. O.C., 15 Dec. 1651, no. 2188, Vol. 22.

these considerations, coupled with the enhanced demand from England and Europe, encouraged the Company to drive an extensive trade in Bengal saltpetre.

There were generally two varieties of saltpetre—the refined one called culmy and the crude variety termed cutcha or raw.²² The European Companies generally exported refined saltpetre as it otherwise could not be used for making gunpowder. Moreover, the export of raw or crude variety was uneconomic as it increased the freight charges while custom duties remained the same on both refined and crude varieties.²³ The Companies often undertook the refining in their own factories. The Dutch East India Company procured large quantities of saltpetre from Patna and shipped it direct to Batavia after refining it at Hugli or Pipli. As a matter of fact, as early as 1640-41, the Dutch set up a refinery at Pipli with copper kettles imported from Holland.²⁴ Tavernier stated in the 'sixties of the 17th century that the Dutch refined saltpetre at a 'large village called Chapra, situated on the right bank of the Ganges', about twenty miles above Patna.²⁵

22. Fact. Records, Hugli, Vol. 10, f. 235.

23. "You must take considerable care all the saltpetre you provide be as fine as possible... the freight and customs being the same whether fine or coarse. But the difference here is considerable at the candle ..". D.B, Vol.95, f.232.

24. T. Ray Chaudhuri, op.cit., pp. 169-70.

25. Tavernier, op.cit., Vol 1, p. 122.

The English Company too, it seems, refined its saltpetre at Singhee or Patna.²⁶ The refining, in order to remove impurities, was usually done by the Indian methods of evaporation in which earthen vessels ^{were} used. But as we have seen earlier,²⁷ the English factors reported in 1652 that the great difficulty in refining was for want of convenient copper pans. Refining in great earthen pots was tedious and troublesome because those pots very often broke in the middle of processing. As suitable copper pans were not locally available, the Company decided to divert to this purpose appliances which had been sent out for making sugar at Assada in Madagascar.²⁸ The cost of refining, however, was very small being only $\frac{3}{4}$ of an anna per maund.²⁹ As noted earlier, the English Company once attempted to refine saltpetre at Calcutta but abandoned the experiment as it was found to be too expensive.³⁰

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26. It seems that the English Company preferred a factory at Singee, which lies 10 or 12 miles north of Patna, rather than at Patna. For reasons, see Fact. Records, Misc., Vol. 3, f.63; Fact. Records, Misc., Vol XIV, ff. 331 - 32.
27. Chapter V.
28. O.C., Jan 14, 1652, no. 2246, Vol.22; E.F.I., 1651-54, p. 95.
29. Bengal Public Consultations, Range 1. Vol. 6, f.488a.
30. See Chapter V.

An examination of the orders for saltpetre sent from England reveals that the quantities ordered depended on two main factors. First, in times of war the quantities required to be sent from Bengal obviously went up while in peace time they were greatly reduced. Secondly, the quantities ordered depended on the requirement of the ships for their 'Kinteledge'. Saltpetre was used as ballast not only for Bengal ships but also for ships sailing from Madras, Masulipatam, Bantam or Bencoolen. The order for Bengal saltpetre increased steadily from the foundation of English factory in Hugli in 1651 till 1681 when for the first time there was a sudden decline in the quantities ordered. There were two obvious reasons for this reduction in the order. There was then little demand for saltpetre in Europe which by then was temporarily relieved of war, and, secondly, it was from 1681, as we shall see in due course, that there was a sudden boom in the demand for Bengal silk and piece-goods which shifted the emphasis in the Company's export trade in favour of the latter commodities.

In the early years of the Company's trade in Bengal, saltpetre definitely ranked as the primary object of commerce, and not merely a make-weight. In 1651, the factors in Bengal were instructed to invest half of their capital in saltpetre alone and in case the factors ran up

debts the Court gave special instruction that 'let it be for this commodity'.³¹ In 1653/54 the Company ordered 200 tons of saltpetre from Bengal.³² But the Court of Directors increased the quantity in 1657/58 to 600 tons and wrote that if Bengal factors could furnish the full quantity of saltpetre, it would be "more pleasing unto us and render your services more acceptable".³³ The order sent out in 1658/59 further raised the quantity to 800 tons which the Directors hoped could be procured at about £6 per ton. In the same letter the Company directed the Bengal Agency to send £5,000 yearly to Patna 'to lie there as stock beforehand' in order to buy this commodity in the best time of the year when it might be bought at 40 to 50 per cent cheaper than at Hugli. The fact that only £4,000 was directed to be sent annually to Kasimbazar for provision of silk, taffetas and cotton yarn indicates that throughout the 'fifties of the century the Company's main emphasis was on saltpetre trade. The Company further asked the factors in Bengal to provide 100 or 200 tons of saltpetre to be sent yearly to Masulipatam for using as ballast of the Europe bound ships.³⁴ In 1660 the Court

31. O.C., 19 Feb. 1651, no. 2208, Vol. 22; Ibid, 25 Feb.

1651, no. 2210, Vol. 22. E.F.I., 1651 - 54, pp. 45,47.

32. E.F.I., 1651-54, p.196; D.B., 12 Sept, 1653, Vol. 84,f.218.

33. D.B., 31 Dec. 1657, Vol. 84, ff. 385-86, 388.

34. D.B., 28 Jan. 1659, Vol. 84, ff. 411-12.

of Directors reprimanded Bengal factors as the latter failed to send any saltpetre by Blackmore. The factors pleaded that their inability was due to the fact that 'the Prince had seized on that commodity for his own use'. But the Directors alleged that a number of private ships brought large quantities of saltpetre which, they believed, were procured by these factors. However, they asked their factors to provide about 750 tons of saltpetre yearly at Patna.³⁵

But in September 1660, the Court of Directors wanted to shift the centre of saltpetre trade from Patna to the Coast of Coromandel. Finding that saltpetre provided at Patna was ^{often} detained and could not be brought down quickly to Hugli for lading Europe ships because of the frequent stoppage of saltpetre boats at various places on the river by local officials, the Directors ordered the factors to buy the commodity at the Coast where it was reported to be available at £8 or £9 per ton. They asked the Bengal factory not to provide more than 200 tons at Patna and send none to the Coast for kinteledge of Europe ships.³⁶ They wrote to Fort St. George in Jan. 1661 that considering the decline in the demand for

35. D.B., 22 Feb. 1660, Vol. 85, ff.276,283; E.F.I. 1655-60, p. 397.

36. D.B., 14 Sept 1660, Vol. 85, ff. 334-35.

saltpetre, they thought about 600 or 800 tons of saltpetre from all parts of India would be sufficient for their markets. Of this quantity again, they must, of necessity bring 100 tons from Surat as kinteledge for those ships sailing from there. They also advised the factors at Fort St. George that even if the saltpetre at the Coast would 'come out something dearer in its prime cost than that in the Bay, yet considering we were keeping a factory for it purposely at Patna and our ships going thither to fetch it, we conceive it will be nothing to our disadvantage'. They further ordered the factors to send 150 tons of saltpetre annually to the South Seas for Kinteledge of Europe bound ships which in the absence of any other suitable ballast in those parts usually carried sugar, gingers etc. which brought little profit to the Company.³⁷ This plan of providing saltpetre at the Coast merely proved to be a display of well meant intentions, and was never put into execution. As a result, the main bulk of saltpetre throughout the period was exported from Bengal.

The orders for saltpetre sent out from England during the years 1662 to 1664 amounted to 500 tons a year, or according to the requirements of the ships.³⁸ Even

 37. D.B., 28 Jan, 1661, Vol. 85, ff. 365-67.

38. D.B., Feb. 1662, Vol. 86, f.84; 2 Jan 1663, Vol 86, ff. 202; 16 Dec. 1663, Vol. 86, f. 356.

during the second Anglo - Dutch war of 1664 - 67, when shipping was uncertain and risky, the factors were directed to 'keep up dealing with saltpetremen' and to buy from 300 to 500 tons yearly lest 'it would wholly get out of' their hands and be engrossed by the Dutch. "To lose the commodity", wrote the Directors "would be great damage to the kingdom as well as to the Company".³⁹ They further asked Bengal factors to send 150 to 200 tons yearly to the Fort so that it could be carried to Jambée or Bantam for Kintledge of ships sailing from those parts.⁴⁰ In November 1670 the Court wrote that the full quantity of saltpetre they needed was 800 to 1000 tons yearly.⁴¹ But during the Anglo-Dutch war of 1672-74, they asked the factors to procure 300 tons yearly in order to keep the saltpetremen employed.⁴² The order sent out during 1674 to 1676, however, was for about 600 tons annually.⁴³ But the quantities ordered rose sharply in 1677 and the figure remained unaltered up to 1681. Throughout these years the Company sent regular orders for 1000 tons of saltpetre and more if procurable.⁴⁴

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39. D.B., 18 Sept. 1665, Vol. 86, ff.504-5; 18 Dec. 1665, Vol. 86, ff. 522-23; 14 Sept, 1666, Vol. 87, f.39.
40. D.B., 26 Aug. 1667, Vol. 87, f. 97.
41. D.B., 29 Nov. 1670, Vol. 87, ff.401,403.
42. D.B., 13 Dec. 1672, Vol. 88, f. 22; 7 July 1673, Vol.88, f. 48; 13 March, 1674, Vol.88, f.100.
43. D.B., 13 March 1674, Vol.88, f.101; 23 Dec 1674, Vol.88, f. 154; 24 Dec, 1675, Vol.88, f.239; 28 June 1676, Vol.88, f. 307.
44. D.B., 7 Sept.1677, Vol.88, f.448; 3 Jan. 1679, Vol. 89, f36; 3 Dec. 1679, Vol.89, f.131-2; 16 Sept.1680, Vol.89, f244; 5 Jan. 1681, Vol.89, f.265; 18 Nov. 1681, Vol.89, f.414.

In 1681, however, the Directors wrote to Bengal that the less saltpetre the ships bring the better since they were 'plentifully stored with that commodity'. But at the same time they asked the factors to see that none of the ships returned 'dead freight' implying thereby that they would prefer to have saltpetre or any other commodity rather than having none.⁴⁵ The market for saltpetre seems to have improved next year as we find that the Directors ordered 1500 tons in Aug. 1682, the highest quantity so far in their order. Next year, too, it remained the same.⁴⁶ But in 1684 the quantity was reduced to 1000 tons again and further slid down to 500 tons next year.⁴⁷ In 1688 the Directors again wrote to Bengal that they were overstocked with saltpetre and asked/^{them}to invent some other 'Kinteledge commodity', weighty and low in price, and 'that would cover freight' for which they mentioned shellack and borax.⁴⁸

After 1690 the Company asked for as much saltpetre as was necessary for kinteledge of the ships only. In 1698 the Court of Directors informed Bengal that saltpetre was a dull commodity and that 'great stores' were lying 'dead' with them. In October that year the Directors further wrote that saltpetre was then 'a very drug' and could hardly be

45. D.B., 18 Nov.. 1681, Vol. 89, f. 403.

46. D.B., 28 Aug., 1682; Vol. 90, f. 23; 21 Dec. 1683, Vol. 90, f. 248.

47. D.B., 30 Sept. 1684, Vol. 90, f. 371; 18 Feb. 1685, Vol. 90, f. 431.

48. D.B., 27 Aug. 1688, Vol. 91, f. 575.

sold on any terms.⁴⁹ There was again a boom in the order for saltpetre from 1703 with the outbreak of war in Europe. The Company directed Bengal factors in Feb. 1703 to send a good quantity of saltpetre which would 'turn to good account in Europe because of war'. The Directors further asked Bengal to send a sufficient quantity to Fort St. George to kinteledge ships sailing from there and also to enable them (Fort) to supply Bencoolen therewith so as to kinteledge the pepper ships because in default thereof the Company had to pay half freight for store or be obliged to send out iron kinteledge from England at one third freight which either way was a dead loss to the Company.⁵⁰ For the next few years the order seems to have amounted to about 800 tons or more.⁵¹ But from 1708 onward the quantity demanded was only as much as required for ballast of the ships. In 1713 the Directors wrote that the price of saltpetre had gone down considerably and doubted whether the govt. would demand 500 tons annually as it did previously, while they had 21,686 bags lying in the warehouses. The yearly 'home consumption' being only 200 tons⁵² they asked the factors not to send anymore than was necessary for

49. D.B., 26 Jan. 1698, Vol.93, f.25; 28 Oct.1698, Vol.93, f.120.

50. D.B., 26 Feb. 1703, Vol.93, f.615.

51. D.B., 2 Dec. 1703, Vol. 95, f.66; 21 Jan. 1704, Vol. 95. f. 237, ff. 533-34.

52. D.B., 2 Feb.¹⁷¹³ Vol. 97, f. 784.

kinteledge.⁵² Again in 1717 the Directors wrote that the government 'of late made no demand' on them for the usual 500 tons yearly while their sales did not vend more than 700 or 800 bags a year. Moreover, the commodity stood them in a great deal for warehouse, and wasted insensibly. So they advised the Bengal factors that as they were overstocked with saltpetre, they obliged all Coast and Bay ships by charterparty to carry out 8% in iron kinteledge.⁵³ But next year they reverted⁵ this order and resolved that the ships should carry out no iron but bring home as usual their 16% in saltpetre or other kinteledge goods.⁵⁴ The Dutch East India Company's order for saltpetre from Bengal for Holland itself far surpassed that of the English Company throughout the period, and the former also supplied its other Asiatic factories, specially Bantam and Ceylon from Bengal. In the first two decades of the 18th century the demand for Bengal saltpetre for Holland only, stood consistently between 3,000,000 to 3,500,000 Dutch lbs.⁵⁵

53. D.B., 30 Oct. 1717, Vol. 99, ff. 288 - 89.

54. D.B., 17 Oct. 1718, Vol. 99, f. 539.

55. For the list of Dutch Company's orders for Bengal goods, see K.A. Vols. 1556, 1581, 1584, 1622, 1636, 1653, 1669, 1688, 1720, 1734, 1746, 1776, 1804.

The supply condition in saltpetre trade was more or less smooth enough for securing an extensive trade in that commodity. The only inhibiting factor was the occasional attempts by local officials to monopolise the trade. As we have noted previously, such attempts at monopoly were made by Mir Jumla and Shāista Khan but were never pursued either vigorously or systematically.⁵⁶ The saltpetre was generally procured through assomies or petremen to whom money was advanced in the right season.⁵⁷ Often merchant middlemen were also employed for procuring saltpetre. In May 1683 the Company contracted for 4120 mds. of saltpetre (at Re. $1\frac{3}{4}$ p.md.) with three able 'petremen, 'Bucktmall', 'Muluckchand' and 'Siabray' who had provided all the Company's saltpetre in the previous year, and now gave good security against fulfilment of the contract.⁵⁸ But official rapacity occasionally made the petremen hide out in which case the Company had to deal with the merchant-middlemen who demanded a greater price than the ordinary petremen or assomies. Thus in 1684 the Patna factors reported that they dealt with one merchant, namely Probhat ('Perevott') who would not deal at the same price as the assomies on the ground of the trouble given by the nawab and his officers.⁵⁹ In general, the competition in the

56. See Chapter III.

57. Fact. Records, Hugli, Vol. 10, f. 194.

58. Fact. Records, Patna, Vol. 1, pt. IV, f. 18.

59. Fact. Records, Hugli, Vol. 10, f. 194.

saltpetre market was confined mostly among the European Companies, specially the English and the Dutch. Both these Companies were apprehensive - not without much reason behind it - that the other would try to engross the saltpetre trade. As a consequence - as we have already referred earlier - the English Company asked their factors to carry on with the investment in saltpetre even in the time of war when they could hardly send the commodity for want of shipping.⁶⁰ This competition amongst the Europeans had often its impact on the prices. As already noted, the English factors once claimed that the price of saltpetre was much reduced when the Dutch had left Patna.⁶¹ The Interlopers, too, were keen competitors in the market specially in the 'eighties of the 17th century. In 1684 the Patna factors reported that Purusuttom Das and Jadu Das - who were formerly Dutch gomasta, and provided the Interlopers with saltpetre in the previous year - again procured for the Interlopers great quantities of refined saltpetre which made the coarse variety scarce and raised their price. But when the Interlopers failed to come, the two merchants, hard pressed by the creditors for money, tried to sell the commodity for

60. Supra, p. 285.

61. Fact. Records, Calcutta, Vol. 11, pt. II, ff. 2-3.

what ever price they could get. But the English and the Dutch Companies 'plagued them sufficiently' and agreed not to buy an ounce of them so that 'they might be sufficient losers and be made examples to prevent others' from following their steps in future.⁶²

An analysis of the price of saltpetre shows a general upward trend throughout the period, though with exceptions during certain years.⁶³ Of course, it is difficult to find out precisely the cost price of saltpetre as it depended on certain factors - eg. the place and time of purchase as also on the variety bought. As we have already noted, the price of saltpetre at Patna in Dec. 1650 was Re. 1 p.md. while with charges for freight, it amounted to Re. $1\frac{3}{4}$ at Hugli. But the English bought the same variety for the ships despatched that year at Re $2\frac{5}{8}$ p.md.⁶⁴ In other words, the English had to pay 50% more for the commodity during the shipping season. The price at Patna was about 40 to 50% cheaper than that in Hugli.⁶⁵ In 1659/60 the English factors procured saltpetre at Re. $1\frac{1}{8}$ p.md. at Patna which indicates a $12\frac{1}{2}\%$ rise in price than that in 1650/51.⁶⁶ At the end

62. Fact. Records. Hugli, Vol 10, f. 235.

63. See Table II in Appendix A.

64. O.C., 15 Dec. 1650, no. 2188, Vol.22; E.F.I., 1651 - 54, pp. 337 - 38.

65. D.B., 28 Jan, 1659, Vol.84, f. 414.

66. O.C., 15 Dec. 1659, no. 2833, Vol.26; E.F.I., 1655 - 60, p. 29.

of our period, ie. in 1719/20 the average price of saltpetre was about Rs.5 p.md. This was generally the price in Hugli and definitely it shows a rise of about 300% from that in the beginning of our period. This tremendous rise in the price over the period can only be explained by the competition among the European Companies and their heavy demand on the supply. When the English first began their trade in saltpetre in 1650/51, there was only the Dutch Company who used to export the commodity from Patna. So the former found saltpetre very cheap. But with the growth of the English trade and the heavy demand by the Europeans on the market, the price soared accordingly. The other contributory factors for fluctuations in prices appear to be the occasional attempts at monopoly by local rulers as also the uncertain weather conditions. It was reported that more saltpetre was procurable in dry seasons than during the rains.⁶⁷

During 1663/64 and 1664/65 the price of saltpetre was Rs 3 p.md. while the treble refined variety cost Rs $3\frac{3}{4}$. It ranged between Rs 2 to Rs 3.2 p.md. from 1668/69 to 1675/76, with a sudden rise to over Rs.4 during the years 1676/77 and 1678/79. In the 'eighties, however, the average

67. O.C., 1 Sept. 1665, no. 3069, Vol. 29.

FIGURE 2
PRICE OF SALTPETRE

PRICE (RS./md.)



YEARS

price was about Rs. 2, with the lowest figure of Rs. 1.6 in 1682/83. But in the 'nineties the average price was over Rs. 3 p. md. During the 1st decade of the 18th century it went up high and stood at more than Rs. 4 p.md, which was the trend in the second decade too, only with the exception of 1712/13 when the price went up as high as Rs. 6 p.md. Of course the cost price did not seem to have any great impact on the demand by the English Company as we don't find any reference in the records of the Company that it either increased the quantities ordered following a slump in price or vice versa.

The quantities of saltpetre actually exported by the English Company from Bengal over the period under review show fluctuations though the general trend was one of expansion, reaching the peak in the 'eighties and then sloping down in the 'nineties only to rise gradually again in the subsequent years. These fluctuations depended on various factors which can be generalised as the demand from England, the available supply and the Company's shipping from Bengal. In 1663/64 the Company exported 943,650 lbs. of saltpetre which rose to 990,450 lbs. in 1664/65. There was a phenomenal rise in 1668/69 when 1977,300 lbs. were exported from Bengal. Next year, however, the quantities of saltpetre exported fell to as low a level as 712,950 lbs. and sloped further down to

630,900 lbs. in 1670/71. In 1671/72 it rose again to 937,500 lbs. and went up further to 1331,400 lbs. in 1675/76. Next year the total quantity exported stood at 1253,250 lbs. and rose to 1876,800 lbs. in 1678/79.⁶⁸ The boom in the export of saltpetre started in 1681/82 and continued upto 1685/86. The following table will indicate the fluctuations in the export of saltpetre from the 'eighties till the end of the period under review.

Quinquennial Totals: Saltpetre export.

<u>Years</u>	<u>Quantities</u>	<u>Average</u>
1681/82 - 1685/86	6298,208 lbs.	1259,641 lbs.
1690/91 - 1695/96 (Excluding 1691/92)	2652,964 "	530,592 "
1696/97 - 1700/01	2226,132 "	445,226 "
1701/2 - 1706/7 (Excluding 1703/4)	3785,486 "	757,097 "
1710/11 - 1714/15	4202,514 "	840,502 "
1715/16 - 1719/20	5352,689 "	1070,537 "

The Dutch East India Company exported a far greater quantity of saltpetre from Bengal than its English counterpart. In 1669/70 the Dutch export to Holland and the Asiatic factories amounted to 3443,440 Dutch lbs.⁶⁹ Even in the first two decades of the

68. The figure for 1678/79 is to be found in B.M. Addl. Mss, 34,123, f. 30a.

69. K.A., 1164, ff. 380-382vo. The Dutch lb. is equivalent to 1.09 English lb. approximately, cf. T.Ray Chaudhuri, op.cit., p. 223.

18th century the Dutch export to Holland far surpassed that of the English. During the three years 1701/2, 1702/3, 1704/5 the Dutch exported to Holland 8494,754 lbs. (Dutch) at an average of 2381,918 lbs. yearly. The average annual export to Holland during the quinquennial periods 1705/6 - 1710/11 and 1711/12 to 1715/16 was 2999,789 lbs. (Dutch) and 3884,405 lbs. (Dutch) respectively which indicate that the Dutch trade in Bengal saltpetre was by far greater than that of the English.⁷⁰

Though the quantities of saltpetre exported annually by the English Company seem to be impressive, the total value of this annual saltpetre trade in proportion to the value of total annual exports of the Company was not so. In the 'sixties the total value of saltpetre exported annually from Bengal constituted about 20 to 25 p.c. of the total value of export, rising to 50% in 1668/69. But its share during the slump which began in 1681/82 was only 4% of the total value of the Company's exports from Bengal, though that year witnessed a boom in the absolute quantities of saltpetre exported by the Company. This decline in value continued till 1685/86 when it formed only 1.5% of the total value of the exports. There was a sudden rise in 1704/5 when it stood at 22.7% but gradually went down again. Then onward it varied between 3 to 4 p.c. of the

70. For the list of Dutch export from Bengal, see. K.A. Vols. 1556, 1581, 1584, 1622, 1636, 1653, 1669, 1688, 1720, 1734, 1746, 1776, 1804.

total value of the Company's exports.⁷¹

Sugar

It was only in the 1650's that the English East India Company was interested in the export of sugar to England from Bengal and even then on a limited scale. From then onward it hardly exported large quantities of sugar to Europe where West Indian and Brazilian sugar held the market. Bengal sugar, however, continued to be an important commodity - at least for sometime - for the Company's Inter - Asiatic trade, specially to Surat and Persia. But here too it was soon ousted by Java sugar, exported by the Dutch during the second half of the 17th century.⁷² Though sugar was a typical ballast commodity, the Company in course of its trade in Bengal, preferred saltpetre or other heavy goods to it as obviously the latter was not a profitable commodity for export to Europe.

The English Company's interest in Bengal sugar can be traced to a much earlier period of its trade in Bengal. As early as 1634 it was reported that sugar was of much better quality in Bengal and cost not more than two and a half pence 'the English pound with all charges abroad'.⁷³ In 1649 the English factors at Swally Marine

71. See Table III in Appendix A.

72. K. Glamann, Dutch Asiatic Trade, p. 152.

73. O.C., 25 Oct. 1634, no. 1536, Vol. 15.

wrote that if large quantities of sugar were to be required in future, they must be obtained from Agra and its neighbourhood, but probably 'the Company will desire to be supplied from Bengal where it is better and cheaper acquirable'.⁷⁴ In the same year these factors informed the Court of Directors that they had made 'no purchases of sugar as that from Bengal was better and cheaper'.⁷⁵ In December 1650 James Bridgeman wrote to the Company that sugar in great quantities could yearly be procured in Bengal in February or March at Rs. 7½ or Rs. 8. per bale but during the monsoon or shipping season would cost Rs. 11 or 12 i.e. about 50 p.c. more.⁷⁶ However, the Bay factors were instructed in 1651 to invest 1/6 of their capital in sugar.⁷⁷ But due to the lack of any quantitative data, we are in complete ignorance either regarding the total amount of sugar investment or the quantities exported by the Company to Europe in the 'fifties of the 17th century. As regards the list of order for Bengal sugar, we find the Company asked in December 1657 for 300 tons.⁷⁸ Next year, however, there was a sudden

74. O.C., 31 Jan, 1649, no. 2113, Vol. 21; E.F.I., 1646-50 p.255.

75. O.C., 5 April, 1649, no. 2121, Vol.21; E.F.I., 1646-50 p.258.

76. O.C., 16 Dec, 1650, no. 2188, Vol. 22; E.F.I., 1651-54, pp. 337-8.

77. O.C., 19 Feb, 1651, no. 2208, Vol. 22; E.F.I. 1651-54, p.45.

78. D.B., 31 Dec. 1657, Vol. 84, f. 388.

increase in the demand for Bengal sugar. In January 1659, the Court of Directors asked Bengal factors to provide 700 tons of 'whitest and driest' sugar.⁷⁹ But this boom in the demand for Bengal sugar was only temporary. In February 1660 the Directors reduced the quantity to 400 or 500 tons and that too if it could be procured at £10 or £12 per ton, otherwise none at all. The reason for such reduction in the order was obvious. The 'Home markets' for sugar was 'very full' by the large quantities brought from several plantations which had caused 'it to be exceeding cheap in so much that we have no encouragement to have any sent us'.⁸⁰ The same discouraging note by the Directors was despatched in September 1660. They asked Bengal factors to discontinue any investment in sugar either for England or Persia as the price of sugar had fallen to such a low rate that it would hardly return any profit.⁸¹ From then onward, it seems, the English Company stopped any investment in sugar for exportation to England. The only figure for sugar export we get was for 1658/59. In that year two ships, Love and Blackmore were despatched from Balasore with 3593 bags of sugar, containing 7632.5 mds. or 572,440 lbs. valued at Rs. 33,163 or about £4,145.⁸²

79. D.B., 28 Jan. 1659, Vol 84. f. 412.

80. D.B., 22 Feb. 1660, Vol. 85, f. 284.

81. D.B., 14 Sept. 1660, Vol. 85, f. 335; 28 Jan. 1661, Vol. 85, f. 367.

82. Rawl. C. 395, ff. 17, 25a.

Other Commodity Exports

Of the English Company's other export commodities tincall or borax, turmeric, cowries, redwood and lac alone were of any importance and even these, compared with piece-goods, silk or saltpetre, were of little significance as their exportation remained irregular over the whole period. These commodities were not very profitable commercially, but the Company exported them in order to fill up the vacant space of the returning ships and to provide ballast. Of these various commodities again, some were imported to Bengal from other parts eg. sticklac from Pegu and cowries from the Maldives. The Company in its turn, exported cowries from Bengal to England for reexportation to the African settlements where it had a good market and could be exchanged for slaves required in the different plantations. In the early years the order for cowries did not exceed more than 5 or 10 tons, though later on it went up to 100 tons. Sticklac was procurable in Bengal too, but the Company preferred 'best and blackest' Pegu sticklac, the order for which varied between 50 and 100 tons. Tincall or borax too, like other bulk goods, were provided irregularly, the demand from England varying between 100 and 150 Dupperts, each Dupper containing 2 mds. The Directors ordered in Feb. 1685, 300 Dupperts, if to be procured at Rs. 8 p.md. otherwise none at all, as they lost 69% on the commodity in the previous year. 83

Besides saltpetre, Patna provided another bulk commodity namely, turmeric. The Company's demand for this item was small in the 'fifties of the 17th century, being only 5 or 10 tons in 1657, rising to 30 tons in 1659.⁸⁴ But with the increase of shipping in the early 'eighties, it went upto 250 tons, though only for a few years. In September 1683 the Directors wrote that it was a 'very dull commodity'. Even in 1691 they asked Bengal factors not to send any turmeric as they were already overstocked with that commodity for the last seven years.⁸⁵ From the 'eighties the Company became interested in another bulk commodity, shellack, 'the best and finest sort' procurable in Kasimbazar. In August 1682, the Directors ordered for 50 tons which was roughly the quantity in the list of order throughout the 'eighties. They wrote towards the close of 1688 that shellack was 'a sure commodity' and asked Bengal factors to send what they could. Again in 1691 they wrote that the transparent shellack of Kasimbazar was a 'very good commodity' and that whatever quantities the Bengal factors could send, would not be 'too much for the Company's sales'.⁸⁶ But it

84. D.B., 31 Dec. 1657, Vol 84, ff. 385-86; Jan 28, 1659, Vol. 84, f. 412.

85. D.B., 5 Jan. 1681, Vol. 89, f. 265; 18 Nov. 1681, Vol. 89, f. 414; 5 Sept. 1683, Vol. 90, f. 218; 18 Feb, 1691, Vol. 92, ff. 147-48.

86. D.B., 28 Aug. 1682, Vol. 90, f. 26; 30 Sept. 1684, Vol. 90 f. 373; 27 Aug. 1688, Vol. 91, f. 575; 18 Feb. 1691, Vol. 92, ff. 147 - 8.

seems that the order for shellack never exceeded 50 tons a year and was actually reduced to 10 tons a year towards the close of the period.⁸⁷

Cotton Yarn

Cotton yarn formed an important commodity in the structure of the Company's export trade from Bengal. As it could be used as ballast and stowage, the Company often found its export quite advantageous, perhaps only next to that of saltpetre. It was procurable mostly in Balasore and the adjacent areas, though at the end of our period it was ordered to be procured from Kasimbazar.⁸⁸ The quantity demanded from England over the period was not uniform and varied from time to time according to market conditions in England and Europe, and the space to be filled up in the Europe bound ships. In the early years of the Company's trade in Bengal, the quantity ordered was small. In 1657 only 10 tons of cotton yarn were ordered to be sent to England.⁸⁹ But in 1659 the Directors asked Bengal factors to send 400 bales 'in short skeins, not cross reeled', each bale containing about 3 mds. The very next year, however, the order was reduced to 100 bales, as the commodity had 'grown out of request'.⁹⁰ In the 'sixties the Directors

87. See list of order for 1717/18 to 1719/20 in D.B., Vol. 99, ff. 291 - 93, 541 - 544; Vol. 100, ff. 161 - 64.

88. Beng. Pub. Consult., Range 1, Vol. 1, ff. 189-90.

89. D.B., 31 Dec. 1657, Vol. 84, ff. 385 - 86.

90. D.B., 28 Jan, 1659, Vol. 84, f. 412; 22 Feb. 1660, Vol. 85, f. 284.

generally ordered for 200 bales which they hoped could be procured at Rs. 16 p.md. They wrote that the cotton yarn received from Bengal was 'coarse reeled and too great skeins and too hard twisted' and asked the factors to see that it should be in 'small skeins and reeled straight and softer twisted'.⁹¹ But there was a total slump in the Directors' order made in November 1670, because it was said that they had lost 30 to 40 p.c. on what was sent earlier and hence no more cotton yarn was to be sent till further order.⁹² In December 1677 they asked the factors to send 50 or 100 bales if other commodities for ballast or stowage were not procurable.⁹³ In the 'eighties, however, there was a certain boom in the order for cotton yarn. Though in January 1681 the Company asked for 100 bales only, in December of the same year it ordered 400 bales.⁹⁴ As a matter of fact, the demand for cotton yarn was growing in England and Europe from the 'eighties. In December 1683 the Directors wrote that cotton yarn had 'grown a noble commodity' and that about 500 or 1000 tons yearly would sell in the market. They also noted that it was a 'brave commodity to fill up' their ships with, and asked for 500 bales to be sent to

91. D.B., Feb. 1662, Vol.86, f. 84; 16 Dec. 1663, Vol.86, f.356; 26 Aug. 1667. Vol.87, f. 97.

92. D.B., 29 Nov. 1670, Vol.87, f. 401.

93. D.B., 12 Dec. 1677, Vol.88, f. 522.

94. D.B., 30 Dec. 1681, Vol.89, f. 437.

England.⁹⁵ Next year, however, the quantity ordered slipped down to 400 bales and further to 200 in 1685, eventually rising to 300 bales in 1688.⁹⁶ In the 'nineties again there was an absolute slump in the demand for cotton yarn. In October 1698 the Directors asked Bengal factors to send no cotton yarn except 'it be upon necessity to fill our ship in which case it is better than dead freight.'⁹⁷ The orders for the first two decades of the 18th century, too, remained low, irregular and insignificant.

The prices of cotton yarn generally declined over the period.⁹⁸ In 1663/64 the price of cotton yarn was about Rs. 19.4 while at the end of our period i.e. in 1719/20 it fell to Rs. 14.1 p.md. In other words there was a decline of about 30 p.c. in the price of cotton yarn in the span of about 60 years. The lowest price of cotton yarn was Rs. 12.8 in 1697/98 while the highest, Rs. 19.9, was reached in 1669/70. The general trend of the decline in the price of cotton yarn, though it appears strange under the circumstances, can perhaps be explained. First, the demand from England as we have already seen was irregular and generally on the decline despite a sudden boost in 1683. Secondly, though it could be expected - as

95. D.B., 21 Dec. 1683, Vol.90, ff. 244, 248.

96. D.B., 30 Sept. 1684, Vol.90, f.371; 18 Feb 1685, Vol.90, f. 431; 27 Aug. 1688, Vol.91, f. 581.

97. D.B., 28 Oct. 1698, Vol.93, f. 121.

98. See. Table II in Appendix A.

a result of the heavy demand for piece - goods on Bengal market - that the price of cotton yarn would go up, the large quantities imported from Surat, mainly by Indian merchants, perhaps more than eased the pressure on the cotton yarn market.⁹⁹ The traffic in Bengal - Surat trade which was mostly in the hands of Surat merchants appears to have increased considerably in the second half of the 17th century as a result of twin developments. The sea became comparatively freer following the decline of the Portuguese supremacy and the consequent rise of the Dutch and the English Companies with whom, it seems, the Indian merchants felt more secure. More ships and bigger ones were now available for charter from the Companies as well as other facilities such as the services of pilots etc. Moreover the European Companies and their servants took part in this branch of trade, and cotton yarn formed an important return cargo from Surat. Thirdly, the Dutch demand for and export of cotton yarn was too small to have any impact on price and eliminated any chance of competition between the two rival Companies. Though the Dutch order

 99. An idea of the quantities of cotton yarn imported from Surat by the Indian merchants can be formed from the following table collected from various volumes of K.A.

1682/83	-	1,500	mds.
1701/02	-	14,037	"
1706/07	-	1,085	packs
1708/09	-	2,162	mds
1709/10	-	5,010	"

ranged between 10,000 to 15,000 lbs. (Dutch) in the 1st decade of the 18th century, rising to 20,000 lbs. in the second decade, it was very irregular and seldom complied with by the factors in Bengal, thus the export remaining very low throughout the first two decades of the 18th century.

The quantities of cotton yarn exported annually by the English Company varied from year to year according to the demand from Europe and the vacant space to be filled up in the returning ships. In 1663/64 the Company exported 26,100 lbs. of cotton yarn, rising to 31,950 lbs. next year and further to 35,100 in 1668/69. But during the next three years, 1669/70 to 1671/72, the quantities of cotton yarn exported showed a gradual decline. In 1669/70 only 28,800 lbs. were exported which went down next year to as low as 2,475 lbs. but rose to 20,250 lbs. in 1671/72. There was actually no exportation of cotton yarn during 1675/76, 1676/77, 1678/79 and 1681/82. But in the 'eighties there began a general boom in its export. In 1682/83 the quantities exported stood at 43,425 lbs., next year sloping down to 18,426 lbs. and eventually rising to 103,004 lbs. in 1684/85, the highest figure of export for cotton yarn during the period under review. Next year, however, the quantity slid down to 32,410 lbs. From the 'ninties,

specially from 1693/94, upto the end of the period, the quantities exported though irregular, ranged between 30,000 and 40,000 lbs. Sometimes of course the quantity rose quite high as in 1705/6 when the figure stood at 92,059 lbs. and at other times none was sent at all for several years. As a matter of fact, the Company exported no cotton yarn for four consecutive years from 1713/14 to 1716/17. In 1717/18 the quantities exported were 37,714 lbs. while next year again there was no export of cotton yarn, though in 1719/20, the export stood at 21,350 lbs. The Dutch Company's export figures show that they exported far less cotton yarn than the English. Actually the former did not export any cotton yarn from Bengal from 1700/01 to 1706/7. In 1707/8 and 1708/9 their export ranged between 9,000 to 9,500 lbs. (Dutch). In the second decade of the 18th century too, the Dutch exported cotton yarn irregularly and the highest figure of their export in this commodity was 12,000 Dutch lbs. in 1714/15.

Raw Silk

Next to saltpetre and textiles, raw silk was the most important and coveted article of export in the Company's trade in Bengal. In the early 17th century, English demand for raw silk was met by silk brought mainly from Italy, France, Persia and only to a limited extent by Chinese silk in which the Dutch Company drove a most profitable and

substantial trade. As the Chinese silk was of paramount importance to the Dutch Company's trade in Japan, the amount left over for export to Europe fluctuated sharply and were often uncertain. The experience of the English Company with Chinese silk proved unfortunate as their sales returned little profit. The Dutch interest in Persian silk, however, declined around the middle of the century when the export of precious metal became the primary factor of its Persian trade. The English Company, too, took interest in the early years of the 17th century in Persian silk trade. But by 1624 it expressed misgivings whether the trade in Persian silk could ever be made profitable as long as the French and Italians dominated the market at Aleppo and the Company's failure to dislodge the latter gave rise to intermittent opposition to the continuation of the Persian trade. Moreover, the monopoly of the Shah of Persia in the sale of silk, and the abuses and extortions practised by local officers in its sale very much discouraged the English. Thus towards the middle of the 17th century both the English and the Dutch Company turned their attention to India, particularly to Bengal for the supply of raw silk.¹⁰⁰

The search for Bengal silk by the English Company can be traced back to the embassy of Sir Thomas Roe in 1615. He was specially commissioned to attempt obtaining trading

100. Balkrishna, op.cit., pp. 97-98; K. Glamann, "Bengal and the World Trade about 1700", Bengal Past and Present, Vol. LXXVI, pt.1, Jubilee No. 1957, p.33. K.N. Chaudhuri, op.cit., pp.203-5.

privileges in Bengal and Persia for opening up the silk trade, but nothing could be affected by him so far as Bengal was concerned.¹⁰¹ The possibility of a lucrative trade in Bengal silk was again reported by Hughes from Patna in 1620. As we have already noted,¹⁰² he had informed the Surat council that Bengal silk could be procured in large quantities at Patna at a price 35 p.c. cheaper than at Agra, and that in Murshidabad. With the 'choicest stuff' could be provided in infinite quantity, at least 20 p.c. cheaper than in any other part of India. But this attempt to explore the possibility of a trade in raw silk had failed again. Similarly Peter Mundy's commercial expedition to Patna ended in failure. However, in 1634 it was reported that silk could be procured there at 4 to 5 fanams the English pound ie. $2\frac{1}{4}$ shillings p. lb. or about a rupee. The two bales of Bengal silk sent about this time as a sample in the Mary were disposed of at 20s. per lb. for trial only.¹⁰³ But it was only after the opening of the Hugli factory in 1651 that the English began an extensive trade in Bengal silk.

 101. See Chapter II

102. Ibid.

103. O.C. 25 Oct. 1634, no. 1536, Vol.15; Balkrishna, op.cit, pp. 98 - 99.

The chief centre of production of Bengal silk was Kasimbazar and its neighbourhood, including Murshidabad. Tavernier commented that Kasimbazar could furnish about twenty two thousand bales of silk annually, each weighing a hundred pound.¹⁰⁴ There was indeed a great production of raw silk in and around Kasimbazar in the second half of the 17th century. Streyntsham Master wrote in 1676—"All the country or great part there of about Kasimbazar is planted or set with mulberry trees, the leaves of which are gathered to feed the worms with and make the silk fine and therefore the trees are planted every year."¹⁰⁵

Bengal raw silks came in various qualities. We learn from an account written in 1661 by John Kenn, then chief of Kasimbazar, that silk was wound into three sorts - 'head', 'belly' and 'foot' which meant first, second and third quality respectively. The English Company used to buy generally the first two sorts in the proportion of 5:4. This silk was called 'Putta' or of short skein. There was another sort of silk which was of superfine quality called puttany, costing Rs. 5¼ to Rs. 6¼ per seer. The sort of silk which was bought by the indigenous merchants for Agra was called 'Dolleria', a name given to the sort

104. Tavernier. op. cit., Vol. 2, pp. 2 - 3;

105. Master's Diary, op. cit., Vol. 2, p. 28.

of silk in which 'head', 'belly' and 'foot' were all mixed together.¹⁰⁶ The Dutch Company used to denote the three sorts of silk ('head', 'belly' and 'foot') by the Portuguese terms of quality - cabessa, bariga and pee respectively. Later on the Dutch began to export a superfine quality called tanny which was, it seems, of the same quality as English puttany, a short-threaded reel of the best part of the cocoons. The Dutch order down to 1670's was confined exclusively to cabessa, bariga and pee, specially the first two qualities. The tanny silk first emerged in the order for 1676 and in a very short time surpassed other sorts and became the most markatable of all Bengal silks.¹⁰⁷ The orders sent out from 1700 onwards were exclusively for tanny, bariga and cabessa. One finds reference to other kinds of silk such as florelta yarn, Punia silk, Punjah silk, Goragant silk etc. in the records of the two Companies. The English Company came to know about the floretta yarn, 'a kind of white silk', from the cargoes of the ships of the Dutch Company, captured in 1673 and ordered some samples from Kasimbazar in December 1673.¹⁰⁸

 B.M.
 106./ Addl. Mss. 34,123, f. 42; Wilson, op.cit, Vol.1, p.376
 107. K. Glamann, Dutch Asiatic Trade, op. cit., P. 124.
 108. D.B., 4 Dec. 1673, Vol.88. f. 81.

An analysis of the orders for Bengal silk reveals that on the whole they fluctuated concurrently with the price in Europe and were attuned to the supplies of other silks received by the European Companies for their home markets. Bengal silk was the cheapest of all Asiatic silks and even though in the course of time the price rose, it remained throughout the greater part of the 17th century much cheaper than either Chinese or Persian silk.¹⁰⁹ Its trade once established displayed a consistent growth. Commercially, the high rate of profit and the increasing demand in Europe acted as a stimulus to the tremendous growth of silk export from Bengal. As early as 1653/54 the Dutch Company realised a gross profit of about 200% on the silk from Bengal.¹¹⁰ The English Company, too, found the trade in Bengal silk extremely profitable. In the sale of a consignment of silk brought by Martha in 1695/96 the Company's gross profit exceeded well over 250%.¹¹¹

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109. K. Glamann. Bengal Past and Present, op.cit., p.34. According to Glamann (ibid, p.34) the price of Bengal silk was 2.82 fl. in 1649 and rose to 4.11 and 4.09 in 1669 and 1670 respectively. For the phenomenal rise of price in 1681/82 and 1682/83, see, Table II in Appendix B.A.
110. K. Glamann, Dutch Asiatic Trade, op. cit., p. 122.
111. In 1696 Martha brought 149 bales of silk at the invoice price of £11,232 which were sold for £40,023, vide, A.G.D. Range 11, Vol. 43, f. 71. 82-84.

The orders from the English East India Company for Bengal silk was quite insignificant till 1673. The Dutch Company's order for 1650, however, can be regarded as the beginning of the first boom in its demand for Bengal silk. The Dutch order in the 'forties was moderate and generally confined to 15,000 to 20,000 lbs.(Dutch). But in 1650 the Directors of the Dutch Company increased it to 50,000 lbs. The phenomenal increase in the Dutch demand showed itself in 1654 when they ordered 200,000 lbs. (Dutch) or as much as could be procured in Bengal upto the value of 1 million fl.¹¹² The English, however, asked their factors in 1651 to invest only $\frac{1}{6}$ of their small capital in silk.¹¹³ In 1657/58 the Court of Directors asked Hugli Agency to invest £3,000 in silk and in January 1659 a permanent order was given to provide 100 bales per annum at the cost of Rs. 90 to Rs. 100 p. md.¹¹⁴ But next year it was curtailed to 30 or 40 bales only, and these, too, were to be provided if obtained from 6s. 7d. to 7s. 6d. per lb. of 24 ounces.¹¹⁵ In Nov.1670, however, the order was again raised to 100 bales per year, though the Company was not happy with the quality of silk sent from Bengal. The Court of Directors wrote in December 1670 that the silk received was useless for the manufacturers in England and

 112. K. Glamann, Dutch Asiatic Trade, op. cit., p. 122.

113. O.C., 19 Feb. 1651, no. 2208, Vol.22; E.F.I., 1651-54,p.54

114. D.B., 31 Dec. 1657, Vol.84, ff.385-86; 27 Feb. 1658, Vol. 84, f. 403; 28 Jan.1659, Vol.84, f. 412.

115. D.B., 14 Sept. 1660, Vol. 85, f. 335.

hence the buyers were forced to ship it off to foreign markets. The defect in the silk, as they pointed out, was that it was reeled up too short and was of fixed threads in several sizes of fine and coarse in every skein. The remedy suggested by the Company was that every skein was to be reeled about a yard long and of no more than one thread and 'every several size of fine and coarse in several skeins'.¹¹⁶

It was from about the middle of the 'seventies of the century that the English Company began to pursue the silk trade vigorously. As early as 1671 the Company prohibited all its servants and other English merchants from dealing in Punia silk. The silk trade was of so great a profit that in 1678 all the Company's servants were prohibited from dealing in Chinese silk and wrought silks. Again in 1682 it prohibited all Englishmen from dealing in all kinds of raw silk as it was asserted that they had lately enhanced the prices and reduced the Company's investment in India. Thus the Company's monopoly in raw silk from Bengal was made more extensive and severe.¹¹⁷ However, the order sent out in 1673/4 shows the first boom in the demand for raw silk from Bengal. In that year the Directors ordered about 470 to 570 bales, while the orders

116. D.B., 29 Nov. 1670, Vol.87, f. 404; 16 Dec. 1670, Vol. 87. f. 410.

117. Balkrishna, op. cit., p. 145; D.B., 13 Dec, 1671, Vol. 87, f. 508; 6 Nov. 1678, Vol. 89, f.6; 3 Jan.1679, Vol. 89, f. 27; 15 Jan.1682, Vol.89, f.452; 15 Feb.1682, ff.456. 471;

varied between 600 to 900 bales during the years 1674/75 to 1678/79. Then onward the demand for Bengal silk rose very sharply. In 1679/80 the order stood at 1,200 bales indicating an increase of about 30% than that of the previous year while in 1680/81 it went upto 1,800 bales, showing a rise of 50% than that of 1679/80. For the next two years the Directors ordered 2,100 bales per annum. The phenomenal rise in the order occurred in 1681/82. In that year the Company asked for 10,000 bales, each bale containing 160 seers which indicated an increase of about 5 times on the order of the previous year. Next year the order was further increased to 11,500 bales while in 1683/84 it stood at 11,200 bales.

As a matter of fact the Directors were urging ^{more and} Bengal factors from the middle of the 'seventies to invest// more in Bengal silk. In 1675 they asked Hugli Agency to take up £20,000 by exchange and invest it in raw silk and repeated the instruction in their letter in 1676.¹¹⁸ This special emphasis on silk meant a change in the pattern of the Company's trade in Bengal and ultimately altered the relative balance between various commodities exported from Bengal. In January 1681 the Directors sent £80,000 to

 118. D.B., 24 Dec. 1675, Vol. 88. f. 238; 18 Dec. 1676, Vol. 88, f. 391.

Kasimbazar only, an amount which 'is far greater than ever yet was sent to that place'.¹¹⁹ Repeated instructions were sent to Bengal, particularly, to increase the investment in silk to as great an amount as could be procured. For instance, in July 1681 the Directors emphasised their needs in the following words - "Our principal design in this express is further to enforce our former orders upon you to be always buying and getting in what quantities you can of Raw Silk for which when you have no money we do hereby authorise you to take up money by way of Exchange and draw your bills on us or to take up at interest whatsoever shall be necessary for the carrying of that investment". In the same letter they further wrote - "Whatsoever Raw Silk you can procure of the sorts we formerly advised you without limitation to quantity and whatsoever bulk it may grow to, while our Europe ships are with you, let it all be laden on board though you take out and lay by in our Warehouses Peter and Turmeric in lieu thereof".¹²⁰ The Company's motives behind such a vigorous pursual of silk trade in Bengal were reflected in its letter of 22 April, 1681. The Directors wrote "... we do lay the greatest charge upon you to enlarge our investment in all the coarsest kinds of Raw Silk because we judge it not only the most

119. D.B., 5 Jan. 1681, Vol.89, ff. 278 - 79.

120. D.B., 22 July, 1681, Vol.89, ff. 362 - 63.

gainful but the Most National commodity we can bring for England, being a commodity to be manufactured which sets our poor on work, greatly augments our navigation and works upon the Trade of our emulous neighbours".¹²¹

The point was further elaborated by the Directors in the same letter-: "We shall tell you that our purpose with God's assistance is to increase our navigation as much as our trade that as our fleets grow yearly richer they may proportionately grow stronger in which we find ourselves upon the dilemma. If we bring our great quantities of Turmeric, Lacs or other gross goods, we soon clog the market to that degree, that they will not return us our freight, on the other hand, if we enlarge our trade altogether in fine goods which are most profitable, our tonnage will be so little that the force of our fleets will be too weak for the Treasure of their loadings. Such deliberations as these have brought us upto the resolution of driving the Silk Trade thoroughly, silk being a commodity of such univeral use in all parts of Europe especially the coarsest sort of it, that if you should load 2 or 3 of our biggest ships with it (which we are assumed is not impossible), the vastness of the quantity would not sink the price materially to our damage".¹²² The extent to which the

importance of silk trade had grown in

121. D.B., 22 April, 1681, Vol. 89, f. 330.

122. D.B., 22 April, 1681, Vol. 89, f. 331.

the 'eighties can be seen from the fact that in Nov. 1681, the Company gave liberty to the factors in Bengal to take up £100,000 at interest 'with this limitation that what you so take up at interest (little more or less) be all invested and sent us home in Raw Silk by this year's shipping'.¹²³ The orders of the Dutch Company, too, showed a remarkable increase around the middle of the 'eighties and in a decade, as the result of a rise in prices in Europe, surpassed the level of 1654.¹²⁴

There was, however, a sharp decline in the English order in 1684/85 and the demand for Bengal silk upto 1687/88 ranged between 1530 and 1690 bales. Following the depression in the 'Home markets', the Directors wrote in August 1688 that raw silk 'is much fallen in price' and asked Bengal factors to get at least 20 p.c. abated of old rates or otherwise to send very little quantity.¹²⁵ But with the outbreak of the European war the demand for Bengal silk increased considerably. The Court of Directors wrote in October 1693 that Bengal silk was the 'very best commodity' that could be sent from India as it fetched an excessive price 'by reason of the obstructions which the present war hath given to Turkey Trade'.¹²⁶ The orders sent out in 1693

123. D.B., 18 Nov, 1681, Vol. 89, f. 419.

124. K. Glamann, Dutch Asiatic Trade, op.cit., p. 125.

125. D.B., 27 Aug. 1688, Vol. 91, f. 575.

126. D.B., 27 Oct. 1693, Vol. 92, f. 297.

and 1694 required the factors to send as much silk as could be procured. Altogether the years about the turn of the Century was characterised by greater possibility of sale and by higher prices in Europe. The war in which Italy was involved for sometime eliminated presumably the greatest supplier of silk in Europe just as the Turkish trade was interrupted by the French war. In August 1698 the Directors pressed Bengal factors to provide a 'great quantity' as they expected, following the failure of silk crop in France, Italy and Turkey, that 'Raw Silk must continue a commodity of great price as it is now in all parts of Europe'.¹²⁷ But the orders in the first two decades of the 18th century was not consistent and fluctuated sharply.¹²⁸ The Dutch orders in the first two decades of the 18th century for Bengal silk unlike the English ones, did not show violent fluctuations. And indeed the Dutch

127. D.B., 26 Aug 1698, Vol. 93, f. 102.

128. The English orders for raw silk during the 1st two decades of the 18th century - six year period.

<u>1</u>	<u>11</u>	<u>111</u>
1702/3 - 60,000 lbs.	1708/9 - 110,000 lbs.	1714/15 - 600 Bales
1703/4 - 190,000 "	1709/10 - 50,000 "	1715/16 - 600 "
1704/5 - 190,000 "	1710/11 - 20,000 "	1716/17 - 600 "
1705/6 - 50,000 "	1711/12 - 40,000 "	1717/18 - 300 "
1706/7 - 75,000 "	1712/13 - 180,000 "	1718/19 - 300 "
1707/8 - 160,000 "	1713/14 - 120,000 "	1719/20 - 150 "
725,000 lbs.	520,000 lbs.	2550 Bales
ie. an average of 120,000 lbs.	ie. an average of 87,000 lbs.	ie. an average of 425 Bales or 121,000 lbs. taking each bale to contain 4 mds, each md. of 75 lbs.

demand for silk was far greater than that of the English.¹²⁹

The supply condition in the silk market was not as good as in the case of some other commodities, and it was in the silk trade that the European Companies had to meet the greatest competition from indigenous merchants. Besides the English and the Dutch, merchants from other parts of India and Asia drove an extensive trade in Bengal silk. Indeed throughout the period under review, the indigenous merchants were formidable rivals of the European Companies in the silk markets. Tavernier wrote - "The Dutch generally took either for Japan or Holland 6,000 to 7,000 bales of it (silk) and they would like to get more but the merchants of Tartary and of the whole Mogul Empire opposed their doing so, for these merchants took as much as the Dutch and the balance remained with the people of the country for the manufacture of their own stuffs. All these silks are brought to the Kingdom of Gujarat and the

129. The Dutch order for raw silk during the first two decades of the 18th century -: six year period -:

<u>I</u>		<u>II</u>	
1704/5	- 270,000 lbs. (Dutch)	1711/12	- 168,000 lbs. (Dutch)
1705/6	- 262,000 " "	1712/13	- 164,000 " "
1706/7	- 275,000 " "	1713/14	- 162,000 " "
1707/8	- 260,000 " "	1714/15	- 209,000 " "
1708/9	- 204,000 " "	1715/16	- 197,000 " "
1710/11	- 164,000 " "	1716/17	- 246,000 " "
	1435,000 " "		1146,000 " "

ie. an average of 239,166 lbs. Dutch.

ie. an average of 191,000 lbs. Dutch.

greater part come to Ahmedabad and Surat where they are woven into fabrics".¹³⁰ The great significance of the silk trade from Bengal to Northern and Western India was that both the silk market and the money market was affected by it. John Kenn reported in 1661 - "According as this silk ('Dolleria' from Bengal) sells in Agra, so the price of silk in Kasimbazar riseth or falleth. The exchange of money from Kasimbazar to Patna and Agra riseth and falleth as the said silk findeth a vent in Patna or Agra".¹³¹ In 1683 the Bengal factors reported that 10,000 bales of raw silk were carried annually by land from Kasimbazar to Surat and they expected that more would thus be transported as 'the manufactory increases'.¹³² The great demand by the indigenous merchants coupled with those by the Dutch and the English Companies on the supply market often raised the purchasing prices of silk. Besides this triangular competition, occasional failure of silk crop also enhanced its price. Thus in 1680 the Kasimbazar factors reported a sharp rise in the price ('more than one rupee in the seer than last year') following the bad harvest of silk crop

 130. Tavernier, op. cit., Vol. 2, pp.2 - 3.

131. ^{BM}Addl. Mss. 34,123, f. 42; Wilson op.cit., Vol.I, p.376.

132. Fact. Records, Misc., Vol.3A, f. 74.

due to bad weather as also owing to the fact that the Dutch were buying up great quantities, and the 'Gujarat merchants buying up what fine silk' they could find.¹³³

On the other hand, the factors reported in April 1682 that they did not expect a rise in price despite the crop failure as the 'Gujarat merchants had no orders to make investment for Hindusthan'.¹³⁴ When the Company ordered for 'a vast quantity of silk' to be procured in 1682, the Hugli factors wrote to Madras - "... it will certainly cause all manner of silk to rise, at least keep its price which otherwise might and was appearingly falling, the Gujarat merchants at present holding their hands by reason of the troubles...".¹³⁵

The price of raw silk over the period shows sharp fluctuations, which in the absence of any direct evidence, is difficult to explain. The main obstacle in tracing the precise movements in the price of raw silk is that there were various qualities of silk depending on the fineness which was not mentioned in the records. However, it may be said in general that the competition

133. Fact. Records., Kasimbazar, Vol.1, Diary, 7 Sept.1680.

134. Ibid, Vol.2 Consult. 17 April, 1682.

135. Home Misc., Vol.803, ff. 366 - 67

amongst the English, Dutch and the indigenous merchants coupled with bad or good harvest of silk crop was primarily responsible for fluctuations in the price of raw silk in Bengal. Despite the fluctuations, the price of silk over the period shows in general an upward trend, rising to a maximum in 1682/83.¹³⁶ James Bridgeman reported in Dec. 1650 that raw silk was procurable in Hugli at Rs. 85 or Rs 90 p.md. but in the shipping season it was 'commonly very dear and little to be bought but what is adulterated'.¹³⁷ In 1682/83 the price of raw silk rose to Rs. 298 p.md. In other words, during these years the price of raw silk went up by 300 p.c. The Company bought raw silk at Rs. 120 per maund in 1658/59,¹³⁸ while in 1663/64 it had to pay Rs. 155 p.md. From then onward the price of raw silk soared unabated till it reached the highest mark in 1682/83. The price was considered too dear by Hugli factors who ordered in Aug. 1682 that the investment at Kasimbazar should not exceed £150,000 'considering Raw Silk is so much dearer as 50 p.c.'¹³⁹

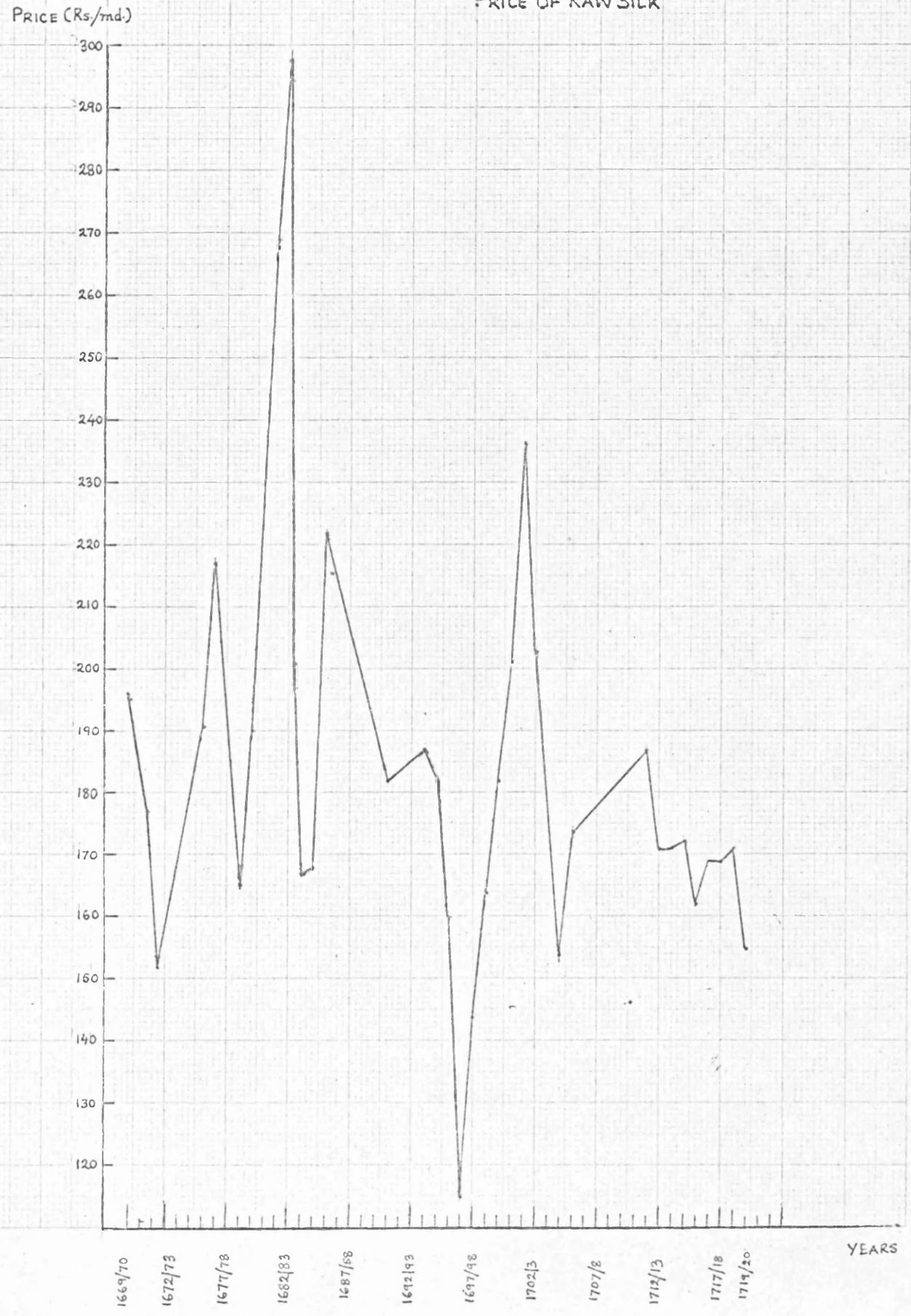
 136. See Table II in Appendix A.

137. O.C., 15 Dec. 1650, no. 2188, Vol.22; E.F.I., 1651 - 54 pp. 337 - 38.

138. Rawl. C. 395., f. 17.

139. Fact. Records, Hugli, Vol.3, pt.II, f. 88.

FIGURE 3
PRICE OF RAW SILK



But during 1683/84 and 1684/85 the price slid down to as low as Rs. 167 and Rs. 168 respectively. Such a sudden slump in price might be due to the fact that the Gujarat merchants lay off their hands about this time, and also might be due to a probable bumper crop. In 1685/86, however, the price again soared to Rs.222 p.md. During the 'nineties the price varied between Rs.140 to 190, with the exception of 1696/97 when it went down as low as Rs. 155 p.md. The price trend in the first two decades of the 18th century also displayed fluctuations, varying mostly between Rs. 150 and Rs.200 p.md. though in 1701/02 it went up to Rs. 236 p.md. But then onward the average price was well under Rs. 200 p.md. The accompanying graph illustrates the fluctuations in the price of raw silk over the period under review.

If the prices of raw silk fluctuated violently, so did its quantity annually exported by the English Company from Bengal. It was not till the 'seventies that the annual export of raw silk acquired any significance quantitatively. In 1671/72 the total quantity exported by the Company was 18,100 lbs. while in 1675/76 it stood at 22,749 lbs. eventually sliding to 21,142 lbs. next year.¹⁴⁰ The introduction

140. In all computations of the quantity of raw silk I have converted for the sake of uniformity, all great lbs.(of 24 ounces) to ordinary lbs. (of 16 ounces). The task is rendered difficult as in some invoices the quantities of raw silk are given in great lbs. while in others simply in lbs. Sometimes, as for the years 1699/1700 to 1705/6, the quantity of raw silk and floretta yarn is occasionally noted in lbs. simply, though a thorough checking indicates that they are actually weights in great lbs.

to the first boom in the English export of raw silk seems to have begun in 1678/79 when the Company exported 837 bales containing about 125,550 lbs.¹⁴¹ This boom in the export of raw silk continued till 1685/86 when it suddenly slumped down to 56,432 lbs. The following quinquennial table will give an idea of the fluctuations in the annual export of raw silk from Bengal during 1681/82 to 1719/20.

Quinquennial Totals of Raw Silk exported from Bengal

Years	Total Quantity	Average	Largest Quantity in one year	Smallest Quantity in one year
1681/82-1685/86	701,511 lbs.	140,302 lbs.	176,994 lbs. in 1684/85	56,432 lbs. in 1685/86
1695/96-1699/1700	391,047 "	78,209 "	118,515 lbs. in 1698/99	6,396 lbs. in 1697/98
1700/01-1705/6	476,283 "	95,256 "	206,256 lbs. in 1700/01	16,783 lbs. in 1705/6.
1710/11-1714/15	259,292 "	51,858 "	62,701 lbs. in 1712/13	20,329 lbs. in 1711/12
1715/16-1719/20	635,225 "	127,045 "	181,949 lbs. in 1717/18	61,618 lbs. in 1719/20.

It is evident from the above table that the peak period in the annual export of raw silk was 1681/82 to 1685/86, and the quinquennial totals as well as the average annual export during these years had never been surpassed in the rest of the period under review. There was a second boom from 1698/99 onward, and the highest figure of annual export, 206,256 lbs., was reached in 1700/01. There was again a slump in the average annual export in the quinquennial

141. B.M. Addl. Mss. 34,123, f.30a., The quantity in a bale varied widely throughout the period, and as such it is difficult to find out the precise quantity in this case. Generally up to 1682; the bales contained 2 to 2½ mds. each md. of 75 lbs.

period 1710/11 to 1714/15, and the highest quantity of annual export during this period was only 62,701 lbs. in 1711/12. But in the last quinquennial period, there was a sharp rise in the average annual export and the highest figure of annual export was 181,949 lbs. in 1717/18 which even surpassed the highest quantity of annual export in the 'eighties of the 17th century.¹⁴²

The Dutch export of Bengal silk to Holland far surpassed that of the English.¹⁴³ During the three years 1701/2, 1702/3 and 1704/5 the Dutch exported a total of 634,814 lbs. (Dutch) i.e. an average of 211,605 lbs. (Dutch) annually. The following table will indicate the fluctuations in Dutch exports in the first two decades of the 18th century and will also show the magnitude of the Dutch trade in Bengal silk.

	1705/6 - 1710/11 (Excluding 1709/10)	1711/12 - 1715/16
	<u>1</u>	<u>11</u>
Total Quantity -:	607,610 lbs.(Dutch)	827,871 lbs.(Dutch)
Average -:	121,522 lbs.(Dutch)	165,574 lbs.(Dutch)

In the two years 1716/17, and 1718/19 the Dutch exported 357,650 lbs. (Dutch) to Holland i.e. an average of 178,825 lbs. per annum. Considering the fact that the Dutch exported quite a substantial quantity of silk to Japan, it can rightly

142. For annual export of Bengal silk by English Company, see, Table IV in Appendix A.

143. For annual Dutch export, see, K.A. Volumes cited earlier.

be asserted that the Dutch had a far greater share of the trade in Bengal silk than their rival Company.

It is interesting to see how the total value of annual raw silk ^{export} compared with that of the total export by the Company from Bengal.¹⁴⁴ In 1663/64 the total value of silk exported by the Company only formed 4% of the total value of export. It varied between 7 to 13% till the close of the 'seventies. From 1678/79 it began to take an impressive share of the total value of export as a whole. In that year it comprised 34% of the total value of export, eventually rising to 45% in 1682/83. Then onward, however, it showed violent fluctuations and never reached the level achieved in the 'eighties. In 1704/5 the total value of raw silk comprised 31% of the total value of exports - the highest percentage in the first two decades of the 18th century while in 1697/98 it was only 2% of the value of the total exports.¹⁴⁵

Textiles

Turning our attention to an examination of the single manufactured article on the Company's export list, namely textiles from Bengal, we find that in the overall

144. See Table III in Appendix. A.

145. Ibid.

picture of the Company's export trade, textiles were most important both in value and volume. It is a common knowledge that the European Companies began to display an interest in the Indian textile trade in the early seventeenth century for the purpose of bartering cotton piece - goods in the Indonesian Archipelago for pepper and spices. And the direct trade in textiles between Europe and India developed as an essential by - product of this 'earlier and more urgent necessity'. The most striking feature of the English East India Company's textile trade from Bengal was a boom in export which began in the early 1680's under the stimulus of a rapid expansion in demand for calicoes in the European markets, and it continued, with the exception of a brief interruption following the Bengal war, vigorously into the following decades.

The multiplicity of the types of textiles exported from Bengal renders their identification and proper division into different categories an exceedingly difficult task. One finds at least 75, if not more, different names of piece-goods in the contemporary records. It is not easy to identify some of them such as Umbers, Mahmudiaties, Atchabannies, Abrowahs, Bulchols, Coopes, Doodamies etc. However, this limitation notwithstanding, the piece - goods exported by the Company can be divided into three main types - first, silk piece - goods, secondly, mixed piece - goods ie. piece-

goods of mixed silk and cotton, and thirdly, cotton piece - goods, plain or painted. In addition there was another category of miscellaneous goods consisting of quilts, tablecloths, plushes, velvets etc. Sometimes, however, some of the piece - goods such as romalls and lungees could be of pure silk or cotton or, even of mixed cotton and silk.

Bengal silk piece - goods were known to the English by the ^{term} 'taffatie' or 'taffeta' and the Dutch termed it 'armosijnen'.¹⁴⁶ The word 'taffeta' was current in mediaeval Europe in a rather vague sense to imply fine cloth, usually of a silky and glossy quality. When the Europeans introduced the term into India, it became mixed up with Persian 'tafta', 'a glossy twist', already in use as a term for silk. Most of the Bengal taffetas were produced mainly in the areas round Kasimbazar. Some of the different types of taffaties were known by such names as Restaes (striped taffaties) or gold pumbers (a sort of taffaties of deep gold colours, and made of thicker silk than ordinary).¹⁴⁷ Among other silk piece - goods exported by the English Company were Sarcenetts, Jamwars, and silk lungees produced mainly in Kasimbazar area, silk romalls and neck cloths, Atlases woven mostly in Hugly and Balasore

146. "een Indische sijden stof; taf".

147. D.B., Vol.89, ff. 266; Vol.93, ff. 32-36.

area. Silk romalls were also procured in Dacca. Taffaties, though the most important single item in the list of the Company's export from Bengal in the second half of the 17th century, lost its predominance in the first two decades of the 18th century. It seems that throughout the period under review, mixed fabrics and cotton goods comprised the largest bulk export. The mixed piece - goods exported by the Company were mainly 'Allabanees', 'Cuttanees', 'Carridaries' (or 'Choradarries'), 'Chucklaes', 'Cherconnaes', 'Cushtaes', 'Doreas', 'Elatches', 'Ginghams', 'Jamdanees', 'Nehallewars', 'Nillaes', 'Peniascoes', 'Sooses', 'Seersuckers', 'Mandilla' etc.¹⁴⁸ Of these, ginghams and nillaes, woven in the neighbourhood of Hugli and Balasore, enjoyed a predominance in the Company's export list during the second half of the 17th century while 'Doreas', woven in Hugli and Malda region, outshadowed other mixed piece - goods in the first two decades of the 18th century.

But it was cotton piece - goods which numerically far surpassed other piece - goods whether of silk or mixed varieties in the Company's export list. Of the calicoes again, plain cotton or plain muslin goods comprised the bulk of the Company's export. The cotton painting generally known as chintz goods began to be exported only in the last decade

 148. For description of different piece - goods, see, Appendix B and for Geographical distribution of cargoes from Bengal, see, list of order in Appendix C.

of the 17th century when the European demand for Indian Chintz of all kinds was at its peak.¹⁴⁹ The 'Chintz' came mainly from Patna and were of a cheaper and comparatively inferior grade than those from Coromandel and Gujarat. Patna also provided such cotton piece - goods as 'Emerties' and 'Luckowries'. Among other cotton piece - goods exported by the Company were 'Chillaes', 'Baftas', 'Dungarees' (the Dutch Dongerijs) 'Dimities', 'Photoes', 'Orungshies', 'Chandanees', 'Puttas' or birds'eye etc. But it was the more well known muslins that enjoyed a supremacy in the Company's export list. The Company, however, did not export much of the very finest and the most expensive Bengal muslins, famous from the Roman times, perhaps partly because the limited supply was monopolised by local merchants for exclusive sale to the nobility and partly perhaps because of the

 149. Irwin's contention (John Irwin & P.R. Schwartz, Studies in Indo. European Textile History, p.45) that 'Chints goods were of insignificant importance in Bengal trade'. does not seem to be quite tenable in the light of the fact that in the second decade of the 18th century the English Company exported quite large number of chints, only surpassed numerically by such cotton piece - goods as Baftas, Cossaes, Emerties, Gurrachs, Mulmuls, Romalls, and Tanjeebs only. In 1711/12 the Company exported 21,397 pcs. of chints at the invoice price of Rs 85,050. The Dutch Company ordered during the first two decades of the 18th century roughly about 10,000 pcs. yearly on an average. It might be true, however, that Bengal chints could never compete in importance with those of Western India and the Coromandel.

unsuitability of this material for the climate in Europe. The muslins exported by the Company comprised such different varieties as 'Allaballees', 'Addaties', 'Cpwtars', 'Cossaes', 'Serhaudconnaes', 'Gurrahs', 'Humhums', 'Mahmudbannies', 'Mulmuls', 'Nainsook', 'Sannoos', 'Tanjeebs', 'Terrendums', 'Seerbands', 'Rehings', etc. Most of these muslins were woven in areas around Dacca and Malda, though some like mulmuls, mahmudbannies were also produced in the neighbouring regions of Hugli, and sannoos around Balasore. The embroidered piece - goods were mostly worked on the finer ground of muslins like mulmuls, tanjeebs, cossaes or humhums. The quality of the different types of muslin woven in different areas varied widely as did their prices. As such we refrain from an attempt at classification of the various sorts of muslins according to their fineness and based on the criterion of maximum prices paid. Such

an attempt is fraught with the danger of producing misleading results.¹⁵⁰

150. Irwin classified the muslins 'according to the maximum prices paid' in the 'following order of fineness: 'tanjees', 'mulmuls', 'nainsooks', 'terrendums', 'aliballies', 'seerhaudconnaes', etc. (op.cit., pp. 49 - 50). But this classification seems to be completely erroneous if we look at the contracts made by the Company with Calcutta merchants in the first two decades of the 18th century (cf. Bengal Public Consultations Range 1 Vols. 1 - 4), Seerhaudconnaes which finds sixth place in Irwin's classification was actually the most expensive, and hence deserves the first place, if as Irwin claims, maximum prices paid is to be the criterion of fineness of cloth. Both in 1710 and 1711 the Company paid Rs.26 per piece of Serhaudconnaes (42 co. x 2 co.) while for tanjees (Santose, 42 co. x 2½ co.) the maximum price paid during these years was only Rs.7½ per piece (B.P.C.Range 1, Vol. 2. ff. 11 - 17, 81a - 85a). The price of ordinary tanjees whether from Dacca or Santose (sizes varying between 40 co. x 2 co. and 40 co. x 2½ co.) throughout the second decade of the 18th century ranged between Rs.6.14 ans. and Rs.8.8 ans. while the maximum price paid for flowered tanjees woven with silk was only Rs.20 per piece (40 co. x 2 co.) Even for the mulmuls the Company had to pay more than it did for tanjees. The maximum price for mulmuls sevagepore (40 co. x 2½ co.) was Rs.8.12 ans. and Rs.16. for mulmuls Dacca (40 co. x 2 co.) and mulmuls Santapore (40 co. x 2½ co.) And for flowered mulmuls woven with silk the Company paid Rs.22 per piece (40 co. x 2 co.). So it is clear that mulmuls were more expensive than tanjees and as such should precede tanjees in order of fineness. Again in Irwin's classification even nainsooks, terrindams were preceded by serhaudconnaes while actually they should come only after the latter if maximum price paid is the criterion of fineness. While a piece of serhaudconnaes (42 co. x 2 co.) cost Rs.26 in 1710, a piece of 'tansook' or 'Nainsook' (42 co. x 2½ co.) and 'terrindam' (40 x 2½ co.) did only Rs.18 and Rs.12:8 ans. respectively.

An analysis of the Company's orders for Bengal piece - goods reveals that in the early years the demand for silk and cotton piece - goods was insignificant in the overall structure of the Company's export trade from Bengal. In February 1651 the factors in Bengal were asked to invest only $\frac{1}{6}$ of their small capital in cloth, mainly sannoes and atlases.¹⁵¹ An indication of the first boom in the demand for Bengal textiles is to be found in the order sent out in 1675/76 for 98,000 pcs. while in 1669/70 the order was only for 26,850 pcs. In other words, within the span of six years, the order for textiles had increased by four times. But it was from about the beginning of the 'eighties that there was a phenomenal rise in the demand of textiles from Bengal. In the year 1680/81 the Company ordered for 206,400 pcs. which went up to 229,200 pcs. next year and eventually rising to 662,800 pcs. in 1682/83 and 682,300 pcs. in 1683/84. This however, was followed by a slump in the demand. But from about the middle of the 'ninties there was again a sharp rise. In 1695/96 the Company ordered 417,500 pcs. and upto 1716/17 the order ranged between 250,000 to 300,000 pcs. Again a boom began in 1717/18 when 415,000 pcs. were ordered, and which rose to 480,000 pcs. in 1719/20. The Dutch order, too, was

151. O.C., 19 Feb. 1651, no. 2208, Vol. 22; E.F.I. 1651-54 p.45
 O.C., 25 Feb. 1651, no. 2210, Vol. 22; E.F.I. 1651 - 54 p.47

considerable and seems to have ranged between 250,000 to 300,000 pcs. per year in the first two decades of the 18th century.

An obvious question that arises is - what were the precise underlying factors for the phenomenal growth of textile exports from Bengal at the beginning of the 'eighties of the 17th century? The plausible answer is that it was partly due to the greater competitive power of the Indian piece - goods in prices in comparison with the traditional fabrics manufactured in Europe, and partly due to a revolutionary change in the consumer taste in the Continent and England. A contributory factor was, however, the act of 1678 forbidding the importation of French silks and cloths together with French wine, salt and paper.¹⁵² Though, Bengal silks and piece - goods did not compare favourably in quality with French and Italian fabrics, the former had the advantage of being very much cheaper and hence available to a larger section of the people. However, there was a deliberate attempt on the part of the Company to make Bengal piece - goods, specially taffetas look like Italian silks or fabrics. As early as 1659 the Directors wrote to the Bengal factors

Vol. 3.
152. Lipson. op. cit.,/p. 104.

that taffetas would be gummed in England which 'would then be as glossy as Italian silks'.¹⁵³ Again in 1663 they asked the factors to 'cause all taffaties to be made as near to the Italian fabric as you can'.¹⁵⁴ So far as the change in consumer taste was concerned, the 'Indian craze' set in about the 1680's, and the last decade of the 17th century was characterised by this craze.¹⁵⁵ It is unnecessary to describe this trend in fashion here.¹⁵⁶ but we only point it out as an active economic factor. The nature and extent of this fashion is revealed by J. Cary's pamphlet of 1695 - "It was scarce thought about twenty Years since that we should ever see Calicoes, the Ornaments of our greatest Gallants (for such they are, whether we call them Muslins, shades or anything else) when they were then rarely used, save in Shrouds for the Dead, and chiefly among the Poor who could not go to the Price of finer Linnen, and yet were unwilling to imitate the Rich; but now few think themselves well dresst till they are made up in Calicoes, both Men and Women, Calico Shirts, Neckcloths, Cuffs, Pocket - Handkerchiefs for the former, Headdresses,

153. D.B., 28 Jan. 1659, Vol. 85. f. 199; E.F.I. 1655-60, pp. 275 - 76.

154. D.B., 2 Jan. 1663, Vol. 86. f. 202.

155. K. Glamann. op.cit., p. 142.

156. For description of fashion, see, Slomann, Bizarre Designs in Silks.

Nightroyls, Hoods, Sleeves, Aprons, Gowns, Petticoats
 and what not; for the latter, besides India - Stockings
 for both Sexes".¹⁵⁷ No less revealing than this was the
 speech by Pollexfen before the Board of Trade in 1696
 describing the state of Indian commodities in 1681 -"
 As ill weeds grow apace, so these manufactured goods
 from India met with such a kind reception that from
 the greatest gallants to the meanest Cook Maids, nothing
 was thought so fit to adorn their Persons as the Fabrick
 from India!"¹⁵⁸ The European Companies were well aware
 of this great change in consumer taste, and there began
 a race for procuring novelties. "Note this for a constant
 and general Rule", wrote the Directors of the English
 Company in 1681" that in all flowered Silks you change
 the fashion and flower every year as much as you can,
 for English Ladies, and they say the French and other
 Europeans will give twice as much for a new thing not
 seen in Europe before though worse, than they will give
 for a better silk of the same fashion worn the former
 year".¹⁵⁹ In July 1682 the Directors perhaps made the
 most pointed remark about the change in fashion

"nothing pleases so much as variety everyone desiring

157. J. Cary. A Discourse Concerning the East India Trade, p.4.

158. India office Tracts. Vol. 83, Tract no. 7. p. 50.

159. D.B., 20 May 1681, Vol. 89, f. 352.

something that their neighbours have not like it".¹⁶⁰

The English Company not only traded in silk, mixed and cotton piece - goods from 1680's but also in such miscellaneous commodities as Plushes, Velvets, Satins, Quilts etc. In April 1681 the Directors wrote to Hugli Agency "Set your weavers' inventions on work to make Plushes, Velvets, and Satins as fine, rich and as strong as the best usually worn and of the same breadths; this is nothing so difficult but may be effected where the material silk and midwife labour are so cheap as with you".¹⁶¹ In December that year the factors were asked to send Flanders and French Diaper - commonly used in England - which 'may be made and brought from India upon much easier term than from any place of the world and that would be a national advantage, also as a profit to us and an increase of the English navigation if we could introduce into common use the Indian Diapers for Napkins and Tablecloths'.¹⁶² Next year the Company asked the Bengal factors to send 500 silk quilts yearly as 'the use of Rugs and Blankets grows out of request' 'by reason of moths and the increase of the riches of our nation'.¹⁶³

160. D.B., 5 July, 1682, Vol.90, f. 7.

161. D.B., 22 April, 1681, Vol.89, f. 331.

162. D.B., 30 Dec. 1681, Vol.89, f. 437.

163. D.B., 5 July, 1682, Vol.90, f. 7.

In the same letter the Directors asked the factors 'for the setting on afoot of a linen manufacture in the Bay for sailcloth and such kind of cloth as Lockerams, Dowlas, Holland and other foreign kinds which this nation is yearly supplied with from France, Germany, Flanders and Holland to the great diminution of our wealth and the increase of theirs, without any kind of benefit to the English navigation'.¹⁶⁴ All these only indicate that the Company was eager to expand its trade in as many varieties of textiles as possible from Bengal.

As we noted earlier, silk piece - goods, mainly taffetas, held an undisputed supremacy in the Company's export list from Bengal throughout the second half of the 17th century. In 1684 the Court of Directors wrote to the Agent and Council in Hugli - "Plain taffeties of all sorts are certainly the most staple commodity India affords and it is impossible for you ever to send us too many of them".¹⁶⁵ They wrote in the same vein four years later - "Your taffeties are a noble commodity of which you can never send enough being well made and well bought".¹⁶⁶ It was only from the beginning of the 18th century that

164. Ibid.

165 D.B., 30 Oct., 1684, Vol.90, f. 382.

166. D.B., 27 Aug. 1688, Vol.91, f. 575.

silk piece - goods as well as mixed ones lost their predominance in the Company's export following the Act of 1700 prohibiting such goods in England.¹⁶⁷ The national concern, however, over the large importation of silks and piece - goods and its impact on English domestic industries was gaining ground from about the beginning of the 1680's. We shall not enter into the details of the increasing opposition against importation of silks and manufactured goods or the impact of such importations on English silk and weaving industry which had already been discussed by Shaffat Ahmed Khan.¹⁶⁸ We just note a few things only to indicate the nature and extent of the opposition against importation of Indian manufactured silks and how the Company answered these.

167. The Act of 1700 laid down that "from Sept. 29, 1701 all manufactured silks, Bengals and stuffs mixed with silk or herbae, of the manufacture of Persia, China or East Indies and all calicoes painted, dyed, printed or stained there which are or shall be imported into this Kingdom of England, dominion of Wales and Town of Berwick on Tweed, shall not be worn or otherwise used within this Kingdom and also of £200 penalty on the persons having or selling any of them". cf. D.B., Vol. 93, f. 271.

168. S.A. Khan, East India Trade in the Seventeenth Century.

As early as 1677 Col. Birch thus emphasised his concern over the rapid increase in Indian imports - "One commodity more ruins us and that is Calico which destroys more the use of Wool than all things besides".¹⁶⁹ Similarly in 1680 a pamphleteer tried to pinpoint the grave danger to the English silk industry resulting from the phenomenal rise in the import of Indian textiles - "The result is that masters break; Journeymen runaway, having no Trade. Some fly to the Mint and Privileged places. Some to Holland; some to Ireland. Some starve to death at home with their Wives and Children. Multitudes turned upon the parishes. Houses empty. Prisons full".¹⁷⁰ The Company, however, tried to justify the importation of wrought silks by pointing out that a great part of these were again reshipped out to France, Holland and other foreign countries. Wrought silks, the Company argued, were moreover the 'strongest cheapest and the most durable that come from any part of the world'. Nor did their wearing hinder, as it was argued, the silk manufacture in England; 'they do only hinder the importation of the like quantity from France and Italy'. Still the Company was forced to confess that 'wrought silks,

 169. Quoted in S.A. Khan, op.cit., p. 163.

170. Quoted in S.A. Khan, op.cit., p. 159.

flowered or striped, do a little impede the growth of silk manufacures in England'.¹⁷¹

The Company justified the importation of calicoes on the ground that it 'is a most useful and necessary commodity and serves instead of the like quantities of French, Dutch and Flanders Linens'. It argued that the nation thus saved not only 'two to three 100 thousand pounds in its expense; but also as it hinders so far the enriching those Neighbour - Nations, from whose greatness this Kingdom might fear most prejudice'.¹⁷² However, the result of the Act of 1700 prohibiting the importation into England 'of wrought silks, Bangals and Stuffs Mixed with silk or herba' was an increase in the importation of white calicoes and muslins which were then printed in England. The Act no doubt caused concern among Bengal factors who wrote in 1702 - "All white goods are so very cheap in

England and goods worked with silk and cotton being forbid to be worn, sells for loss so that we know not what to order about Cloth Investments until we received our Master's advices".¹⁷³

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171. Childe, The East India Trade is the most National of all Foreign Trades, 1681, India office Library Tracts, Vol.83, Tract no. 1, pp. 18-19; Reply to the Allegations of the Turkey Co., quoted in S.A. Khan, op.cit, pp.158-59
172. Papillon, The East India Trade a most Profitable Trade to the Kingdom. p.10.
173. Fact. Records, Calcutta, Vol.8. pt. II, f. 149

But the Act does not seem to have vitally affected the export of textiles from Bengal, except for a few years immediately following its enactment. Therefore in 1720 another Act was passed prohibiting the use or wear of printed calicoes in England. But as these articles were allowed to come to England on condition of their being re-exported, the export of cotton and silk piece - goods continued to increase steadily even after 1720.¹⁷⁴

On the supply side, the competition was again a triangular one amongst the English, Dutch and indigenous merchants. The main centres of supply of Bengal textiles were Kasimbazar, Dacca, Malda, Hugli, Balasore and Patna,¹⁷⁵ where indigenous traders were already driving an extensive trade in piece - goods long before the advent of the European

174. S. Bhattacharya, op. cit., pp. 158-59.
175.

Geographical analysis of piece - goods in the Company's orders for Bengal.

<u>Areas</u>	<u>Orders sent out</u> <u>Nov. 1681</u>	<u>Orders sent out</u> <u>Aug. 1682</u>	<u>Orders sent out</u> <u>Dec. 1683</u>
Kasimbazar	84,100 pcs	222,600 pcs + 20 Bales	208,000 pcs + 20 Bales
Hugli	23,500 "	110,200 pcs	158,300 pcs
Balasore	72,500 "	162,000 pcs + 16 Bales	158,000 pcs + 16 Bales
Dacca	21,300 "	81,500 pcs + 12 Bales	71,500 pcs + 12 Bales
Malda	27,800 "	86,500 pcs + 20 Bales	86,500 pcs + 20 Bales
	<u>229,200 pcs</u>	<u>662,800 pcs +</u> 68 Bales	<u>682,300 pcs +</u> 68 Bales

(Compiled from D.B., Vol. 89 and 90)

Companies. Even in Malda - as Richard Edwards reported in 1676, a few years before the establishment of the English factory there - the chief trade was driven by the 'Factors of Agra, Gujarat and Banaras Merchants who yearly send them fifteen to twenty five ¹⁷⁶ Patelas whose loading consists of cossaes, mulmuls ... and mundeels and elatches of all sorts, valued at about one Lack each Patela and about the half of that amount by landing said goods and raw silk'. Besides, about three Lacks of Rupees yearly went to Dacca in elatches and coarse cloth and about the same value to petty merchants of Rajmahal and Murshidabad and other places below.¹⁷⁷ It was quite natural that indigenous merchants, besides the Dutch, should have offered keen competition to the English in all the centres of supply. It is difficult, to ascertain the impact of this triangular competition on the market prices of textiles. However, from incidental references it can be said in general that the presence of too many buyers enhanced the prices. It was reported in 1676 that the Dutch who were in Malda before the English were able to buy muslins at a much cheaper rate than when English demand afterwards had increased the competition. Thus pieces measuring 10 yds. by $1\frac{1}{2}$ yd. cost

 176. A large flat bottomed boat.

177. Mater's Diary, op. cit., Vol. 1, pp. 399-400; Fact. Records, Misc, Vol. XIV, ff. 334 - 36.

at first Rs. 6 to 10 per piece against Rs. 9 to 15 in Master's time (about 1676) That means the rise in price was about 50 per cent.¹⁷⁸ But sometimes congregation of too many weavers in one place resulted in lowering of the prices of their products, the heavy demand notwithstanding. Mathias Vincent reported in 1676 that the English factory set up at Kasimbazar induced a large number of weavers to congregate there which resulted in the lowering of prices of taffaties. A piece of taffatie, as Vincent stated, which used to cost Rs. 15 about 12 or 13 years ago, was then 'made and sent home' at about 6 or 7 rupees i.e. the price fell by well over 50%.¹⁷⁹ The English factors, however, often complained of dearer prices of textiles resulting from competition by other merchants. We have seen earlier how the English Company was apprehensive that their weavers would be lured away by the Dutch.¹⁸⁰ In 1684 the Dacca factors reported that Mathuradas, Raghunath and Ramnarain - all Company's merchants - sent many agents to Dacca and the neighbourhood and that they feared the weavers would raise the price of goods 'to see so many buyers'.¹⁸¹ The rivalry and competition between the Old and New Company also led to a sharp rise in the prices of

178. Master's Diary, *op.cit.*, Vol. 1, pp.139,399; Fact.Records, Misc. Vol. XIV, ff. 335-6

179. Master's Diary, *op.cit.*, Vol.1, p. 139; Vol. II, p.11; Fact. Records, Misc., Vol. XIV, ff. 327-8

180. Supra Chapter V

181. Fact. Records, Hugli, Vol.10, f. 207.

textiles in the early years of the 18th century. The factors of the New Company reported in 1700 that 'goods became exceeding dear at the aurungs even beyond what usual for tho' they did use to be dear at the ports in time of shipping yet now many goods were dear or dearer at the marts for investments, the demand was so great'.¹⁸² There is little doubt that the Indian merchant-middlemen found the trade in piece - goods quite profitable and were sure of a market for what they could provide, and that was the reason why at the end of our period even the shroffs 'fell into the dealing so largely in piece-goods'.¹⁸³

As indicated earlier, it is not possible to build up a coherent history of the price movements of textiles and their fluctuations, if any, throughout the period under review. Textiles were manufactured in Bengal at this time at the level of cottage industry and the technique of weaving varied from one place to another. The Company's exports were composed of a wide range of varieties which differed from one another in size, quality, texture and colours. This multiplicity of types was naturally reflected in an equally wide range of prices.

182. O.C., no. 7211, Vol. 58.

183. D.B., 3 Feb. 1720, Vol. 100, f.222.

Consequently it is not very easy to estimate what effect the movement of prices had on the purchases by the Company since the same type of cloth^{could}/display a wide variation in price even in one particular year depending on size, quality and the place of production.¹⁸⁴ However, it seems from the contracts between the Company and Calcutta merchants in the second decade of the 18th century that the price of different calicoes (the size and the place of production being constant) did not show much fluctuation.¹⁸⁵ Of course it is certain that the Company derived quite a good profit from the textile trade,¹⁸⁶ and was not concerned much even if the purchase prices went up. As early as 1670 the Directors wrote to Bengal - "We find the Calicoes in your parts to be dearer than in other places, yet we are unwilling wholly to leave of the trade thereof in the Bay".¹⁸⁷

Turning to the actual exports, we find that the textiles exported by the Company upto the 'seventies were significant neither quantitatively nor financially. In the two years 1663/64 and 1664/65, the Company exported only about 24,000 pieces on an average at the invoice price of £14,681. The quantity was reduced to 8085 pcs. costing £5,549 in 1668/69, rising eventually to 20,336 pcs. next

184. See Appendix D.

185. Ibid

186. The Company realised a profit of about 450% from the sale of the piece-goods brought by the ship Tavistock in 1704/5, see, Appendix E.

187. D.B., 29 Nov. 1670, Vol.87, f. 404.

year and valued at £10,253. A remarkable increase in the export of piece - goods is to be found in the export list of 1670/71 when 37,739 pcs. were despatched to England at the cost price of £23,577. The next year both the quantity and value were almost doubled, the number of piece - goods exported being 75,975 costing £41,739. It seems that from then onward, the quantities and total values of textiles exported by the Company remained almost steady till the beginning of the 'eighties. In the two years 1675/76 and 1676/77, 81779 pcs. were annually exported on an average at the value of £40,698. In 1678/79 the Company exported 75,408 pcs. valued at £50,363. But the tremendous growth in the total quantity of piece - goods as well as their value began in the 'eighties of the 17th century which continued, though with interruption caused by various factors discussed earlier, throughout the period under review. The following table will illustrate the continuous growth of textile trade from Bengal.

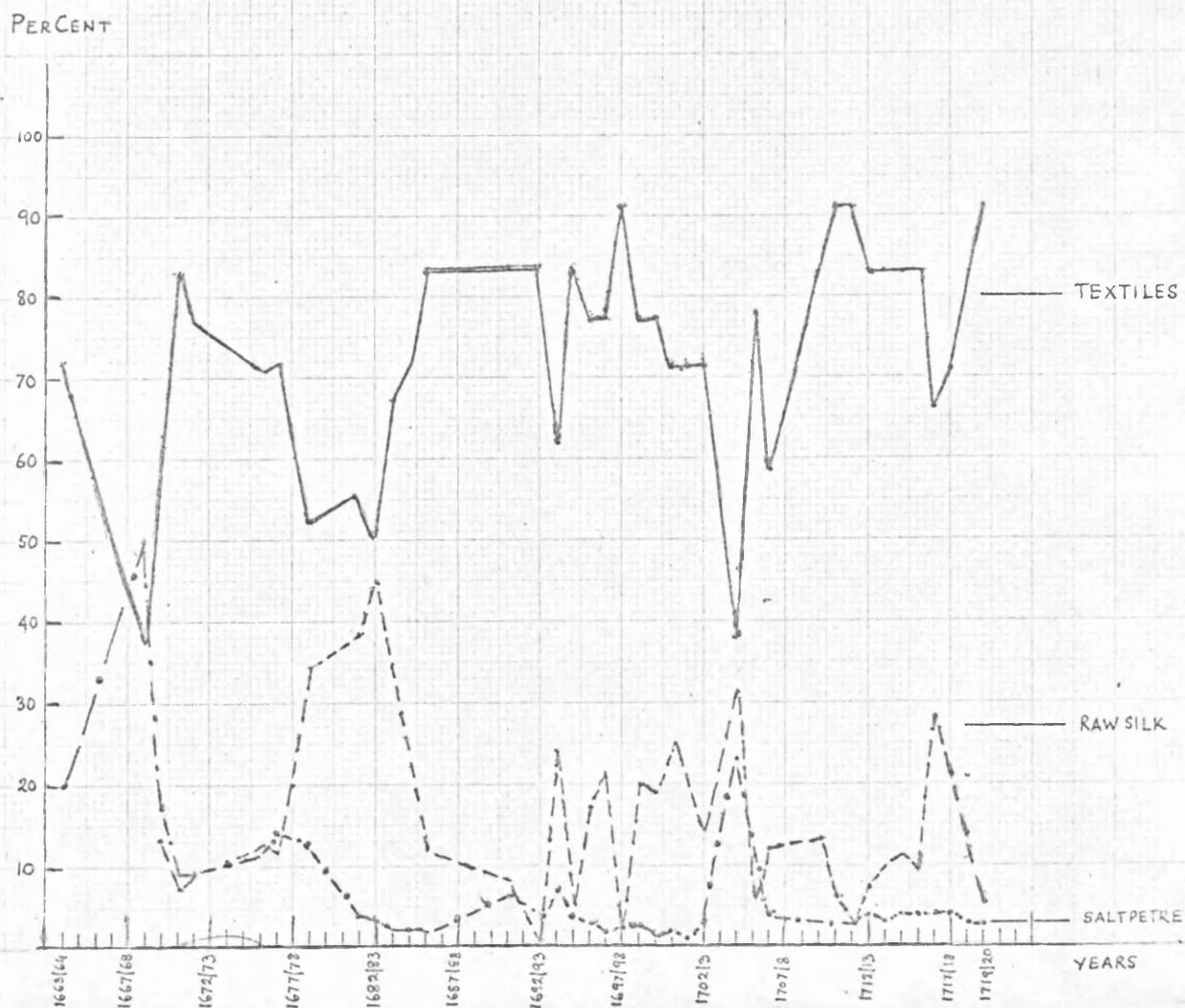
Quinquennial Tables of Textile Export from Bengal

<u>Years</u>	<u>Total no of pcs.</u>	<u>Total Value</u>	<u>Average no of pcs.</u>	<u>Average total value</u>
1681/82 - 1685/86	1040,491 [*]	£561,988	208,098	£112,397
1694/95 - 1698/99	-	£333,035	-	£ 66,607
1699/1700-1704/05 (Excluding 1703/04)	-	£569,435	-	£113,887
1705/6 - 1709/10	-	£450,043	-	£ 90,005
1710/11 - 1714/15	1246,907	£914,446	249,381	£182,889
1715/16 - 1719/20	1538,972	£970,759	307,794	£194,152

* Excluding the no. of pcs. exported by Persian Merchant in 1685/86 which is not mentioned in the invoice. In this year two ships were despatched to England. The other ship, Eagle, carried 203,372 pcs. of piece - goods.

It is clear from the above table that the general tendency in textile export, despite the two periods of slump during 1694/95 to 1698/99 and 1705/6 to 1709/10, was one of steady growth both in total quantity and value. We do not know the total value of the Dutch export of textiles from Bengal during this period. But from the number of pièces exported by the two Companies, it is apparent that from about the beginning of the second decade of the 18th century, the English surpassed the Dutch at least in textile trade from Bengal. The Dutch during this decade exported on an average

FIGURE 4
 PERCENTAGE OF EXPORT COMMODITIES FROM BENGAL
 IN TOTAL EXPORT VALUE



about 203,853 pcs. annually while the English export stood at 278,588 pcs.¹⁸⁸

Finally it is interesting to see what percentage did the total value of annual textile export constitute to the total value of the English Company's annual export from Bengal. With the exception of a few years (eg. in 1668/69 and 1704/5 when the percentage slided down to 38.5), the total value of annual textile export formed roughly about 70 to 90 p.c. of the total value of the Company's exports.¹⁸⁹ So it can rightly be asserted that throughout the second half of the 17th century and the first two decades of the 18th century, textiles constituted the most important article in the structure of the English Company's export trade from Bengal.

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188. Speaking generally of the textile trade about the close of the 17th Century, K.Glamann (Dutch Asiatic trade,p.144) observes- "The Dutch Company still maintained its leading position but it was a near thing.The competition was severe".
189. See. Table III in Appendix A.

Chapter VII

The Company in Bengal's Commerce

(i) Imports to Bengal

An expansion in the Company's export trade from Bengal - as is evident from the discussion in the previous chapter - meant a corresponding increase in its imports to Bengal. Indeed, if in the economy of Bengal during this period the one outstanding feature was a tremendous growth of the export trade and consequently of production, a sharp rise in the imports was one of the results of that development. The significant point is that the expansion in the export trade primarily meant an increasing flow of bullion and specie as the commodity market for imports was strictly limited and does not seem to have undergone any substantial expansion during the period. For both the English and Dutch Companies, the main object in the import trade to Bengal was to increase the supply of capital required for European investment. As such the imports were significant chiefly as providing the necessary working capital. We have noted earlier¹ how the export of large quantities of precious metals gave rise to a tremendous

1. Supra, Chapter V

clamour against it in England, and how at last the Company was obliged by the Act of 1702 to send one tenth of its total exports in the product and manufacture of England. The Dutch, though not free from merchantlist inhibitions, were not bound by any such restrictions on their import trade to the East. It should, however, be noted that the Dutch trade in Bengal was financed to quite a substantial extent by profits realised in Inter - Asiatic trade, thus easing the problem of exporting treasure from Holland.

The imports of the English Company comprised four main categories - bullion and specie, woollens and broadcloth, merchandise, and, stores and miscellaneous commodities. Of these various imports, bullion and specie constituted the main bulk throughout the period. Until 1682 when Bengal was made an independent Presidency, all the ships with their cargoes from England were sent direct to Madras which distributed treasure and merchandise for investment in Bengal, though we do not always know in what proportions. However, it will be interesting to see the proportion in terms of the percentages of various import commodities to the total value of imports, sent to Coast and Bay before the 'eighties of the 17th century. As an example we just note the imports for two years,

1668/69 and 1677/78, when the value of total imports for Coast and Bay was £151,634 and £226,735 respectively and distributed in the following manner - ²

	1668/69		1677/78	
Bullion -:				
Gold.....	£104,812	or 69.4%	.....	£148,826 or 65.7%
Silver.....	£ 32,047	" 21.1%	.....	£ 61,259 " 27.0%
	<u>£136,859</u>	" 90.5%	.....	<u>£210,085</u> " 92.7%
Broadcloth....	£ 6,557	" 4.2%	.....	£ 1,255 " .6%
Merchandise...	£ 7,809	" 5.1%	.....	£ 14,320 " 6.2%
Stores & Misc.	£ 409	" .2%	.....	£ 1,075 " .5%
	<u>£151,634</u>			<u>£226,735</u>

It is clear from above that the value of precious metals imported was more than 90 per cent of the total value of imports. Of the treasure again, gold formed the main bulk though its proportion in percentage of bullion was gradually on the decline. As a matter of fact, the import of gold to Bengal was much reduced in the 'eighties and afterwards it was totally stopped. It will be appropriate at this stage to look at the imports to Bengal and the proportion in percentage of various commodities to the total value of imports. In the following table we take into account three years, namely 1682/83, 1699/1700, 1718/19 as typical examples of the Company's imports to Bengal with their breakdown -

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2. All the statistical data regarding Company's imports are taken from various volumes of Accountant General's Dept., Range 11.

	1682/83		1699/1700		1718/19	
Bullion-:	£		£		£	
Gold	94,317	or 35.00%	nil		nil	
Silver	<u>173,188</u>	" <u>64.35%</u>	168,903	or 94.3%	168,560	or 90.0%
	267,505	" 99.35%				
Broadcloth	466	" .17%	4,665	" 2.6%	11,310	" 6.0%
Merchandise	786	" .28%	1,481	" .8%	4,700	" 2.5%
Stores & Misc.	<u>543</u>	" <u>.20%</u>	<u>4,273</u>	" <u>2.3%</u>	<u>2,817</u>	" <u>1.5%</u>
	£269,300		£179,322		£187,387	

As in the previous table the general preponderance of bullion had not diminished by the end of our period, though by then silver had entirely substituted gold. Since the Company had to suffer losses, often ranging between 20 to 30 per cent by the sale of imported gold,³ the factors repeatedly asked the Directors not to send any gold to Bengal. As a result, the Court of Directors resolved in 1686 to send only silver to Bengal and no gold,⁴ and from then onward gold was never again imported to Bengal by the Company. It was not only the English but also the Dutch Company incurred losses by importing gold to Bengal. In 1708/9, the Dutch account shows that the Company lost f.17,737 in selling 50,000 gold ducats.⁵

3. Supra, Chapter V.

4. D.B., 14 Jan. 1686, Vol. 91, f. 48.

5. K.A., 1669, Bengal. pt. II, ff. 280-85.

So it seems that even the market for bullion and specie was limited, the demand being confined⁶ mainly to silver.

The import of bullion by the European Companies underlines two related facts - the flexibility of demand for this commodity and the close link between this market and the state policy with regard to coinage. The effective demand for bullion was to a large extent equivalent to the local demand for the purpose of minting and the precious metal preferred for coining at any given time enjoyed a booming market. As the silver coins were in general use in Bengal and as such Bengal mint was more busy in coining silver than gold, the former enjoyed a steady demand in the market while the latter suffered from periodic depression, the use of gold being confined to more or less non - commercial use. Moreover as Bengal's revenue was sent to the central treasury in the form of sicca rupees, the demand for silver continued throughout the period.⁶ Again it seems that most of the ruling

 6. The revenue of Bengal, including Bihar and Orissa, in the second half of the 17th and early decades of the 18th century seems to have amounted roughly to about 268 lacks of rupees annually (taking 40 dams for a rupee), of which Bengal seems to have contributed 131 lacks, Bihar 102 lacks, and Orissa 35 lacks. For 'Jama and Hasil' statistics for Bengal, Bihar and Orissa, see, Irfan Habib, The Agrarian System of Mughal India, pp.400 - 402; Moreland, op.cit., pp. 180-81. According to Salimullah (op.cit., pp. 63-64), Murshid Quli used to send 130 lacks of rupees annually to Delhi as revenue for Bengal.

nobility in Bengal - who came on temporary assignments for a few years and as such had little interest in anything else other than amassing a fortune - transferred their wealth mostly in silver currency which helped to make the demand for silver stable in Bengal.⁷

As the demand for silver in Bengal appears to have been linked up with the state policy with regard to coinage, it is worth digressing for a moment to have a brief look at the currency system in Bengal during the period.⁸ It seems that the currency system was one of free coinage. i.e. it was open to everyone to take bullion to the mint and get it converted into specie. The basic unit for cash transaction was the silver coin or rupee. A peculiarity of the currency system was that a coin lost its value simply on account of its age. The year in which it was minted was inscribed on it, along with the name of

7. It was reported by the English factors in June 1673 that Shaista Khan presented the King with 2 crores of rupees and was thus again confirmed in his governorship of Bengal, vide, Fact. Records, Hugli, Vol. 4, pt.I, f.54. Again in Nov. 1679 he was reported to have regained his governorship by giving 3 crores of rupees to the King, vide, Home Misc., Vol. 803, f. 154. He was governor in Bengal for more than 20 years. When he died at Agra in Dec. 1693, the English factors reported that he was worth 45 million of pounds sterling, most of which, it could be assumed, he amassed during his viceroyalty in Bengal.
8. For currency system in Mughal India, see, Irfan Habib, op.cit., pp. 380-87; Hodivala, Historical Studies in Mughal Numismatics.

the mint and the titles of the reigning emperor. According to their age, the silver coins were of three varieties - the newly coined rupees were known as sicca which bore a premium over those struck in the preceding years of the same reign which were known as peth. It was reported in 1686 that 'the siccas have always (while they continue such) $1\frac{1}{2}$ to 3% and more esteem and value than the peet'.⁹ The third variety was called somala¹⁰ or Khazana which were current from former reigns. The Court of Directors wrote in 1686 that 'they are worn and abused and wont weigh (but are or ought to be of the same fineness with the siccas) and therefore they are always esteemed 6 or 7 p.c. or more worse in payment than the rest'.¹¹ The gold mohar was not in general commercial use but mostly employed for hoarding purposes, specially by the aristocracy. The main copper coin was known as paisa or pice.

Turning to other commodities imported to Bengal by the Company, we find they comprised woollen goods - broadcloth, worsted and other lighter fabrics; metal - lead, copper, tin; minerals - quicksilver, alum, brimstone; paints - white and red lead, vermilion; and miscellaneous goods for presents

9. D.B., 14 Jan. 1686, Vol. 91, f. 49.

10. Ibid.

11. Ibid.

such as looking glass, glasswares, pistols etc. Most of these merchandise was provided, in fact, as part of the price to be paid for the goods to be bought for the return cargo. But as we have noted earlier,¹² the Company's wares were seldom sold at a profit due to the limited market for these articles in Bengal. As broadcloth and other woollens formed the staple of the English industry, the Directors repeatedly asked Bengal factors to boost their sale by all possible means.¹³ But it was not always in the factors' power to take any radical measures to expand the market for import commodities and hence they frequently requested the Company to send only $\frac{1}{4}$ of the imports in goods and $\frac{3}{4}$ in bullion.¹⁴ As early as 1664 the Directors received reports from Bengal that a great quantity of Europe goods was lying unsold in Bengal which would 'not sell in some years and some never except to loss'.¹⁵ They did not, however, accede to the request of the Bengal Agency in 1674 for 'forbearing to send goods in order to keep the price', because it was said, 'that will bring the Dutch and other nation to supply the markets, our principal design being the consumption of our cloth and other English

12. supra, Chapter V.

13. Ibid.

14. Fact. Records, Misc., Vol. 3, f.100; E.F.I., 1668-69, p.311; O.C. 3389, Vol. 30.

15. D.B., 21 Dec. 1664, Vol. 86, f. 458.

manufactures'.¹⁶ On the contrary, they accused the Bengal factors in 1675 of positive disregard for the Company's interest. They wrote that one of the reasons for the Company's cloth lying unsold was that some factors bought cloth which 'went out in private trade and held it up at high rate leaving the Company's cloth to lye by and that high rate discouraged the buyers'.¹⁷ But in 1677 the Court of Directors resolved that they would send but half the quantity of Europe goods because of 'the great inconvenience in disposing of them either in sale or barter'.¹⁸ It does not seem, however, that the Company greatly reduced the quantity of English goods and manufactures in the import list in subsequent years and the factors, on their part, most frequently complained of the lack of finance for investment as the import commodities lay unsold. The problem was accentuated in 1702 when the Company was obliged by the new Act to export 10 p.c. of its investment in English manufactures and goods.¹⁹

The market for non-precious metals, minerals or paints had not undergone any substantial expansion during this period. The demand for these commodities already very limited, was adequately met in the past by the Portuguese

16. D.B., 17 Aug. 1674, Vol. 88, f. 130.

17. D.B., 24 Dec. 1675, Vol. 88, f. 232.

18. D.B., 7 Sept. 1677, Vol. 88, f. 449.

19. D.B., 26 Feb. 1703, Vol. 95, f. 49.

and Asian merchants trading with various parts of Asia. As a result, the arrival of the English and the Dutch with their fresh imports caused a slump in the market. Of the various metals and minerals imported, lead, copper and tin were in some demand but the large import of these commodities by the Dutch and the indigenous merchants from the East Indies made it difficult for the English Company to dispose of their wares. The price of the various metals fluctuated sharply according to the available supply in the market. The price of lead was Rs.9.4 per maund in 1677 but went down to Rs.7 per maund in the early 'eighties and again jumped to Rs.9 per maund in February 1682.²⁰ There was a great slump in the price of lead in 1703 when it was sold at Rs. 3.11 - 12 ans.²¹ Similarly copper was being sold in Sept. 1680 at Rs. 30 per maund while the price rose to Rs.36.4 ans. in Jan. 1681.²² The same sort of violent fluctuation was to be found in the price of tin. While in Jan. 1678 it was sold at Rs.26.8 ans.per maund, the price fell to Rs.22 in April 1679.²³ There was a similar pattern in the price movements of vermilion, quicksilver, tutenague etc. These facts bring into bold relief that the

20. For prices of lead in early 'eighties, see, Fact. Records, Balasore, Vol.1; Fact. Records, Kasimbazar, Vol. 1, Diary 13 Aug. 1677; Vol. 2, Diary, 13 Feb. 1682.

21. O.C., 25 Jan. 1703, no. 8110, Vol. 65.

22. Fact. Records, Kasimbazar, Vol.2, Diary, 24 Sept. 1680. Fact. Records, Balasore, Vol. 1, Diary, 1 Jan. 6 Jan. 1681.

23. Fact. Records, Kasimbazar, Vol.1, Diary, 5 Jan. 1678; Fact. Records, Hugli, Vol. 2, pt. II, f. 37.

market for import commodities in Bengal throughout the period remained strictly limited and whenever there was a large importation of a particular commodity, a consequent slump in its price followed.

As Kasimbazar was the greatest mart for export commodities, so was it for imported goods, and the Company sent the largest amount of treasure and goods to this factory. Upto the 'eighties of the century, Balasore came next to Kasimbazar in importance in the list for the distribution of bullion and merchandise. It will be interesting to note the distribution and proportion of treasure and goods sent to the different factories in Bengal. In 1682 a total stock of £134,050 - of which £120,840 was in treasure and £13,210 in Europe - goods - was thus distributed among various factories -²⁴

<u>Factories</u>	<u>Amount in Treasure</u>	<u>Amount in goods</u>
Kasimbazar	£73,395	£7,964
Patna	£ 7,601	£ 824
Malda	£ 7,863	£ 953
Balasore	£16,776	£1,820
Dacca	£ 8,652	£ 938
Hugli	£ 6,553	£ 711
	<u>£120,840</u>	<u>£13,210</u>

24. Fact. Records, Hugli, Vol. 3, pt. II, f.87. I have omitted all fractions.

However, the most striking fact about Bengal's import trade during this period was the relative stagnation of the market for import commodities. Of course, the same can be said perhaps about India's import trade in general but the stagnation seems more apparent in Bengal than in any other part of India. As a matter of fact, Bengal consumed the least amount of merchandise in comparison to other regions in the Company's trade complex. This is evident from the 'proposal for the number of ships' tonnage and value to set out' in 1700 which gives the distribution of tonnage and total value of outward cargoes as also their value in silver and manufacture in the different parts of the East as noted below -²⁵

<u>Places</u>	<u>Ships</u>	<u>Tons</u>	<u>Total Value</u>	<u>Value in Silver</u>	<u>Value in Manufacture</u>
Bombay,) Surat,) Persia) Fort St. George) Coast)	5 2) 2)	2500 800) 700)	£250,000 £200,000	£200,000 £170,000	£50,000 £30,000
The Bay	3	1200	£200,000	£180,000	£20,000
China	1	500	£ 70,000	£ 50,000	£20,000
Bencoolen & St. Helena	1	300	£ 8,000	£ 5,000	£ 3,000

It is clear from the above table that the percentage portion of merchandise sent to Bengal was the smallest compared to that for other regions.

25. Rawl. D. 747, f. 256.

So the fact remains that Bengal's increasing export trade failed to secure any significant increase in the inflow of consumer's goods or raw materials. As a result, the increase in import - as a natural corollary to the increasing export - was mainly equivalent to the increase in the flow of bullion and specie which affected the producer and production only in so far as it enlarged the volume of money in circulation and that too only in a limited way. Because a significant proportion of the imported bullion, if not the bulk of it, went into luxury consumption or hoarding. The expanding export trade - despite the appropriation of the bulk of the surplus by the European Companies and Indian merchant - middlemen - almost certainly meant an extension of employment and an increase in real income for the producer. But such increase, however, was not enough for substantial expansion of the import market.

(ii) The Company and the 'Country Trade'

The prospects of a lucrative port to port trade from Bengal was reported by the factors as early as 1654. They wrote to the Court of Directors - "... besides for the shipping Your Worships shall design to return for Europe, there may be sufficient to emply to Persia, the Red Sea, Achin, Pegu, Tenasserim, and Ceylon places which all of them return good profit from and are all of them within

the monsoons of this".²⁶ They were further of opinion that such a trade would not only reimburse the expenses of maintaining factories in Bengal but would also leave substantial amount to procure investment for Europe. The Company's main objective, as noted earlier, in port to port trade in Asia was twofold - first, to save the demurrage of the ships while in India and secondly, to ease the problem of financing the investment out of the profit from such ventures. So from the early years of its trade in Bengal, the Company engaged itself in Inter-Asiatic trade mainly to and from Surat and Persia, though of course such coastal voyages were not always very regular. Later on in the 17th and 18th century, the Company became more aware of the importance of the port to port trade in India. The Court of Directors wrote to Bengal in 1703 - "We esteem it a Duty incumbent upon us, to England and our posterity to propagate the future interest of our nation in India which can hardly be done but by encouraging the trade thereof from port to port"²⁷...

The goods carried to Persia by the English Company as also by the Dutch and the Indian merchants comprised mainly sugar and different types of calicoes

26. O.C., 28 Dec. 1654, no. 2435, Vol. 24; E.F.I., 1651-54, p. 304.

27. D.B., 2 March, 1703, Vol. 95, f. 63.

while the return cargo consisted chiefly of specie in the form of silver abbasis and gold ducats, besides such commodities as shiraz wines, rose water, dry fruits, hing, pearls etc. The profit on such voyages to Persia was quite considerable and often varied between 50 to 60 p.c.²⁸ The Company's interest in this branch of trade was so keen that it was decided in 1681 to send one ship yearly from Bengal to Persia with cargoes valued between eight and twelve thousand pounds, and in order to encourage the persons concerned, the Company decided to give a share of $\frac{1}{8}$ to the Agent in Bengal, $\frac{1}{8}$ to Beard (second in Bengal) and $\frac{1}{16}$ to the Agent in Persia.²⁹ Despite this it does not seem that the Company sent ships regularly to Persia during this period. The staple commodities in Bengal - Surat trade, which was mostly in the hands of the Surat merchants, were sugar, raw silk and calicoes while the return cargoes comprised chiefly cotton, tobacco and other commodities that came from Persia.

The Company did not involve itself directly in any trade voyage to China, Japan, Achin or other parts of the East Indies from Bengal, though it often discussed in various deliberations the possibilities of deriving a lucrative trade in those parts. However, it seems that the

28. O.C., 16 May 1682, no. 4820, Vol.42; B.M. Addl.Mss., 22,842, f. 7a.

29. D.B., 28 Dec. 1681, Vol. 89, f. 436

Company engaged itself in Japan trade from the Coast at least by 1671 and in June that year asked Bengal factors to buy raw silk to the value of £5,000 to be sent to the Coast for Japan.³⁰ In May next year the Kasimbazar factors reported that they were 'about to agree for the silk for the Japan investment'.³¹ The English were no doubt inspired to explore the Japan trade by the example of the Dutch who carried a most lucrative trade in those parts. The English factors reported in 1672 - "This Japan trade by the Dutch's confession is the best they have in these parts Besides silk, the Dutch carry hence to Japan fine nillaes of several sorts which we are informed they sell at very great rates and they make return hither by way of Betavia in Japan gold and copper to a very great value".³² Despite all these encouragements given by Bengal factors for carrying on the Japan trade from Bengal, the Directors wrote in 1673 that they were unwilling to send any ship for that place because 'of the present posture of affairs in Europe', though they promised to consider it afterwards.³³ But nothing was done later on in our period to open a trade with Japan directly from Bengal. In the beginning of the 18th century, the Bengal factors pressed the Directors to open China trade

 30. D.B., 23 June 1671, Vol. 87, f. 464.

31. Fact. Records, Hugli, Vol. 7, pt. I, f. 64.

32. Fact. Records, Hugli, Vol. 4, f. 11.

33. D.B., 31 Oct. 1673, Vol. 88, f. 76.

from Bengal but only in vain. The factors pointed out that besides the advantage of 40 to 50 p.c. by the China voyage,³⁴ it would also help to ease the problem of financing investment in proper time. They urged the Directors to send an early ship to China with a stock of about forty thousand pounds 'to be invested in tutenague, copper, quicksilver, vermilion, Chinaware to load her and the rest in gold to arrive here in the middle of February which will be a reasonable stock at a proper time to carry on a Bengal investment."³⁵

The Dutch Company drove a very lucrative trade from Bengal to various parts of Asia. The rate of profit was often huge and a substantial part of their investment in Bengal was financed by this profit from Inter Asiatic trade. They brought to Bengal various commodities from different parts of Asia and sold them in the market at a great profit. A quick look at the following table, showing the varieties, quantities, cost and sale price as also the rate of profit of the Dutch imports into Bengal in 1676 from other parts of Asia will illustrate our point.³⁶

34. Pitt wrote to John Beard in 1700 that the China ships secured 30 to 40 p.c. even before their arrival in Fort St. George, *vide*, B.M. Addl. Mss, 22842, f.71.

35. O.C., 8 Jan. 1702, no. 7820, para 11, Vol. 63.

36. K.A., Vol. 1164, f. 397vo. I have left out all fractions.

<u>Commodities</u>	<u>Quantities</u>	<u>Cost Price</u>	<u>Sale Price</u>	<u>Rates of Profit.</u>
Pepper	313,708 lbs.	f.48,242	f.86,018	78%
Tin	200,937 "	" 69,148	"116,482	68%
Copper	67,386 "	" 26,835	" 71,897	168%
Spelter	15,065 "	" 4,950	" 12,400	170%
Gans (Bell Metal)	8,400 "	" 3,907	" 7,063	80%
Bitgans (?)	18,410 "	" 3,067	" 5,874	91%
Lead	102,625 "	" 13,093	" 24,198	84%
Quicksilver	1,526 "	" 3,058	" 4,753	55%
Vermilion	4,292 "	" 7,005	" 13,127	87%
Sandalwood	9,302 "	" 3,448	" 5,420	57%
Clove	7,516 "	" 5,040	" 35,427	602%
Nutmeg	5,485 "	" 639	" 7,748	1112%
Cinnamon	3,863 "	" 2,188	" 9,326	326%
Arrack from Ceylon	344,518 "	" 20,332	" 45,868	125%
Elephants -	6	" 11,439	" 15,204	33%
Mace	1,043lbs.	" 1,009	" 5,234	421%

As a matter of fact, the Dutch Company engaged itself in Inter-Asiatic trade throughout the period under review.

Even as late as 1716 it imported various commodities to Bengal from other parts of Asia valued at Rs.169,274/and ^(f.253912) sold them for Rs.401,037 (f.601,556) realising a gross

profit of Rs.231,762 (f.347,644).³⁷

Besides Inter-Asiatic trade, the European Companies also engaged themselves in freight trade from Bengal specially to Surat and Persia. This branch of trade was quite profitable and helped the Companies to recover the demurrage of ships in Asia. The English Company generally carried goods of the indigenous merchants on freights to Surat and Persia. Sometimes the merchants chartered Company's ships for an agreed sum. Most of these merchants who chartered ships of the European Companies or freighted goods therein appear to have been Armenians, though, of course, other merchants too did the same.³⁸ The Company, it seems, preferred to carry goods on freight rather than to let its ships on charter as the former was more profitable. Thus in 1699 it rejected Khoja Surhaud's offer of Rs.35,000 for the ship East India Merchant 'to be

37. K.A. Vol. 1776, pt. I, f. 217.

38. For Armenian merchants who chartered Company's ships or freighted goods therein, see, Beng. Pub. Consult. Range 1, Vol. 2, ff. 268-268a, 284a, 399-399a. The Seths too freighted goods in Company's ships. Bisnodas Seth paid the Company Rs.26,283 in 1715 for freight of goods to Surat in the Bouverie, vide, Bengal General Ledger & Journal, Range 174, Vol. 92, f. 124. Again in 1714, the Seth merchants, Bisnodas Seth, Jadu Seth and Kishore Seth paid Rs.29,492 for freight of Cotton from Surat in the ship Hanover, vide, Bengal General Ledger & Journal, Range 174, Vol. 92, f.28; Even Surat merchants like Haji Mohammed and Mahmud Bakr freighted goods in English ships, vide, Fact. Records, Calcutta, Vol. 1, pt. II, ff. 12-13

let out wholly to him' since the Company hopes to get freight for about Rs.36,000 besides the 'advantage of Kinteledging the ship with 20,000 mds. of rice and shooting near 20,000^{mds.}/more which may sell in Persia for 8 or 10,000 rupees and we shall receive profit of salt, tobacco, wines, horses etc. that may be brought back'.³⁹

The main hindrance in deriving a lucrative freight trade for the English Company was the keen competition offered by the Dutch and the indigenous merchants. As early as 1684 the factors at Swally Marine reported that the ship which made Rs.18,000 two years ago could now make but Rs.8,000 because the Dutch were 'employing many ships of their own that way and hire several others'.⁴⁰ The competition from indigenous ships often made it difficult for the Company to get full freight for its ships. In 1690 the Surat factors reported that though they managed to get freight for the ship Royal James and Mary for Persia and Basra amounting to Rs.40,000 or Rs.50,000, they failed to secure any for the ship Kempthorne which came so very late that the freight which they secured for her was taken away by several muslim ships at half the rate charged by the English.⁴¹ Again in 1699 the Company in Bengal was obliged to accept freight at Rs.8 p.md. for the ship East India Merchant in view of the

39. Fact. Records, Calcutta, Vol. 3, pt. II, f. 225.

40. O.C., 26 April, 1684, no. 5143, Vol. 44.

41. O.C., 28 April 1690, no. 5709, Vol. 48.

fact that an Arab ship offered to take freight goods at Rs. 6 p.md. and there were 'three other ships putting in for goods for Persia'.⁴² Even as late as 1718 Calcutta factors reported that the ship Bouverie was despatched to Persia with only 515 bales on freight at Rs.9 p.md. because an Arab ship 'took in freight goods' at Rs.6 or Rs.7 p.md.⁴³

The one striking fact in freight trade was the lowering of the freight charges whether for passengers or goods in the later years compared to that in the beginning of the period, as a result it seems, of the keen competition among the English, Dutch and indigenous merchants' shipping. In 1642 a private English ship Hopewell carried passengers at Rs.40 per head and goods at Rs.15 p.md. (of 64 lbs) to Persia.⁴⁴ But in 1688 the freight to Persia declined to Rs.30 per passenger and Rs.10 p.md. (of 74 lbs) for goods.⁴⁵ The rates of the English Company further climbed down to Rs.8 or Rs.9 p.md. in the first two decades of the 18th century while the indigenous ships carried goods to Persia at Rs.6 or Rs.7 p.md.⁴⁶ Such a marked fall in the freight rate might have been due to a decline in Bengal - Surat or

42. Fact. Records, Calcutta, Vol. 3, pt. II, f. 225.

43. Coast & Bay Abstract, Vol. 2, f. 144.

44. O.C., 14 Aug. 1642, no. 1784, Vol. 18.

45. B.M. Addl. Mss. 34,123, f.36a.

46. Coast & Bay Abstract, Vol. 1, f. 448; Vol. 2, f.144; Beng. Pub. Consult., Range 1, Vol. 3, f.463a, In 1685 it was reported that the Company secured freight for Persia at Rs.50 per passenger, and Rs. 16 p.md. for fine goods, Rs.20 p.md. for coarsegoods, vide, O.C., 31 Dec. 1685, no. 5452, Vol. 45.

Bengal - Persia trade, but as there is no evidence to support such a contention, the fall in freight rates can wholly be attributed to the keen competition among different European Companies and indigenous merchants. It is significant to note that even European merchants sometimes freighted indigenous ships. Thus in 1705 Captain Hamilton hired the ship Vintegurry (Venkatgiri ?) of about 600 tons for his own account from a Surat merchant, Venidas Temidas, for a trading voyage to Bengal. In this ship he brought to Bengal 6 bales and 2 chests of silk, and four hundred sixty seven bales of cotton for his own account, besides freight goods belonging to the muslim merchants of Surat.⁴⁷

(iii) Private and Interloping Trade

The Company was much concerned throughout the period about private and Interloping trade which hindered its own investment in Bengal. The participants in private trade were chiefly the Company's servants and free merchants. The factors who participated in such trade naturally sacrificed the Company's interest to their own and often appeared in the role of commercial rivals to the Company. At times these traders would offer higher prices to the middlemen and buy up from the weavers cloth for which the Company had already advanced money and thus deprived the Company of its legitimate return cargo.

47. Beng. Pub. Consult., Range 1, Vol. 1, f. 220.

From the early years of its trade in Bengal, the Company tried to check the private trade of its servants. The Madras Council complained in the 'fifties of the 17th century that the sum which the factors had paid in Bengal for exemption from customs would benefit their private trade rather than the Company's investment.⁴⁸ In fact Bridgeman and his colleagues in Bengal were heavily engaged in private trade. The Dutch factors wrote in January 1656 that three private English yachts came to Bengal and that 'the only business the English do is on commission from Private traders who have come from England and we feel sure that they will manage to get well paid for their services'.⁴⁹ The Company, however, soon prohibited the private trade of its servants.⁵⁰ But despite this, it failed to prevent the factors whether in Bengal or in any other part of India from engaging in such private voyages. The Directors complained to Surat in April 1660 that they had information that 'some of the factors (notwithstanding our prohibition of all private trade) have assumed that liberty to themselves as to freight and employ vessels upon their own particular accounts from port to port'. They reiterated that they were resolved 'not to permit any person whatsoever to drive on a

48. Bruce, *op.cit.*, Vol. 1, p. 485

49. Translation of Dutch Records, Vol. 21T, no. DC LV, f.1.

50. Bruce, *op.cit.*, Vol. 1, p. 532; Wilson, *op.cit.*, Vol. 1, p. 33. The factors were not to trade privately in any of the Company's commodities which seem to be saltpetre, raw silk, and a few categories of piece-goods like taffeta, nillacs etc. but were free to trade in other commodities.

private trade which has been and (if not suppressed) will be destructive to our public'.⁵¹

Most of the factors engaged in private trade made large fortunes. It was reported in 1666 that Blake, the then chief of Bengal, made about Rs.130,000 by private trade only in four years and 'extracted out of nothing'. His trading voyages were confined mainly to Persia, Siam and the Islands of Maldiva and he was engaged in inland trade too. On his arrival in Bengal he bought spices from the Dutch for Rs.12,000 and sent those to Patna for his own account.⁵² Even Gerald Aungier, President of the Company's affairs in India (stationed at Surat) sent his ship Recovery with freight goods to Gombroon and Persia in 1670.⁵³ The Directors even complained of the abuse of private trade indulged by Streylnsham Master who came to Bengal in 1676 to reorganise the factories.⁵⁴ The next Agent in Bengal, William Hedges, was similarly engaged in private trade.⁵⁵ Later on, Edward Littleton, a member of the Council of the old Company and afterwards the President of the New Company in Bengal had extensive private trade operations.⁵⁶ But

51. D.B., 9 April, 1660, Vol. 85, f. 295.

52. Fact. Records, Misc., Vol. 3, f.43; E.F.I., 1665-67, pp. 261-62.

53. O.C., 30 March 1670, no. 3416, Vol. 31.

54. Home Misc., Vol. 803, f. 275.

55. O.C., 3 May 1683, no. 4942, Vol. 43.

56. For Edward Littleton's Private trade, see, O.C., 25 Nov. 1701, no. 8592, Vol. 63; 27 Dec. 1701, no. 7808, Vol. 63; 11 Dec. 1703, no. 8213, Vol. 66; 30 Jan. 1705, no.8433, Vol. 68; 17 Dec. 1707, no. 8527, Vol. 69.

perhaps the great name in private trade activities was that of Thomas Pitt, the great Interloper and later on the governor of Fort St. George. He had extensive operations from Bengal down to China, Japan and Achin.⁵⁷

Though the Company failed to stop the private trade of its servants, it tried to check the abuses of this branch of trade which were contrary to its own interest. In Dec. 1671 the Court of Directors wrote to the factors that they gave their servants liberty to trade for Persia or other parts of India except Bantam, Jambee, Japan, Tonqueen, Formosa and other places in the South Seas where they 'have or should have settled factories'.⁵⁸ Four years later they extended the liberty to any parts or places in the East Indies except Tonqueen and Formosa.⁵⁹ But at the same time they prohibited two piece - goods - cossaes and mulmuls - and made these the Company's commodities. The Directors asked Bengal factors 'to take care that the commanders of ships or others do not lade any of these commodities aboard for their own account'.⁶⁰ There were further restriction on private trade in 1679. The Company, being 'greatly prejudiced by the great quantities of calicoes and silks that are yearly brought home on account of private

57. For Pitt's private trade, see, B.M.Addl.Mss, Vols. 22842-22850.

58. D.B., 18 Dec. 1671, Vol. 87, f. 511.

59. D.B., 24 Dec. 1675, Vol. 88, f. 226.

60. D.B., 24 Dec. 1675, Vol. 88, f. 236.

trade', prohibited calicoes and silk and other goods made of or mixed with cotton or silk.⁶¹ Again in 1682 the Company prohibited all persons in its service from trading in raw silk of the Bay.⁶² At the sametime, in order to secure the Company's investment from the inroads of private trade, the chief and Council in Bengal passed several orders in 1679.⁶³ First, the factors in different factories were to endeavour to secure all the Company's annual investment and 'suffer' no one to give out money to any weavers who would usually undertake dadney from the Company or to any on prohibited goods. Secondly, no Englishmen or their gomastas should keep any particular house apart from the factory in the town for advancing money to weavers, picars or to receive goods from them/^{to} be sorted or priced there.⁶⁴ Thirdly, no gomasta should invest any money in Kasimbazar, Murshidabad 'etc. places' where the Company's weavers inhabit without acquainting the chief therewith who was to direct them not to give money out to such weavers as were employed by the Company. But despite all these, private trade flourished unabated. The Court of Directors complained in

61. D.B., 3 Jan. 1679, Vol. 89, f. 27.

62. D.B., 15 Feb. 1682, Vol. 89, f. 456.

63. Fact. Records, Kasimbazar, Vol. 1, Diary, 4 May 1679.

64. In April 1679 a complaint was made from Kasimbazar that a particular house was kept in that town in an English name and advance was made to the Company's weavers which 'hindered their receiving the Company's money', vide, Fact. Records, Hugli, Vol. 2, f. 36.

January 1681 that the Company's trade was much hindered by private trade and that the factors in Bengal were 'overmuch crowded and encumbered with the burden of private trade'.⁶⁵ They wrote - "... it is against reason and our intent that our indulgence to them of univeral Trade in India (which the Dutch never did and we suppose will never allow their people) should turn to our excessive hurt and damage, as we have just cause to fear it lately did".⁶⁶ As a matter of fact the Court of Directors complained in 1681 that 'one of the reasons that slackened and lessened our investments in the Bay is Private Trade'.⁶⁷

A major problem connected with private trade and one that gave concern to the Company was the fact that often the factors traded with the Company's own money or often borrowed it from local merchants who were connected with the Company's investment. In order to prevent this, the Company wrote to Bengal in 1703 - "(we) give due encouragment to all our factors and servants who are employed and desirous to improve their private fortune in the fair way of trade allowed by us whether it be from port to port or Inland traffic, provided always that no person presume to trade with any of the Company's money or goods or with their own stock so as to interfere or prejudice the Company's affairs

65. Home Misc., Vol. 803, ff. 275, 278.

66. D.B., 5 Jan. 1681, Vol. 89, f. 270.

67. Home Misc., Vol. 803, f. 278.

in any manner of way.....'.⁶⁸ But this could hardly check the evil practice. Edward Littleton, the President of the new Company in Bengal was indebted to the Company for Rs.227,572 which he borrowed both in his own name and in the name of local merchants (sometimes fictitious) to persecute his own private trade.⁶⁹ Borrowing from indigenous merchants for private trade by the Company's servants was a common practice. In 1711 the Directors complained that the late President Weltden 'had demanded several sums of money' from Janardan Seth for carrying on his private trade.⁷⁰ The practice became so widespread and hazardous to the Company's business that in 1716 it ordered - "Whoever of our servants either in their own or others' name shall at any time borrow money of the Broker or other Native shall no longer continue therein".⁷¹ However the volume of private trade in Bengal remained quite significant even at the end of our period. In 1718 the Company imposed a 2 per cent consulage on all private trade exported from Calcutta and it amounted to

68. D.B., 26 Feb. 1703, Vol. 95, f. 54.

69. O.C., 5 Dec. 1706, no. 8305, Vol. 68; 26 Dec. 1706, no. 8408, f. 52, Vol. 68; 17 Dec. 1707, no. 8527, Vol. 69. For details regarding Littleton's private trade and the sum he borrowed from the Company in his own name as well as in the names of indigenous merchants, see, O.C., 26 March 1703, no. 7957, Vol. 64; 11 Dec. 1703, no. 8213, Vol. 66; 30 Jan. 1705, no. 8433, Vol. 68; 8 Jan. 1706, no. 8394, Vol. 68.

70. D.B., 28 Dec. 1711, Vol. 97, f. 462.

71. D.B., 15 Feb. 1716, Vol. 98, f. 788.

Rs.21,941 for that year.⁷² In other words the total value of private trade from Calcutta in 1718 was about Rs.1097,050. The consulage (at 2 p.c.) amounted to Rs.4,000 at Patna only in 1719 i.e. the value of private trade at Patna was about Rs.200,000.⁷³

The Interloping trade was no less a concern for the Company specially in the last two decades of the 17th century. The Interlopers who frequented Bengal during this period hindered the Company's business in more ways than one. They procured their return cargo often with ready money from the Company's merchants who, despite receiving dadney from the Company for these goods, sold them to the Interlopers for a higher price. Sometimes the Company's servants worked in collusion with the Interlopers and helped the latter in the procurement of the return cargo, much to the detriment of the Company's interest. Moreover, the Interlopers were always ready to pay the customary $3\frac{1}{2}$ p.c. duties on all goods exported or imported which often put the Company into embarrassment as it claimed an alleged freedom of trade without paying customs duties. So naturally the Company tried its best to put an end to the Interloping trade but seldom with success.

72. Beng. Pub. Consult, Range 1, Vol. 4, f. 75.

73. Fact. Records, Misc., Vol. 7, f. 113.

As early as 1680 the Company warned the Balasore merchants not to have any dealings directly or indirectly with the Interlopers 'upon the pain of' incurring the Company's displeasure and forfeiting their employments. It also urged them to use their endeavours in like manner to hinder and obstruct all other merchants from trading with the Interlopers.⁷⁴ Despite such warnings, the Company's chief merchants and brokers like Khemchand and Chintaman in Balasore, Mathuradas in Hugli, Chaturmal in Kasimbazar frequently traded with them. In order to thwart the Interloping trade, the Company even took severe action against its own servants who helped the Interlopers in the procurement of their cargoes. In 1683 the Kasimbazar factors reported that Naylor, a dyer, was confined to the limits of the factory and Ellit (Elliot ?) was dismissed from the Company's service as they were found guilty of holding correspondence and trading with the Interlopers.⁷⁵ It seems that Naylor had big transactions on behalf of the Interlopers. In Nov. 1683 he was said to have paid Rs.2,740 as custom duties at the rate of $3\frac{3}{4}$ p.c.⁷⁶ In other words, the goods for which he paid customs were valued at about Rs.73,000.

74. Fact. Records, Balasore, Vol. 1, Diary & Consult., 2nd Oct. 1680.

75. Fact. Records, Hugli, Vol. 9, f. 54.

76. Ibid., f. 173.

Sometimes the Company was very much alarmed by the Interlopers' readiness to accept certain conditions for the right to trade in Bengal. In 1684 Davis, an Interloper, was ready 'to give the Nawab a Mahazar⁷⁷ that he would be content to have all his goods (that go to and fro) opened, a particular account taken thereof and valued by the King's officers and pay custom accordingly'. The Dacca factors immediately wrote - "If he does (that), it will be very destructive to the Honourable Company for possibly the said officers will be demanding the same of ⁷⁸ us, which if we must be forced to, there will be no trading". The Company was, however, successful in preventing the Interloper from obtaining a parwana for building factories in Bengal.⁷⁹

The Company took recourse to various measures to hinder the trade of the Interlopers. It often bought goods from the merchants with ready money even when it was 'low in cash' and the investment was complete.⁸⁰ It even paid money to important merchants and their friends in the local Court to influence the administration from barring the Interlopers from trading in Bengal. Thus in 1693 the

77. an undertaking

78. Fact. Records, Hugli, Vol. 10, f. 101.

79. Fact. Records, Hugli, Vol. 10, ff. 87, 88, 98.

80. Fact. Records, Balasore, Vol. 1, Diary, 15 Dec. 1685; D.B., 28 April 1693, Vol. 92, f. 268.

Directors asked the Bengal Agency to give Mathuradas a present of four or five thousand pounds 'for his expenses and for the assistance of his friends', if he was sincere and successful in defeating the Interlopers.⁸¹ Again, the Company often tried to persuade the local authorities by solicitations and sometimes even by threat to discourage the Interloping trade in Bengal. With the arrival of Thomas Pitt and Catchpole 'in an Interloper of 500 tons called Segimore' in Nov. 1693, the Company sent Captain Dorrill to the governor of Hugli to inform him that Captain Pitt was an Interloper who came to Bengal earlier and 'the consequence of it was a war' and that 'if the governor gave him entertainment or suffered the merchants to trade with him, we must be forced to another war for the Interlopers and we could not be or abide in one place'.⁸² However, the problem of Interloping trade was much reduced after the passing of the new charter in 1693. The Directors wrote in January 1694 - "We have agreed with the principal Interlopers concerned in the two Interloping ships now abroad ... and they have written the like value into our new stock and that we hope is the end of all our quarrels

81. D.B., 28 April 1693, Vol. 92, f. 268.

82. O.C., 4 Nov. 1693, no. 5886, letter no. 43, Vol. 50.

and contentions".⁸³ Then onward the Interloping trade
was much reduced though not completely eradicated.⁸⁴

83. D.B., 3 Jan. 1694, Vol. 92, f. 316.

84. In 1697 an Interloping ship came to Bengal and despite the fact that the English procured the Nawab's parwana forbidding the Interloper's trade, it procured goods through the French, vide, Fact. Records, Calcutta, Vol.6, pt. I, f. 54.

Chapter VIII

Conclusion

The English East India Company's trade objective in Bengal was mainly to provide the Europe-investment and not the procurement of cheap Bengal cloth for barter trade with the East Indies which was the main purpose behind early Dutch and English settlements on the Eastern Coast of India. In the early years the English Company was mostly interested in the procurement of three commodities namely, saltpetre, sugar and silk. But in course of its trade, the Company shifted the emphasis to the trade in raw silk and textiles. From the 'eighties of the 17th century, Bengal piece-goods outshadowed other commodities in the export list of the Company both in value and volume. The Company's investment was, however, insignificant in the early years, never exceeding a few thousand pounds. But gradually the value of investment increased and at the end of the period under review, it was well over an annual average of £200,000. Throughout the main part of the second half of the 17th century, the English trade in Bengal was much less significant than that in Madras or Surat. But towards the close of the 17th century and definitely in the first two decades of the 18th

century, the Bengal trade became more important in the pattern of the Company's trade complex and far surpassed the Madras or Surat trade both in volume and magnitude. The Bengal trade was often described by the factors as the 'best flower of the Company's garden' or as the 'choicest jewel'. A factor wrote towards the close of the 17th century that Bengal 'is the most considerable to the English nation of all their settlements in India'.¹

From the beginning of its trade in Bengal as also throughout the period, the Company was plagued by many difficulties - chronic shortage of working capital, official rapacity, private trade of the Company's servants, Interlopers and wars. But despite all these hindrances, it was able to drive an extensive trade. The main concern of the Company throughout the period was combating the chronic shortage of working capital which it tried to solve by borrowing in the local credit market, raising money from other Europeans, mainly the Dutch, against bills of exchange payable in Europe, and the profits from Inter-Asiatic trade and freight voyages. As there was a limited demand for the English manufactures and products, the Company had to finance the Bengal trade mainly by importation of bullion and specie.

1. B.M. Addl. Mss., 34,123, f. 40a; D.B., 2 July 1684, Vol. 90, f. 330; Rawl. A. 257, f. 254.

In the early years, gold formed the larger part of the imported bullion but later on the treasure imported to Bengal consisted entirely of silver.

Apart from these economic factors, another difficulty in the trade of the Company was an unfavourable institutional framework - unfavourable not only to the foreign Companies but to all economic activities possibly curtailing expansion in production or a rise in the producers' standards of consumption. Rapacity of local officials or revenue farmers - who had no interest in the economic future of the people or region they governed except squeezing them - was a part of the administrative system. Extortionate demands on local merchants are too familiar a thing in the 17th century to need any special emphasis. The English Company tried to establish exclusive and preferential trading privileges, in the face of multiform bureaucratic exploitation, by various nishans and farmans from the ruling authorities. Quite often the bonafide and interpretation of these documents were challenged by local officials thus leading to frequent stoppage of the Company's trade. An important aspect of the conflict between local officials and the Company was that it was essentially one of trade rivalry. Most of these local potentates were actively engaged in both inland and overseas trade during the period and often

tried to monopolise some sectors of the province's trade, much to the detriment of the Company's interests.

The Company procured its export commodities mainly through merchant - middlemen as it could not deal directly with the producers. It had to give dadney or advance to the middlemen who in their turn paid advances to weavers and artisan in the proper time of the season. Often these merchant-middlemen possessed vast resources and participated both in inland and overseas trade on a fairly large scale. They also acted as bankers and shroffs. The Company, it seems, could not quite realise the power and the multifarious activities of these middlemen, and often mistook them as mere brokers. It tried to coerce them into submission in case of a dispute regarding trade transactions but not always with success. It failed in its attempts to organise them into a joint stock which would have invariably curtailed their bargaining power and also the risk of bad debts for the Company. Such a joint stock of merchants would also have relieved the Company of the difficulties arising out of the shortage of working capital as the joint stock merchants would have provided part of the investment with their own money. Though successful in Madras, the Company's endeavour to organise a joint stock in Bengal was abortive. The practice of employing a broker became

an integral part of the Company's machinery for the procurement of return cargoes.

The vast expansion of the Company's export trade from Bengal necessarily meant an increase in the volume of imports, though this primarily consisted of an increased supply of bullion and specie. The demand for imported commodities was generally very limited and inflexible, though in the context of the poverty of the masses, the total volume and variety of imports were not negligible. Treasure, specially silver - used for minting coins, hoarding and purposes of display - was chiefly in demand, though there was a ready market for a limited quantity of metals like lead, tin and copper etc. The additional imports of bullion was not beyond the absorptive capacity of the country and they produced no marked change in the general level of price. The import of miscellaneous commodities merely touched the fringe of the economy. The only significant import was that of bullion and specie, and that too, in so far as, it contributed to monetisation. It was a social waste to the extent it went to hoarding.

In the internal economy of Bengal, the activities of the European Companies undoubtedly gave an impetus to production. There was evidently an expansion in the production of raw silk and textiles to meet the increasing orders of the European Companies, though it is not possible

to measure this in any concrete terms. It is significant that the increase in production could be made without any fundamental change in the technique of production. This obviously points to the existence of possible overcapacity in the textile industry over short period or the creation of new supplies of skilled labour which was the most important factor in the production system. This is further confirmed by the fact that when the English settled down in Kasimbazar, there was such a great congregation of weavers there that it resulted in the lowering of prices of cloth.²

Industrial production in Bengal, as in other parts of India, was organised mainly at the level of cottage industry - by individual weavers in their own homes. The poor artisan or weaver, provided with little capital, had to depend on cash advance (as also sometimes on advance in kind) from the middlemen who could thus dictate the nature, quality and quantity of goods produced. Any system involving deep penetration of capital into production had, however, not yet emerged. The merchant - middlemen who provided a part of the advance was only interested in the finished product and remained outside the production organisation. The rudimentary character of the production organisation and the poverty of the artisan allowed little scope for the

2. Fact. Records, Misc. Vol. XLV, ff. 327-28, Master's Diary, Vol. II, p. 11.

growth of inventories. Despite the increased demand and competition among buyers, both Europeans and Indians, it seems that the weavers had hardly any bargaining power which remained mostly in the hands of the merchant-middlemen.

It seems that the mobility of labour was less in Bengal than that in Coromandel where the weavers were said to be 'surprisingly mobile'.³ Despite the promise of 'great wages', the English Company failed to persuade the Bengal weavers to go and settle down in Madras. 'Such was their caste and lineage' that they feared by crossing the saltwater, they would lose their birth right. The Company even failed to persuade the taffeta - weavers to move from Kasimbazar and settle in Hugli. But the Bengal weavers never lacked in enterprise. The English factors reported that the weavers were willing to engage in any new sort of work though they demanded higher price for any cloth other than those made traditionally. On various occasions they demanded payment of the cost of alteration in their looms for meeting the specified dimension of cloth required by the Company.

The English Company found the local credit market highly efficient and organised for its purposes. The specialised activities of a class of merchants namely, the

3. Irwin, op.cit., pp. 31-32.

shroffs, and the refinement and development of the existing financial machinery for credit and exchange indicate that merchant capital and commercial organisations were capable of quite sophisticated operations. So far as the activities of Bengal merchants were concerned, business was the concern of individual rather than of groups acting together, though joint ventures by several merchants were not altogether absent. But in general the merchant operated with his own capital and there was hardly any link between the merchant and the public which was developing fast in contemporary Europe.

The rate of interest was very high in Bengal, often higher than that in other parts of India. It is difficult to ascertain whether this high rate of interest was due to an absolute scarcity of working capital or an excessive demand for it. Theoretically a high rate of interest does not necessarily suggest the existence of low rates of saving and therefore a chronically capital starved economy as, it can be the result of a high demand relative to supply. But under Indian conditions it is highly probable that an absolute shortage of investible surplus was in fact responsible for the generally high interest rates. It is also possible that tradition and existing economic condition gave the merchant a larger margin of profit on trade goods than in any other

type of investments so that it was possible for him to pay a high rate of interest for borrowed money.

The European Companies in Bengal were responsible for introducing some innovations in the organisation of production and commerce though not on an extensive scale. The Asian and Portuguese merchants before the European Companies used to buy from the manufacturers as best as they could get at any given time. But the English insisted on supplies conforming to musters and this introduced an idea of specific standardisation which was an innovation in the region. Again, though the dadney system was in vogue long before the advent of the European Companies, the Asian merchants never fixed a definite price beforehand and did so only when they received the goods. The European Companies, however, fixed the price according to samples before the advance was given and this was again a novelty in the organisation of commerce introduced by the Europeans. They also sometimes set up establishments for the processing of cloth - specially bleaching and dyeing- and brought throwsters, weavers and painters from Europe who also instructed the indigenous artisans in those arts, and thus tried to improve the quality as well as colour of the textiles. Such organisations were rare in Mughal India. Though the

royal Karkhanas were there, they catered mostly for imperial household and the needs of the nobility. So these establishments introduced a new element in the organisation of industries in Bengal.

It is not possible to measure the impact of the European trading activities on the internal economy of Bengal. But a glance at the export lists of the European Companies will indicate that there was definitely an expansion of the export trade from Bengal and as such, a corresponding increase in production, specially in the silk and textile industry. Leaving aside the free merchants and other European Companies whose trade was perhaps not very significant, the annual exports of the English and Dutch Companies alone exceeded more than 40 or 50 lacks of rupees on an average in the first two decades of the 18th century while in the beginning of our period it was almost negligible. This sum was a significant percentage of the revenue from Bengal which was about 130 lacks during the period. Naturally it might have been expected that the increased export would better the condition of, at least, the weavers who were responsible for the production of the bulk of export commodities. But from the various reference in the records of the Company, it seems that the lot of the poor weavers remained the same despite the increase in production and competition among the buyers. The plight

of the weavers are amply illustrated by the factors' correspondence which often described it in such phrases as - 'weavers cannot subsist or lie long idle', or 'weavers live from hand to mouth' or 'such needy a generation as the weavers are'.⁴ Even making allowance for the inevitable exaggeration in the observation of the factors, the poverty of the weavers can hardly be refuted. It seems reasonable to argue that the broker system was responsible for the extreme poverty of the weavers. Otherwise it is difficult, from any other point of view, to reconcile the weavers' poverty with the fact so often apparent that the Companies were buying in a seller's market. The power of the broker was such that he was apparently able to dictate prices both to the Company and the weaver.

Moreland concluded that 'sudden extension of the trade in Bengal resulted in that market being brought more nearly on a level with the conditions prevailing elsewhere on the Coast'. His thesis was that upto 1650 prices in Bengal was abnormally low compared with those in other regions on the Coast of India as the supply of silver had previously been inadequate compared with what was available on other parts of the sea board so that silver price was

4. Fact. Records, Malda, Vol. 1, Diary, 25 Oct. 1680; Home Misc., Vol. 803, ff. 84-85; D.B. 28 Jan. 1661, Vol. 85, ff. 367-68.

depressed and commodities were cheap. The basis of his inference was that the factors, who wrote in about 1650 that provisions in Bengal could be procured "all at half price or little more than that they are in other parts", complained in 1658 that provisions had trebled in value. He tried to explain the shortage of silver in Bengal in the working of the revenue system in which land revenue was paid in silver and much of it remitted to the Mughal Court in the same form. As a result, the amount of imported silver retained in Bengal was inadequate to satisfy local demand so that silver was normally expensive, or in other words, commodities were cheap. And the sudden influx of silver in the wake of European trading activities was sufficiently large to effect a material alteration in the monetary position in Bengal and it was brought into line with the rest of the Coast.⁵

But we have enough evidence that Bengal was never brought into the same level with other parts of the Coast so far as prices of provisions were concerned. Provisions were much cheaper in Bengal throughout the period than in other parts of India.⁶ It might be that with the influx

5. W.H. Moreland, *op.cit.*, pp. 179-81, 298.

6. "The cheapness of provision is one reason for the difference of Europe investment in Bengal and Madras", *vide*, D.B., 4 Feb. 1709, Vol. 96, f.434; "A rupee in Bengal will go as far as a pagoda at the Fort". (1 Pagoda = 3.5 rupees approx.), *vide*, D.B., 28 Dec. 1711, Vol.97, f.461; "great difference in Bengal and Bombay", *vide*, O.C., 22 May 1698, no. 6566, Vol. 54.

of silver prices went up slightly, though it was difficult to measure this rise. The English factors perhaps took this opportunity in the late 'fifties of the 17th century to increase their allowances, and to justify it, made a gross exaggeration in saying that prices of provisions had trebled. The cheapness of provisions in Bengal was well beyond doubt. Throughout the period, provisions were exported to various parts of the Indian Coast including Coromandel and Surat as also to the East Indies. The fertility of land and good yields may explain to some extent this cheapness in Bengal. The influx of silver - worth at least 50 lacks of rupees a year, and which might be expected to push the prices up - had no appreciable impact on the prices of provisions. The probable explanation is that the greater part of the silver was drained out of the country towards northern and western India. That the drain from Bengal to upcountry during this period reached a new and great dimension cannot hardly be denied. The revenue, however, did not seem to have increased to any great extent. But the numerous grantees and even big merchants who were mostly from northern and western India remitted huge sums to Agra or Delhi in the form of cash. The Company's records provide a rough idea of the vast sum amassed and remitted by numerous transferable officials and revenue farmers. A single

illustration will signify the ^{enormous} size of the drain. It was reported that Bahadur Khan who succeeded Shāasta Khan in Bengal collected 20 million rupees in only one year of office.⁷ Even making allowance for the obvious exaggeration, it brings into bold relief the nature and extent of the drain from Bengal. And this drainage towards upcountry perhaps explains to some extent the cheapness of provisions in Bengal. But despite this cheapness, the lot of the poor weavers and artisans was miserable. The European Companies imported silver which hardly filtered down to the producers to any substantial extent, the surplus being mostly expropriated by only a small section - the merchant - middlemen.

During the period Bengal reached a high degree of commercialisation within the broad framework of an agrarian economy. The activities of the European Companies definitely pushed forward this process of commercialisation and created a belt of specialised industrial and cashcrop production linked to the foreign markets - a process which becomes more apparent in the later period which is beyond the scope of this study.

7. A. Martineau (ed.), Memoires de Francois Martin, Vol. III, p. 50.

Appendix ATable ITotal Value of the English East India Company's annual
export from Bengal

<u>Years</u>	<u>Value</u>
1663/64	£ 24,199
1664/65	£ 19,501
1665/66	N.A.
1666/67	N.A.
1667/68	N.A.
1668/69	£ 14,537
1669/70	£ 16,900
1670/71	£ 29,076
1671/72	£ 53,123
1672/73	N.A.
1673/74	N.A.
1674/75	N.A.
1675/76	£ 52,297
1676/77	£58,547
1677/78	N.A.
1678/79	£ 88,351
1679/80	N.A.
1681/82	£142,977
1682/83	£162,763
1683/84	£146,668
1684/85	£210,063
1685/86	£181,788
1686/87	N.A.
1687/88	N.A.
1688/89	N.A.
1689/90	N.A.

Table I (continued)

<u>Years</u>	<u>Value</u>
1690/91	£ 40,369
1692/93	£ 11,770
1693/94	£ 58,944
1694/95	£ 30,425
1695/96	£90 ,490
1696/97	£ 76,894
1697/98	£ 68,911
1698/99	£163,053
1699/1700	£190,275
1700/1	£280,672
1701/2	£228,042
1702/3	£ 54,713
1703/4	N.A.
1704/5	£ 66,091
1705/6	£ 73,689
1706/7	£ 84,902
1707/8	£135,662
1708/9	£148,995
1709/10	£208,892
1710/11	£228,474
1711/12	£233,859
1712/13	£259,593
1713/14	£175,387
1714/15	£158,732
1715/16	£221,697

Table I (continued)

<u>Years</u>		<u>Value</u>
1716/17	.....	£178,821
1717/18	.....	£244,918
1718/19	.....	£259,279
1719/20	.....	£336,973

(Source -: A.G.D., Range 11, Vols. 28, 30, 32, 37, 41, 43, 46, 49, 52, 55, 58; The figures for 1678/79 are to be found in B.M. Addl. Mss., 34123. All fractions have been left out. N.A. = Not available.)

Table IIPrices of Saltpetre, Cotton Yarn andRaw Silk

<u>Years</u>	<u>Saltpetre</u>	<u>Cotton Yarn</u>	<u>Raw Silk</u>
1663/64	Rs. 3 p.md.	Rs. 19.6 p. md.	Rs. 155 p.md.
1664/65	" 3 " "	" 19.6 " "	N.E.
1668/69	" 2.3 " "	" 18.7 " "	N.E.
1669/70	" 2.5 " "	" 19.9 " "	Rs. 196 p.md.
1670/71	" 2.5 " "	" 19.1 " "	" 177.3 " "
1671/72	" 3.2 " "	" 17.9 " "	" 152 " "
1675/76	" 2.5 " "	N.E.	" 191 " "
1676/77	" 4.3 " "	N.E.	" 217 " "
1678/79	" 4.1 " "	N.E.	" 165 " "
1681/82	" 2.2 " "	N.E.	" 268 " "
1682/83	" 1.6 " "	Rs. 16.5 p. md.	" 298 " "
1683/84	" 1.9 " "	" 16.7 " "	" 167 " "
1684/85	" 2.3 " "	" 17.8 " "	" 168 " "
1685/86	" 2.2 " "	" 15.3 " "	" 222 " "
1690/91	" 2 " "	" 17 " "	" 182 " "
1692/93	" 2.8 " "	" N.E.	N.E.
1693/94	" 2.5 " "	Rs. 15 p. md.	Rs 187 p.md.
1694/95	" 3.5 " "	" 14.2 " "	" 182 " "
1695/96	" 3.2 " "	" 14 " "	" 160 " "

Table II (continued)

<u>Years</u>	<u>Saltpetre</u>	<u>Cotton Yarn</u>	<u>Raw Silk</u>
1696/97	Rs. 3 p.md.	N.E.	Rs. 115 p.md.
1697/98	" 3.4 " "	Rs. 12.8 p.md.	" 144 " "
1698/99	" 3.2 " "	" 12.9 " "	" 164 " "
1699/1700	" 3.2 " "	" 13 " "	" 182 " "
1700/1	" 4.3 " "	N.E.	" 201 " "
1701/2	" 4.8 " "	N.E.	" 236 " "
1702/3	" 4.7 " "	Rs. 14 p.md.	" 203 " "
1704/5	" 4.7 " "	" 14.7 " "	" 154 " "
1705/6	" 5.3 " "	" 18.2 " "	" 174 " "
1711/12	" 4.8 " "	" 16 " "	" 187 " "
1712/13	" 6 " "	" 16.5 " "	" 171 " "
1713/14	" 4.3 " "	N.E.	" 171 " "
1714/15	" 4.3 " "	N.E.	" 172 " "
1715/16	" 4.4 " "	N.E.	" 162 " "
1716/17	" 4.2 " "	N.E.	" 169 " "
1717/18	" 4.4 " "	Rs. 15 p.md.	" 169 " "
1718/19	" 5.2 " "	N.E.	" 171 " "
1719/20	" 5 " "	Rs. 14.1 p.md.	" 155 " "

(Source -: See note in Table I)

N.E. = Not Exported

Table IIIPercentage of Export Commodities in Total Export.Value from Bengal.

<u>Years</u>	<u>Saltpetre</u>	<u>Raw Silk</u>	<u>Textiles</u>
1663/64	20%	•4%	71%
1664/65	25%	nil	67%
1668/69	50%	nil	38%
1669/70	17%	13%	62%
1670/71	9%	7%	83%
1671/72	9%	8%	77%
1675/76	11%	12%	71%
1676/77	14%	11%	71%
1678/79	12%	34%	52%
1681/82	4%	38%	55%
1682/83	3%	45%	50%
1683/84	2%	30%	67%
1684/85	2%	24%	71%
1685/86	1%	11%	83%
1690/91	6%	8%	83%
1692/93	3%	nil	83%
1693/94	8%	24%	62%
1694/95	4%	5%	83%
1695/96	3%	17%	77%
1696/97	1%	21%	77%

Table III (continued)

<u>Years</u>	<u>Saltpetre</u>	<u>Raw Silk</u>	<u>Textiles</u>
1697/98	2%	2%	91%
1698/99	2%	20%	77%
1699/1700	1%	19%	77%
1700/1	2%	25%	71%
1701/2	1%	22%	71%
1702/3	3%	14%	71%
1704/5	23%	31%	38%
1705/6	11%	6%	77%
1706/7	4%	12%	59%
1709/10	N.A.	13%	83%
1710/11	N.A.	6%	91%
1711/12	3%	3%	91%
1712/13	4%	7%	83%
1713/14	3%	10%	83%
1714/15	4%	11%	83%
1715/16	4%	10%	83%
1716/17	4%	28%	66%
1717/18	4%	21%	71%
1718/19	3%	14%	83%
1719/20	3%	5%	91%

(Source :- See note on Table I)

N.A. = Not available.

Table IV

Annual Exports of Raw Silk by the
English Company

<u>Years</u>	<u>Quantity</u>	<u>Value</u>
1663/64	337 lbs.	£88
1664/65	nil	nil
1668/69	nil	nil
1669/70	6,637 lbs.	£2,177
1670/71	7,050 "	£2,055
1671/72	18,100 "	£4,588
1675/76	22,749 "	£6,394
1676/77	21,142 "	£6,709
1678/79	125,550 "	£32,413
1681/82	140,270 "	£54,506
1682/83	167,185 "	£73,918
1683/84	160,630 "	£44,469
1684/85	176,994 "	£49,816
1685/86	56,432 "	£20,123
1690/91	11,346 "	£ 3,442
1692/93	nil	nil
1693/94	45,960 "	£14,346
1694/95	4,936 "	£ 1,500
1695/96	67,521 "	£15,499
1696/97	81,480 "	£15,912

Table IV (continued)

<u>Years</u>	<u>Quantity</u>	<u>Value</u>
1697/98	6,396 lbs.	£ 1,527
1698/99	118,515 "	£32,321
1699/1700	117,135 "	£35,470
1700/01	206,256 "	£68,899
1701/02	137,212 "	£51,120
1702/03	27,375 "	£ 7,487
1704/05	88,657 "	£20,473
1705/06	16,783 "	£ 4,320
1709/10	90,272 "	£28,006
1710/11	48,270 "	£14,624
1711/12	26,067 "	£ 7,956
1712/13	62,701 "	£17,294
1713/14	60,450 "	£17,293
1714/15	61,804 "	£17,584
1715/16	82,497 "	£22,217
1716/17	180,088 "	£50,892
1717/18	181,947 "	£51,199
1718/19	129,075 "	£36,809
1719/20	61,618 "	£15,958

(Source :- See note in Table I)

Appendix B.A brief glossary of textiles from Bengal.*

- Addaties - plain cotton piece - good or muslin, usually of fine quality woven around Dacca, Malda and Kasimbazar.
- Allaballies - a very fine quality muslin or cotton piece-good.
- Allabannees - mixed silk and cotton piece-goods, probably striped, woven chiefly around Hugli (not in Malda - Kasimbazar area, as Irwin holds).
- Arundi - A coarse, cheap and exceedingly strong cloth woven of one of the wild silks of Bengal, namely Tussur and Muga, produced mainly in Kasimbazar area.
- Amerees - cotton piece-good provided mainly in Hugli.
- Atchabanees - probably fine cotton piece-good.
- Atlases - silk stuff worked with threads of gold and silver, woven mainly around Hugli.
- Baftas - plain cotton piece-good.
- Buckshaws - cannot be identified; a muslin ?
- Bulchuls - cannot be identified; a muslin ?

* Based mainly on Irwin, op.cit.; various references in Despatch Books, Original Correspondence, Factory Records; Master's Diary, Peter Mundy, Vol. 2; R.C.Temple, Indian Antiquary, 1914, pp.69-83, 97-111; W.K. Firminger, "The Malda Diary and Consultations", J.A.S.B., New Series, Vol. XLV, 1918; Hobson - Jobson.

- Camcanys - plain cotton piece-good woven near and around Patna.
- Carridaries, Choradarries - striped or chequered woven cloth, probably of mixed silk - and - cotton.
- Charconnaes - mixed silk - and - cotton piece-good provided in Hugli (and not woven in Orissa only as Irwin says).
- Chandanees - 'white drugget piece-good', provided chiefly in Hugli area.
- Chanderbannees - probably silk piece-good woven in Kasimbazar area.
- Chillaes - probably cotton piece-good; sometimes described also as cotton handkerchief.
- Chints - painted or printed calico, provided at Patna and its neighbourhood.
- Chowtars - plain white cloth, woven chiefly in Hugli area (not only in Western India as Irwin says)
- Chucklaes - mixed silk - and - cotton piece-good, usually striped, woven in Hugli and its neighbourhood.
- Cossaes - plain muslin, usually of superior or fine quality, woven chiefly in Dacca and Malda areas.
- Coopes - cannot be identified.

- Cushtaes - striped or chequered cloth, possibly of mixed cotton - and - silk.
- Cuttanees - mixed silk - and - cotton piece-good.
(woven in Bengal too, though Irwin suggests only in Western India)
- Dimities - cotton cloth provided mainly in Hugli.
- Doodamies - cannot be identified.
- Doreas - striped or chequered cloth of mixed silk - and - cotton, woven chiefly in Kasimbazar, Malda and Hugli regions.
- Dosooties - probably cotton cloth.
- Dungarees - strong coarse calico; woven in Bengal too, though Irwin suggests only in the Western Coast.
- Elatches - striped cloth of mixed silk - and - cotton, woven mainly in Hugli and Malda regions but not in Kasimbazar as Irwin suggests.
- Emerties, Ambertees - white cotton cloth woven in Patna area.
- Farrendines - silk piece-good provided chiefly in Kasimbazar area; 'to be made thinner, more glossy and perfect black', vide, D.B., Vol.6, f. 37.
- Ginghams - mixed silk - and - cotton piece-good, provided mainly in Balasore area.

- Gold Puffers - 'a sort of taffetas of deep gold colour and made of thicker silk than ordinary'.
Vide, D.B., Vol. 93, ff. 32-36.
- Gurrahs - plain, coarse cotton cloth exported in large quantities in the first two decades of the 18th century.
- Humades - cannot be identified.
- Jamdaniees - muslin or cotton piece-good, brocaded in white or coloured silk or cotton, usually with floral pattern.
- Jamwars - silk piece-good, woven generally in Malda - Kasimbazar area.
- Jelolsies - probably muslin piece-good.
- Luckowries - white cotton cloth woven in Lakhawar, Bihar; a synonym for emerties.
- Lungees - silk or cotton loin cloth.
- Mahmudbannees - fine muslin provided mainly in Hugli area.
- Mahmudiatees - cannot be identified.
- Mulmuls - fine muslin woven chiefly in and around Hugli, Dacca and Malda.
- Mundilla - striped stuff of mixed silk - and - cotton woven chiefly in Malda area.
- Nainsook - plain muslin of fine quality; sometimes referred as Tansook also.

- Nehallawars - striped piece-good of mixed silk - and - cotton woven in Hugli area.
- Nillaes - mixed silk - and - cotton piece-good woven in Balasore area.
- Orungshies - Aurangshahi (?); cotton piece-good woven in Hugli area.
- Peniascoes - mixed cotton - and - silk piece-good, usually striped and provided mainly in Hugli.
- Phoolgarrees - probably silk piece-good, usually with floral design; woven chiefly in Kasimbazar area.
- Photaes - cotton cloth provided in Bengal, and not only in Western India as Irwin suggests.
- Putta or Bird's eye - fine muslin woven in Malda area.
- Rehings - fine muslin woven in Malda area.
- Restas - striped taffetas, woven chiefly in Kasimbazar area.
- Romalls - thin silk piece-good with handkerchief pattern woven in many parts of Bengal; sometimes simply of cotton, or of mixed silk - and - cotton.
- Sailcloth - ordinary cotton cloth.
- Sallampores - ordinary cotton cloth.
- Sannoos - plain cotton piece-good of ordinary quality woven chiefly in Balasore area.
- Sarcenetts - probably silk piece-good woven chiefly in Kasimbazar area.

- Seerbands - muslin woven chiefly in Dacca and Malda area.
- Serbettes - probably cotton piece-good.
- Seerhaudconnaes - fine muslin; the most expensive of all
the muslins in the English Company's export list
- Seersuckers - mixed silk - and - cotton piece-good, usually
striped; woven in Malda area.
- Shahzadies - probably silk piece-good woven in Kasimbazar
area.
- Shalbafts - cannot be identified.
- Souses - mixed silk - and - cotton piece-good woven in
Hugli and Balasore areas, and not in Kasimbazar
- Malda areas as Irwin suggests.
- Taffetas - silk piece-good woven in Kasimbazar area.
- Tanjeeps - fine muslin woven chiefly in Dacca and Malda
areas.
- Tepoy - a type of chintz, or painted or printed calico.
- Terrindams - fine muslin woven chiefly in Dacca district.

Appendix C

A Typical order from the Court of Directors for
Bengal goods to be provided in the different
factories in the Bay (D.B. 28 Aug.1682. ff.22-26)

To be Provided at Balasore

Ginghams, coloured of finest sort	20,000	pcs.
Silk Romalls	20,000	"
Nillaes of good colours	36,000	"
Sannoos	30,000	"
Herba Taffetas of cloth colours & lively colours	20,000	"
Herba Lungees.....	20,000	"
Sousies of several colours	4,000	"
Tesser or Herba thread or yarn	200	bales
Cotton Yarn	200	"
Sticklac	100	Tons
Cowries	100	"
Broad blue Ginghams, ordinary sort	10,000	pcs.
Herba stuffs	2,000	"
any sort of new stuffs, of Herba, cotton or silk for trial	12	bales

To be provided at Patna

Saltpetre, what more you can get	1,500	Tons
Turmerick	200	"

To be provided at Hugli

Silk Romalls	20,000 pcs.
Satins of several colours	6,000 "
Mahmudbannies	500 "
Allabannies	2,000 "
Phota Lungees	2,000 "
Charconnaes Fine	5,000 "
Do ordinary	4,000 "
Amerrees	1,600 "
Elatches	2,000 "
Peniascoes	3,000 "
Chucklaes	8,000 "
Sousies	4,000 "
Striped mulmuls fine (Doreas)	4,000 "
Mulmuls with fine needlework	3,000 "
Do striped and flowered	1,000 "
Atlases, coloured & striped, fuller of silk and stronger	8,000 "
Do flowered white	1,000 "
Silk neckcloths	4,000 "
Any sort of new stuff of silk or silk and cotton	20 bales
Diapers finest and strongest	1,000 pcs.
Tablecloth	100 "
Dimities finest	1,000 "
Opium	24 Duppens

To be provided at Hugli (continued)

Seeling Wax	2 tons
Silk Quilt	1,000 pcs.
Chandenees	1,000 "
Orungshies	4,000 "
Nehallowars	2,000 "
Chowtars	10,000 "
Umber Charconnaes	8,000 "
Umbers	4,000 "

To be provided at Dacca

Cossaes fine	13,000 "
Mulmuls of all sorts, fine or coarse	15,000 "
Tanjees fine	6,000 "
Seerbands fine	10,000 "
Seersuckers	5,000 "
Humhums fine	16,000 "
Fine Addaties	15,000 "
Silk Romalls	10,000 "
Mulmuls with fine needlework	4,000 "
Do Striped	1,000 "
Any new sorts of goods for trial	12 bales
White silk what quantity could be got.	

To be provided at Malda

Cossaes fine	13,000	pcs.
Mulmuls of all sorts fine & coarse	15,000	"
Tanjeebs fine	10,000	"
Seerbands fine	5,000	"
Seersuckers	4,000	"
Rehings	3,000	"
Fine humhums	4,000	"
Fine Addaties	1,500	"
Silk and Cotton Striped stuff called Mandilla	10,000	"
Puttaes or Bird's eye	2,000	"
Striped do	3,000	"
Striped mulmuls fine Doreas	4,000	"
Silk and Cotton Elatches	12,000	"
Any sort of new stuffs of silk or silk & cotton		20 bales

To be provided at Kasimbazar

Taffaties Sad. Cloth colours half & light colours half	90,000	pcs.
Changable colours	4,000	"
Taffaties black	15,000	"
Do green	1,500	"
Do Sky	1,500	"
Taffaties Raw	10,000	"

To be provided at Kasimbazar (continued)

Taffaties white	6,000 pcs.
Striped Chain Taffaties	16,000 "
Striped Taffaties or Restas	12,000 "
Farrendines Black	500 "
Silk Lungees	20,000 "
Chanderbannies	6,000 "
Shahzadees	2,000 "
Pholgarees flowered	8,000 "
Sashes or girdles	4,000 "
Sarcenetts white	10,000 "
Do Black	10,000 "
Any sort of new stuffs of silk or silk & cotton	20 Bales
Gold and silver stuff 50 pcs. of each sort & pattern for a trial.	
Plushes & Velvets of each sort	100 pcs.
Raw Silk head and belly	what quantity you can get
Enlarge the investment of raw silk ...to 10,000 Bales 16 seers to the Bales	
Floretta yarn of finest sort	1,000 Bales
Arundi Cloth Blew	2,000 pcs.
Do Brown	20,000 "
Arundi yarn	100 Bales
Throwne silk	200 "
Shellack the best and finest sort of Kasimbazar	50 tons.

Appendix D

Contracts with Calcutta merchants showing the different varieties of three principal muslins and their prices for four years. (Vide, Beng. Pub. Consult, Range 1, Vols. 2-4)

			<u>1710</u>	<u>1713</u>	<u>1716</u>	<u>1719</u>
	Co. X Co.	Rs. As.	Rs. As.	Rs. As.	Rs. As.	<u>Rs. As.</u>
Cossaes Maldah...	40 X 2 $\frac{1}{4}$...	9-12	9-12	9-12	9-12	
" Orrua	40 X 2 $\frac{1}{4}$...	6-10	7-0	7-0	7-0	
" Cogmary	40 X 2	9-8	9-8	9-8	9-8	
" "	40 X 3	13-0	13-0	13-0	13-0	
" "	40 X 2 $\frac{1}{2}$...	-	-	10-8	10-8	
" Colligaum	40 X 2 $\frac{1}{2}$...	10-8	10-8	-	-	
Mulmuls Malda	40 X 2	13-12	-	-	-	
" Savagepore	40 X 2 $\frac{1}{4}$...	8-12	-	8-12	-	
" Santapore	40 X 2 $\frac{1}{4}$...	13-8)	14-12)	14-12)	14-12)	
		16-0)	11-12)	11-12)	11-12)	
				22-0)	13-4)	
" "	40 X 3	-	20-0	-	16-0	
" Dacca	40 X 2	16-0	13-0	-	8-0	
" Dumree	40 X 2 $\frac{1}{4}$...	12-0	-	-	-	
" Cossajura	40 X 2	13-6	12-0	12-0	12-0	
" Coincola	40 X 2	-	11-12	-	-	
" flowered with silk	40 X 1	-	22-0	-	-	
" flowered with silk thread	40 X 1	16-0	15-0	15-0	15-0	

Appendix D (continued)

		1710	1713	1716	1719
	Co. X Co.	<u>Rs.</u> <u>As.</u>	<u>Rs.</u> <u>As.</u>	<u>Rs.</u> <u>As.</u>	<u>Rs.</u> <u>As.</u>
Tanjeebs Santose	....40 X 2 $\frac{1}{4}$	7-12	7-12	-	6-14
"	Dacca ....40 X 2 $\frac{1}{4}$	8-8	-	-	-
"	"40 X 2	7-0	7-0	-	7-0
"	Flowered with silk..	-	-	20-0	20-0
"	Flowered with silk thread ...40 X 1	13-0	13-0	-	13-0

Appendix E

Cost price and Sale proceeds of piece-goods carried
by Tavistock in 1704/5. (vide A.G.D, Range 11, Vol.
49, ff. 23, 55).

<u>Name of piece - goods</u>	<u>Quantity</u>	<u>Cost price</u>	<u>Sale proceeds</u>
Cossaes -	3684 pcs.	£2928:3:2	£15135:18:-
Tanjees -	3207 "	£2322:6:-	£12236: 9:-
Adaties -	819 "	£ 284:13:5	£1548: 1 :6
Humadees -	212 "	£ 325: 4:4	£1304: 7: -
Mulmuls -	2889 "	£3389:11:10	£13576:13:-
Gurrahs -	2948 "	£ 597: 1:5	£ 3740:19:10
Choradarries -	637 "	£151 : 9:1	£ 507:17:4
Doreas -	1447 "	£1508: 5:7	£11045:13:-
Neckcloths -	166 "	£ 139: 9:4	£ 344: 9:-
Humhums -	535 "	£ 451:16:10	£ 1583: 4:-
Dimities -	417 "	£ 247: 1:5	£ 628:18:6
Luckowries -	1350 "	£ 227:16:3	£ 1070: -:-
Sooseys -	582 "	£ 550: -:-	£ 1378: 6:-
Cuttannees -	447 "	£ 310:14:10	£ 611:13:-
Taffaties -	821 "	£ 669: 4:10	£ 1743:16:-
Lungees -	327 "	£ 89:18:2	£ 163:10:-
Alibannees -	861 "	£ 371: 2:10	£ 968:10:-
Photaes -	428 "	£ 141: 1:3	£ 365:10:5

Appendix E (continued)

<u>Name of piece-goods</u>	<u>Quantity</u>	<u>Cost price</u>	<u>Sale proceeds</u>
Romalls	-	3568 pcs...£ 800:14:8.....	£1245:8:4 (for 1,971 pcs. only)
Chints	-	750 " ...£ 140:12:6.....	£ 450:12:6
Nillaes	-	1200 " ...£ 360: 8:9.....	£1087:10:-
Ginghams	-	461 " ...£ 122:14:6.....	£ 223: -:1
Musters	-	13 " ...£ 11: 2:10.....	£ 50: 2:6 (for 11 pcs.only)
		<hr/>	<hr/>
		£s.161,41: 3:10	£ 710:10:9:-

i.e. A gross profit of more than
425%

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ILLUSTRATION III

Agreed on between us William Fitz Hugh of the
 Council at Ballasore and the merchants whose
 names shall here in the margin on approbation
 of the agent and Council at Hugly for the
 retaining the following goods from us on the Compt-
 prices, and we & the other said are obliged too
 receive goods of them on the prices we shall make here
 at Ballasore on this years investment, the money we
 are, if this contract is approved to pay them within
 one month time from the 13 march 1683 if Ballasore
 goods from the merchants goods from the Compt

- chintemarihu
- bellashirk
- lalemit
- dingermill
- gepydash
- gongram
- wandash
- goeran
- wikeria
- Gekary
- Pom nam kulan
- Mitkia
- hillysaa
- maoxydash
- Cocock
- Berindash
- Calchik
- Kilhoras
- Selan

Prices of the three sorts equal
 to 10000 each at 34000
 4000 each so about 17000
 23000 each each
 10000
 5000

Brook cloth in 20000
 5000
 Lead to raise 5000
 in Copper plates on
 Coration of some Ca
 8000
 8000
 Ready money 10000
 - fine from agents 53000

— £ 66000 — — £ 66000 —

लीषांयिताकाभागे
 साटाउगमनलीके
 दगनदीमासरी
 लीःनीयानेभागेसाय
 दगयवलीनद्वैसाय
 मराही
 लीःद्वानेशभागे
 साटाउगमनलीके
 सरी

लीषांयिताकाभागे
 साटाउगमनलीके
 लीःनीयानेभागेसाय
 दगयवलीनद्वैसाय
 मराही
 लीःद्वानेशभागे
 साटाउगमनलीके
 सरी

लीःनीयानेभागेसाय
 दगयवलीनद्वैसाय
 मराही
 लीःद्वानेशभागे
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लीषांयिताकाभागे
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 मराही
 लीःद्वानेशभागे
 साटाउगमनलीके
 सरी



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2

Handwritten text in a cursive script, possibly a name or title, located at the top of the page.

Handwritten text in a cursive script, possibly a name or title, located below the first line.

Handwritten text in a cursive script, possibly a name or title, located below the second line.

Handwritten text in a cursive script, possibly a name or title, located below the third line.

Handwritten text in a cursive script, possibly a name or title, located in the middle section of the page.

Handwritten text in a cursive script, possibly a name or title, located below the middle section.

Handwritten text in a cursive script, possibly a name or title, located below the previous line.

Handwritten text in a cursive script, possibly a name or title, located at the bottom of the main text block.



Handwritten text or a signature at the bottom of the page, possibly a date or a name.

ILLUSTRATION II.

Bill for 6,000 rupees, executed by Khemchand and Chintaman, payable to Bros. Douglas (?) with interest, dated A.H. 1094 (A.D. 1683).

The manuscript has impressions of seals of the executants, each bearing the date A.H. 1093 (A.D. 1682).

The signatures of the executants are torn one.



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7. This agreement shall remain and be in force until the
 said Company from England shall give order for altering or
 voiding of the same, unless the Merchants through their default
 shall cause a breach thereof. In witness whereof the Agent and
 Council have set their hands and the said Company's Seals
 to one part, and the said Merchants have set their hands and
 Seals to one other part, which are interchangeably delivered
 in the Company's factory house in Ballasore, the 5th day of
 first above written.

ILLUSTRATION I

It is Declared that Chincham and
 Chintamund are jointly responsible
 for all ^{such} moneys or effects as shall be paid
 and delivered to the other Merchants
 upon the four tenths allotted to them, as
 they the said Chincham and Chinta-
 mund shall underwrite or pass Receipts
 for in the Company's Receipt Books and not
 otherwise.

Chincham. *Chincham*
 Chintamund. *Chintamund*

Handwritten text in Devanagari script, likely a translation or confirmation of the English text above. The text is arranged in approximately 10 horizontal lines, though some are partially obscured or crossed out.



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Asian Background of the Bengal Trade

