TRADE AND COMMERCIAL ORGANIZATION IN BENGAL
1650-1720
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1650—1720

With special reference to the English East India Company

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TO THE MEMORY OF
MY FATHER
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PREFACE

This book is a revised version of a doctoral thesis with the same title presented at the University of London in 1969. The aim of this work is twofold: first to make a specific study of the various economic activities of the European Companies, especially the English East India Company, in Bengal; and secondly, to cast light on the indigenous trade and commercial organization, and the interaction between the two.

The period 1650-1720 is studied as a landmark in the history of the English East India Company specially, for it was at this time that the English factors were trying to gain ground in Bengal through an expansion of their economic activities and their success in this venture ensured that Bengal was to become the Company’s base in the near future. The region of Bengal is selected for concentrated analysis because it had at this time attained a high degree of commercialization within the broad framework of an agrarian economy and had extensive trade connections in Asia and Europe. Bengal in this monograph denotes the entire eastern belt of India.

The English East India Company’s trade in Bengal developed quickly in magnitude. There was indeed a phenomenal increase in the Company’s exports from Bengal, both in volume and value terms, in the course of the period under study. This development was a natural outcome of the growing demand in England and on the Continent for cheap Bengal products. 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 organization of its trade in that region. Though the English trade in Bengal 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 indigenous merchants and examine the nature and character of their commercial organization vis-à-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 organization 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 and archives of the United Kingdom and supplemented by the records of the Dutch East India Company at the Algemeen Rijksarchief, The Hague.

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, U.K., for awarding me a scholarship for three years which enabled me to carry out my research at the University of London. My thanks are also due to the Indian Council of Historical Research for financial support towards the publication of this work.

It is my misfortune that Professor Narendra Krishna Sinha who introduced me to historical research could not see this work in print. He took a close and personal interest in this book and offered many valuable comments. His demise in November 1974 deprived me of the pleasure of presenting the book to my late teacher.

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ABBREVIATIONS

A.G.D. Accountant General's Department
B.G.L.& J. Bengal General Ledger and Journal
B.M. Addl. Mss. British Museum Additional Manuscript
B.P.C. Bengal Public Consultations
C.& B. Abst. Coast and Bay Abstracts
C.H.I. Cambridge History of India
D.B. Despatch Books
E.F.I. English Factories in India
Hedges' Diary The Diary of William Hedges
Home Misc. Home Miscellaneous Series
K.A. Koloniaal Archief
Master's Diary The Diaries of Streynsham Master
O.C. Original Correspondence
Rawl. Rawlinson Manuscript
Roe's Embassy The Embassy of Sir Thomas Roe
CHAPTER 1

THE BACKGROUND

'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 eighteenth century—given to it par excellence.² Bengal's wealth in medieval period was legendary and the cheapness of its wares was attested to by most of the foreign travellers who visited the region in the seventeenth 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 and West), Bihar and Orissa. The Subahi-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—which were independent of each other. The former was the responsibility of the nawab-

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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 conflicts arose between the two. Haji Safi Khan who was the diwan in 1678⁵, was not on good terms with the nawab Fidai Khan. 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 vicereoyalties. 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 (1664-88), 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 acting as deputy. The long periods of their rule were greatly responsible for the fact that the province enjoyed 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 that of 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 opposi-

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. 2, p. 63.
tion 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

Since 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 maximize their immediate income without any regard for the consequences. Extortionate demands of the local potentates and their monopolistic design were familiar phenomena of the seventeenth 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 monopolize some sectors of the province's economy. It seems that posting in Bengal 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 cash and kind. Thus it was reported by the English factors in November 1679 that Shaista Khan got back the governorship of Bengal by a present of three crores of rupees to the emperor.9 Again in February 1702 they reported that Prince Azim retained the office by giving thirty lakhs 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 Qasem 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 twelve elephants and 10,000 rupees. Luderam, a local merchant, was also ready to pay a handsome amount 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

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.
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 in 1672 that Malik Qasem, 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. In July 1672 the Dacca factors wrote that 'Malik Qasem is intended for Balasore, but hope we may, if you please to give us leave and power, prevent it'.

However, the Mughal conquest ushered in an era of peace and prosperity in Bengal. It helped to re-establish the 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 sixteenth 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. Its raw silk and textile industries were organized as cottage industry. The natural products of Bengal were various and abundant. In the beginning of the seventeenth 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'. 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'. 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

16 Bernier, op. cit., p. 437.
Mesopotamia through the towns of Mocha and Basra, and to Persia by way of Bandar-Abbasi.\textsuperscript{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 of Hindostan or of the Empire of the Great Mogul only, but of all the neighbouring Kingdoms, and even Europe.\textsuperscript{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 skilfully down to the smallest stitches that nothing prettier is to be seen anywhere.\textsuperscript{19}

Till the seventies of the sixteenth 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 medieval Bengali poetry and foreign travellers' tales. According to the poet Mukundaram, it used to attract so much foreign trade that the merchants of Satgaon never left their home town.\textsuperscript{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 it made the former 'hide its diminish'd head' in the beginning of the seventeenth century.\textsuperscript{21} As the chief mart of Bengal, Satgaon

\textsuperscript{17} Ibid., p. 437.
\textsuperscript{18} Ibid., p. 439.
\textsuperscript{19} Pyrard de Laval, \textit{op. cit.}, Vol. 1, p. 329.
\textsuperscript{20} R. K. Mukherjee, \textit{Economic History of India}, p. 122.
attracted merchants from different parts of India and diverse other countries. 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 Lerzelone and many other sorts of merchandise.

But the historic port of Satgaon began to decline from the middle of the sixteenth century mainly owing to a freak of nature. The river Saraswati on which it was situated and through which flowed the main current of the Hugli began to silt 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. 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. The Saraswati actually had been siting up from the beginning of the sixteenth century. De Barros found Satgaon in 1532 "not...so convenient for the entrance and departure of ships". 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.

23 Caesar de Federici, *Extracts of... his eighteen years Indian observation*, p. 114.
25 Quoted in S. Dey, *op.cit.*, p. 113.
Apart from the natural cause, the activities of traders, especially 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 sixteenth century, and it seems that a great part of the sea-borne trade of Bengal was concentrated in their hands. They began to frequent Bengal from 1530s and had an important settlement at Satgaon. In the sixties of the century they felt it necessary to build temporary quarters at a place downstream during the trading seasons as their big ships could not reach Satgaon, and they used to burn those villages when they left Bengal every year after brisk trade activities.\textsuperscript{27} But they found that the making and unmaking of villages did not lead to either comfort or economy, and so were anxious to shift their \textit{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 seventeenth and the early part of the eighteenth centuries.\textsuperscript{28}

The external trade of Bengal, and through Bengal, of Upper India, thus deserted Satgaon and was diverted to Hugli where the Portuguese controlled the major portion of the overseas trade, notwithstanding 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 port and the seat of the governor and the imperial customs house till 1632 when Hugli took its place officially as the royal port.\textsuperscript{29} This natural change of fortune aroused the jealousy of the Mughal officers at Satgaon, and was misunderstood by the court

\textsuperscript{27} Caesar de Federici, \textit{op.cit.}, p. 115.
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. colonized] 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.\(^\text{50}\)

The Hugli port, founded by the Portuguese towards the close of 1579,\(^\text{51}\) developed with amazing rapidity under them. It soon rose to the position of 'the richest, the 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 November 1633, the vessels of 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.'\(^\text{52}\) 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'.\(^\text{53}\) Ralph Fitch, the English traveller, who visited Hugli in 1588, stated that Hugli was the 'chief keep' of the Portuguese.\(^\text{54}\) According to Aín-i-Akbari, completed in 1596-97, Hugli was a more important port than Satgaon.\(^\text{55}\) Thus it appears

\(^{50}\) Abdul Hamid Lahori, Padshahnama, text, Vol. 1, p. 434; Elliot and Dowson, History of India as told by its own Historians, Vol. 7, p. 31; J.N. Sarkar, op.cit., Vol. 2, pp. 318-19.


\(^{53}\) Linschoten, op.cit., Vol. 1, p. 95.

\(^{54}\) Quoted in Campos, op.cit., p. 55.

that at the end of the sixteenth century Hugli became the premier port of 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.

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 up trade with Bengal very difficult for the Dutch and English East India Companies. The English factors at Surat wrote in February 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

39 T. Raychaudhuri, *Jan Company in Coromandel*, pp. 75-76.
where Mughal authority was firmly established.\textsuperscript{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 for the indigenous merchants.\textsuperscript{41} Soon after, the Dutch and English East India Companies established their factories in Hugli and started trade directly with Bengal.

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 Jeddah 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.\textsuperscript{42}

Thus in the middle of the seventeenth 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.

\textsuperscript{40} S. Dey, \emph{op. cit.}, p. 18; Hunter, \emph{op. cit.}, Vol. 3, p. 300; G. Toynbee, \emph{op. cit.}, p. 2; O’Malley & M. M. Chakraborty, \emph{Hugli District Gazetteer}, p. 31.

\textsuperscript{41} C. J. Hamilton, \emph{The Trade Relations Between England and India, 1600-1896}, p. 31; O’Malley & Chakraborty, \emph{op. cit.}, pp. 53, 189.

\textsuperscript{42} T. Raychaudhuri, \emph{op. cit.}, p. 76.
CHAPTER 2

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 December 1600. Generally four sets of arguments are put forward to account for the foundation of the Company—nearly, 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. But recent research points out that the circumstances leading to the foundation of the English East India Company 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'.

However, the first (1601-3) and the second (1604-6) voyages were made, not to India, but to Achin, Bantam and the Moluccas, the immediate aim being the acquisition of the spices and pepper of the East Indies. 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. The English, however, found that pepper was cheaper in Bantam, and hence established a factory there in 1603. But they could find no satisfactory market for English manufactures, especially woollen cloth, in the Malayan Archipelago,

3 Ibid., pp. 10-14; For the movement referred to here, see, Ibid., pp. 5-7.
6 Ibid., p. 8.
though 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 suspicions 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 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 of beginning direct maritime trade with Bengal. This might be due to two reasons: 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; second, 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 wanted to start 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 Bengale. 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, about venturing into maritime trade with Bengal. He suggested to the Surat factors that an attempt should be made to open overland 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. They argued:

Bengal generally is a hot country, the most of the inhabitants

7 C.H.I., Vol. 5, pp. 77-79.
8 B. M. Addl. Mss., 6,115, f. 63a; W. Foster, The Embassy of Sir Thomas Roe to India, p. 79.
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.  

Roe retorted to this saying, 'that Bengale 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'. Little convinced, the Surat factors replied:

We deny not but that Bengal 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 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.

The matter, however, remained pending for a time and the Surat Council wrote to the Company on 2 November 1616 that despite their desire to make a trial with porto piqueno for settling a factory, they could not attempt it for want of small ships fitting that purpose. 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'. He admitted that Bengal made fine cloth but thought that the Company need not settle a

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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.
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. In answer to the Company's letter, Roe wrote in December 1616:

Whereas you write for new factories except the Silks of Bengal, 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 hard by you, can), I am of opinion your residences are sufficient and best chosen as they are.

The Surat factors, being conscious of the Portuguese menace in Hugli, suggested opening up of trade with Pipili 'which report affirms less dangerous and more useful for sale of our commodities', and requested Roe to procure a farman to that effect if he approved the venture. 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'. He, however, failed to obtain a farman for trade in Bengal—though given a promise 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 dissension with the Portingalls in those seas'. Rather in disgust he wrote to the Court of Committees on 14 February 1618:

Bengalia hath no ports 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. ...
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. Methwold wrote to Roe in December 1618 that ‘if any innovation or hopes of trade to Bengale shall occur it cannot but be somewhat hopeful to our proceedings'.\textsuperscript{20} Besides the Company’s ‘desire of great store’ of Bengal silk,\textsuperscript{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 the 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 as also for their procuring to best advantage for price, condition etc.’\textsuperscript{22} This order, coupled with the manifest impossibility of providing sufficient quantities in Gujarat, made the Surat Council scrutinize 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, not with merchandise but bills of exchange only to the value of Rs 4,000. He realized that a factory at Patna would be ‘to good purpose’ and forthwith advised Surat and the Agra Council thereof, and entreated them to send an assistant with some English merchandise and more money to proceed with provision of goods.\textsuperscript{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 English goods, and they soon

\textsuperscript{20} Egerton Mss., 2,086, f. 45a; E.F.I., 1618-21, pp. 49-50.
\textsuperscript{22} Fact. Records, Patna, Vol. 1, f. 16.
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. Within a few days of his arrival, Hughes wrote to the President and the Council in Surat that 'it [Patna] promises plenty of commodity and doubtless will to good purpose be established a factory'.

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. 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 thirty 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. 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 profitable commodity in England. 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 mounds of Bengal silk yearly. They wrote that 'amberty calicoes' and raw silk are the 'two main props which must uphold this a factory'.

But a somewhat discouraging report from Agra materially abated the hopes of the factors. The silk was found to be unskilfully 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 were added to it, the result on the

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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 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 were able to 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 the Agra factory, and partly to an intimation from England that 3,000 or 4,000 pieces of ‘ambery 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 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 failure.


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 realized 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. However, the motive which prompted Fremlen, the chief of the Agra factory, to plan such an expedition to Patna, was twofold. First, he was trying to find a market for the quicksilver and vermillion ‘lying dead’ in Agra, and secondly, the Surat Council was looking for a fresh source of supply of coarse cotton goods for England. The glut of quicksilver and vermillion 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 realize 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’. 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 vermillion at Patna were not known, and that in any case 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

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84 Ibid., pp. 138-39.
85 Ibid., p. 138.
86 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 vermillion were worth Rs 4 and 4½ per seer at Patna, c.f., Peter Mundy, op.cit., Vol. 2, p. 138.
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 seventy-five days, of which forty to forty-five 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 ambery. 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 ambery, 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 September), 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 ambery 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 them 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, ambery or white coarse cloth was then dearer than usual, 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 equal that of Gujarat ‘which is now returning to its former estate, better known and allowed of both for goodness

37 Ibid., pp. 145-46.
38 Ibid., pp. 147-49.
and cheapness than this is'. As for the rest of the country's commodities such as raw silk, indigo, gumlac and saltpetre, they could be procured much better and cheaper elsewhere.\footnote{Ibid., p. 151.} 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 thieves'. 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 could be examined and premises considered.\footnote{Ibid., pp. 151-52.}

Meanwhile, under the direction of the President at Surat, the Masulipatam factors sent the ship \textit{Hopewell} to the Bay in July 1631, her ultimate destination being Pipli. But this voyage failed of its expected success mainly owing to bad weather, though it was held that it 'laid a good beginning to a future hopeful trade'.\footnote{O.C., nos. 1411, 1421, Vol. 13; E.F.I., 1630-33, pp. 183, 203.} Next year the ship \textit{Pearl} had been ordered to follow up the attempt made by \textit{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 Bengal trade. When Thomas Joyce was appointed to succeed Norris as Agent on the Coast, he was especially 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 \textit{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 setting up of a permanent factory or factories in Bengal.
Here we can well pause a little and try to answer the logical question: Why did the Company delay this action for so long, especially when the cheapness of wares in Bengal and the possibility of a large investment there were not unknown to it? 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 where 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 considerations. 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 consideration 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.

To resume 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 ‘Harssapoor’ (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. 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. Later on in that year Cartwright with two other Englishmen set out for Balasore. Meanwhile, the Swan arrived at Hariharpur and, finding no one there, proceeded towards Balasore where Cartwright had already established himself. It is clear from the letter of Thomas Joyce and Nathaniel Wychte at Masulipatam in 1634 that the English established their factory at Balasore in 1633. They reported that the settlement of the 'Bengala factory' was 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 per cent) 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 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 not only for trade with Europe but for the Persian 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

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. 2, 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, c.f. H. Yule, Hedges' Diary, Vol. 3, p. 194; Wilson, however, gives the date of establishment of Balasore factory as 1633, c.f., C.R. Wilson, op.cit., Vol. 1, p. 13.
cheap and suitable commodities for Macassar and Persia as for England. Silk could be bought in a large quantity, and also different commodities for Persia as ‘shashes’, ‘stuffs’, ‘alijahs’ and fine white cloth. So Bengal would enable the Company to carry on European trade as well as inter-Asiatic trade. Moreover, the English thought, though wrongly, that it would provide them with a good market for European commodities. 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.\textsuperscript{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 August 1633.\textsuperscript{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 was there too. 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’.\textsuperscript{47} Owing to these various difficulties, Cartwright could do no more than establish factories at Hariharpur and Balasore which remained 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 Hijli in 1636 and the consequent decay of Pipli, however, gave the English a fresh opportunity to develop the trade in Bengal.\textsuperscript{48} But the Company failed to take advantage of it. Despite repeated appeals to the Court of Committees to send out properly qualified

\textsuperscript{46} Bruton, \textit{op.cit.}, p. 26.
\textsuperscript{48} Master’s Diary, Vol. 2, p. 84.
factors and two or three 'pinances' such as the Dutch had, neither men nor boats ever came.⁴⁹

Even after the English had established their first independent station at Fort St. George in 1640—and a new impetus had thus been given to the Company's commerce—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 down 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 3 November 1642 deprecating its abandonment. He wrote:

I think Balasore with the adjacent places, 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 provided you double [the] stock [in] the Coast.⁵³

It should be noted 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 an 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 Olton was sent to manage business in Bengal with the assistance of two other factors. The Company's

⁵⁰ The debt of the English in Bengal exceeded Rs 8,000, *vide* E.F.I., 1637-41, p. XXXVI.
⁵² E.F.I., 1642-45, pp. XXVII, 126, f. n. 1; Master's Diary, Vol. 2, p. 84.
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.
stock in Bengal, however, at this period exceeded only a little over £ 2,000. 55

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 Naturally 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 at Hugli with acquisition of the Prince’s farman for free trade, was wholly referred to the said Captain’s discretion’. 58 The factors designed for Hugli were to proceed there in a hired vessel. The Lioness sailed on 28 August 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 Bridgman as chief, with two other factors,

to Hugli and drew up an instruction for their guidance. These instructions clearly indicated that the Company was mainly interested in procuring three commodities in Bengal, namely saltpetre, silk and sugar, but not so much at first 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 catering to the European demands than for the barter trade with the Spice Islands which was the main reason for early Dutch and English settlements on the eastern coast of India.

However, according to Brookhaven's instructions, the factors, after reaching Hugli and establishing a factory there, were to proceed to Rajmahal, the capital of Bengal. Then through the assistance of Gabriel Boughton, the English surgeon who was high in governor Shah Shuja's favour, they were to obtain a grant for special trading privileges. In the absence of any information regarding the proceedings of the Hugli factors, it may be assumed that these instructions were carried out. From various letters in the series known as 'Original Correspondence', it can be ascertained that the English established the Hugli factory in the beginning of 1651. 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. It was indeed the springboard from which the English penetrated further inland, established factories at Patna, Kasimbazar, Dacca and Malda, and in due course derived an extensive trade in Bengal.

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80 O.C., 2208, 2219, 2228, Vol. 22; O.C., 2360, Vol. 23; E.F.I., 1651-54, pp. 45, 63, 84.
CHAPTER 3

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 derive an extensive trade which resulted in a remarkable increase in the volume of English trade in Bengal. In the early years, of course, the English Company's investment was almost insignificant compared with that of the Dutch Company, whose extensive trade operations in Bengal dwarfed those of its 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 Though the statement was an obvious exaggeration as revealed by the trade figures of the two Companies, the fact remains that by the early eighties of the seventeenth century the English Company's investment in Bengal was not lagging far behind the Dutch Company's exports to Europe. Quantitatively, however, the English trade in Bengal was not yet very significant, though by the close of the century it was fast emerging as the most important branch of trade derived by the English Company in India. The main significance of the Bengal trade in the commercial 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 problem of securing

trading privileges vis-à-vis the Company's relations with the local rulers; second, the control and organization of factories as necessary prelude to expansion of trade; and third, 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.

I. Problem of Securing Trading Privileges and Relations with Local Rulers.

Most historians on the early annals of the English trade in Bengal maintain that the Company enjoyed the privilege of duty-free trade on the payment of Rs 3,000 only per annum. But this theory of customs-free trading privileges of the Company can now be exploded by the discovery of new evidence in the Company's archives. In fact, the Company had never enjoyed—by virtue of any imperial farman—such privileges in Bengal prior to 1717. The English claim of duty-free trade was only a myth, hardly based on any legal or valid imperial sanction behind it.

The problem of securing trading privileges, as the Company thought, was a formidable hindrance to the growth and development of its trade in Bengal. Hence from the beginning it tried to secure an invidious trading privilege giving it an obvious advantage in competition with other traders including the local merchants. It claimed that it obtained these differential privileges through various farmans, nishans or letters patent, and tried to maintain these privileges throughout the period. This, however, led often to disputes with local authorities who frequently challenged the authority and bona fides of those claiming such concessions—a common phenomenon which, in its turn, was in essence exploitative rather than an effort on the part of these 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 in 1686, but the settlement which followed the war saw the final consolidation of the Company and the steady growth of its trade in Bengal.

Historians have repeated, with varying degrees of reservation, the picturesque story according to which the concessions that
enabled the Company's servants to establish factories and to trade duty-free in Bengal were obtained through the magnanimity of a surgeon named Gabriel Boughton. He was high in the favour of Prince Shah Shuja for curing, first, an imperial princess and then one of the 'consorts' of the Prince who was then the subadar of Bengal. When offered a reward, Boughton declined to receive any personal remuneration but asked that in lieu thereof his countrymen might be granted the commercial privileges which they had long desired. There are various versions of the story which differ from one another in detail. 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 states that the concessions of free trade were 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 appears to be more accurate, and this is corroborated by the instructions to James Bridgman and other merchants whom Brookhaven was sending up from Balasore in December 1650 to establish a factory in Hugli. In these instructions, stress was laid upon the necessity of a farman from Shah Shuja for free 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. That the privileges granted by Shah Shuja were personal to Boughton and not general to the English, we know for certain from the traditional account of English privileges in Bengal, written in February 1685 allegedly by John Beard, the Company's Agent from October 1684 to August 1685. It was stated there:

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“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”. 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.

It is clear that the first nishan for the Company’s trade in Bengal was obtained by James Bridgman from Shah Shuja in August 1651 and it was founded upon a farman procured by Davidge from Shah Jahan a year earlier. The obvious meaning of the latter document was merely to free the Company from the payment of rahdaries or road-dues on the goods collected in Oudh, Agra, etc. and sent down to the western coast for shipment; it could 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, Bridgman succeeded, by giving a present of Rs 3,000, in obtaining a nishan from Shah Shuja which adopted the English contention that imperial farman had freed them from all duties in Bengal. The English factors reported: ‘...if it [the privilege] can be maintained in its full vigour will in short time quite [quit] the charges.’ In 1656 the English obtained another nishan from Shah Shuja, which confirmed the privileges enjoined in the previous one.

The Company’s chief concern was to establish exclusive and preferential privileges in the face of multiform bureaucratic exploitation. Hence much of its efforts was directed towards acquisition and extension of such privileges in order to secure an exclusive control of the local market. But the local potentates, often without any long-term interest in the region which they governed temporarily, and always desirous to maximize their

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immediate income, offered various hindrances to the exclusive enjoyment of those privileges by the Company. The general suggestion\textsuperscript{12} that these officials were eager to treat the foreign traders as ‘milch cows’ can hardly be accepted in its entirety, though this does not necessarily negate the exploitative nature of the former. There were several aspects which complicated the question of the 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, they 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 dastak, thus illegally securing exemption of duties for those goods. Moreover, one of the main causes of the conflict between the local officials and the Company was essentially trade rivalry where the former were backed by political power which they exercised indiscriminately. Most of these local potentates in the second half of the seventeenth century took an active part in both inland and overseas trade, and often tried to monopolize some sectors of the province’s trade, which the foreign Companies, themselves strongly monopolistic, tried to foil. Again, the trouble arose quite frequently owing to the ambiguity of the concessions which the rival parties interpreted in different ways to suit their respective interests.

The Company’s usual practice was to procure a parwana for customs-free trade from the reigning subadars in Bengal on the pretext that Shah Jahan’s farman—which, as the Company alleged, was lost and could not be produced—enjoined such a concession. Mir Jumla, on the representation of Jonathan Trevisa that the English goods were free from all duties by imperial farman, gave the Company a parwana in 1660 for duty-free trade.\textsuperscript{13} Similarly, in 1672 Shaista Khan confirmed the nishan of Shah Shuja enjoining the English freedom of trade.\textsuperscript{14} But

\textsuperscript{12} T. Raychaudhuri, op.cit., p. 16.

\textsuperscript{13} B.M. Addl. Mss., 24,039, f. 8; E.F.I., 1655-60, p. 416; O.C., Vol. 26, no. 2827.

when he left Bengal in 1677—only to come back again in 1679—the new nawab Fidai Khan and diwan Safi Khan altogether disregarded it. However, in 1678 the English procured fresh nishan from Prince Muhammed Azim who succeeded Fidai Khan as governor of Bengal. But the Company was not content with this practice, and considered it very expensive and troublesome to 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 it the freedom of trade. But it seems very doubtful whether the English Company had at any time during the period 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 an absolute freedom of trade in Bengal. It was specifically clear in its terms, and 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 foreign, were bound to pay it.

Even some of the Company’s factors doubted the alleged privilege of customs-free trade. In 1669 Joseph Hall, the chief of the Bālasore factory, wrote:

It’s wonder that after so many years’ 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 were willing to believe what the English affirm.15

Again, a passage in the Court Minutes of the English East India Company raises further doubts as to the bona fides of the concessions claimed by the English. According to this—submitted to the Court on 4 September 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 it gave the English ‘only a liberty to trade,

15 O.C., no. 3275, Vol. 30, 2 May 1669.
India Office Copy
(O. C. 4702, vol. 40)
of Aurangzeb's farman
which the English received in 1680. This appears to be the only attested copy available of the farman. That it was attested by Qazi Abdul Rahim of Hugli is evident from the accompanying seal.
paying Custom according to the King's farman but was altered and made to pay no Custom according to the King's farman.\textsuperscript{16} The position of the English regarding trade-privileges was perhaps best expressed by the author of the traditional account of their trade in Bengal who stated: '...we have had privileges continued from time to time... with much struggling and great bribes.'\textsuperscript{17}

However, the English succeeded in obtaining an imperial farman from Aurangzeb in 1680. But it was interpreted differently by the factors of the Company and the local officials. It is significant that the farman was particularly addressed 'to all present and future' governors of Surat. The Company's version of the relevant clause is 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, peshcash, farmaish\textsuperscript{18} and other matters by the Emperor's Court forbidden, nor make any demand in these particulars.\textsuperscript{19}

But this rendering into English made all the difference in the meaning of the farman. 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 and in

\textsuperscript{16} Court Book, Vol. 29, 4 Sept. 1674, f. 72; E.B. Sainsbury, ed., \textit{Court Minutes of the East India Company}, 1674-76, p. 81.

\textsuperscript{17} Fact. Records, Fort St. George, Vol. 30, f. 40; Orme Mss., O.V. 12, ff. 3-10.

\textsuperscript{18} rahdari—road dues; peshcash—tributes; farmaish—commission for goods.

\textsuperscript{19} The English version of the farman is to be found in Fact. Records, Fort St. George, Vol. 30, f. 38 and C.R. Wilson, \textit{op. cit.}, Vol. 1, pp. 78-79. I have been fortunate enough to discover a true copy of the farman, attested by Qazi Abdul Rahim, in the India Office Library, O.C., 4702, Vol. 40. There is another copy of the farman which varies in minute detail from the attested one in the British Museum. c.f. B.M. Addl. Mss., 24039, f. 28 recto.
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 the merchants of all other nations had to obey.20

Some factors of the Company were well aware of the real intention and meaning of the farman. Job Charnock wrote from Patna that the diwan alleged that the farman 'was for all goods carried to Surat and not to Bengal ports'.21 The traditional account of English privileges, written in 1683, states:

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 goes on to add that the next diwan Bulchand 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 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.22 Again, shortly after the receipt of the farman, the Dacca factors reported that it was 'not speaking very clearly as to that point [customs-free trade] without some adequate bribe given'.23 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...'.

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 Aurangzeb requiring the English to pay 3½ per cent customs on all goods exported from or imported to Bengal. The controversy and conflict regarding the privileges, however, dragged on until the outbreak of war in 1686.

The first open conflict between the English Company and the Mughals in Bengal occurred in the time of Mir Jumla who came to the province as subadar 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. But in Bengal he began to give trouble to the Company from the beginning on the pretext of demanding payment of customs. It seems that Mir Jumla's real intention was to monopolize 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 would require. The Company did not accept the offer. These extortionate demands of the local officials and their desire for monopolizing the local market were familiar phenomena in the seventeenth century trade history of India.

Though Mir Jumla, as noted earlier, granted a parwana for free trade of the English, 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 subadar was

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24 Rawl. A. 302, f. 207.
greatly incensed and demanded immediate reparation for the offence. He 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. 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’. The change of policy precipitated the conflict of the 1680s. 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 monopolize some sectors of the province’s trade. He attempted to monopolize the saltpetre trade and once even asked the English Company not to sell any imported goods or silver to anyone except him, at a price to be decided by his agents. However, he confirmed Shah Shuja’s nishan, but the order was very little observed in practice. During his temporary absence from Bengal (1677-79), the new nawab and diwan harassed the Company with consistent demand for customs duties for its exports and imports. By then, however, the Agents in Bengal and Surat were already urging the Directors to take recourse to arms and thus fortify their settlements and consolidate their trade in India.

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.

29 See infra.
‘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 the willing ears of the Company which in 1681, under the guidance of Sir Josiah Child as governor, 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 fortify 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 out of this country.\(^{32}\)

Though the Court of Directors raised objections\(^{33}\) 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 dwelt time and again on the subject of the acquisition of a fortified settlement.\(^{34}\) They obtained permission from James II to wage war on the Mughals\(^{35}\) and thus the conflict finally broke out in 1686. Though the supposed motive of the war was to retaliate against injuries

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\(^{32}\) Hedges’ Diary, Vol. 1, pp. 133-34, 161.

\(^{33}\) Briefly these are: (i) It would be too expensive. (ii) It would enrage the Mughal who in revenge might seize all the Company’s effects not only in Bengal but at Surat etc. (iii) The Dutch might join the Mughals against the English. (iv) 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. 240-41.


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 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. 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 directed 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, twenty-six 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 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’. However, while the negotiations were still continuing, Heath and Charnock with their men attacked Balasore and set sail to seize Chittagong

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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 February 1689.\footnote{For detailed account of the war preparations and the course of the war, see, Hedges’ Diary, Vol. 2, pp. 50-87; Wilson, Vol. 1, pp. 94-125; O.C., Vols. 46, 47, 48; D.B., Vols. 90-91; Rawl. A. 257, ff. 253-67.}

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.\footnote{O.C., 1 Feb. 1690, no. 5698, Vol. 48.} The emperor accepted the ‘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 paying only 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.\footnote{O.C., 5702, 5704, Vol. 48; Fact. Records, Calcutta, Vol. 1, pt. II, ff. 93-94; Fact. Records, Dacca, Vol. 1, pt. II, ff. 17-22.} 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.’\footnote{Fact. Records, Calcutta, Vol. 1, pt. II, f. 63.} 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 seventeenth century. The rebellion of Sobha Singh, a zamindar of Chandrakona in Midnapore, in 1696, joined later on by Rahim Khan, an Afghan chief of Orissa, shook, though temporarily, the Mughal authority in Bengal.\footnote{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. I, ff. 20-21, 38-42, 53-54, 58-59, 81, 83, 86-88; pt. II, ff. 3-4, 6, 10, 17, 23-24, 32, 35-36, 39, 55, 85.} 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'. 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. The Dutch, like the French at Chandernagore, had already fortified themselves at Chinsurah near Hugli taking advantage of the general permission to the Companies to fortify themselves. 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 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...

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'. However, the fortification was followed in 1698 by the purchase of the zamindari of the three villages—Sutanuti, Govindapore, and Calcutta—

43 O.C., 30 Sept. 1696, no. 6279, Vol. 52.
which gave the Company a definite revenue, regarded by Sir Josiah Child as a 'foundation of power'.

Despite the fortified settlement, the Company however could not secure its trade against occasional molestation by local officials in the early years of the eighteenth 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 responsible for these outrages and petitioned the emperor who was greatly incensed especially by the inroads into the pilgrim-traffic. The emperor issued a proclamation at the end of 1701 prohibiting the trade of the Europeans and ordering arrest of all of them. Accordingly there followed in Bengal a stoppage of all trade of the 'hatmen'. 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 62,900. The Old Company retaliated 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 waived the prohibition.

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

50 O.C., no. 7996, Vol. 64; Hedges' Diary, Vol. 2, pp. 105-6; Bruce, op.cit., Vol. 3, p. 506.
free upon paying three thousand rupees per annum. But still obstructions were put in the way of 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'.\textsuperscript{52} At last, however, Surman embassy which was sent to Farrukhshiyar was successful in procuring the much-desired farman in 1717.\textsuperscript{53}

It is difficult to subscribe to S. Bhattacharya's view that the farman of 1717 was the 'Magna Carta of the English trade' in Bengal.\textsuperscript{54} There is no denying that the farman, at least on paper, removed various obstacles to English trade—often raised by local authorities on the pretext of the absence of any valid farman for the alleged privileges claimed by the Company. The most significant gain for the English Company, it seems, was the grant of freedom of trade—sanctioned by an imperial farman—on payment of Rs 3,000 a year. No imperial farman had so far given the English any such freedom, though they enjoyed the privileges of duty-free trade by virtue of nishans or parwanas from the subadars, procured through bribes and presents. The farman is rather vague as to what kind of trade was exempted from customs duties. But the proper context and the spirit of the farman hardly leave any doubt that the exemption was only for the Company's export and import trade, and definitely not for either inland trade or private trade of the Company's servants.

It is equally too much to claim, as did S. Bhattacharya, that the 'freedom of the Company's servants from molestation, searches and oppressions, and the authority which the Company obtained over run-away debtors virtually conferred on them extra-territorial privileges'.\textsuperscript{55} Freedom of the Company's servants from 'molestation' and 'oppression', as Abdul Karim

\textsuperscript{52} Home Misc., Vol. 69, f. 184.
\textsuperscript{53} For Surman embassy, see, Home Misc., Vols. 69-71; Fact. Records, Misc., Vols. 19, 20. For the provisions of the farman, see, Home Misc., Vol. 69, ff. 130-31; S. Bhattacharya, The East India Company and the Economy of Bengal, p. 29; Abdul Karim, Murshid Quli Khan and his Times, pp. 166-67.
\textsuperscript{54} S. Bhattacharya, op. cit., p. 29.
\textsuperscript{55} Ibid., p. 29.
holds,\textsuperscript{56} is hardly a privilege and does not constitute an extra-
territorial right. So far as freedom from 'search' is concerned, nowhere in the \textit{farman} or the \textit{hash-ul-hukm},\textsuperscript{57} does the word exist. The Company was given authority over its run-away debtors but this applied to its servants only, not to the merchants and weavers who were not under Company's service. Reading between the lines of the \textit{farman} we find that it made a distinction between the merchant-weavers and the Company's servants. If the former became debtors, as the \textit{farman} stipulates, 'they pay the factors their due according to a just account', but if the debtors were Company's servants, they were to be handed over to the Company. Of course, it is true that the \textit{farman} made no distinction between the Company's native and European servants. But even then authority over the native servants was given to the Company only if the former became debtors. This is just a privilege, hardly an extra-territorial right, because in all other respects the native servants of the Company remained Mughal subjects, accountable to the Mughal authorities only.

\section*{II. Control and Organization of Factories}

Any study in the growth and development of the Company's trade is incomplete without an account of the methods of control and organization of different factories. Already by the early fifties, the Company had organized two factories in Bengal, namely in Hugli and Balasore, both of which were port towns. But as 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.\textsuperscript{58} Next year the factory at Patna was settled for the procurement of saltpetre.\textsuperscript{59} In 1668 another factory was established at Dacca.

In the early years of the sixties of the seventeenth 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

\textsuperscript{56} Abdul Karim, \textit{op. cit.}, p. 169.
\textsuperscript{57} Imperial Commands.
\textsuperscript{58} O.C., 2673, 2685, 2691, Vol. 25; Occasional agency seems to have been employed at Kasimbazar as early as 1653 or 1654, \textit{vide} O.C., 2435, Vol. 24.
\textsuperscript{59} O.C., 2690, 2691, Vol. 25.
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 should be discontinued since prices of taffetas were high there and little profit accrued from their sale in London. They also thought that permanent residence at Patna was unnecessary and that saltpetre could be procured by sending factors there in proper season.\(^{60}\) Next year they complained of the high prices of taffetas, sannoes and gingham\(^{s}\) sent from Bengal and that their sale in the London market hardly gave 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 procured in the Bay ‘having a whole stock, at least \(\frac{2}{3}\) left in the country’ after the despatch of Europe-bound ships.\(^{63}\)

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<td><strong>Sannoes</strong></td>
<td>6,000 pcs.</td>
<td>&quot;</td>
<td>80 per corge</td>
<td>24,000</td>
<td></td>
</tr>
<tr>
<td><strong>Cauris</strong></td>
<td>900 mds.</td>
<td>&quot;</td>
<td>10 per maund</td>
<td>9,000</td>
<td></td>
</tr>
</tbody>
</table>

\(^{60}\) D.B., 16 Dec. 1663, Vol. 86, f. 344.  
\(^{62}\) O.C., 1 Sept. 1669, no. 3069, Vol. 29.  
Hugli

_Cossaes_ 5,000 pcs. from Rs 4 to 8 per pc.  Rs 30,000
_Salamores or Sannoos_ 4,000 ,, ,, ,, 3 to 4 ,, ,, ,, 16,000
_Sannoos_ 5,000 ,, ,, ,, ,, ,, ,, ,, 20,000

Dacca

_Cossaes_ 8,000 pcs. from Rs 4 to 10 per pc.  Rs 56,000
_Sannoos_ 5,000 ,, ,, ,, 4 to 8 ,, ,, ,, 30,000
_Humhums_ 2,000 ,, ,, ,, 6 to 12 ,, ,, ,, 18,000

Kasimbazar

_Taffetas_ 1,000 pcs. at Rs 12 per pc.  Rs 12,000
_Superfine_ 5,000 ,, ,, ,, 9 ,, ,, ,, 45,000
_Do Fine_ 15,000 ,, ,, ,, 4 to 4½ ,, ,, ,, 67,500
_Silk_ Of ‘what fineness and quantity’ desired

Patna

_Saltpetre_ Twice boiled, 20,000 mds. with charges about Rs 2½ per maund  Rs 50,000

_Baftas, Amberties_ A large quantity

The main reason for the Court of Directors wanting to establish 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 broad-cloth and other English manufactures could be marketed 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

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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.
to pay for its increasing investment. So when the Court of Directors were 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.  

The 1660s 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 up to Balasore only. The English Company, unlike the Dutch, did not take the ships right up to Hugli for loading and unloading of cargoes. It procured all the export commodities at the various inland factories and brought those mostly through waterways to Hugli. These goods were then despatched in sloops to Balasore where the sea-bound ships were laden. Similarly, the commodities imported by the Company were trans-shipped at Balasore and were taken in small boats to Hugli from where they were distributed to various inland factories. Thus, up to the seventies of the century Hugli served mainly as an entrepot port. This caused unnecessary delay in the departure of ships and involved extra expenditure in the transport of cargoes to and from Balasore. Moreover, the small vessels used for the trans-shipment of goods were vulnerable to rough weather and were often lost in the course of the journey. 

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 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 on freight, now few or none, arising from the ill government of this place’. They suggested that if the ships from England would come into the Hugli river, these difficulties would ‘largely disappear’.

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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 up to Hugli, and accordingly she went only up to Balasore Road.\(^{69}\) The Court of Directors frequently urged the Bengal factors to see that the ships went up to Hugli instead of being discharged and reladen at Balasore and that thus their business in the Bay was ‘brought into some decorum’. As an inducement, they decided in 1663 to pay 10 shillings extra per ton 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 Dutch ships of 600 tons performed the feat of sailing up and down the river, one Captain Elliot offered 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 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 they could be prevented from carrying on private trade on a large scale at Balasore.\(^{72}\) In 1667 the Court built a small sixty-ton vessel, the Diligence, 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 they raised

\(^{69}\) O.C., 18 Jan. 1651, no. 2200, Vol. 22.


the offer to 20 shillings extra per ton over ordinary freight for all goods carried to Hugli.74

The renewed offers of the Company gave an added 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 more years to make the ships come right up to 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 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 go 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 in 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 Streynsham Master who was sent to Bengal to reorga-

nize 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 saw in this information a chance of carrying out the clause in his commission allowing him to purchase any goods suitable for the home markets and not hitherto imported to England.\(^{80}\) So 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 piece-goods usually made and added that there would be no difficulty in getting the local 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.\(^{82}\)

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\(^{80}\) Master's Diary, Vol. 1, pp. 204-16; D.B., Vol. 88, ff. 287, 295.


regards the settling of the factory, the Court of Directors 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. They 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 the Court 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 thereof 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 made in December 1679 when Master made Fytche Nedham the chief of the factory at Malda 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 in 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 in the lower reaches of the river made deep water channels and anchorage 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 other traders, such as the Dutch and French, sufficient to keep the trade running in Hugli. They tried to justify their withdrawal on the ground that the ‘factory and ground’ in Hugli were too small for them, that the passage up the river was difficult for the ships to navigate and that the proximity of the governor’s house to their factory was a source of constant trouble. However, in 1700 the Company made Fort William (i.e. Calcutta) the seat of a new Presidency independent of Madras and the Bengal trade was now pursued with a new vigour.

III. Expansion of Bengal Trade

After the establishment of the factory in Hugli in 1651, the factors of the Company began trade operations on a large scale. But as yet they were not well informed of the behaviour of the local markets and the commercial methods prevalent in the country. As Captain Brookhaven instructed James Bridgman 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.

At this time the Company was interested mainly in the procurement of saltpetre, silk and sugar, but not so much in piece-goods for export to Europe. Particular directions for investment in these commodities were also given, especially 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, if they were obliged to run 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. They were to invest the other

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half of their stock in the following manner: \( \frac{1}{6} \) in silk, \( \frac{1}{6} \) in sugar, \( \frac{1}{6} \) in cloth (especially sannaes and addaties). Soon the Company bought a country vessel of seventy tons, renamed it 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.\(^{89}\)

For some years in the early stage little benefit resulted to the Company from its Bengal trade mainly owing to the large amount of private trade carried on by its servants. However, its importance began to grow once the Company and its factors realized 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 realize the prospects of inter-Asiatic trade which would pay for the charges of maintaining factories in Bengal. They further worte 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’.\(^{90}\)

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

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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.\textsuperscript{91} In fact, Bridgman and his colleagues in Bengal were acting irregularly and dishonestly. When called to account, two of them, Bridgman and Blake, deserted the Company’s service without offering any explanation.\textsuperscript{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 December 1657, the Court of Directors made Bengal an agency independent of Fort St. George.\textsuperscript{93} At first all seemed to go well with the Company’s trade in Bengal. The factors wrote home:

\begin{quote}
Bengal is a rich province. Raw Silk is abundant. The taffities are various and fine. The saltpetre is cheap and of the best quality. The bullion and pagodas you have sent have 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.\textsuperscript{94}
\end{quote}

The stock furnished for investment also began to rise quite considerably. In 1658 it amounted to £23,000.\textsuperscript{95}

Throughout the sixties of the seventeenth century, the prospect of the Company’s trade in Bengal steadily brightened owing partly to the Company’s resolution to enlarge their operations in the Bay and partly to the growing demand for Bengal goods.

\textsuperscript{91} O.C., 18 Jan. 1654, no. 2360, f. 8, Vol. 23; Bruce, \textit{op.cit.}, Vol. 1, p. 485; Wilson, \textit{op.cit.}, Vol. 1, p. 28.
\textsuperscript{92} O.C., 10 Nov. 1656, no. 2579, Vol. 25; Wilson, \textit{op.cit.}, Vol. 1, p. 28; Hedges’ \textit{Diary, op.cit.}, Vol. 3, pp. 187-88.
\textsuperscript{93} D.B., 31 Dec. 1657, Vol. 84, f. 387.
\textsuperscript{94} Bruce, \textit{op.cit.}, Vol. 1, pp. 544, 550, 560; Wilson, \textit{op.cit.}, Vol. 1, p. 34.
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'.\(^9\) There was a steady increase in the inflow of stock for investment in Bengal. In 1662 the 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.\(^9\)

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'.\(^9\) The English factors were insisting on larger stock to keep the weavers and saltpetre-men in 'constant employment' as otherwise they would be lured away by the Dutch whose trade was yet much larger than that of the English.\(^9\) 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'.\(^10\) As to the want of stock and of 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.\(^10\)

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

\(^{9}\) Bruce, op.cit., Vol. 1, pp. 556-58.
\(^{9}\) Dutch Records, (India Office Library), Vol. 23 T, Letter No. 651.
\(^{9}\) O.C., 1 Sept. 1665, no. 3069, Vol. 29; 16 April 1669, no. 3265, Vol. 30; E.F.I., 1668-69, p. 315.
\(^{10}\) O.C., 12 April 1666, no. 3168, Vol. 29; E.F.I., 1665-67, pp. 257-58.
\(^{10}\) D.B., 7 Dec. 1669, Vol. 87, f. 303.
more and more on trade in India, especially the Bengal trade. There were, however, several 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’. 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 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. 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. On 28 June 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 ....

From 1678 to 1680 the stock sent to Bengal was on an average about £110,000 yearly.

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 Bay and yearly to increase therin’. In that year a vast stock was sent to Bengal amount-

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103 D.B., 29 Nov. 1670, Vol. 84, f. 404.
104 For interloping and private trade, see, Chapter 7, III.
ing to £ 150,000 which was ‘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. 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 taffies) than in any trade of India whatsoever’. In their letter of November 1681, the Court of Directors 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 up to the value of £ 100,000 to be invested only in raw silk. The total stock was to be distributed to the different factories in the following manner:

<table>
<thead>
<tr>
<th>Factory</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kasimbazar</td>
<td>140,000</td>
</tr>
<tr>
<td>Patna</td>
<td>14,500</td>
</tr>
<tr>
<td>Malda</td>
<td>15,000</td>
</tr>
<tr>
<td>Balasore</td>
<td>32,000</td>
</tr>
<tr>
<td>Dacca</td>
<td>16,500</td>
</tr>
<tr>
<td>Hugli</td>
<td>12,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>230,500</strong></td>
</tr>
</tbody>
</table>

And the remaining part of the stock was to be invested in raw silk at Kasimbazar.

The motive behind the enlargement of the Bay investment was also for obviating ‘the designs of the Interlopers and the Dutch’. 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

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110 D.B., 14 Nov. 1681, Vol. 89, ff. 394-95, 404, 419; Bengal was made a separate agency in July 1682 with the arrival of Agent Hedges, vide O.C., 4830, Vol. 42.
111 D.B., 18 Nov. 1681, Vol. 89, ff. 422-23.
much money at interest as they needed and to keep the weavers and saltpetre-men in ‘constant employment’ lest the latter be enticed by the Dutch or other merchants.\textsuperscript{113} The Company was well aware that a ‘double stock’ in any part of India was profitable, especially 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 estates and privileges from insolency of the governors or force of the Dutch’, and lack of fidelity and truth of the Chief and the Council.\textsuperscript{114} In 1686 the stock sent for Bengal was small. The reasons for so little stock, as the Court of Directors 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 a 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’.\textsuperscript{115}

The 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.\textsuperscript{116} In 1689 the Bombay Council 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’.\textsuperscript{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.\textsuperscript{118}

So it is obvious that the Bengal trade was extremely profitable

\textsuperscript{113} D.B., 6 Sept. 1682, Vol. 90, f. 35; 30 May 1683, Vol. 90, f. 159.
\textsuperscript{114} D.B., 21 Dec. 1683, Vol. 90, f. 246.
\textsuperscript{115} D.B., 14 Jan. 1686, Vol. 91, f. 32.
\textsuperscript{117} O.C., 4 Dec. 1689, no. 5686, Vol. 48.
\textsuperscript{118} D.B., 18 Feb. 1691, Vol. 92, f. 147.
to the Company. In 1698 the Court of Directors decided to send £200,000 to Bengal for investment in different commodities.\textsuperscript{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'.\textsuperscript{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.\textsuperscript{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 Godolphin in 1708-9.

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 eighteenth century. On an average the Old Company (as also after the amalgamation of the two Companies) invested over £200,000 yearly in Bengal commodities.\textsuperscript{122} Sometimes, of course, the Directors had to reduce tonnage and investment in Bengal owing to unfavourable circumstances in Europe or England. In 1706-7 the Company sent a smaller tonnage compared 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.\textsuperscript{123} An

\textsuperscript{119} D.B., 28 Oct. 1698, Vol. 93, f. 120.
\textsuperscript{120} For the circumstances leading to the birth of the new Company, see, Bruce, \textit{op.cit.}, Vol. 3, pp. 251-60; Wilson, \textit{op.cit.}, Vol. 1, pp. 151-52; Hunter, \textit{History of British India}, Vol. 2, pp. 306-10, 319-20.
\textsuperscript{121} For Norris Embassy, see, H. Das, \textit{The Norris Embassy to Aurangzeb}, 1699-1702.
\textsuperscript{122} D.B., Vol. 93, f. 311; Vol. 94, f. 447; Vol. 96, ff. 94, 253, 465, 652.
\textsuperscript{123} D.B., 18 Jan. 1706, Vol. 95, f. 512.
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

In the second decade of the eighteenth 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 table below would indicate the expansion of the Company's trade in Bengal and the emphasis given on this branch of trade as compared with that in Madras.125

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

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 outshaded that in either Madras

or Surat both in value and magnitude. As a matter of fact, right from the beginning of the eighteenth 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 seventeenth century failed to keep pace with the expansion of the English trade in the early eighteenth 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 4

BENGAL MERCHANTS AND COMMERCIAL ORGANIZATION

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 organization vis-à-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 thereby creating 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 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 organization 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, especially 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 the bargaining position of the Bengal merchants, especially their monopolistic designs, but in vain. Throughout the period the Bengal merchants maintained their credit and influence quite independently 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: (I) Bengal merchants and the English East India Company; (II) Bengal merchants’ overseas trade; (III) Some estimate of their wealth; and (IV) finally, our conclusions.

1. 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, with particular reference to their relations and transactions with the English East India Company. Every important merchant, it appears, had one main centre for his activities though he managed his commercial organization 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. Generally this investment at Balasore at this period consisted mainly of such piece-goods as sannoes, nilaees and ginghams, and occasionally, if cheap and of good quality, doreas and cossaees also. 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.' However, he still enjoyed in 1672 the title 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.

The Balasore merchants generally provided commodities for the Company's investment accepting payment half in European commodities and half in ready-money. But sometimes influential merchants would not provide goods for investment without advance in cash. Such a situation arose in 1673 when the financial position of the Company at Balasore was precarious throughout the year. On the one hand, the provision of cargo for an unusually large number of ships which had arrived at the end of the previous year had depleted the resources of the Balasore factory, on the other, on account of the Dutch war, no money was available on bills of exchange from the Dutch who usually provided funds.

2 The Company made an agreement with the Balasore merchants on 2 Oct. 1680 for the provision of 10,000 ginghams, 14,000 nilaees and 15,000 sannoes, vide Fact. Records, Balasore, Vol. 1, Consult. 2 Oct. 1680.
6 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. 2, p. 343.
to the English Company in this way. Khemchand was fully aware of the financial difficulties of the Company and 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.' However, the Company was finally able to barter some of the lead and broadcloth for piece-goods, but this resulted in a financial loss of about 20 per cent for the Company.

Khemchand was seldom subservient to the Company and maintained his position as a merchant and banker quite independent of the English. Stryensham Master, who was in Bengal during 1676-80 to reorganize 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'. He stated on 30 August 1676 that Khemchand was 'very high and indifferent whether he dealt with the Company or not'. 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 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 of the departure of the ships for Europe, and in default, to pay $\frac{1}{2}$ per cent 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.

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The contract was to remain in force during the Company's pleasure 'unless the merchants through their defaults shall cause a breach thereof'.

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 per cent of the Company's investment. Chintaman was next only to Khemchand in influence and credit providing 20 per cent of the investment. In the selection of other merchants for providing investment, both Khemchand and Chintaman, besides the chief of the factory, had 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 tried 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 exert their independence. In fact, they refused, to the surprise of the Company's factors, to stand security for three merchants since their affairs 'were esteemed desperate'. Again they declined 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:

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 them, was for persons not for all sorts of goods they were to provide, which, when they have better considered, we suppose, they will not be so scrupulous as you now represent.

The Hugli Council gave permission in 1678 to Khemchand:

and his fellow merchants to build a warehouse 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'.

Khemchand not only provided investment for the English but sometimes he used to purchase European wares 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—brought yearly by the English. He made this proposal to the Company 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. Khemchand, however, had to accept European commodities in part payment for the Company's investment and he used to sell these commodities in the inland marts, 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 to 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, especially when the latter were high officials of the state. In 1673, in order to avoid difficulties in financial transactions, the Hugli Council instructed Hall in Balasore that if Malik Qasem, then faujdar of Balasore, wanted to buy guns from the Company he must pay cash, or

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36 In 1677 the Kasimbazar Diary noted that Khemchand used to send European goods there for sale through his gomastas, vide Fact. Records, Kasimbazar, Vol. 1, Diary, 18 Sept. 1677.
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. 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 governor except through the brokers and finally transacted the business through Khemchand and Chintaman. In the same year, in regard to a dispute with the Dutch concerning a house and a piece of ground at Balasore, the factors were directed to get the ‘quanungo’s chaup’, if necessary, by means of Khemchand or Kalyan Ray.

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, despite 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...’ The Balasore merchants were shrewd enough to realize 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 enjoined on Balasore may be much retrenched, if not wholly lost, those people appearing resolute at this pinch of time as well knowing our necessity of taking their goods, we judged best to give order...’

The Company’s investment at Balasore for 1681, mainly in nilaes, ginghams and sannoes, amounted to Rs 138,000.

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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. II, f. 21; O.C., 17 June 1682, no. 4823, Vol. 42.
An advance of Rs 25,000 was paid to the merchants and distributed among them according to their respective shares in the following manner:

<table>
<thead>
<tr>
<th>Name</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khemchand</td>
<td>Rs 12,000</td>
</tr>
<tr>
<td>Nimdas</td>
<td>1,255</td>
</tr>
<tr>
<td>Hira Shah</td>
<td>828</td>
</tr>
<tr>
<td>Gokulchand</td>
<td>1,875</td>
</tr>
<tr>
<td>Rajaram</td>
<td>2,175</td>
</tr>
<tr>
<td>Syed Nyamatullah</td>
<td>875</td>
</tr>
<tr>
<td>Enayet Khan</td>
<td>875</td>
</tr>
<tr>
<td>Yusuf Khan</td>
<td>725</td>
</tr>
<tr>
<td>Gangaram</td>
<td>1,656</td>
</tr>
<tr>
<td>Shibram</td>
<td>575</td>
</tr>
<tr>
<td>Bihary</td>
<td>575</td>
</tr>
<tr>
<td>Nilu Shah</td>
<td>575</td>
</tr>
<tr>
<td>Bhikary Shah</td>
<td>1,011</td>
</tr>
</tbody>
</table>

Rs 25,000

It is clear from the above list that Khemchand was still by far the most influential merchant at Balasore providing 48 per cent 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 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 to that of Khemchand.

Chintaman Shah, who was even in 1679 referred to as ‘one of the Company’s chief merchants’, received a severe reprimand in July 1680 from the Hugli Council for ‘boggling’ about a debt he owed to the Company. 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

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says), and his engagement with Nawab Rashid Khan. The Balasore Consultation of 21 June 1681 states that the Hugli Council gave ‘express order’ not to employ Chintaman any more as he was acting for the nawab. This seems a curious and trivial 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 the Company could hardly be considered serious, since it stood in the Company’s book at Rs 5,729-3-4 only. 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. As security for his debt, Chintaman too gave an obligation for Rs 5,000 owing to him by the factor of the King of Siam, the interest of which stood at about Rs 600. The Hugli Council left the whole matter to the Balasore factors ‘who seemed willing to give another imprest to Chintaman’. It is interesting to note that the Company at this time began to realize 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’. In 1681 the Hugli Council resolved that

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.
the best way of providing the investment at Balasore was not by 'these great merchants'. 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.', the Balasore factors entered into a contract on 27 September 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:

<table>
<thead>
<tr>
<th>Merchant</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewadas</td>
<td>5,500</td>
</tr>
<tr>
<td>Bulchand</td>
<td>3,500</td>
</tr>
<tr>
<td>Shyamdas</td>
<td>5,750</td>
</tr>
<tr>
<td>Abhiram</td>
<td>5,250</td>
</tr>
</tbody>
</table>

Total: Rs 20,000

The Hugli Council was glad that 'Rewadass & Company' agreed to supply goods at a more reasonable rate than that of Khemchand and his fellow merchants. This belied the apprehension of the Balasore factors that the merchants there were too much afraid of Khemchand to enter into a separate contract with the Company. However, it did not diminish in any way the influence and position of 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 apportioned by the Hugli Council in the following manner: Khemchand and Chintaman Rs 55,000 (Chintaman Rs 20,000), Rewadas Mahato and Mahmud Hussain Rs 37,500, Rajaram Das Rs 21,000, Hira Shah Rs 20,000 and the rest among 13 other merchants. Khemchand immediately declared that he would not accept any share in the investment unless it was in 'proportion to his

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The late title of chief merchant and that he would receive no ‘impress’ money nor make any provision of goods for the Company. 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’. The factors at Balasore were not happy with the decision of the Hugli 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 one lakh of rupees 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’.

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 stigmatized 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’. As such, it appears, he was replaced by Chintaman Shah as the Company’s chief merchant. Chintaman began to gain the 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\(\frac{1}{2}\) to 1\(\frac{3}{4}\) per cent p.m.). In March 1684 the Company procured bills of exchange

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40 O.C., 14 July 1682, no. 4829, Vol. 42.
from both Khemchand and Chintaman, in each case amounting to Rs 8,500.\textsuperscript{43}

Both Khemchand and Chintaman Shah had regular transactions with the interlopers who visited Balasore during this period, despite 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'.\textsuperscript{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 old masters by whose employment they have most of them got their estates'.\textsuperscript{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'.\textsuperscript{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 \textit{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.\textsuperscript{47}


\textsuperscript{44} Fact. Records, Balasore, Vol. 1, Diary & Consul., 2 Oct. 1680.

\textsuperscript{45} O.C., 2 May 1683, no. 4941, Vol. 43.

\textsuperscript{46} O.C., 30 May 1683, no. 4947, Vol. 43.

Despite the avowed disapproval of the Company of the activities of Khemchand and Chintaman, 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 with whom these merchants had great influence. 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 placate Malik Burcooordar, the faujdar of Hugli, who, it seems, was annoyed 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'.

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 1687 and the Company took summary proceedings against his partner and colleague, Chintaman Shah, in view of doubts about his solvency. Chintaman was alleged to be considerably indebted to the Company, and as there was little likelihood of otherwise recovering his debt, the Company decided to seize his ships. Accordingly, when a ship arrived in November 1686, of which Chintaman was a part owner with Khemchand, Captain Nicholson seized it. The Balasore factors wrote in 1687 that Chintaman was not 'worth anything'. 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. In the same year, at least two of his ships sailed on trading voyages to Tenasserim and the Maldives. Even in 1695 his ship Fatechund 'burthen 10,000 mds.' sailed for the Maldives. 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)

48 O.C., 2 April 1685, no. 5355, Vol. 45; 9 May 1685, no. 5378, Vol. 45.
53 Fact. Records, Calcutta, Vol. 1, pt. II, ff. 31, 36; One of these ships was named Jagannathprosad.
on his ship which came from the Maldives with Rs 16,000 worth of cauris 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 in 1686 was much more than the debt he owed. However, the Company found 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 European wares from the Company and also providing investment for Europe. In 1679 the Company made a contract with him for 6,000 pieces 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 thirteen chests of treasure (eleven chests of fine bar silver and two 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. He traded on his own account as 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 a considerable sum of money for raw silk and even endeavoured to entice away some of the Company’s pikars.\(^59\) In the same year they reported that the pikars demanded unreasonable prices and two of their ring leaders, Chaturmal and Govindaji, in collusion with Mathuradas, succeeded in luring away a great number of pikars who promised not to deal with the Company and pay a penalty of Rs 1,000 in case of any breach therein. Mathuradas offered these pikars, as the factors reported, ‘a great price’.\(^60\) The Court directed the Bengal Council to free itself from the monopolizing clutches of Mathuradas and others by forming a joint stock of a hundred merchants but the Company failed to organize such a society 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.\(^62\) It was further displeased with him when he was found very ‘importunate’ in getting back from it his principal of Rs 14,000 with interest.

Consequently, 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 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 in future he persisted 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. 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 a year to the King's treasury could hardly be turned out of the country. The Company also soon realized 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 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 per cent 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 make him to provide goods, altogether so cheaply as it could by giving out money in advance to pikars. 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 per cent commission if he would provide sufficient commodities for the Company. In August 1693 Mathuradas visited the Sutanuti factory and undertook to provide commodities worth more than one lakh of rupees with his own capital. Later in that year the Court

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46 Fact. Records, Calcutta, Vol. 9, pt. I, f. 150. As the Hindus generally paid 5 per cent as customs during the period, the value of Mathuradas's 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 four lakhs of rupees.
48 O.C., 19 Aug. 1693, no. 5886, Letter no. 22, Vol. 50
directed the Bengal Council to ask Mathuradas to provide as much raw silk as he could, allowing him 'competent profit to his content', it (silk) being 'the very best commodity that could be sent from India'.

Apart from Mathuradas's monopolistic designs, the great concern to the Company was his dealings with the interlopers and the French who frequented Bengal during this period. He had regular business transactions with the French Company. The French factors at Chandernagore wrote in 1700 that Mathuradas and his brother Ballabdas were 'the most considerable merchants in Ougly' and 'who have supplied us more than all the other together since we came to Bengal'. 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 in Bengal as is evident from the Court's letter in 1693: '... no Interlopers, if they could [i.e. 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. Mathuradas was a typically shrewd merchant, even ready to go back on his words when there was a chance of a greater profit. The Bengal 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.

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

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71 D.B., 10 April 1693, Vol. 92, f. 256.
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. 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 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, that we would always keep his hands employed and be concerned with him so far as he could...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 in all their designs....

74 The Company claimed in 1697 that it gave him 'all assistance in our power which was not a little serviceable to him in the 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. II, f. 51. The trouble referred to here was probably caused by Mathuradas's transactions with Sobha Singh who rebelled against the Mughals in 1696.
he is a person whose convetousness 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 17,000. 76 The Court of Directors advised the Bengal Council in 1696 that in spite 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 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

It might be asked here why Mathuradas was suddenly considered so indispensable to the Company after all the disparaging remarks made about him earlier. The obvious answer is that the Company knew that he was a merchant of very large credit and influence who could assist it not only in providing investment for Europe but also supplying money at low rates of interest. In 1696 the Court wrote to the Bengal Council: ‘If your stock should fall short, we may reasonably expect that Mathuradas... should be willing to assist you at moderate interest, we being well assured he can have credit of the great men in Dacca at 4 per cent per annum’. 78 Perhaps this was why the Company could not get rid of him. He even attempted to monopolize the sale of some of the European commodities imported to Bengal. Many 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 two lakhs of rupees but ultimately abandoned it, fearing exactions from the nawab. 79

But the Company was gradually becoming more concerned

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75 O.C., 14 Dec. 1694, no. 5949, Vol. 50.
77 D.B., 14 May 1696, Vol. 92, f. 494.
78 D.B., 14 May 1696, Vol. 92, f. 495.
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 eminent merchants, Udaycharan and Gokulchand, refused to accept the Company's dadni or advance, unless his two compatriots, Nayansook and Prananath (who were debtors to the Company), were reinstated as merchants to the Company, and Golap Ray (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 imperst money.\textsuperscript{80}

The Company, however, did not comply with his demands and when the Bengal Council found that he had made no application for dadni, divided the 'impest' money 'designed for him' to the amount of Rs 250,000 among other merchants.\textsuperscript{81} But soon Mathuradas reconciled himself with the Company and received dadni for the investment amounting to Rs 100,000.\textsuperscript{82} In 1700 Mathuradas seemed to have been assisting the New Company more actively and stood security for it for the payment of customs if it failed to procure the emperor's farman for free trade in Bengal.\textsuperscript{83} Early in 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'.\textsuperscript{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 up to pick 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


\textsuperscript{83} Records of Fort St. George, Letters to Fort St. George, 1699-1700, p. 42.

years would be brought to as low an ebb as he was on Captain Dorill's arrival'. In that very year in which this letter was written he was turned out of the New Company's service, and he and his brother Ballabdas were replaced by Jay Krishna as broker. But this apparently did not hamper the trading activities of Mathuradas's firm. With his brother, two sons—Bithaldas and Dwarakadas—and two other friends, Paran and Gossainiram, he traded considerably, maintaining gomastas in all the 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.'

Mathuradas's real crisis and actual ruin came not from the withdrawal 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'.

Among the Kasimbazar merchants, the two most influential ones were Sukanand Shah and Chaturmal Shah. Both of them,

87 D.B., 26 Feb. 1703, Vol. 95, f. 58.
88 O.C., 28 Dec. 1705, no. 8416, Vol. 68; 29 Dec. 1706, no. 8408, ff. 27, 56-57, Vol. 68. The French factors wrote in 1703: 'Moutra Das and Volapadas, the most considerable merchants of this region... on whom we used to rely for any need are as embarrassed as we are... have entered the service of the King where they have lost considerably... the older of these two is detained by the Dewan for the arrears which he is not in a position to pay.' Quoted in Indrani Ray, op. cit., Indian Economic and Social History Review, March 1971, pp. 53-54.
it appears, were mainly *shroffs* or bankers, though, more frequently than not, they traded in other 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 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 him 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.\(^{89}\) That he was a great *shroff* on whom the Company relied considerably is evident from a Kasimbazar letter: ‘We finding no market for our treasure unless dispose of it under rate 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, especially of European goods imported to Bengal. In 1677 he proposed to buy all the broadcloth and silver brought by the Company yearly to Bengal. 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

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to buy all the silver. As late as 1680, a few days before his
death, he again made an offer for the same but in vain.\textsuperscript{91}

Chaturmal was another eminent \emph{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 Rajmahal.
He had an efficient \emph{gomasta} there whose help was frequently sought
by the Company.\textsuperscript{92} His son Domurmal and several \emph{gomastas} like
Udaychand and Fatechand 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 profit-
able.\textsuperscript{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
Chaturmal and Mathuradas were the ring-leaders who incited the
silk \emph{pikars} 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 power were of great concern to 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—as we have seen earlier—had to submit to
their terms. These were definitely not isolated instances. Even as
late as 1702, the Company had to yield to the pressure of the
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 con-
tracted with Khoja Surhaud Israel who offered thirty eight
thousand rupees ‘to have the whole ship for the voyage’.\textsuperscript{94}

1677; Fact. Records, Kasimbazar, Vol. 1, Diary & Consult., 28 May,

\textsuperscript{92} Fact. Records, Hugli, Vol. 6, pt. II, f. 154; Fact. Records, Kasimbazar,

\textsuperscript{93} Fact. Records, Kasimbazar, Vol. 1, Diary & Consult., 13 Aug. 1677;
5 Jan., 18 Jan. 1678.

\textsuperscript{94} Fact. Records, Calcutta, Vol. 4, f. 18.

Khoja Surhaud Israel was one of the most influential Armenian merchants
in Bengal during the nineties of the seventeenth and early part of the
eighteenth centuries, trading extensively on his own account, as also
The Company, however, tried to break such rings and the bargaining position of the Bengal merchants, especially 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 incurring any bad debt; secondly, it would make it easier to dispose of European 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 happened quite frequently), the joint stock merchants would provide goods with their own capital.

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 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. 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 organized in Pudicat some time earlier.

In Bengal, however, the Company failed to organize a joint stock.


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

It is interesting to note the different observations on the question of forming a joint stock coming 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.
It may well be asked why the Company failed in Bengal when it could organize 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 may be noted that in Madras too, there was considerable apathy among the big merchants towards joining a joint stock; and it was only by offering Pedda Yenkatadry the post of the first and chief merchant and giving twenty-five out of hundred shares to the ‘Company’ of Yenkatadry and Cussa Muddo Verona, while seven other chief merchants had only $2\frac{1}{4}$ shares each, that the Company succeeded. 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 organize them into a joint stock. But the position in Bengal was quite different. There were too many big merchants like Khemchand, Chintaman and Mathuradas who could easily defy the Company and carry on their own business, which Yenkatadry 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 anywhere else. In Surat, too, though the investment was not as big as that in Bengal, the Company did not, or perhaps could not, organize a joint stock of merchants. In the beginning of the eighteenth century, however, the Bengal Agency wrote to the Court that a joint stock of merchants would not work to the benefit of the Company in Bengal.

The reasons for such assertion, however, cannot be traced in the records of the Company.

our old or new petersmen to it, we know 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.


100 D.B., 5 March 1702, Vol. 93, f. 542.
II. Overseas Trade of the Bengal Merchants

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 European Companies. In fact, the merchants of Bengal had a long-established tradition in overseas trade and they kept it alive throughout the seventeenth century. The Portuguese traveller, Barbosa, found in the beginning of the sixteenth century many merchants in the ‘port of Bengal’ who owned ships and traded to Malabar, Cambay, Pegu, Tenasserim, Sumatra, Ceylon and Malacca.101 At the end of the fifteenth 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

Early in the seventeenth century, Pyrard de Laval found Bengal merchants in the Islands of Maldives and named one Muhammed ‘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 twelve or thirteen 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 the twelve Muslim ships to Achin, four 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

102 M.A.P. Meilink Roelofz, op.cit., p. 3.
103 H.L. Chablan, The Economic Condition of India during the Sixteenth Century, p. 60.
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.
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. 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 inaccurate 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

<table>
<thead>
<tr>
<th>Owner</th>
<th>Arriving from</th>
<th>Imports</th>
<th>Date of Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khemchand</td>
<td>Tenasserim</td>
<td>21 elephants</td>
<td>20 March 1680</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Tenasserim</td>
<td>elephants</td>
<td>29 Jan. 1684</td>
</tr>
<tr>
<td>Khemchand</td>
<td></td>
<td></td>
<td>29 Jan. 1684</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Tenasserim</td>
<td>elephants</td>
<td>5 Feb. 1684</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Achin</td>
<td></td>
<td>21 March 1684</td>
</tr>
<tr>
<td>Khemchand &amp; Chintaman</td>
<td>Cochin China</td>
<td>elephants, <em>cauris</em>, cloves</td>
<td>1 April 1684</td>
</tr>
<tr>
<td>Khemchand &amp; Chintaman</td>
<td>Tenasserim</td>
<td>elephants</td>
<td>5 May 1684</td>
</tr>
<tr>
<td>Chintaman</td>
<td>‘Coringo’ (?)</td>
<td>elephants</td>
<td>6 May 1684</td>
</tr>
<tr>
<td>Khemchand &amp; Chintaman</td>
<td></td>
<td></td>
<td>15 Nov. 1686</td>
</tr>
</tbody>
</table>

¹⁰⁹ The list is prepared from the Diaries of various dates in the Fact. Records, Balasore, Vol. 1.
<table>
<thead>
<tr>
<th>Owner</th>
<th>Destination</th>
<th>Commodities</th>
<th>Sailing Date</th>
<th>Name of Ships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khemchand</td>
<td>Tenasserim</td>
<td>200 mds. ghee, 100 mds. oil, piece-goods.</td>
<td>7 Jan. 1682</td>
<td>Guruprosad</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle (Ceylon)</td>
<td>500 mds. rice, piece-goods.</td>
<td>28 Jan. 1682</td>
<td>Bhagabatprosad</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>1,000 mds. rice, piece-goods.</td>
<td>4 Feb. 1682</td>
<td>&quot;Mosiaheddy&quot;</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Jaffnapatam</td>
<td>700 mds. rice, 10 mds. cummin, 100 mds. long pepper, 4 mds. opium, 50 mds. peas, piece-goods.</td>
<td>25 Feb. 1682</td>
<td>Krishnaprosad</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>1,400 mds. rice, piece-goods.</td>
<td>21 Feb. 1683</td>
<td>Bhagabatprosad</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Maldives</td>
<td>600 mds. rice, 50 mds. butter, 325 piece-goods.</td>
<td>25 Feb. 1683</td>
<td>Keshari</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>7,000 mds. rice, 5 mds. candy sugar, piece-goods.</td>
<td>3 Mar. 1683</td>
<td>&quot;Moemeddy&quot;</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Maldives</td>
<td>5,500 mds. rice, 50 mds. oil, 50 mds. butter, 800 piece-goods.</td>
<td>18 Feb. 1684</td>
<td>—</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Galle</td>
<td>600 mds. rice, piece-goods.</td>
<td>21 Feb. 1684</td>
<td>—</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>13,000 mds. rice, 400 mds. sugar, 20 mds. candy sugar, 2,200 piece-goods.</td>
<td>9 Mar. 1684</td>
<td>—</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Achin</td>
<td>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.</td>
<td>9 Mar. 1684</td>
<td>—</td>
</tr>
</tbody>
</table>
## B. INBOUND SHIPS

<table>
<thead>
<tr>
<th>Owner</th>
<th>Arriving from</th>
<th>Commodities</th>
<th>Date of Entry</th>
<th>Name of Ships,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khemchand</td>
<td>Tenasserim</td>
<td>22 elephants, 50 mds. staff copper, 40 mds. spelter, 90 mds. tin, 2 casks of porcelain.</td>
<td>6 May 1682</td>
<td>Guruprosad</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>7 elephants, 40 mds. <em>arrack</em>, 12 lbs. nutmeg.</td>
<td>10 Aug. 1682</td>
<td>Bhagabatprosad</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>11 elephants, 225 mds. <em>arrack</em>, 2,000 coconuts, 800 ‘cahan’ <em>cauris</em>.</td>
<td>12 Sept. 1682</td>
<td>‘Mosiaheddy’</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Jaffnapatam</td>
<td>5 elephants, 4000 <em>cauris</em>, 1 md. nutmeg, ½ md. mace, 1½ md. cinnamon.</td>
<td>21 Sept. 1682</td>
<td>Prosad</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Tenasserim</td>
<td>19 elephants, 50 mds. tin.</td>
<td>11 May. 1683</td>
<td>—</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Maldives</td>
<td>1,800 ‘cahan’ <em>cauris</em>, 500 coconuts.</td>
<td>1 Sept. 1683</td>
<td>—</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Galle</td>
<td>14 elephants, 1,000 ‘cahan’ <em>cauris</em>, 200 mds. <em>arrack</em>, 10 mds. cinnamon, 8 mds. nutmeg.</td>
<td>1 Oct. 1683</td>
<td>—</td>
</tr>
<tr>
<td>Chintaman</td>
<td>Galle</td>
<td>9 elephants, 750 mds. <em>arrack</em>, 36,000 <em>cauris</em>.</td>
<td>March 1685</td>
<td>—</td>
</tr>
<tr>
<td>Khemchand</td>
<td>Achin</td>
<td>22 elephants, 18 seers gold.</td>
<td>May 1685</td>
<td>—</td>
</tr>
</tbody>
</table>

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The two tables, especially the second, help us to form a fairly good idea of the direction and composition of the overseas 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 Galle in Ceylon, though he traded at the same time with Tenasserim and Achin also. Chintaman was more concerned with the Islands of Maldives, though his trading vessels went also to Jaffnapatam and Galle. 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 elephants. No ship of these merchants came home without them. Obviously, elephants were quite a profitable commodity for sale to the *nawabs*, *zamindars* and other high officials of the State. Other items of import consisted of tin, *cauris*, cinnamon, copper, nutmeg, spelter, *arack*, 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 because of 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 the Bengal-Surat trade was a monopoly of the Surat merchants. Out of ten indigenous ships that sailed from Bengal for Surat between December 1681 and January 1684, all except one (which belonged to Zulfikar Khan, the Siamese King's *gomasta* in Bengal) belonged to Surat merchants and not a single one to Bengali merchants.⁹¹ 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.⁹²

Except for Mathuradas, we do not have any evidence of other Bengal merchants' overseas 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

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scale. As early as 1683 his gomasta at Patna, Ramdas, was reported to have been procuring goods for a ship intending to sail for Surat. In 1700 a ship belonging to him was captured by the Portuguese for want of a pass and taken to Goa. It seems Thomas Pitt, who was then governor of Fort St. George, assisted him in his overseas trading ventures. Sometimes he freighted English ships, as in 1702, together with Armenian merchants for commercial voyages to Surat. But it is quite certain that his activities in the external trade of the country were 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 seventeenth 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 monopolize 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. 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. The Dutch Company refused many applications made by ‘governor Jaffer’ in 1654 for Muslim vessels wanting passes to Khedda, Colombo and Cochin. However, it was ultimately obliged to grant two passes for two of the nawab’s vessels to Tenasserim and Achin, and one for the faujdar’s to the Islands of Maldives. 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. Again, in 1656 the faujdar of Hugli appealed for a pass for his vessel to Colombo and Shah Shuja had asked for three passes.

113 Fact, Records, Hugli, Vol. 9, f. 151.
116 T. Raychaudhuri, op. cit., p. 76.
117 O.C., 8 May 1651, no. 2219, Vol. 22; E.F.I., 1651-54, p. 63.
118 Translation of Dutch Records, Vol. 18T, no. 550. 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.
for Colombo, Cochin and Jaffnapatam. But all these requests were politely refused because of Shah Shuja's attempt to monopolize some sectors of the province's external trade. The Dutch Company similarly refused a request for the services of one of its 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 the ships of the two Balasore merchants, all the others belonged to the members of the ruling class. Buzurg Umid Khan, the nawab of Patna, sent between December 1681 and December 1683 four ships to Tenasserim, Galle and Siam with different merchandise. Malik Qasem, the faujdar of Hugli (for some time also of Balasore), despatched four ships between January 1682 and January 1683 to Tenasserim, Galle and the Islands of Maldives (2). Between January 1682 and March 1684, four ships of Nawab Nurullah Khan of Orissa traded to Pegu and the Maldives. Even Nawab Shaista Khan, the subadar of Bengal, was actively engaged in this branch of Bengal's overseas trade. In January 1682 one of his ships sailed for the Islands of Maldives and another for Tenasserim. Nasib Khan, the shahbandar of Balasore, who was referred to by Bowrey as an eminent merchant,\(^ {120}\) sent between January 1682 and January 1683 two ships to the Islands of Maldives and one to Tenasserim. The next shahbandar, Shuja Khan, was equally interested in overseas trade and sent four ships between January 1683 and February 1684 to the Islands of Maldives (2), Achin and Galle.\(^ {121}\)

Though the evidence cited above is fragmentary in nature, nevertheless 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 voyages of

\(^{119}\) Ibid., Vol. 18T, no. 550. 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. 1, No. 3, 1964.

\(^{120}\) Bowrey, op.cit., p. 74.

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 formed 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 eleven bales of goods in one of the English Company’s ships.124 Malik Qasem, the 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 Muhammed, an agent of Malik Qasem, made a trip to Gomboon in one of the English ships with sugar and other commodities vendible there. 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 maunds, arrack 2 chests and 8 sheep. The Company brought all these commodities, except the horses, freight free and assisted Malik Qasem’s agent with money in Gomboon, as it expected to gain ‘a profitable influence in Hugli out of it’.126 In 1687 the English captured a Spanish ship carrying a considerable quantity of goods belonging to the nawab of

123 Bowrey, op.cit., p. 74.
124 E.F.I., 1651-54, p. 188.
125 E.F.I., new series, Vol. 2; p. 345.
126 Records of Fort St. George, Diary & Consultation Book, 1672-78, pp. 43-44.
Cuttack from Tenasserim. It seems that from the nineties of the seventeenth 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 and Khoja Surhaud Israel used to freight Company’s ships for such ventures.

III. Wealth of the Bengal Merchants

It is not possible to give a precise idea of the wealth or working capital of the Bengal merchants, owing 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 rather unscientific. Yet it may be possible to have a 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 sometimes mulcted of quite substantial sums by the greedy and oppressive faujdars of Balasore or nawabs of Orissa.

As early as 1672 Safsi Khan, the governor of Orissa, arrested Khemchand who accompanied Boremull (Puranmall?) and two other merchants, Hari Charan and Jairaj Shah, to the nawab to obtain a parwana for the English. The nawab imprisoned Khemchand without any serious charge against him, and it seems, only to extract some money from him. Khemchand had to buy his release by giving security to pay Rs 10,000 in seventeen days and Rs 20,000 in three months. 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.\textsuperscript{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 one lakh of rupees 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 suffered (referring to the robbery of Rs 1,500,000 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 declared that he was well satisfied now that the report of Khemchand’s wealth was not untrue. After many apologies, and after feasting the nawab’s courtiers, he got off by paying Rs 50,000\textsuperscript{130} to the nawab.

If we believe Bowrey, it is any one’s guess how wealthy Khemchand was, for he could part with fifty thousand rupees in cash to satisfy the nawab and spend fifteen lakhs of rupees in one daughter’s marriage alone when he had several other children to provide for. It must be borne in mind that the expenses incurred on the above accounts did not hamper his normal activities either in inland trade or overseas ventures. 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’.\textsuperscript{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 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.\textsuperscript{132} In 1699 the share of the investment designed for Mathuradas by the Company amounted to Rs 250,000.\textsuperscript{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 contracted with the Company to supply goods worth Rs 250,000,\textsuperscript{134} though his main trade was independent of his contracts with the Company. Janardan Seth, who was the Company’s broker at Calcutta, was reported to be worth several lakhs of rupees.\textsuperscript{135}

IV. Conclusion

It may rightly be concluded on the basis of evidence adduced and discussion made earlier that the Bengal merchants throughout the period held fast to their traditional organization, 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 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 the type of 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’.\textsuperscript{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 from motives of profit and hence the rate could not be less than the current rate of interest which was roughly 15 to 20 per cent during the period under study. So it seems likely that the rate of net profit was at least 25 to 30 per cent, if not more. We find the *faujdar* of Hugli once borrowed three lakhs of rupees at 25

\textsuperscript{132} Fact. Records, Hugli, Vol. 10, ff. 119.
\textsuperscript{135} D.B., 13 Jan. 1714, Vol. 98, f. 196.
\textsuperscript{136} Quoted by Lucy S. Sutherland, *A London Merchant*, 1695-1774, p. 19.
per cent from the *nawab*\(^{137}\) and we may be sure that the *faujdar* expected some substantial profit after paying such a high 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, the organization of rings and commercial monopoly which the European Companies tried to foil by fostering the formation of joint stock associations of local merchants but 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, trade or 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 the rule.

The merchants in Bengal, as in other parts of India, operated with their own capital and there was hardly any close financial link between the merchant and the public—a feature which was fast developing in England in the seventeenth 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 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 the modern industrial type of organizations. In India, however, a 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.

\(^{137}\) O.C., 28 May 1669, no. 3282, Vol. 30.

The remarkable growth of a financial machinery for credit and exchange and the specialized activities of a large class of merchants, especially the shroffs, undoubtedly point towards the fact that merchant capital and commercial organization were highly developed in Bengal. No doubt the European Companies from time to time dominated the markets for particular commodities but they hardly ever dominated the 'commercial outlook'. That position was held by individual Bengal merchants who, it appears, through their wealth and abilities controlled the entire wholesale trade within the area of their operations. 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, or Mulla Abdul Goffur, or the Parrack family of Surat, or even the Malaya family of Coromandel but, nonetheless, they played 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 this period were not local people but outsiders mainly from Gujarat or Rajasthan as their names, and in the cases of Khemchand and Chintaman, their signatures suggest. Of the eighteen prominent merchants who supplied raw silk and piece-goods to the Dutch Company in Kasimbazar in the eighties, as many as nine were Gujaratis. This is rather peculiar since both in Surat and Madras all the prominent merchants were local people, and this is historical evidence of the fact that Bengalis have never been and are still not business-minded.

139 Tavernier’s general statement (Tavernier, op.cit., Vol. 1, 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 seventeenth century.


Khemchand and Chintaman's signatures in the contract with the Company at Balasore in 1679 (O. C., 4648, Vol. 48).
Plate 4

Bill for Rs 6,000, executed by Khemchand and Chintaman, payable to Bros. Douglas (?) with interest, dated A.H. 1094 (A.D. 1683).
CHAPTER 5

STRUCTURE AND ORGANIZATION 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 an important one was the Company’s organization of its commerce, especially the financing of investments\(^1\) and procurement of commodities for export to 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 the Company’s European imports in Bengal. Though the quantity of merchandise imported by the Company was not generally large, the market for even this small amount was strictly limited. The only items for which there was a steady demand in Bengal were 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 shortage of liquid capital for the Company.

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 directly 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

\(^1\) The term ‘investment’ is used here in the same sense as that in which the Company used to denote its purchases in India.
to the failure 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 *dadni* or advance for goods at the proper time of the season.

The organization of industry, too, was a matter of great importance for the success of the Company’s trade in Bengal. As the Company was catering to 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 dyers, throwsters, painters and weavers to Bengal to instruct the indigenous weavers and producers in dyeing, painting and weaving of silk and piece-goods to suit the demand of the markets in England and Europe. Also, the Company had to organize the saltpetre industry, especially its refining. Here we shall analyse the various problems connected with the Company’s finance for investments, the procurement of return cargoes, and the organization of industry, and how it dealt with those problems during the period under review.

I. Problem of Financing Company’s Investment

The story of the English East India Company in Bengal was essentially one of expanding capital investments for procuring commodities 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 seventeenth 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 to the East Indies. As a result, the Company was obliged, especially 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 seventeenth century. But after that, as the spice trade was monopolized 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 Sumatra and those in South India. Indian cotton and silk piece-goods and saltpetre now became the principal attraction of the Company's Eastern trade. 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 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 volume of export from Bengal was small during those early years. The main difficulty faced by the Company was to provide funds for investment in the proper season which generally started after the shipping season was over. As the price of most of the commodities went up considerably (sometimes by 40 to 50 per cent) during the time of shipping, the Company had to start investment for goods just after the departure of Europe-bound ships, that is, generally from February or March, and hence it always needed a stock to be left for such investments in India after paying for the previous year's supplies. As early as 1651, it 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'.

1. D.B., 28 Jan. 1659, Vol. 84, f. 411. The shipping season in Bengal was generally from September to January.
But generally throughout the period, the factories were hardly left with adequate stock after the ships had left. To obviate the difficulty, the Company sent stock to Bengal in the early years 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.4 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 to borrow up to that amount.5 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 per cent difference between prices in February and those at the time of shipping.6

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 the period under review, the investment in Bengal was dependent to a large extent on the Company's export of bullion from England and was seldom independent of such financial assistance. But, 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 investment. Generally during this period, the Company converted precious metals, whether silver or gold, either by selling them to local shroffs or money-changers, or by coining them in the mint at Rajmahal.

Sometimes when conversion of bullion into local currency by either of these ways was not possible because of shortage of time (since sending the bullion from Hugli to Rajmahal and coining them in the mint took quite a long time, often two or three months, or even more), or the reluctance of substantial merchants to take off the bullion, the Company had to pay for its investments partly in foreign silver or gold. Thus in 1678 the Hugli Council persuaded the merchants to take silver rials as part payment against investment.7

Next year the weavers in Kasimbazar were paid in silver and the

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silk merchants in gold. Even the most prominent merchants were often thus paid by the Company. In 1679 Mathuradas received 1,500 tolas 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. 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 eight to ten days.

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, popularized 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 contracts for goods. In 1677 the merchants in Hugli complained that they could not sell cruzados timely enough to start investment and asked for rials instead. 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’. 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 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. 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.’

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8 Ibid., Vol. 1, Diary, 15 Feb. 1679; Vol. 2, f. 17.
11 Ibid., Vol. 1, Diary, 18 Sept. 1677.
14 Ibid., Vol. 5, pt. II. f. 112.
Dacca was the chief market for gold where it was reported to have produced 10 per cent more than anywhere else.\textsuperscript{15} Minting the gold entailed a loss of 20 per cent 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 per cent and in another similar transaction at Patna the loss ranged between 12 to 14 per cent.\textsuperscript{16} 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 \textit{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’.\textsuperscript{17}

The market price of gold \textit{mohars} appears to have been subjected to sharp fluctuations from time to time as is evident from the following table.\textsuperscript{18}

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Price of gold \textit{mohar} (Rs—An)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early 1670</td>
<td>Hugli</td>
<td>15—2 to 15—4</td>
</tr>
<tr>
<td>February 1677</td>
<td>Kasimbazar</td>
<td>13—14</td>
</tr>
<tr>
<td>April 1677</td>
<td>Kasimbazar</td>
<td>13—14</td>
</tr>
<tr>
<td>July 1677</td>
<td>Kasimbazar</td>
<td>13—10</td>
</tr>
<tr>
<td>August 1678</td>
<td>Dacca</td>
<td>13—00</td>
</tr>
<tr>
<td>December 1678</td>
<td>Kasimbazar</td>
<td>12—13</td>
</tr>
<tr>
<td>September 1684</td>
<td>Malda</td>
<td>12—6 to 12—8</td>
</tr>
<tr>
<td>September 1711</td>
<td>Hugli</td>
<td>15—00 to 15—8</td>
</tr>
<tr>
<td>September 1711</td>
<td>Calcutta</td>
<td>14—8 to 15—8</td>
</tr>
</tbody>
</table>

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,

\textsuperscript{17} Perhaps referring to the temporary governorship of Prince Azim. Generally after stabilizing their position, these governors started amassing vast fortunes.
they asked for larger supplies of silver. The low price of gold and gold mohars which characterized the late seventies continued to embarrass the Company, and the Directors resolved in 1686 to send henceforth only silver 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’. 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 per cent 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.

Though silver was in greater demand in the province, 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 the time required in the former process. Generally 100 pieces of silver rials fetched about 206 to 209 sicca rupees, 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. The fluctuation of silver prices depended mostly on the rates of exchange to Agra. Any rise 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

20 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 Azim, ruled Bengal. The factors reported in 1677 that ‘the Prince at Patna 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.
silver market. John Kenn gave an interesting report on the mechanism of this 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 per cent; 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 $2\frac{1}{2}$ to 3 per cent.\(^{23}\)

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'.\(^{24}\) The next year they wrote that `rise in the exchange caused abatement' in the price of silver.\(^{25}\) Besides the rates of exchange to Agra, other contributory factors for the fluctuation of the price of silver were the supply brought by the interlopers and other merchants, and the imposition of a 5 per cent 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 per cent custom upon all treasure at the mint imposed lately’ by the King.\(^{26}\) The problem of selling silver was accentuated by the fact that substantial merchants in most of the factories were reluctant to take off silver with ready money even at the price which entailed a loss for the Company. This was especially the case in Hugli and Malda factories. In 1678 as also in 1684 and 1685 the Hugli factors reported that they could not sell either silver or gold at all.\(^{27}\) The report of the Malda factors in 1682 similarly conveyed their inability to sell any treasure.\(^{28}\)

As a result, the general pattern for the disposal of the Company’s treasures was to send them to Kasimbazar which was the

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\(^{23}\) B.M. Addl. Mss., 34,123, f. 42a.


only substantial market for precious metals throughout our period. 29 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. 30 Again, most often the shroffs who bought the treasure paid only 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, Gokulchand, etc. during this period. 31

To obviate all these difficulties connected with the sale of silver, Streynsham 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. 32 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 as also 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 because of the loss he suffered through it. 33

The coining of precious metals 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

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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 hindrances. The road and the distance from 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. Again, coining in the mint took considerable time, often more than a month, and sometimes two or three months. Another inhibiting factor against coining in the mint was the imposition of a 5 per cent customs on all treasure in 1677. 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 said that the English could have coined four lakhs of rupees during this time. The next year the English were threatened by Rafiuzzaman, 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.

In order to obviate the difficulties connected with coining bullion in Bengal, the Company finally resolved in the early years of the eighteenth century to coin all imported treasures 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. It seems that from then onward

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36 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 per cent
- Of the Dutch—4 per cent
- Of the Muslims—2¼ per cent.

37 Fact. Records, Hugli, Vol. 9, f. 76.
38 Ibid., Vol. 10, f. 185.
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. 40

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 2 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 per cent discount and the siccas at 9½ per cent. The Directors expected that the difference between the siccas and Madras rupees would be less when the latter 'were once very current' in Bengal. Even if this difference did not come down, 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 bullion to Rajmahal. 41 But in 1709 when the government refused to accept Madras rupees into the King's treasury, their batta sharply fell from 9 to 7 per cent. 42

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. 43 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 as the coining of bullion was concerned, was to have a mint of its own in Bengal, like the one it had in Madras, or at least to have the 'liberty of free use' of the mints in Bengal. As early as 1687 the Company had asked for permission to establish a mint in Hugli in one of the clauses of the proposed treaty between the English and the

43 B.P.C., 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.
Bengal subadar. From then onward it urged the Bengal factors frequently to try to get 'the liberty of a mint' in Calcutta. Though in 1717 Emperor Farrukhsiyar's farman gave the English the liberty of a mint, the concession proved to be nominal. 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 Murshidadabad.

Besides bullion and specie, the exportation of which seemed always to fall short of the Company's actual requirements throughout the 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 the investments since there was very little demand for these commodities in Bengal. Nevertheless, the Company had to import these wares to Bengal because of the unabated agitation against exportation of bullion or precious metals from England.

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 large profit. 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.' 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

44 O.C., 18 June 1687, no. 3618, Vol. 47; Home Misc., Vol. 68, f. 35.
45 S. Bhattacharya, op.cit., pp. 31-33.
46 By an act of 1694 the Company was ordered to export goods valued at £100,000 at least a year to the East.
country and lessen our 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. 48

But throughout the period Bengal markets with their limited demands for imports reacted very feebly to such blandishments. 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’. 49

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. 50 In 1684 the President in Bengal made an agreement with the Balasore merchants who would accept every year one third of the dadni in ‘Europe-goods’. 51 In order to keep up the sale and price of broadcloth, the Company even tried later on to sell the commodity to one particular merchant only. 52

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.’ 53 But it was of no avail. The merchants could not be prevailed upon to wear garments made of English cloth because ‘it was not their forefather’s custom’. Even reduction in the price of broadcloth failed to increase their sale. 54 Neither selling them

50 Supra, Chapter 3.
51 O.C., 22 Dec. 1684, no. 5288, Vol. 44.
52 B.P.C., Range 1, Vol. 3, f. 18.
54 C.&.B. Abst., Vol. 2, f. 126.
to one particular merchant helped the Company very much. Benarasi Seth, who bought all the broadcloth from the Company in 1714, 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. Of course, right from the beginning, the Company's factors were fully 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. But even this comparatively small amount of European 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 taking of the Honourable Company's money and therewith picking up cloth among the weavers.

In an attempt to solve the problem of inadequate funds for investment, the Company in the early years bartered English wares 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 saddled with unsaleable goods. The Company, too, on its part suffered loss through such barter, sometimes the loss running as high as 20 per cent. Moreover, the goods which the Company received against bartering European 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 good-ness', 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.

But the Company could hardly do without bartering

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55 B.P.C., Range 1, Vol. 3, f. 18.
58 In 1672 the Company bartered broadcloth, lead, etc., for goods provided by Khemchand and other Balasore merchants but at 20 per cent loss, vide Fact. Records, Hugli, Vol. 4, pt. I, f. 4.
imported goods for Bengal commodities. It obliged the reluctant merchants to take off a quantity of European goods along with cash against their investments for the Company. The problem of disposing of 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. 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’. But all the same, the demand for European wares remained highly inelastic and the market hardly expanded.

As a result, financing the investment remained a great problem for the servants of the Company and hence the factors in Bengal turned to other sources for supply of capital. 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 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 precious metals, whether by selling them to merchants or coining in the mint, took considerable time. Again, most of the imported merchandise 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 the ships for Europe. The Kasimbazar factors reported in November 1700 that they were indebted by

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60 D.B., 26 Feb. 1703, Vol. 95, f. 49.
about a lakh of rupees for the previous year’s investments. 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-bound’ ships. The Directors seem to have appreciated the benefits resulting from such a ‘stock left beforehand’ but did never actually put it into practice. Hence throughout the period the factors had to seek alternative sources of supply for 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 table below indicates the amount of the Company’s debts to the indigenous merchants in different factories under certain specific dates.

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Company’s Debts (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 May 1683</td>
<td>Kasimbazar</td>
<td>250,000</td>
</tr>
<tr>
<td>29 October 1683</td>
<td>Kasimbazar</td>
<td>350,000</td>
</tr>
<tr>
<td>11 June 1684</td>
<td>Kasimbazar</td>
<td>100,000</td>
</tr>
<tr>
<td>15 September 1685</td>
<td>Dacca</td>
<td>80,000</td>
</tr>
<tr>
<td>27 April 1685</td>
<td>Kasimbazar</td>
<td>270,000</td>
</tr>
<tr>
<td>6 October 1685</td>
<td>Kasimbazar</td>
<td>250,000</td>
</tr>
<tr>
<td>21 December 1695</td>
<td>Calcutta</td>
<td>147,000</td>
</tr>
<tr>
<td>29 February 1696</td>
<td>Calcutta</td>
<td>300,000</td>
</tr>
<tr>
<td>15 February 1700</td>
<td>Calcutta</td>
<td>300,000</td>
</tr>
<tr>
<td>26 May 1701</td>
<td>Kasimbazar</td>
<td>250,000</td>
</tr>
<tr>
<td>4 February 1702</td>
<td>Kasimbazar</td>
<td>200,000</td>
</tr>
<tr>
<td>15 August 1702</td>
<td>Calcutta</td>
<td>700,000</td>
</tr>
</tbody>
</table>

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Generally the Company used to borrow money mainly from Kasimbazar and from there send out money to different factories, especially to Patna and Dacca by bills of exchange or letters of credit on the issuing merchants’ agents. It also borrowed money regularly in Hugli, Balasore and Dacca. In other words, wherever the factors needed money and found it available in the local market, they resorted to borrowing. But it seems that by borrowing at Kasimbazar, 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, especially during the first two decades of the eighteenth 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 were 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 compute 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. Between 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 20,000 to the Kasimbazar merchants as interest for debts.66

Some idea regarding the amount of money borrowed at other 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

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66 Computed from Cash Accounts of Factory Records, Kasimbazar, Vol. 3.
1 per cent per month. In 1699 the Company’s treasurer received Rs 40,000 at interest from ‘Metersen’ (Mathura Sen). In the same year the Calcutta Council agreed to borrow another Rs 50,000 from him. As early as 1682 the Company borrowed Rs 50,000 in Dacca from the same merchant. 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 Rs 30,000 at 1⅔ per cent per month from Sukanand Shah and sent the amount to Patna.

Though the local capital market helped the Company to overcome the difficulties resulting from a shortage of funds for investment in the proper season, there were certain factors which inhibited it from borrowing freely in Bengal. The chief deterrent in this respect was the high rate of interest prevailing in Bengal during this period, and which ranged between 12 to 18 per cent per annum. This rate was rightly considered very high by the Company as money was available at 8 per cent per annum in Madras or 9 per cent at Surat. Consequently, the Directors 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

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72 D.B., 5 July 1682, Vol. 90, f. 8; 12 Jan. 1705, Vol. 95, f. 381.
be coined, we leave it unto you to do what may be requisite therein.\textsuperscript{78}

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’.\textsuperscript{74} But as the Bengal factors could hardly avoid borrowing money altogether, they accepted it as a necessary evil and tried to beat down the rate of interest by various means.

In the early eighties the Court of Directors claimed to have reduced the rate of interest at Surat to 6 per cent 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 per cent in the price of goods while the interest for such a period (six months at the most) would be only 3 per cent. With the expectation of such advantages, the Bengal factors were asked to reduce the rate of interest to that prevailing at Surat or to 7, 8 or 9 per 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’.\textsuperscript{75} In 1682 the Directors asked the Bengal Council to begin an indigenous bank with a capital of £200,000 from amongst the indigenous merchants there.\textsuperscript{76} But it seems the Company neither sent a sufficiently large stock to Bengal in an attempt to reduce the rate of interest as it did in

\textsuperscript{74} Ibid., 12 Dec. 1677, Vol. 88, f. 520.

\textsuperscript{75} Ibid., 5 July 1682, Vol. 90, f. 8; Ibid., 18 Jan. 1705, Vol. 95, f. 519.

\textsuperscript{76} D.B., 5 July 1682, Vol. 90, f. 8. There is little doubt that the 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.

\textsuperscript{76} D.B., 28 Aug. 1682, Vol. 90, f. 22.
Surat nor could form an indigenous bank to relieve it from borrowing money at exorbitant interest. It also tried, though in vain, 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'.

This was the pattern of the 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.

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 advantages.'

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 make any contract with the Gujarati merchants for sale of treasure as the latter employed all their money in exchange to Agra, following a sudden rise therein. The mechanism of this operation can be understood as follows. A favourable

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rate of exchange on Agra caused 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 official action against 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 in 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 lakhs of rupees to ‘make satisfaction for the piracies committed on the mocco’ (Mocha or Mecca?) and Malacca shipping in the previous year. The late arrival of ships from Europe also sometimes led to the loss of credit for the Company. The Calcutta factors wrote in 1702 that Fatechand 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’. Again, very 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.

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 latters’ masters ‘called upon them for it’.

82 O.C., 15 Aug. 1702, no. 7996, Vol. 64.
83 Rowl. A. 302, f. 250.
Shibram 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. 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 the 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 Rs 20,000 to 25,000 from Jan Velters who was a factor of the Dutch East India Company in Bengal. Accordingly in 1665 Jan Velters paid Rs 25,000 to the English in Hugli and received a bill on the Company at 2s. 6d. per rupee. 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 authorized its factors in Bengal in 1669 to take up from the Dutch up to £10,000 regularly at exchange. 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. 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 maintained that they had agreed to the transaction. For obvious reasons, the Com-

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pany preferred taking up money by this sort of exchange to borrowing locally, and in 1674 the Court of Directors gave permission to the Bengal Council to take up of the Dutch and draw upon them to the value of £20,000 annually.\textsuperscript{90} 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 bills of exchange.\textsuperscript{91} Again, in 1673 the amount was Rs 110,000 (£13,750) and next year it decreased to Rs 60,000 (£7,511.5s.).\textsuperscript{92} But sometimes, especially 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.\textsuperscript{93} Again, in 1674 it was reported that no money was to be had by exchange from the Dutch because of the war between the English and the Dutch, despite all assurance from the Company to honour and pay the bills as in peace time.\textsuperscript{94} However, it seems, up to the eighties of the seventeenth 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.\textsuperscript{95} But the Dutch sources seem to have dried up towards the close of the century when their trade was much reduced compared with 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

\textsuperscript{90} D.B., 17 Aug. 1674, Vol. 88, f. 131.
\textsuperscript{91} O.C., 30 Nov. 1669, no. 3377, Vol. 30.
\textsuperscript{93} O.C., 30 June 1669, no. 3303, Vol. 30.
\textsuperscript{95} D.B., 5 Jan. 1681, Vol. 89, f. 276.
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 money in a local merchant's name and received a bill in return. 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 1¾ per cent interest per month. 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. 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. 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). In the same year Henry Frankland, storekeeper at Fort William 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). 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 per cent interest per month. Derrickson, a free merchant it seems, received

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98 B.P.C., Range 1, Vol. 3, f. 117.
99 Ibid., Range 1, Vol. 3, f. 460.
100 Ibid., Range 1, Vol. 4, f. 1a.
101 B.P.C., Range 1, Vol. 4, f. 3.
a bill of debt from the Company in 1715 for his principal and interest amounting to Rs 30,731.0.6.\textsuperscript{103}

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 freight. The inter-Asiatic trade and freight voyages not only provided additional sources of funds for investment but also saved the Company the demurrage of its ships. These ships which 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.\textsuperscript{104} In 1657 the Court directed the Bengal factors to send one ship annually with suitable cargoes to Persia.\textsuperscript{105} 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.\textsuperscript{106} 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 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

\textsuperscript{103} B.P.C., Range I, Vol. 3, f. 108a.
\textsuperscript{104} O.C., 12 Feb. 1652, no. 2257, Vol. 22; E.F.I., 1651-54, p. 111.
\textsuperscript{106} O.C., 2 April 1659, no. 2730, Vol. 26.
freight they got from Gombroon to Surat.\textsuperscript{107} 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.\textsuperscript{108} 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 the provision of 5,000 or 6,000 maunds of *rice* and 1,000 maunds of wheat to make up her tonnage in a voyage to Surat.\textsuperscript{109} Individual Indian 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—Mathuradas, Brindabandas, Khoja Padroes and Khoja Phanous freighted one of the Company's ships for a voyage to Surat for Rs 20,000.\textsuperscript{110} Again, in 1702 Khoja Surhaud Israel, the famous Armenian merchant in Bengal, chartered the Company’s ship *Colchester* for a trading voyage to Gombroon and Basra for Rs 38,000.\textsuperscript{111} Janardan Seth, the Company's broker in Calcutta, chartered the *Hester* in 1707 for Persia at Rs 30,000.\textsuperscript{112} Khoja Surhaud freighted the *Howland* in the same year for Persia at Rs 34,000.\textsuperscript{113} The earnings from such voyages whether 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.\textsuperscript{114} The estimated profit of the *Cardigan's* voyage to and from Persia in the same

\textsuperscript{107} O.C., 16 May 1682, no. 4820, Vol. 42.


\textsuperscript{112} D.B., 7 April 1708, Vol. 96, ff. 255-56.

\textsuperscript{113} B.P.C., Range 1, Vol. 1, f. 411.

\textsuperscript{114} C. & B. Abst., Vol. 1, ff. 508, 524.
year was above Rs 40,000. In 1717 the small ship *Arabella*'s earnings in her Surat voyage amounted to well over Rs 17,000. Though the Company discussed in various deliberations the possibilities of deriving a lucrative trade from Bengal to China, Japan, Achin and other parts of the East Indies, 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 Coast.

II. Procurement of Export Commodities

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 organization. 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 organized, 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 or 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 advances to the weavers, artisans or saltpetre-men. Thus a substantial part of the Company’s investment was procured through an advanced form of *dadni* system. Connected with the advance or *dadni* given to the merchants was the problem of bad debts which was one of the main concerns of the Company

115 B.P.C., Range 1, Vol. 2, f. 399a.
throughout the 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 monopolization of certain sectors of local trade (especially the saltpetre trade, as was done by Mir Jumla and Shaiasta Khan). Besides, wars, famines and official rapacity accentuated the difficulties of procuring investments on advantageous terms for the Company.

In order to avoid buying commodities at soaring prices during the shipping season, the Company had to give advances to the middlemen in the proper season which was usually between February and June. Again, some of the commodities were not at all procurable sometimes without 'imprest' or advance given earlier. Thus, in 1702, the Calcutta factors reported that raw silk and fioretta yarn could not to be provided 'without giving imprest'. Moreover, though the return cargoes were available for purchase with ready money during the shipping season, most often the quality and size were not up to the specification set out from England. Hence advance or dadni for procuring investments became an accepted norm in the pattern of the Company's trade in Bengal. For silk investments, advances had to be given throughout the year. There were three kinds of silk in Bengal—namely 'Marchbund', 'Julybund' and 'Novemberbund'—for which the Company provided dadni. 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 advance was to be given in August or September, and for 'Marchbund' silk in April or May. As silk formed an important item of the Company's investments in Bengal, inadequate capital for providing dadni at the proper time stood in

119 '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.

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.’121 At Patna
money was to be paid in advance to the saltpetre-men in November
for the provision of saltpetre.122 Similarly at Malda sometimes
dadni was to be provided in January for piece-goods, especially
in order to prevent the ‘needy weavers’ from falling into the
hands of the Dutch and other competitors.123 So almost through-
out the year the Company required quite a substantial amount of
money to provide advances against the provision of return cargoes.

From the beginning of its trade in Bengal, the Company,
plagued by chronic shortage of working capital, had recourse
to barter trade for procurement of return cargo. It seems that
up to the eighties of the seventeenth century, bartering Company’s
imports for dadni or final payment against investment was a
normal method of the Company’s transactions in Bengal. As
early as 1669 the Balasore factors wrote to the Court of Directors
that they had been procuring goods for many years with European
commodities which were bartered to the merchants.124 Sometimes
only a part of the payment against investment was made
in barter for European merchandise; at other times the whole
amount, especially 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 Mathuradas
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
European goods.125 Similarly in 1684 the Company entered into
a contract with Rewadas of Balasore for cloth and other com-
modities for which it paid half in ready money and half in English
merchandise.126 Sometimes the whole amount of the contract
was paid in imported goods. Thus in 1684 the Company paid
-Chintaman Shah of Balasore for cloth amounting to Rs 8,100

121 Rawl. A. 302, f. 250.
126 Ibid., Vol. 10, f. 76.
and Lalchand, also of Balasore, for his cloth worth Rs 17,000 fully in different commodities imported from England.\(^{127}\)

As the import market was limited, the Company found it convenient to impose English merchandise on the merchants as part or full payment against investments. 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.\(^{128}\)

<table>
<thead>
<tr>
<th>The merchants to provide</th>
<th>The merchants to receive in English merchandise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nillaes</td>
<td>Broadcloth</td>
</tr>
<tr>
<td>25,000 pcs.</td>
<td>Rs 106,250</td>
</tr>
<tr>
<td>Gingham</td>
<td>Quicksilver</td>
</tr>
<tr>
<td>20,000</td>
<td>Rs 61,000</td>
</tr>
<tr>
<td>Sannois</td>
<td>Vermilion</td>
</tr>
<tr>
<td>20,000</td>
<td>Rs 70,000</td>
</tr>
<tr>
<td>Sannois</td>
<td>Lead</td>
</tr>
<tr>
<td>3,000</td>
<td>Rs 18,750</td>
</tr>
<tr>
<td>Romalls</td>
<td>Copper plates</td>
</tr>
<tr>
<td>2,000</td>
<td>Rs 11,000</td>
</tr>
</tbody>
</table>

But it was becoming increasingly difficult to impose English merchandise and goods on merchants as barter for return cargoes. Quite often they refused to accept imported goods or bullion against provision of investment. The Court of Directors, 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'.\(^{129}\)

But the Company could hardly abandon the barter trade in the face of two factors—the compulsion to export a substantial part of the investment in English 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 *dadni* merchants as advances for the procurement of export.

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\(^{127}\) Ibid., Vol. 10, ff. 11, 75.


commodities through its broker in Calcutta. The merchants, as the Calcutta factors reported, showed the 'utmost unwillingness by their obstinate and positive refusals' to such proposals. At last, however, the broker persuaded the merchants to take 5 per cent in broadcloth at current market rates.\textsuperscript{130}

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.\textsuperscript{131} 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 per cent 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 per cent above prime cost for goods and 7\% per cent for charges.\textsuperscript{132} In Calcutta, however, when the Company contracted with the merchants for the main bulk of the investments, the latter, whenever required to provide goods with their own money, were to be allowed interest at the rate of 1 per cent 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 investments with their own money, allowing them interest until 'the Company was in cash to pay them and give them full dadney'. Explaining the considerations for 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 it is their intent to lay their money out

\textsuperscript{130} B.P.C., Range I, Vol.4, ff.110, 110a; C. & B. Abst., Vol. 2, f. 223, para 49.
in goods proper for all markets so that if one party will not, another will take them.\textsuperscript{133}

As the Company could hardly afford to lose full investment for Europe-bound ships, it had to procure goods through the merchants who provided the commodities with their own money, and for which the Company paid them interest. Manickchand Shah offered in 1700 to provide goods worth 2 or 3 lakhs of rupees with his own money.\textsuperscript{134} The factors reported in 1717 that as they had no money to give out \textit{dadni}, the merchants refused to contract for any goods until the former agreed to allow one per cent 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.\textsuperscript{135} The merchants were often paid against their supplies by such bills of debts by the Company. But sometimes its effects were disastrous for the merchants, especially the less wealthy ones. The Kasimbazar factors reported in 1701 that in the previous year having failed to get money of the \textit{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 loss’, thereby ruining some of the merchants who, it was thought, would hardly recover themselves again.\textsuperscript{136} 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 \textit{dadni} to the merchants in Calcutta for one year’s investments 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.\textsuperscript{137} Similarly in March 1703 the merchants were paid by bills of debt for Rs 177,955. 7. 11. at the usual

\textsuperscript{134} Fact. Records, Misc., Vol. 3A, f. 392.
\textsuperscript{135} B.P.C., Range 1, Vol. 3, f. 335.
interest of 1 per cent per mensem as the payment of the balance for the previous year's investments.\textsuperscript{138}

The Company, occasionally it seems, paid the Armenian merchants for their goods by bills of exchange on the Court of Directors. Thus in 1703 Khoja Surhauz Israel received three bills of exchange on the Company in London for £1,356.5s. against seven thousand rupees worth of goods supplied by him. The Armenians sometimes provided part of the Company's investments in Bengal. As a matter of fact, as early as 1688, their representative Khoja Phanous Calendar made a contract with 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 per cent profit on the first cost and charges.\textsuperscript{139} Again in 1694 Khoja Phanous Calendar made an agreement with the Company in London to provide especially Patna commodities 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 in Calcutta or Hugli, and they were to be allowed 15 per cent upon the prime cost and all other necessary charges.\textsuperscript{140}

The amount of the \textit{dadni} given to the merchants in Calcutta for the procurement of goods varied generally from 70 to 75 per cent of the total cost of the investments.\textsuperscript{141} It appears that the full amount of the \textit{dadni} was not paid all at once but by instalments. Again, sometimes only a part of the \textit{dadni} was paid in cash, the rest by bills of debt. The balance of the cost of investment was not paid till accounts were adjusted after the departure of ships for Europe. The Court of Directors, however, did not like the practice of giving \textit{dadni}, especially at such high percentage of the total cost of investments. They were glad when in 1718 the factors reduced the \textit{dadni} to 60 per cent of the total cost.\textsuperscript{142}

\textsuperscript{139} D.B., 15 Feb. 1689, Vol. 92, f. 25.
\textsuperscript{140} Home Misc., Vol. 36, ff. 81-82.
\textsuperscript{142} C. & B. Abst., Vol. 2, f. 276.
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.'\textsuperscript{143} The *dadni* was again reduced to 50 per cent in 1722, of which 20 per cent was paid in cash and the rest by bills of debt.\textsuperscript{144}

The system of providing *dadni* for the procurement of return cargo involved the problem of bad debt which concerned the Company throughout the period under review. 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 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. 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.\textsuperscript{145} But this contract does not seem to have worked for long. 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.\textsuperscript{146}

Time and again, the Court of Directors asked the Bengal factors to organize the merchants in different factories into joint stocks\textsuperscript{147} 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, it always tried to avoid running into bad debts. In the seventies or eighties of the seventeenth century, whenever the Company was required to appoint smaller merchants for silk investments, it made them provide eminent merchants as security

\textsuperscript{143} D.B., 3 Feb. 1720, Vol. 100, f. 225.
\textsuperscript{144} C. & B. Abst., Vol. 2, f. 319.
for any such contract. Thus in 1677 and 1678 Jaychand Shah stood security in the name of his son Prananath for Jashodanandandan, a silk pikar or merchant.\textsuperscript{148} In Malda when the petty merchants and weavers made any contract with the Company, they had to stand security for each other.\textsuperscript{149} 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 per cent 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’.\textsuperscript{150} The next year, the Company, thinking it hazardous to trust the weavers—who fell defaulters the previous 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 ‘for which trouble and risk’ he would be allowed 3 per cent on all goods procured from the weavers.\textsuperscript{151}

However, though bad debt appears to be the Company’s concern throughout the period, it does not seem to have suffered heavily from such 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 which is evident from the following table for January 1683.\textsuperscript{152}

<table>
<thead>
<tr>
<th>Factories</th>
<th>Desperate Stock £</th>
<th>Dead Stock £</th>
<th>Quick Stock £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bantam</td>
<td>26,399</td>
<td>24,339</td>
<td>112,006</td>
</tr>
<tr>
<td>Surat</td>
<td>18,784</td>
<td>139,393</td>
<td>199,299</td>
</tr>
<tr>
<td>Coast &amp; Bay</td>
<td>24,753</td>
<td>18,336</td>
<td>541,796</td>
</tr>
<tr>
<td>St. Helena</td>
<td>—</td>
<td>10,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69,936</strong></td>
<td><strong>192,668</strong></td>
<td><strong>853,101</strong></td>
</tr>
</tbody>
</table>

\textsuperscript{148} Fact. Records, Kasimbazar, Vol. 1, Diary, 12 April 1677; 25 March 1678.
\textsuperscript{149} Fact. Records, Malda, Vol. 1, Diary, 24 May 1680.
\textsuperscript{150} B.P.C., Range 1, Vol. 1, f. 195.
\textsuperscript{151} B.P.C., Range 1, Vol. 1, ff. 301, 30la.
\textsuperscript{152} B.M. Addl. Mss., 22,185, f. 4.
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 dadni or advance. Not only were the merchant-middlemen frequently in arrear, but often they failed to comply with 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 dadni by the English Company for supplying the commodities for its investments. To obviate all these difficulties, the Company had recourse to various measures but hardly with complete success. In 1678 it entered into a contract with the Balasore merchants—Ramnarain, Ramchand 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 per cent ‘for what money shall be in their hands at that time’. The agreement with Khoja Surhaud Israel in 1699 was of great interest in this respect. Perhaps because he was 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.

It appears to be the only contract in 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 dadni 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, and that it was never practised either by the English or any other European Companies. At last, however, they were compelled to pay interest for six months

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155 Customs Houses.
on the sum advanced to them for investment. From then onward such penalty for arrears became normal in Calcutta. In 1707 the Company charged 10 per cent on the merchants who were defaulters. Even the great merchant, Khoja Surhaud, was obliged in 1709 to pay interest for the money advanced to him because he failed to provide goods in due time.

But the Company could not prevent the dadni merchants from dealing with the interlopers or other 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 the smaller merchants whenever they were involved in such transactions. In 1683 Sambhunath, who was ‘factor general for all the dealers in Malda’, received dadni 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’ to the Company, and to find out Sambhunath or ‘to distress their families’. But the faujdar not only refused 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’. But nothing to this effect could be done by the Company. The Malda factors reported in November 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.

156 O.C., 8 Jan. 1702, no. 7820, para. 34, Vol. 63.
157 Ibid., 2 May 1707, no. 8494, Vol. 69.
Among other difficulties faced by the Company in the procurement of return cargo were the attempt by ruling authorities to monopolize 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 monopolize saltpetre trade much to the detriment of the Company's investment in that commodity. Even at the close of the seventeenth century Prince Azim attempted to monopolize some branches of the local trade. But these never posed a serious problem for the Company as none of the subadars or faujdars ever pursued 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 from 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. 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 stoppage of the Company's boats. Whenever confronted with such a situation, the Company had recourse to solicitations and offered bribes or presents to the authorities to take off the stoppage on the boats. At least on one occasion the Bengal Council sent up soldiers to clear the boats.

161 Supra Chapter 3, I; see also, O.C., 21 June 1664, no. 3029, Vol. 28; Fact. Records, Hugli, Vol. 1, Consult. 11 July 1664.
163 For discussion on this aspect, see, supra Chapter 3, I.
Sometimes when the Company was debarred from trading in the wake of a dispute with the ruling authorities, it procured its investments through prominent local merchants. Thus in 1711 when an embargo was imposed on the Company’s trade in Kasimbazar, it contracted with Fatehchand Shah, an eminent merchant there, for goods worth Rs 83,000 allowing him 6½ per cent 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 in Calcutta. On occasions, when its trade was prohibited, the Company sent its goods to Hugli from other factories by rewnana or paying customs 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 export commodities. We have already noted how the Company was affected by the dadni merchants’ sale of the commodities, for which they had received advances from the English Company, to the interlopers or other foreign Companies. 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 dadni in order to keep them in constant employment so that they could not be enticed away by rival Companies, especially 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’. This fear on the part of the factors of losing their best weavers for want of dadni was not unfounded. In 1682 the factors in Malda reported:

The Dutch [are] calling on all our picars and weavers proferring them great dadney if in case they will bring a writing to bring

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166 See, Chapter 4.L
us our remains and take no more dadney of us which causes a great many [of] them to flock thither.\footnote{168}

The Company even provided the saltpetre-men with \textit{dadni} all round the year in the face of the Dutch endeavour to entice them away from the English.\footnote{169} The Court of Directors asked the Bengal Council in 1673 to go on giving advances to the ‘petremen’ and weavers of \textit{taffeta} in order to keep them employed even when the demand from Europe was restricted by war so that they might not be lured away by the Dutch.\footnote{170} Another frequent aspect of the problem created by the competition of foreign and indigenous traders was 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 apparently falling’ because of the Gujarati merchants ‘holding their hands’ by reason of some troubles.\footnote{171} In 1684 when the interlopers failed to arrive, there was a considerable fall in the price of saltpetre at Patna.\footnote{172} The Patna factors reported that when the Dutch left the place, the price of saltpetre was reduced to one rupee and a half per maund.\footnote{173} That prices of export commodities in Bengal were very sensitive to foreign demand is again illustrated by the fact that in 1716 the Company expected to buy goods at cheaper rates for ready money if no French ships arrived.\footnote{174} 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.\footnote{175}

In addition to all these problems in the procurement of return cargo, the examination and sorting of piece-goods and

\begin{footnotesize}
\footnote{168} Fact. Records, Malda, Vol. I, Diary, 20 April 1682. \\
\footnote{169} D.B., 29 Nov. 1670, Vol. 87, f. 401. \\
\footnote{170} D.B., 7 July 1673, Vol. 88, f. 48. \\
\footnote{171} Home Misc., Vol. 803, f. 367. \\
\footnote{172} Fact. Records, Hugli, Vol. 10, f. 235. \\
\footnote{174} C. & B. Abst., Vol. 2, f. 71. \\
\end{footnotesize}
raw silk, and the fixing of their prices were equally complicated affairs. The Company and the merchants often clashed over these complex issues. The general pattern of procurement of the export commodities 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 the consolidated list, it sent out individual lists to different factories for procuring particular items of commodities available in each factory. These factories then started negotiations with merchant-middlemen (and in some cases with dalals 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 the latter, as no such joint stock organization 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 whom the warehouse-keeper 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 sample were very 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 because of ‘unseasonal rains’. The saltpetre merchants at Patna demanded higher prices in 1684 on the ground that they had to face trouble from the nawab and his officers in procuring saltpetre. 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 tried daily to fix the price of goods at ‘reasonable terms’ but found it extremely difficult as all the pikars and weavers ‘stood off’ at the instigation of two merchants, Sambhunath 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’. The pikars, however, managed to procure a parwana from Dacca urging the faujdar, Srimal Mallick, to cause the English and the pikars to appear

in the *adalat* or court and to have the silk priced by the King's *muckeeam* 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 (especially 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 the more embarrassing for the Company as the *muckeeam* at Kasimbazar who was to price the goods according to the *parwana*, was one Nayansook, a merchant and one of the *pikars* of the Company and a 'confederate' of Sambhunath and the others. This particular controversy dragged on for months. The local *qazi* or judge, as the Company alleged, not only absolved the merchants of Rs 150,000 which they had received from the Company but awarded Rs 43,000 more to be paid to them by the Company. When Job Charnock, the chief of Kasimbazar factory, refused to pay the sum, the *pikars* 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 *pikar* from dealing with the English. 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* investments at Kasimbazar as also the manner of fixing their prices was submitted to Streynsham Master in 1676. As to the manner of buying raw silk, the report stated, when the 'bund' was made, the factors wind of a sample in the house and computed how much of every sort of thread it held out. Then they asked for

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179 *muckeeam* and *nerkee* mean brokers.
181 O.C., 19 Dec. 1684, no. 5287, Vol. 44.
the silk merchants or *pikars* and contracted with them accordingly. Every *pikar* gave a bill for the quantity he agreed to bring in, intimating also the time of delivery which was generally three months from the date of contract. For every bale of silk, the *pikar* 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 hand. It had to take this precaution in order to avoid trouble in recovering its money when the silk was priced and the account made up. If the account exceeded what was at first given out to the *pikars*, they were paid the rest in full. As regards the fixing 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 four maunds of raw silk at a time of each sort of thread together were thrown before the three persons, each of whom examined five or six skeins which he took from among the whole heap and thereby made a judgment of the whole, by comparing them with the sample on which the agreement was made with the *pikars*. 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 *pikars'* 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 fixing of its price are also interesting and worth noting here. The Company used to provide three different qualities of *taffetas*—fine, ordinary and brown or unbleached—by sending round the town and adjacent places for the weavers to whom money was advanced. 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.\textsuperscript{183} According to this, the best time for giving out money for cossaes, mulmuls etc. made in or about Dacca was the month of January. The dalals 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 dadni, would deliver it to the pikars 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 pikar was bound to the broker and the weaver to the pikar. 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 only when they received the goods in due course, the dalals 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 pikars 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 dalals 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 seventeenth 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 seventeenth century. Fryer stated that the brokers were allowed 2 per cent on all bargains ‘besides what they squeeze secretly out of the price of things bought’.184 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 were allowed 3 percent for their duties.185 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,186 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, but in Calcutta no such custom was in vogue.187

The Court of Directors were often apprehensive of the duplicity of the broker who, as they suspected, in conjunction with the 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

185 J. Ovington, A Voyage to Surat in the Year 1689, p. 401.
186 In 1709 the intended investment in Calcutta, including ready money goods for Rs 200,000, amounted to Rs 1,850,000; vide B.P.C., Range 1, Vol. 1, f. 481a.
187 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.
Calcutta at a salary of Rs 1,000 per annum until 1699, was dismissed for receiving *dosturee* or brokerage from the merchants who brought the Company's commodities. As early as 1695, he was accused of receiving *dosturee* 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 *dosturee* 'on the pain of loss of employment and disgrace' as it 'was disadvantageous' to the Company.\(^{188}\) 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 \(\frac{4}{3}\) per cent brokerage on the value of total investment in Calcutta, in lieu of a regular salary.\(^{189}\)

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 until he died in February 1712.\(^{190}\) The Directors looked down upon Janardan as a villain who through the negligence of governor Russell monopolized all the trade. Their allegations against the broker were numerous. They maintained that he took commission on all that was bought; by threats and 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'.\(^{191}\) '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 rupees'.\(^{192}\)

\(^{190}\) B.P.C., Range 1, Vol. 2, f. 189a.
However, after Janardan’s death, his brother Benarasi Seth was appointed 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 reason, that Benarasi was not only a broker, but ‘by himself and creatures’ sold most of the goods provided for the Company. Benarasi soon lost his job, it appears, mainly because of the antagonism of Robert Hedges who was then governor in Bengal. Hedges reported that Benarasi and his family provided 3 of all the goods, 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 entirely in favour of removing Benarasi Seth 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’. However, following the Court’s order, Benarasi was replaced in April 1715 by Ramkrishna Khan, another merchant of repute and influence in Calcutta.

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’. The Court of Directors too seemed happy at the dismissal of Benarasi and the appointment of Ramkrishna. ‘We see the 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 cautioned the Calcutta Council in the following words:

Take care likewise that this broker or whoever succeeds be in no way concerned in investment directly or indirectly or

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195 As a matter of fact the various lists of investment in Calcutta show that the Seth family provided a little more than 3 of the total investment, vide B.P.C., Range 1, Vol. 2, ff. 302, 302a, 433-437; Vol. 3, ff. 38-46a.
in consequence in the goods he 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.\footnote{D.B., 18 Jan. 1717, Vol. 99, ff. 76-77.}

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.\footnote{C. & B. Abst., Vol. 2, ff. 79, 175.} But as Haranath was primarily a servant of Hedges and considered ‘unskilled in the goodness or value of muslins and of mean capacity and no repute’, the Company had to price goods for two years without his assistance.\footnote{Ibid., Vol. 2, p. 79.} 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 much abused Benarasi Seth.\footnote{B.P.C., Range I, Vol. 4, ff. 46, 46a; Wilson, \textit{op.cit.}, Vol. 3, p. 113.} In this minute the Council exposed that Hedges turned out Benarasi ‘for no other reason 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’.\footnote{B.P.C., Range 1, Vol. 4, f. 276; B.P.C., Range 1, Vol. 4, ff. 46, 46a; Wilson, \textit{op.cit.}, Vol. 3, f. 113.}

Benarasi was, however, again made broker in 1719 but neither he nor his son would receive any \textit{dadni} 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 outvie one the other as any merchants whatever’.\footnote{B.P.C., Range 1, Vol. 4, ff. 46, 46a; Wilson, \textit{op.cit.}, Vol. 3, p. 113.} 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.’\footnote{C. & B. Abst., Vol. 2, f. 320.} In fact, at that time, the
Seths were the only merchants competent to 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 driving good bargains for the Honourable East India Company.  

III. Organization of Industry

The Company had to organize certain aspects of those industries producing some of its export commodities, especially raw silk, taffeta and saltpetre for controlling the quality of goods from Bengal. As it was mainly catering to consumers in England and on the Continent, it had to procure goods always 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 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. Consequently, the Court of Directors sent regular instructions as to the manner of colouring and weaving the silk and taffetas. So far as the saltpetre industry was concerned, the Company had to arrange sometimes for its refining.

As early as 1663 the Directors sent instructions as to the quality and colour of silk and taffetas exported from Bengal. The Bengal Council was asked to 'cause all taffetas to be made as near to the Italian fabric' as they could. Since the weavers in Bengal

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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. The Directors soon realized 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’. From then onward they often sent many dyers, weavers, etc. to Bengal to organize silk and taffeta industries there according to the Company’s requirements. In 1679 they 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. But at 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. 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. But even after stating this view, the Company continued occasionally to send out weavers and dyers to Bengal.

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210 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.
211 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.
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 absence of such implements', 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.\(^{214}\) 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.\(^{215}\) 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 care and a little advance in the price'.\(^{216}\)

In an effort to reduce the charges of different factories in the 'Bay' and to minimize 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


\(^{215}\) D.B., 1 Aug. 1683, Vol. 90, f. 192; Fact. Records, Hugli, Vol. 10, f. 116. A peculiar and interesting account of the refining of saltpetre by the Dutch was given by Tavernier in the sixties of the seventeenth 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, \textit{op.cit.}, Vol. 2, p. 12.

generation as the weavers are, specially where we have no power, may in the end make them [silk and taffetas] 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 Directors 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.\footnote{D.B., 28 Jan. 1661, Vol. 85, ff. 367-68; E.F.I., 1661-64, pp. 62-63.}

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 $\frac{3}{8}$ 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.\footnote{Fact. Records, Fort St. George, Vol. 14, ff. 149, 176-77; E.F.I., 1661-64, p. 65.} However, the Company maintained for most of the period its factory at Kasimbazar for the procurement of silk and taffetas. 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. 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. 'These Bengal fellows', the factors wrote, 'will not leave their native country notwithstanding all the arguments we can use and promises of great wages . . . .' It is significant that the local industries could easily adjust themselves to the new situation arising out of the special orders of the European Companies as to size, colour and pattern of the textiles. The Balasore factors reported as early as 1669:

The sannois, 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 amongst these weavers is not to be altered without a charge.

The techniques in the organization of commerce and industry adopted by the English Company conformed in all essentials to those already prevalent in Bengal. Yet the activities of the European Companies were responsible for introducing certain new elements in the organization of commerce and production though not on any extensive scale. But they might hardly be called innovations as their overall impact was not particularly significant. Before the arrival of the European Companies, the Asian as well as the Portuguese merchants used to buy from the markets or manufacturers as best as they could get at any given time. But the European Companies of monopolistic merchant captial, catering to the European craze for 'Indienness' and trading for a higher margin of profit, insisted on supplies conforming to samples with rigid and specific demands as to size, colour, quality, etc., and thus introduced the idea of specific standardization which was something new in the region. But the point may not be stretched too far because on the one hand the local artisinal production system was rather indifferent to any rigid standardization, on the other the severe competition

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221 Ibid., Vol. 6, pt. II, f. 76.
amongst too many buyers in the market was likely to make the merchants and producers somewhat reluctant to specific standardization as they were sure of being able to sell off their wares to one buyer or the other.

The Asian and the Portuguese merchants, before the arrival of the European Companies, never fixed a definite price of the commodities they ordered at the time of giving out advances, and did so only when the products were delivered to them. The European Companies, however, fixed the price according to samples at the time of giving out the dadni and this was a novelty in the organization of commerce in the region. They also sometimes set up establishments for the processing of cloth—especially bleaching and dyeing as also for winding or reeling of silk, employed weavers and artisans purely as wage-workers and even brought throwsters, weavers and painters from Europe who instructed local artisans and weavers in these arts and tried to improve the quality and colour of the piece-goods or raw silk. These establishments no doubt enlarged the range of the manufacturing system in the region though they were not entirely new institutions in the country. The royal karkhanas were there and though they produced for use rather than for market, they must have served as models for the merchants to indulge in such enterprises. There is evidence that such establishments under Indian auspices were operating in the seventeenth century, though perhaps on a small scale. As early as 1620 the visiting English factors at Patna intended to start a ‘Corconna’ with about a hundred workmen to wind silk\footnote{E.F.I., 1618-21, pp. 197-98.}—obviously following the practice of the local merchants. It is very probable that Bernier referred to such private ‘manufactories’ when he observed that ‘rich merchants and tradesmen ... pay the workmen rather higher wages’\footnote{Bernier, op.cit., pp. 228-29.} Luillier who visited Bengal in 1702-3 remarked that the big native merchants ‘apart from their large numbers of agents ... maintain a great number of workers whom they make to work for very little’.\footnote{Quoted in Indrani Ray, Indian Economic and Social History Review, op.cit., p. 50.} So it appears that small private manufactories under Indian auspices were already there and perhaps the European activities only extended the range of such establishments.
It is to be noted that side by side with the *dadni* system which was the most prevalent form, something like putting-out system has already developed, at least, in some isolated pockets during the period under review. One has to remember that the foreign monopolistic merchant capital was not a pervasive phenomenon; it affected only a small sector of the province’s economy, namely export trade, and here too affecting a few commodities like raw silk, textiles and saltpetre. Such a limited nature of the foreign merchant capital does not necessarily preclude the proliferation of crafts and division of labour. It is common knowledge that the development of putting-out system was not a single, uniform and direct process. Following Liefmann’s acute analysis, his emphasis upon the character of the labour contract may be accepted as basic to the history of this confusingly varied forms of industrial organization. The size of the capital employed whether by the putter-out or the worker is immaterial to the definition of the system, although in its historical development, the rise and development of the system may be attributed to the relative wealth of the merchant industrialist who employed and to the poverty of the workers who competed for employment.

In Bengal, however, there was not yet any full-fledged development of the putting-out system involving deep penetration of capital into production. But still it can be said that the system was considerably extended under the auspices of the European Companies, though of course, this was in vogue long before their advent. We have seen that in isolated pockets Indian merchants employed weavers and artisans in their small manufactories—a model which was later adopted and extended by the Europeans. Such a well-known establishment was the Dutch weaving and silk-manufacturing concern at Kasimbazar which employed about 400 workers. Those employed here were pure wage-earners under direct control of their employers, engaged in various jobs such as weaving, silk-winding, bleaching and dyeing. This definitely was neither a pure and simple *dadni* system nor a handicraft organization. There had been obviously a relative centralization as well as a considerable division of labour in these establishments.
CHAPTER 6

EXPORT 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, curries, redwood and gumlac of different types. Some of these commodities, especially 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, raw silk 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 seventeenth 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 in the Company’s investments. Similarly, the Company’s trade in Bengal textiles comprising mainly silk and cotton piece-goods was insignificant up to the seventies of the seventeenth 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.

I. 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 to the 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 £7,000 ¹ while the value of 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 1702-03 to 1706-07.³

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 seventeenth 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 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

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 the following June 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 exports from Bengal, see, Table 1 in Appendix B.
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.
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 exports 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 exports 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 1670s 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 exports which stood at £88,351.5

But it was the eighties of the seventeenth century that witnessed the real boom in the total value of the Company's annual exports from Bengal, and formed a peak in the Company's trade in Bengal before the war during 1686-88. The exports in 1681-82 were valued at £142,977. The next year it went up as high as £162,763. But in 1683-84 it slid down a bit, though it 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 exports from Bengal in the early years of 1690s was quite unimpressive compared with that of the earlier decade. The English, as we have noted earlier6, withdrew from Bengal in 1688 and came back in 1690. So obviously they needed some time to reorganize the trade in Bengal which, coupled with the French wars during 1690-96, explain 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. The 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. One of these three ships, Berkeley 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 Ton-

5 B.M. Addl. Mss., 34,123, ff. 30a, 31.
6 Supra Chapter 3, 1.
7 B.M. Addl. Mss., 38,872, f. 11.
queen 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. In 1694-95 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, but only one, the Hawke, reached England with her cargo while others were captured by the French. In 1696-97, though only one ship Martha came from Bengal, the total value of exports amounted to £ 90,490. The average annual value for the next two years was about £ 73,000. But the second period of boom in the Company’s export 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 1702-03 till 1706-07. The average value of exports during these years did not rise over £ 70,000, the lowest being £ 54,713 in 1702-03 while the highest was £ 84,902 in 1706-07. Several factors contributed towards this depression. In December 1702 a prohibition was imposed in India on all trade of the ‘hatmen’ as a reprisal against piracy committed by the Europeans on Indian ships on the western coast. Again, the war of the Spanish succession which began in 1702 also contributed to the slump in trade. But there were also more specific reasons for the decline of export trade from Bengal. As the Court of Directors stated in January 1706, heavy duties were imposed on

8 Ibid., 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); O.C., 19 June 1696, no. 6231, Vol. 52. But I could not trace the ship Sarah in the A.G.D.
Fig. 1

[ Dotted lines represent parts of the curve in which data are not available ]
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 1707-08. The increase in the total value of cargoes can be seen from the following table.\(^{14}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Value of Exports (£s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1707-08</td>
<td>135,662</td>
</tr>
<tr>
<td>1708-09</td>
<td>148,995</td>
</tr>
<tr>
<td>1709-10</td>
<td>208,892</td>
</tr>
<tr>
<td>1710-11</td>
<td>228,474</td>
</tr>
<tr>
<td>1711-12</td>
<td>233,859</td>
</tr>
<tr>
<td>1712-13</td>
<td>259,593</td>
</tr>
</tbody>
</table>

In 1713-14 however the value went down to £175,387 and further 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, again witnessed a steep rise in the total value of the Company's annual exports from Bengal. In 1717-18 the total value was £244,918, rising to £259,279 the next year and in 1719-20 it reached £336,973, the highest figure during the whole period under review. Figure 1 shows the fluctuations in the total value of the Company's annual exports from Bengal.

II. Saltpetre

From the beginning of the Company's trade in Bengal, saltpetre was an important article of export to 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 seventeenth 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

\(^{13}\) D.B., 18 Jan. 1706, Vol. 95, f. 512.

\(^{14}\) 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.
first supply, however, reached England only in 1626.\textsuperscript{15} And once established, the saltpetre trade displayed a consistent growth, though the real expansion did not take place till after the Civil War.

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 where it was carried to the seaports of western India and purchased by the Europeans to ‘ballast their ships and to sell elsewhere’.\textsuperscript{16} But Coromandel seems to have supplied the main bulk of this commodity to the Europeans before 1640s. In 1624 and 1625, 270,000 lb. (Dutch) and 286,434 lb. (Dutch) respectively of saltpetre were exported to Batavia from Coromandel. In the late thirties, however, Bengal saltpetre supplemented those from the Coast.\textsuperscript{17} 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 revolutionized the Company’s saltpetre trade and led to its tremendous expansion in the second half of the seventeenth and first half of the eighteenth centuries. A Dutch report\textsuperscript{18} of 1688 gives interesting details regarding the annual output, the names of the _paraganas_ producing saltpetre, and the officials who owned or administered these tracts. According to this, the total output a year amounted to 226,200 maunds (raw) and when refined (_dobara-cabessa_) the figure stood at 127,238 maunds. Of this amount, as the report runs, 1,200 maunds were sent to Hugli, 3,000 maunds to Dacca and 7,000 maunds were retained for Patna gunpowder factory. The rest amounting to 105,238 maunds were left for export.\textsuperscript{19}

The saltpetre procured at Patna was considered the best in quality for the manufacture of gunpowder. Moreover, the

\textsuperscript{15} Court Book, 9, p. 320, 5 Jan. 1627; quoted in K.N. Chaudhuri, _op.cit._, p. 189.
\textsuperscript{16} S.N. Sen, ed., _Indian Travels of Thevenot and Careri_, p. 74.
\textsuperscript{17} T. Raychaudhuri, _op. cit._, pp. 168-69.
\textsuperscript{18} K.A., 1343, f. 749 vo, _vide_ Appendix G.
\textsuperscript{19} K.A., 1343, ff. 748vo-749vo.
price of Bengal saltpetre was cheaper than that of other places. 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. 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 Europe-bound ships and also for supplying Madras with ballast for its vessels. All 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 three varieties of saltpetre—the refined one called *dobara-cabessa* or *culmy*, the twice boiled or *dobara* and the crude variety termed *cutcha* or raw. The European Companies generally exported refined saltpetre as otherwise it 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. 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. Tavernier stated in the sixties of the seventeenth century that the Dutch refined saltpetre at a large village called Chapra, situated on the right bank of the

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20 It was stated that the cost of a maund of 74 lb. at Patna was about the same as for a maund of 37 lb. 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., 28 Jan. 1659, Vol. 84, ff. 411-12; *Ibid.*, 14 Sept. 1660, Vol. 85, f. 334.


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.

Ganges', about twenty miles above Patna. The English Company too, it seems, refined its saltpetre at Singhee or Patna.

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, 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. The cost of refining, however, was very small being only \( \frac{3}{4} \) of an anna per maund. 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.

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 naturally went up while in peace time they were greatly reduced. Secondly, the quantities ordered depended on the requirement of the ships for their ballast or kenteladge. 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 the 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. First, there was then little demand for saltpetre in Europe which by then was temporarily relieved of war. 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-

26 It seems that the English Company preferred a factory at Singhee, 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. 14, ff. 331-32.
27 Chapter 5, III.
29 B.P.C., Range 1, Vol. 6, f. 488a.
30 Chapter 5, III.
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 they ‘ran up’ debts, the Directors 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 the saltpetre trade.

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.34 Even during the second Anglo-Dutch war of 1664-67, when shipping was uncertain and risky, the factors were directed to ‘keep up dealing with salt petre men’ 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’.35 They further asked Bengal factors to send 150 to 200 tons yearly to the Fort so that

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Export Commodities

it could be carried to Jambee or Bantam for kentledge of ships sailing from those parts.\textsuperscript{36} In November 1670 the Directors wrote that the full quantity of saltpetre they needed was 800 to 1000 tons yearly.\textsuperscript{37} But during the Anglo-Dutch war of 1672-74, they asked the factors to procure 300 tons yearly in order to keep the saltpetre-men employed.\textsuperscript{38} The order sent out during 1674 to 1676, however, was for about 600 tons annually.\textsuperscript{39} 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.\textsuperscript{40} The Directors ordered 1500 tons in August 1682, the highest quantity so far in their order. Next year too it remained the same.\textsuperscript{41} But in 1684 the quantity was reduced to 1000 tons again and further slid down to 500 tons next year.\textsuperscript{42} In 1688 the Directors again wrote to Bengal factors that they were overstocked with saltpetre and asked them to find out some other ‘kinteledge commodity’, weighty and low in price, and ‘that would cover freight’ for which they mentioned shellac and borax.\textsuperscript{43}

Throughout the nineties the order was for a small quantity. In 1698 the Court of Directors informed Bengal that saltpetre was a dull commodity and that ‘great stores’ are lying ‘dead’ with them. 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 February 1703 to send a good quantity of saltpetre which would ‘turn to good account in Europe because of war’.\textsuperscript{44} For the next few years the order seems to have amounted to about 800 tons or more. But from 1708 onward the quantity demanded was only as much as required for ballast of the ships.

\textsuperscript{36} D.B., 26 Aug. 1667, Vol. 87, f. 97.
\textsuperscript{37} D.B., 29 Nov. 1670, Vol. 87, ff. 401, 403.
\textsuperscript{43} D.B., 27 Aug. 1688, Vol. 91, f. 575.
\textsuperscript{44} D.B., 26 Feb. 1703, Vol. 93, f. 615.
So far as the Dutch East India Company was concerned, its 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, especially Bantam and Ceylon, from Bengal. In the first two decades of the eighteenth century the demand for Bengal saltpetre for Holland only, stood consistently between 3,000,000 to 3,500,000 lb. Dutch.\textsuperscript{45}

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, though never pursued vigorously or systematically, by local officials to monopolize the trade. Mir Jumla made such an attempt but with little success.\textsuperscript{46} The next subadar, Shaista Khan, tried to monopolize the trade and sent his agents to Patna who ‘obstructed and hindered’ the procurement of saltpetre by the Europeans. When the English appealed to him, he demanded 20,000 maunds of saltpetre from them on the pretext of his Arakan war.\textsuperscript{47} Prince Azim-us-Shan also made a similar attempt in 1699. He sent an agent to Patna to buy between 40,000 and 50,000 maunds of saltpetre on the plea of making gunpowder for his intended attack on Arakan. But ultimately his initial plan of making cent per cent profit on an investment of rupees one lakh failed miserably.\textsuperscript{48}

The saltpetre was generally procured through assomies or petreemen to whom money was advanced in the right season.\textsuperscript{49} Often merchant-middlemen were also employed for procuring saltpetre. In May 1683 the Company contracted for 4,120 maunds of saltpetre (at Rs 1$\frac{1}{2}$ per maund) with three able ‘petreemen’—’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.\textsuperscript{50} But official rapacity occasionally made the petreemen hide out in which case the Company had to deal with the merchant-middlemen who

\textsuperscript{45} 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.

\textsuperscript{46} E.F.I., 1661-64, pp. 69-71.

\textsuperscript{47} Fact. Records, Hugli, Consult., 11 July 1674; E.F.I., 1661-64, pp. 395-96.


\textsuperscript{49} Fact. Records, Hugli, Vol. 10, f. 194.

\textsuperscript{50} Fact. Records, Patna, Vol. 1, pt. IV, f. 18.
demanded a greater price than the ordinary petremen or *assomies*. Thus in 1684 the Patna factors reported that they dealt with one merchant, namely Prophat ('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.51

In general, the competition in the saltpetre market was confined mostly among the European Companies, especially the English and the Dutch. Both these Companies were apprehensive—not without much reason—that the other would try to engross the trade. Consequently—as has already been referred to 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. This competition amongst the Europeans had often its impact on the prices. As noted earlier the English factors once claimed that the price of saltpetre was much reduced when the Dutch had left Patna.52 The interlopers too were keen competitors in the market especially in the eighties of the seventeenth century. In 1684 the Patna factors reported that Purusuttam Das and Jadu Das—who were formerly Dutch *gomastas* 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 prices. But when the interlopers failed to come, the two merchants, hard pressed by the creditors for money, tried to sell the commodity for whatever 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.53

An analysis of the price of saltpetre shows a general upward trend throughout the period, though with exceptions during certain years.54 Of course, it is difficult to find out precisely the cost price of saltpetre as it depended on certain factors—e.g. the place and time of purchase as also on the variety bought. As already noted, the price of saltpetre at Patna in December 1650

54 See Table 2 in Appendix B.
was Re 1 per maund while with charges for freight, it amounted to Rs 1 ¼ at Hugli. But the English bought the same variety for the ships despatched that year at Rs 2 ¾ per maund. In other words, the English had to pay 50 per cent more for the commodity during the shipping season. The price at Patna was about 40 to 50 per cent cheaper than that in Hugli. In 1659/60 the English factors procured saltpetre at Rs 1 ¾ per maund at Patna which indicates a 12¾ per cent rise in price than that in 1650/51. At the end of our period, that is, in 1719/20 the average price of saltpetre was about Rs 5 per maund. This was generally the price in Hugli and definitely it shows a rise of about 300 per cent 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.

During 1663/64 and 1664/65 the price of saltpetre was Rs 3 per maund while the treble refined variety cost Rs 3½. It ranged between Rs 2 to Rs 3·2 per maund 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 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 per maund. During the first decade of the eighteenth century it went up high and stood at more than Rs 4 per maund, 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 per maund. However it must be pointed out that the fluctuations in cost price of saltpetre did not have any determining influence

58 O.C., 1 Sept. 1665, no. 3069, Vol. 29.
Fig. 2

[ Dotted lines represent parts of the curve for which data are not available ]
on the amount procured by the European Companies. The main considerations were the ballast requirements for returning ships and the market conditions in Europe.

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 downwards in the nineties only to rise gradually again in the subsequent years. These fluctuations depended on various factors which can be generalized as the demand from England, the available supply and the Company's shipping from Bengal. In 1663/64 the Company exported 943,650 lb. of saltpetre which rose to 990,450 lb. in 1664/65. There was a phenomenal rise in 1668/69 when it exported 1,977,300 lb. from Bengal. Next year, however, the quantities of saltpetre exported fell to as low a level as 712,950 lb. and sloped further downwards to 630,900 lb. in 1670/71. In 1671/72 it rose again to 937,500 lb. and went up further to 1,331,400 lb. in 1675/76. Next year the total quantity exported stood at 1,253,250 lb. and rose to 1,876,800 lb. in 1678/79.59 The boom in the export of saltpetre began in 1681/82 and continued up to 1685/86. The table below will indicate the fluctuations in the export of saltpetre from the eighties till the end of the period under review.

<table>
<thead>
<tr>
<th>Quinquennial Totals: Saltpetre Export</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Years</strong></td>
</tr>
<tr>
<td>1681/82 – 1685/86</td>
</tr>
<tr>
<td>1690/91 – 1695/96*</td>
</tr>
<tr>
<td>1701/02 – 1706/07**</td>
</tr>
<tr>
<td>1710/11 – 1714/15</td>
</tr>
<tr>
<td>1715/16 – 1719/20</td>
</tr>
</tbody>
</table>

[*Excluding 1691/92; **Excluding 1703/04]

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

59 The figure for 1678/79 is to be found in B.M. Addl. Mss., 34,123, f. 30a.
Export Commodities

amounted to 3,443,440 lb. (Dutch). Even in the first two decades of the eighteenth century the Dutch export to Holland far surpassed that of the English. During the three years 1701/2, 1702/3, 1704/5 the Dutch Company exported to Holland 8,494,754 lb. (Dutch) at an average of 2,381,918 lb. yearly. The average annual export to Holland during the quinquennial periods 1705/6 to 1710/11 and 1711/12 to 1715/16 was 2,999,789 lb. (Dutch) and 3,884,405 lb. (Dutch) respectively which indicates that the Dutch trade in Bengal saltpetre was far greater than that of the English.

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 per cent of the total value of export, rising to 50 per cent in 1668/69. But its share during the slump which began in 1681/82 was only 4 per cent 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 per cent of the total value of the exports. There was a sudden rise in 1704/5 when it stood at 22.7 per cent but gradually went down again. From then onward it varied between 3 to 4 per cent of the total value of the Company's exports.

III. Sugar, Cotton Yarn and other Commodity Exports

A. Sugar

It was only in the 1650s 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, especially to Surat and

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61 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.
62 See Table 3 in Appendix B.
Persia. But here too it was soon ousted by Java sugar, exported by the Dutch during the second half of the seventeenth century. 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'. In 1649 the English factors at Swally Marine 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'. 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'. In December 1650 James Bridgman 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, that is, about 50 percent more. However, the Bay factors were instructed in 1651 to invest ¾ of their capital in sugar. But because of 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 seventeenth century.

As regards the list of order for Bengal sugar, we find the Company asked in December 1657 for 300 tons. Next year, however, there was a sudden 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. But

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63 K. Glamann, *Dutch Asiatic Trade*, p. 152.
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’. 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. 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 3,593 bags of sugar, containing 7,632·5 maunds or 572,440 lb. valued at Rs 33,163 or about £ 4,145.

B. Cotton Yarn

Cotton yarn formed an important commodity in 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. 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. But in 1659 the Directors asked Bengal factors to send 400 bales ‘in short skeins, not cross reeled’, each bale containing about 3 maunds. In the very next year, however, the order was reduced

74 B.P.C., Range 1, Vol. 1, ff. 189-90.
to 100 bales, as the commodity had ‘grown out of request’.76 In the sixties the Directors generally ordered for 200 bales which they hoped could be procured at Rs 16 per maund. 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’.77 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 per cent on what was sent earlier and hence no more cotton yarn was to be sent till further order.78 In December 1677 they asked the factors to send 50 or 100 bales if other commodities for ballast or stowage were not procurable.79 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.80 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 England.81 Next year, however, the quantity ordered slipped down to 400 bales and further to 200 in 1685, eventually rising to 300 bales in 1688.82 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’.83 The orders for the first two decades of the eighteenth century too remained low, irregular and insignificant.

The prices of cotton yarn generally declined over the period.84

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78 D.B., 29 Nov. 1670, Vol. 87, f. 401.
84 See Table 2 in Appendix B.
In 1663/64 the price of cotton yarn was about Rs 19.4 per maund while at the end of our period, that is, in 1719/20 it fell to Rs 14.1 per maund. In other words there was a decline of about 30 per cent 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 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. The traffic in the Bengal–Surat trade which was mostly in the hands of Surat merchants appears to have increased considerably in the second half of the seventeenth century as a result of twin developments. The sea became comparatively free 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 prices and eliminated any chance of competition between the two rival Companies. Though the Dutch order ranged between 10,000 and 15,000 lb. (Dutch) in the first decade of the eighteenth century, rising to 20,000 lb. in the second decade, it was very irregular and seldom complied with by the

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85. 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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1682/83</td>
<td>1,500 mds.</td>
</tr>
<tr>
<td>1701/02</td>
<td>14,037 mds.</td>
</tr>
<tr>
<td>1706/07</td>
<td>1,085 packs</td>
</tr>
<tr>
<td>1708/09</td>
<td>2,162 mds.</td>
</tr>
<tr>
<td>1709/10</td>
<td>5,010 mds.</td>
</tr>
</tbody>
</table>
factors in Bengal. Thus the export remained very low throughout the first two decades of the eighteenth 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 lb. of cotton yarn rising to 31,950 lb. next year and further to 35,100 lb. 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 the English exported only 28,800 lb. and the figure went down next year to as low as 2,475 lb. but rose to 20,250 lb. 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 lb., sloping down to 18,426 lb. next year and eventually rising to 103,004 lb. in 1684/85, which is the highest figure of export for cotton yarn during the period under review. Next year, however, the quantity slid down to 32,410 lb. From the nineties, especially from 1693/94, up to the end of the period, the quantities exported, though irregular, ranged between 30,000 and 40,000 lb. Sometimes of course the quantity rose quite high as in 1705/6 when the figure stood at 92,059 lb. 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 lb. while next year again there was no export of cotton yarn, though in 1719/20, the export stood at 21,350 lb. The Dutch Company’s export figures show that its export of cotton yarn was far less than that of 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 lb. (Dutch). In the second decade of the eighteenth century too, the Dutch exported cotton yarn irregularly and the highest figure of their export of this commodity was 12,000 lb. (Dutch) in 1714/15.

C. Other Commodity Exports

Of the English Company’s other export commodities tincall or borax, turmeric, cauris, 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 during the 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 e.g. sticklac from Pegu and cauris from the Maldives. The Company in its turn exported cauris from Bengal to England for re-exportation 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 cauris 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, was provided irregularly, the demand from England varying between 100 and 150 dppers, each dpper containing 2 maunds. The Directors ordered in February 1685 for 300 dppers if to be procured at Rs 8 per maund otherwise none at all, as they lost 69 per cent on the commodity in the previous year.  

Besides saltpetre, Patna provided another bulk commodity namely, turmeric. The Company’s demand for this item was small in the fifties of the seventeenth century, being only 5 or 10 tons in 1657, rising to 30 tons in 1659. But with the increase of shipping in the early eighties, it went up to 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. From the eighties the Company became interested in another bulk commodity, shellac, ‘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 shellac was ‘a sure commodity’ and asked Bengal factors to send what they could. Again in 1691 they wrote that the transparent shellac  

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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'. But it seems that the order for shellac never exceeded 50 tons a year and was actually reduced to 10 tons a year towards the close of the period.

IV. 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 seventeenth 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 was 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, was interested in the Persian silk trade in the early years of the seventeenth century. 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. Moreover, the Company's failure to dislodge the latter gave rise to intermittent opposition to the continuation of the Persian trade. Again 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 seventeenth century both the English and the Dutch Companies turned their attention to India, particularly to Bengal, for the supply of raw silk.

90 See list of order for 1717/18 to 1719/20 in D.B., Vol. 99, ff. 291-93, 541-44; Vol. 100, ff. 161-64.
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 try to obtain trading privileges in Bengal and Persia for opening up the silk trade, but nothing could be affected by him so far as Bengal was concerned.\textsuperscript{92} The possibility of a lucrative trade in Bengal silk was again reported by Hughes from Patna in 1620. As we have already noted,\textsuperscript{93} he had informed the Surat Council that Bengal silk could be procured in large quantities at Patna at a price 35 per cent cheaper than that at Agra. Moreover, as he pointed out, at Murshidabad the ‘choicest stuff’ could be provided in infinite quantity, at least 20 per cent 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 \textit{fanams} the English pound, that is, \(2\frac{1}{4}\) shillings per lb. or about a rupee. The two bales of Bengal silk sent about this time as a sample in the \textit{Mary} were disposed of at 20s. per lb. for trial only.\textsuperscript{94} But it was only after the opening of the Hugli factory in 1651 that the English began an extensive trade in Bengal silk.

The chief centre of production of Bengal silk was Kasimibazar and its neighbourhood, including Murshidabad. Tavernier stated that Kasimibazar could furnish about twenty-two thousand bales of silk annually, each weighing a hundred pound.\textsuperscript{95} There was indeed a great production of raw silk in and around Kasimibazar in the second half of the seventeenth century. Streynsham Master wrote in 1676:

All the country or great part thereof about Kasimibazar 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.\textsuperscript{96}

Bengal raw silk came in various qualities. We learn from an account written in 1661 by John Kenn, then chief of Kasimibazar,

\textsuperscript{92} See Chapter 2.
\textsuperscript{93} \textit{Ibid.}
\textsuperscript{95} Tavernier, \textit{op.cit.}, Vol. 2, pp. 2-3.
\textsuperscript{96} Master’s Diary, \textit{op.cit.}, Vol. 2, p. 28.
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 5½ to Rs 6½ per seer. The sort of silk which was bought by the indigenous merchants for Agra was called ‘Dolleria’, a name given to the sort of silk in which ‘head’, ‘belly’ and ‘foot’ were all mixed together. 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, it seems, was of the same quality as English *puttany*, a short-threaded reel of the best part of the cocoons. The Dutch order down to 1670s was confined exclusively to *cabessa*, *bariga* and *pee*, especially 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 marketable of all Bengal silks. The orders sent out from 1700 onwards were exclusively for *tanny*, *bariga* and *cabessa*. One finds reference to other kinds of silk such as floretta yarn, ‘punia’ silk, ‘punjah’ silk, ‘Goragaut’ silk etc. in the records of the two Companies.

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 seventeenth century much cheaper than either Chinese or Persian silk. According to Glamann (Ibid., p. 34) the price of Bengal silk was 2.82 fl. in 1649 and
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 realized a gross profit of about 200 per cent on the silk from Bengal. 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 per cent.

The orders from the English East India Company for Bengal silk were 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 lb. (Dutch). But in 1650 the Directors of the Dutch Company increased it to 50,000 lb. The phenomenal increase in the Dutch demand showed itself in 1654 when they ordered 200,000 lb. (Dutch) or as much as could be procured in Bengal up to the value of 1 million fl. The English, however, asked their factors in 1651 to invest only \( \frac{1}{6} \) of their small capital in silk. 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 per maund. 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. In November 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

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 2 in Appendix B.


102 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, ff. 71, 82-84.


England and 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'.

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. However, the order sent out in 1673/74 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 varied between 600 to 900 bales during the years 1674/75 to 1678/79. From 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 per cent than that of the previous year while in 1680/81 it went up to 1,800 bales, showing a rise of 50 per cent than that of 1679/80. But in 1681/82 there was a phenomenal rise in the order for raw silk from Bengal. In that year the Company asked for 10,000 bales, each bale containing 160 seers which indicated an increase of about five 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 Bengal factors from the middle of the seventies to invest more and more in Bengal silk. In 1675 they asked the Hugli Agency to take up £ 20,000 by exchange and invest it in raw silk and repeated the

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instruction in their letter in 1676.\textsuperscript{109} 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 Kasimbazar only, an amount which 'is far greater than ever yet was sent to that place.\textsuperscript{110} 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 emphasized 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:

Whatever 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.\textsuperscript{111}

The Company's motives behind such a strong propagation 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 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.\textsuperscript{112}

\textsuperscript{110} D.B., 5 Jan. 1681, Vol. 89, ff. 278-79.
\textsuperscript{111} D.B., 22 July 1681, Vol. 89, ff. 362-63.
\textsuperscript{112} D.B., 22 April 1681, Vol. 89, f. 330.
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 up to the resolution of driving the Silk Trade thoroughly, silk being a commodity of such universal 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 assured is not impossible), the vastness of the quantity would not sink the price materially to our damage.\footnote{113}

The extent to which the importance of silk trade had grown in the eighties can be seen from the fact that in November 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'.\footnote{114} The orders of the Dutch Company too showed a remarkable increase around the middle of the eighties and in a decade, as a result of the rise in prices in Europe, surpassed the level of 1654.\footnote{115}

There was, however, a sharp decline in the English order in 1684/85 and the demand for Bengal silk up to 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 per cent 'abated of old rates' or otherwise to send very little quantity.\footnote{116} But with the outbreak of the European war

\footnote{113} D.B., 22 April 1681, Vol. 89, f. 331.
\footnote{114} D.B., 18 Nov. 1681, Vol. 89, f. 419.
\footnote{115} K. Glamann, \textit{Dutch Asiatic Trade, op. cit.}, p. 125.
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’.\textsuperscript{117} The orders sent out in 1693 and 1694 required the factors to send as much silk as could be procured. Altogether the years about the turn of the century was characterized 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’.\textsuperscript{118} But the orders in the first two decades of the eighteenth century were not consistent and fluctuated sharply.\textsuperscript{119} The Dutch orders for Bengal silk in the first two decades of the eighteenth century, unlike the English ones, did not show violent

\textsuperscript{118} D.B., 26 Aug. 1698, Vol. 93, f. 102.
\textsuperscript{119} The English orders for raw silk during the first two decades of the eighteenth century—six-year period.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Year</th>
<th>Quantity</th>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1702/3</td>
<td>60,000 lb</td>
<td>1708/09</td>
<td>110,000 lb</td>
<td>1714/15</td>
<td>600 bales</td>
</tr>
<tr>
<td>1703/4</td>
<td>190,000</td>
<td>1709/10</td>
<td>50,000</td>
<td>1715/16</td>
<td>600</td>
</tr>
<tr>
<td>1704/5</td>
<td>190,000</td>
<td>1710/11</td>
<td>20,000</td>
<td>1716/17</td>
<td>600</td>
</tr>
<tr>
<td>1705/6</td>
<td>50,000</td>
<td>1711/12</td>
<td>40,000</td>
<td>1717/18</td>
<td>300</td>
</tr>
<tr>
<td>1706/7</td>
<td>75,000</td>
<td>1712/13</td>
<td>180,000</td>
<td>1718/19</td>
<td>300</td>
</tr>
<tr>
<td>1707/8</td>
<td>160,000</td>
<td>1713/14</td>
<td>120,000</td>
<td>1719/20</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>725,000 lb</td>
<td></td>
<td>520,000 lb</td>
<td></td>
<td>2,550 bales</td>
</tr>
</tbody>
</table>

i.e. an average of 121,000 lb. approx.
i.e. an average of 87,000 lb. approx.
i.e. an average of 425 bales or 121 000 lb. taking each bale to contain 4 mds., each md. of 75 lb.
fluctuations. And indeed the Dutch demand for silk was far greater than that of the English.\(^{120}\)

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 face 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 greater part come to Ahmedabad and Surat where they are woven into fabrics.\(^{121}\)

The great significance of the silk trade from Bengal to Northern and Western India was that both the silk market and the money market were 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

\(^{120}\) The Dutch order for raw silk during the first two decades of the eighteenth century—six-year period.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1704/05</td>
<td>270,000 lb. (Dutch)</td>
<td>1711/12</td>
<td>168,000 lb. (Dutch)</td>
</tr>
<tr>
<td>1705/06</td>
<td>262,000 &quot; &quot;</td>
<td>1712/13</td>
<td>164,000 &quot; &quot;</td>
</tr>
<tr>
<td>1706/07</td>
<td>275,000 &quot; &quot;</td>
<td>1713/14</td>
<td>162,000 &quot; &quot;</td>
</tr>
<tr>
<td>1707/08</td>
<td>260,000 &quot; &quot;</td>
<td>1714/15</td>
<td>209,000 &quot; &quot;</td>
</tr>
<tr>
<td>1708/09</td>
<td>204,000 &quot; &quot;</td>
<td>1715/16</td>
<td>197,000 &quot; &quot;</td>
</tr>
<tr>
<td>1710/11</td>
<td>164,000 &quot; &quot;</td>
<td>1716/17</td>
<td>246,000 &quot; &quot;</td>
</tr>
</tbody>
</table>

\(^{121}\) i.e. an average of 239, 166 lb. (Dutch) i.e. an average of 191,000 lb. (Dutch)

Tavernier, *op.cit.*, Vol. 2, pp. 2-3
exchange of money from Kasimibazar to Patna and Agra riseth and falleth as the said silk findeth a vent in Patna or Agra.122

In 1683 the Bengal factors reported that 10,000 bales of raw silk were carried annually by land from Kasimibazar to Surat and they expected that more would thus be transported as ‘the manufactory increases’.123 The great demand by the indigenous merchants coupled with those by the Dutch and the English Companies on the supply market often raised the cost prices of silk. Besides this triangular competition, occasional failure of silk crop also enhanced its price. The Kasimibazar factors reported a sharp rise in the price in 1680 (‘more than one rupee in the seer than last year’) and attributed this partly to the bad harvest of silk crop and partly to the fact that the Dutch were buying up great quantities, and the ‘Gujarat merchants buying up what fine silk’ they could find.124 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’.125 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 apparently falling, the Gujarat merchants at present holding their hands by reason of the troubles....’126

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 is hardly mentioned in the records. However, it may be said in general that the competition 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

125 Ibid., Vol. 2, Consult., 17 April 1682.
Fig. 3

[Dotted lines represent parts of the curve in which data are not available.]
rising to a maximum in 1682/83.\textsuperscript{127} James Bridgman reported in December 1650 that raw silk was procurable in Hugli at Rs 85 or Rs 90 per maund but in the shipping season it was ‘commonly very dear and little to be bought but what is adulterated’.\textsuperscript{128} In 1682/83 the price of raw silk rose to Rs 298 per maund. In other words, during these years the price of raw silk went up by 300 per cent. The Company bought raw silk at Rs 120 per maund in 1658/59,\textsuperscript{129} while in 1663/64 it had to pay Rs 155 per maund. 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 August 1682 that the investment at Kasimbazar should not exceed £150,000 ‘considering Raw Silk is so much dearer as 50 p.c.’.\textsuperscript{130} But during 1683/84 and 1684/85 the price went down to as low as Rs 167 and Rs 168 respectively. Such a sudden slump in price might have been due to the fact that the Gujarati merchants lay off their hands about this time, or it might have been the result of a bumper crop. In 1685/86, however, the price again soared to Rs 222 per maund. During the nineties the price varied between Rs 140 to 190, with the exception of 1696/97 when it descended to as low as Rs 155 per maund. The price trend in the first two decades of the eighteenth century also displayed fluctuations, varying mostly between Rs 150 and Rs 200 per maund though in 1701/02 it went up to Rs 236. But from then onward the average price was well under Rs 200 per maund. The accompanying figure 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 lb. while in 1675/76 it stood at 22,749 lb., eventually sliding to 21,142 lb. next year.\textsuperscript{131}

\textsuperscript{127} See Table 2 in Appendix B.
\textsuperscript{129} Rawl. C. 395, f. 17.
\textsuperscript{131} In all computations of the quantity of raw silk I have converted for the sake of uniformity all great lb. (of 24 ounces) to ordinary lb. (of 16 ounces). The task is rendered difficult as in some invoices the quantities.
The beginning of 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 lb.\(^{132}\) This boom in the export of raw silk continued till 1685/86 when it suddenly slumped down to 56,432 lb. The quinquennial table below 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 English Export (Raw Silk)**

<table>
<thead>
<tr>
<th>Years</th>
<th>Total Quantity</th>
<th>Average</th>
<th>Largest Quantity</th>
<th>Smallest Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1681/82-1685/86</td>
<td>701,511 lb.</td>
<td>140,302 lb.</td>
<td>176,994 lb.</td>
<td>56,432 lb.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in 1684/85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1695/96-1699/1700</td>
<td>391,047 &quot;</td>
<td>78,209 &quot;</td>
<td>118,515 lb.</td>
<td>6,396 lb.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in 1698/99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1700/01-1705/06</td>
<td>476,283 &quot;</td>
<td>95,256 &quot;</td>
<td>206,256 lb.</td>
<td>16,783 lb.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in 1700/01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1710/11-1714/15</td>
<td>259,292 &quot;</td>
<td>51,858 &quot;</td>
<td>62,701 lb.</td>
<td>20,329 lb.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in 1712/13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1715/16-1719/20</td>
<td>635,225 &quot;</td>
<td>127,045 &quot;</td>
<td>181,949 lb.</td>
<td>61,618 lb.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in 1717/18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 lb., was reached in 1700/01. There was again a slump in the average annual export in the quinquennial period 1710/11 to 1714/15, and the highest quantity of annual export during this period was only 62,701 lb. in 1712/13. 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 lb. in 1717/18 which even of raw silk are given in great lb. while in others simply in lb. Sometimes, as for the years 1699/1700 to 1705/6, the quantity of raw silk and floretta yarn is occasionally noted in lb. simply, though a thorough checking indicates that they are actually weights in great lb.

\(^{132}\) 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 2\(\frac{1}{2}\) mds., each md. of 75 lb.
surpassed the highest quantity of annual export in the eighties of the seventeenth century.\footnote{For annual export of Bengal silk by the English Company, see, Table 4 in Appendix B.}

The Dutch export of Bengal silk to Holland far surpassed that of the English.\footnote{For annual Dutch export, see, K.A., Volumes cited earlier in f.n. 61 of this chapter.} During the three years 1701/02, 1702/03 and 1704/05 the Dutch exported a total of 634,814 lb. (Dutch), that is, an average of 211,605 lb. (Dutch) annually. The following table will indicate the fluctuations in Dutch exports in the first two decades of the eighteenth century and will also show the magnitude of the Dutch trade in Bengal silk.

**Quinquennial Totals of Dutch Export (Raw Silk)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Quantity</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1705/6-1710/11 (excluding 1709/10)</td>
<td>607,610 lb. (Dutch)</td>
<td>121,522 lb. (Dutch)</td>
</tr>
<tr>
<td>1711/12-1715/16</td>
<td>827,871 lb. (Dutch)</td>
<td>165,574 lb. (Dutch)</td>
</tr>
</tbody>
</table>

In the two years 1716/17 and 1718/19 the Dutch exported 357,650 lb (Dutch) to Holland, that is, an average of 178,825 lb. per year. Considering the fact that the Dutch exported quite a substantial quantity of silk to Japan, it can rightly 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.\footnote{See Table 3 in Appendix B.} In 1663/64 the total value of silk exported by the Company formed only 4 per cent of the total value of export. It varied between 7 to 13 per cent till the close of the seventies. From 1678/79 it began to take an impressive share of the total value of export. In that year it comprised 34 per cent of the total value of export, eventually rising to 45 per cent in 1682/83. From 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 per cent of the total value of exports—the highest percentage in the first two decades of
the eighteenth century while in 1697/98 it was only 2 per cent of the value of the total exports.\(^{136}\)

V. 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 picture of the Company’s export trade, textiles were most important both in terms of value and volume. It is common knowledge that the European Companies began to display 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 1680s 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 seventy-five, if not more, different names of piece-goods in the contemporary records. It is not easy to identify some of them such as umbers, mahmutiates, atchabannies, abrowahs, bulchols, coopes, doodamines, 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, that is, 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 taffatle or taffeta and the Dutch termed it armosijmen.\(^{137}\)


\(^{137}\) ‘een Indische zijden stof; taft’.
The word *taffeta* was current in medieval 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 in the areas around Kasimbazar. Some of the different types of *taffetas* were known by such names as *restaes* (striped *taffeta*) or gold *pumbers* (a sort of *taffetas* of deep gold colours, and made of thicker silk than ordinary).\(^{188}\) Among other silk piece-goods exported by the English Company were *sarcenettes, jamwars*, and silk *lungees* produced mainly in Kasimbazar area, silk *romalls*, neck cloths and *atlasses* woven mostly in Hugli and Balasore area. Silk *romals* were also procured in Dacca. *Taffeta*, though the most important single item in the list of the Company's export from Bengal in the second half of the seventeenth century, lost its predominance in the first two decades of the eighteenth 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 *choradaries*), *chucklaes, cherconnaes, cushtaes, doreas, elatches, ginghames, jamdanees, nehallewars, nillaes, peniascoes, sooses, seersuckers* and *mandilla*.\(^{189}\) Of these, *ginghames* 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 seventeenth century while *doreas*, woven in Hugli and Malda region, far outweighed other mixed piece-goods in the first two decades of the eighteenth 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 exports. The Company began to export the cotton painting, generally known as chintz goods, only in the last decade of the seventeenth century when the European demand for Indian chintz of all kinds was

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188 D.B., Vol. 89, f. 266; Vol. 93, ff. 32-36.
189 For description of different types of piece-goods, see, Appendix C and for geographical distribution of cargoes from Bengal, see, list of order in Appendix D.
at its peak.\textsuperscript{140} The chintz came mainly from Patna and was of a cheaper and comparatively inferior grade to 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 dongerijis), dunities, photoes, orangshies, chandanees, puttas or birds’ eye. 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 monopolized by local merchants for exclusive sale to the nobility and partly perhaps because of the unsuitability of this material for the climate in Europe. The muslins exported by the Company comprised such different varieties as allaballees, addaties, chowtars, cossaes, serhaudconnaes, gurras, humhums, mahmudbannies, mulmuls, nainsook, sannoes, tanjeecs, terrendums, seerbands, rehings, etc. Most of these muslins were woven in areas around Dacca and Malda, though some like mulmuls and mahmudbannies were also produced in the neighbouring regions of Hugli, and others like sannoes around Balasore. The embroidered piece-goods were mostly worked on the finer ground of muslins like mulmuls, tanjeecs, cossaes or humhums. The quality of the different types of muslin woven in different areas varied widely as did their prices. We refrain from an attempt at their classification according to their fineness and price as such an attempt is fraught with the danger of producing misleading results.\textsuperscript{141}

\textsuperscript{140} Irwin’s contention (John Irwin and 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 eighteenth century the English Company exported quite large number of chintz, numerically surpassed only by such cotton piece-goods as baftas, cossaes, emerties, gurras, mulmuls, romalls and tanjeecs. In 1711/12 the Company exported 21,397 pieces of chintz at the invoice price of Rs 85,050. The Dutch Company ordered during the first two decades of the eighteenth century on an average about 10,000 pieces a year. It might be true, however, that Bengal chintz could never compete in importance with those of Western India and the Coromandel.

\textsuperscript{141} Irwin classified the muslins ‘according to the maximum prices paid’ in the following order of fineness: tanjeecs, mulmuls, nainsooks, terrendums, albollies, serhaudconnaes, etc. (op. cit., pp. 49-50). But this
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 $\frac{1}{3}$ of their small capital in cloth, mainly *sannooses* and *atlases.* 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 pieces while in 1669/70 the order was only for 26,850 pieces. 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 pieces which went up to 229,200 pieces next year, eventually rising to 662,800 pieces in 1682/83 and 682,300 pieces in 1683/84.

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 eighteenth century (c.f., B.P.C., Range 1, Vols. 1-4) *Serhaudconnaes* 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. × 2 co.) while for *tanjeebs* (Santose, 42 co. × 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 *tanjeebs* whether from Dacca or Santose (sizes varying between 40 co. × 2 co. and 40 co. × 2½ co.) throughout the second decade of the eighteenth century ranged between Rs 6-14 an. and Rs 8-8 an. while the maximum price paid for flowered *tanjeebs* woven with silk was only Rs 20 per piece (40 co. × 2 co.). Even for the *mulmuls* the Company had to pay more than it did for *tanjeebs*. The maximum price for *mulmuls* Sevagepore (40 co. × 2½ co.) was Rs 8-12 an. and Rs 16 for *mulmuls* Dacca (40 co. × 2 co.) and *mulmuls* Santapore (40 co. × 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 *tanjeebs* and as such should precede *tanjeebs* in order of fineness. Again in Irwin’s classification even *nainsooks* and *terrendums* preceded *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. × 2 co.) cost Rs 26 in 1710, a piece of *tansook* or *nainsook* (42 co. × 2½ co.) and *terrendum* (40 × 2½ co.) cost only Rs 18 and Rs 12-8 an. respectively.

O.C., 19 Feb. 1651, no. 2208; Vol. 22; E.F.I., 1651-54, p. 45;
This, however, was followed by a slump in the demand. But from about the middle of the nineties there was again a sharp rise. In 1695/96 the Company ordered 417,500 pieces and up to 1716/17 the order ranged between 250,000 and 300,000 pieces. Again, a boom began in 1717/18 when 415,000 pieces were ordered, and the figure rose to 480,000 pieces in 1719/20. The Dutch order too was considerable and seems to have ranged between 250,000 and 300,000 pieces per year in the first two decades of the eighteenth 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 seventeenth century? The plausible answer is that it was owing partly to the greater competitive power of the Indian piece-goods in prices in comparison with the traditional fabrics manufactured in Europe and partly to a revolutionary change in the consumer taste in England and the Continent. A contributory factor was, however, the act of 1678 which forbade the importation of French silks and cloths together with French wine, salt and paper. 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. Moreover, there was a deliberate attempt on the part of the Company to make Bengal piece-goods, especially taffetas, look like Italian silks or fabrics. As early as 1659 the Directors wrote to the Bengal factors that taffetas would be gummed in England which 'would then be as glossy as Italian silks'. Again, in 1663 they asked the factors to 'cause all taffeties to be made as near to the Italian fabric as you can'.

So far as the change in consumer taste was concerned, the 'Indian craze' set in about the 1680s and was a marked feature of the last decade of the seventeenth century. It is unnecessary to describe this trend in fashion, but it obviously acted as

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146 K. Glammann, op.cit., p. 142.
147 For description of fashion, see, Slomann, Bizarre Designs in Silks.
an active economic factor. The nature and extent of this fashion is revealed by J. Cary's pamphlet of 1695 which states:

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 dress'd till they are made up in Calicoes, both Men and Women, Calico Shirts, Neckcloths, Cuffs, Pocket-Handkerchiefs for the former, Headdresses, Nightroysls, Hoods, Sleeves, Aprons, Gowns, Petticoats and what not for the latter, besides India-Stockings for both Sexes.  

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. He said:

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.  

The European Companies were well aware of this great change in consumer taste, and there began a race for procuring novelties. The Directors of the English Company wrote in 1681:

Note this for a constant and general Rule 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.

In July 1682 the Directors perhaps made the most pointed remark about the change in fashion: '... nothing pleases so much as

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149 India office Tracts, Vol. 83, Tract no. 7, p. 50.
variety everyone desiring something that their neighbours have not like it."151

The English Company not only traded in silk, mixed and cotton piece-goods from 1680s 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.152

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'.153 Next year the Company asked the Bengal factors to send 500 silk quilts yearly as 'the use of Rugs and Blankets grows much out of request' 'by reason of moths and the increase of the riches of our nation'.154 In the same letter the Directors asked the factors

for the setting 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.155

All these only indicate that the Company was eager to expand its trade in as many varieties of textiles as possible from Bengal.

As noted earlier, silk piece-goods, mainly taffetas, held an undisputed supremacy in the Company's export list from

155 Ibid.
Bengal throughout the second half of the seventeenth 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 even to send us too many of them.’\footnote{D.B., 30 Oct. 1684, Vol. 90, f. 382.} 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.’\footnote{D.B., 27 Aug. 1688, Vol. 91, f. 575.} It was only from the beginning of the eighteenth century that silk piece-goods as well as mixed ones lost their predominance in the Company’s export list following the Act of 1700 prohibiting such goods in England.\footnote{The Act of 1700 laid down that ‘from Sept. 29, 1701 all manufactured silks, Bengals and stuffs mixed with silk or herba, 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’. D.B., Vol. 93, f. 271.} 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 1680s. We shall not enter into the detail of the increasing opposition to import of silks and manufactured goods or the impact of such imports on English silk and weaving industry which has already been discussed by Shaffat Ahmed Khan.\footnote{S.A. Khan, \textit{East India Trade in the Seventeenth Century}.} We note a few things only to indicate the nature and extent of the opposition to import of Indian manufactured silks and how the Company met this. As early as 1677 concern was voiced over the rapid increase in Indian imports in these words: ‘One commodity more ruins us and that is Calico which destroys more the use of Wool than all things besides.’\footnote{Col. Birch, quoted in S.A. Khan, \textit{op.cit.}, p. 163.} Similarly in 1680 a pamphleteer tried to pinpoint the grave danger to the English silk industry resulting from the steep rise in the import of Indian textiles. He wrote:

The result is that masters break; Journeymen run away, 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.\textsuperscript{161}

The Company, however, tried to justify the import 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, 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, flowered or striped, do a little impede the growth of silk manufactures in England’.\textsuperscript{162}

The Company justified the import 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.’\textsuperscript{163} However, the result of the Act of 1700 prohibiting the import to England ‘of wrought silks, Bengals and stuffs mixed with silk or herba’ was an increase in the import 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.\textsuperscript{164}

But the Act does not seem to have vitally affected the export of textiles from Bengal, except for a few years immediately following

\textsuperscript{161} Quoted in S.A. Khan, \textit{op.cit.}, p. 159.
\textsuperscript{162} 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, \textit{op.cit.}, pp. 158-59.
\textsuperscript{163} Papillon. \textit{The East India Trade a most Profitable Trade to the Kingdom}, p. 10.
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 reshipped, the export of cotton and silk piece-goods from Bengal continued to increase steadily even after 1720.165

On the supply side the competition was a triangular one among the English, Dutch and indigenous merchants. The main centres of supply of Bengal textiles were Kasimbazar, Dacca, Malda, Hugli, Balasore and Patna,166 where indigenous traders were already engaged in an extensive trade in piece-goods long before the advent of the European 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 Patelas167 whose Lading 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 lakhs of rupees went yearly to Dacca in elatches and coarse cloth and about the same value to petty merchants of


166 Geographical analysis of piece-goods in the Company’s orders for Bengal

<table>
<thead>
<tr>
<th>Areas</th>
<th>Orders sent out Nov. 1681</th>
<th>Orders sent out Aug. 1682</th>
<th>Orders sent out Dec. 1683</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kasimbazar</td>
<td>84,100 pcs.</td>
<td>222,600 pcs.+</td>
<td>208,000 pcs.+</td>
</tr>
<tr>
<td>Hugli</td>
<td>23,500</td>
<td>110,200 pcs.+</td>
<td>158,300 pcs.</td>
</tr>
<tr>
<td>Balasore</td>
<td>72,500</td>
<td>162,000 pcs.+</td>
<td>158,000 pcs.+</td>
</tr>
<tr>
<td>Dacca</td>
<td>21,300</td>
<td>81,500 pcs.+</td>
<td>71,500 pcs.+</td>
</tr>
<tr>
<td>Malda</td>
<td>27,800</td>
<td>86,500 pcs.+</td>
<td>86,500 pcs.+</td>
</tr>
</tbody>
</table>

[Source, D.B., Vol. 89 and 90]

167 A large flat bottomed boat.
Rajmahal and Murshidabadd and ‘other places below’. 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 yards by $1\frac{4}{9}$ yard cost 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.

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 taffetas. A piece of taffeta, as Vincent stated, which used to cost Rs 15 about twelve or thirteen years ago, was then ‘made and sent home’ at about six or seven rupees. It means that the price fell by well over 50 per cent. The English factors, however, often complained of dearer prices of textiles resulting from competition from other merchants. It is very much evident from the Company’s records that it was apprehensive about its weavers being lured away by the Dutch. In 1684 the Dacca factors reported that Mathuradas, Raghunath and Ramnarain—all Company’s merchants—sent many agents to Dacca and the neighbourhood and they feared the weavers would raise the price of goods ‘to see so many buyers’. The rivalry and competition between the Old and New Company also led to a sharp rise in the prices of textiles in the early years.

171 Supra Chapter 5, II.
of the eighteenth century. The factors of the New Company reported in 1700 that 'goods became exceeding dear at the aurungs even beyond what was 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'.

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'.

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 comprised 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. 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.

However, it seems from the contracts between the Company and Calcutta merchants in the second decade of the eighteenth century that the price of different calicoes (the size and the place of production remaining constant) did not show much fluctuation. Of course, it is certain that the Company derived sufficient profit from the textile trade and was not concerned much even if the cost 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.'

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173 O. C., no. 7211, Vol. 58.  
175 See Appendix E.  
176 Ibid.  
177 The Company realized a profit of about 450 per cent from the sale of the piece-goods brought by the ship Tavistock in 1704/05, see, Appendix F.  
178 D. B., 29 Nov. 1670, Vol. 87, f. 404.
Turning to the actual exports, we find that the textiles exported by the Company up to 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 8,085 pieces costing £5,549 in 1668/69, rising eventually to 20,336 pieces next 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 pieces 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 value of textiles exported by the Company remained almost steady till the beginning of the eighties. In the two years 1675/76 and 1676/77, 81,779 pieces were annually exported on an average at the value of £40,698. In 1678/79 the Company exported 75,408 pieces 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 seventeenth century which continued, though with interruption caused by various factors discussed earlier, throughout the period under review. The table below illustrates the continuous growth of textile trade from Bengal.

### Quinquennial Totals of English Export (Textiles)

<table>
<thead>
<tr>
<th>Years</th>
<th>Total no. of pieces</th>
<th>Total Value (£s)</th>
<th>Average no. of pieces</th>
<th>Average Total Value (£s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1681/82-1685/86</td>
<td>1,040,491*</td>
<td>561,988</td>
<td>208,098</td>
<td>112,397</td>
</tr>
<tr>
<td>1694/95-1698/99</td>
<td>—</td>
<td>333,035</td>
<td>—</td>
<td>66,607</td>
</tr>
<tr>
<td>1699/1700-1704/05</td>
<td>—</td>
<td>569,435</td>
<td>—</td>
<td>113,887</td>
</tr>
<tr>
<td>(Excluding 1703/04)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1705/06-1709/10</td>
<td>—</td>
<td>450,043</td>
<td>—</td>
<td>90,005</td>
</tr>
<tr>
<td>1710/11-1714/15</td>
<td>1,246,907</td>
<td>914,446</td>
<td>249,381</td>
<td>182,889</td>
</tr>
<tr>
<td>1715/16-1719/20</td>
<td>1,538,972</td>
<td>970,759</td>
<td>307,794</td>
<td>194,152</td>
</tr>
</tbody>
</table>

*Excluding the number of pieces 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 pieces 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 1705/06 to 1709/10, was one of steady growth both in volume and value. We could not yet compute the total value of the Dutch export of textiles from Bengal during this period. But from the number of pieces exported by the two Companies, it is apparent that from about the beginning of the second decade of the eighteenth century, the English surpassed the Dutch at least in the textile trade from Bengal. The Dutch during this decade exported on an average about 203,853 pieces annually while the English export stood at 278,588 pieces.\(^{179}\)

Finally, it is interesting to see what percentage the total value of annual textile export constituted of the total value of the English Company's annual export from Bengal. With the exception of a few years (for example, in 1668/69 and 1704/05 when the percentage slid to 38.5), the total value of annual textile export formed roughly about 70 to 90 per cent of the total value of the Company's exports.\(^{180}\) So it can rightly be asserted that throughout the second half of the seventeenth century and the first two decades of the eighteenth textiles constituted the most important article in the structure of the English Company's export trade from Bengal.

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179 Speaking generally of the textile trade about the close of the seventeenth 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.' For the total quantity and value of textiles exported by the English during the period, see, Table 5, Appendix B.

180 See, Table 3 in Appendix B.
Fig. 4

[ Dotted lines represent parts of the curve in which data are not available ]
CHAPTER 7

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 chapters—meant a corresponding increase in its imports to Bengal. Indeed, if one significant feature in the economy of Bengal during this period was the tremendous growth of the export trade and consequently of production, a sharp rise in the imports was one of its results. But the important 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 was to increase the supply of capital required for European investment. As such the imports were significant mainly as providing the necessary working capital. We have noted earlier\(^1\) how the export of large quantities of precious metals gave rise to a tremendous 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 mercantilist 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 realized in the 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

\(^1\) Supra Chapter 5, I.
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 seventeenth century. As an
example we simply 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.\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>1668/69</th>
<th>%</th>
<th>1677/78</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bullion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>£104,812</td>
<td>or</td>
<td>£148,826</td>
<td>or</td>
</tr>
<tr>
<td>Silver</td>
<td>32,047</td>
<td></td>
<td>61,259</td>
<td></td>
</tr>
<tr>
<td></td>
<td>136,859</td>
<td></td>
<td>210,085</td>
<td></td>
</tr>
<tr>
<td>Broadcloth</td>
<td>6,557</td>
<td></td>
<td>1,255</td>
<td></td>
</tr>
<tr>
<td>Merchandise</td>
<td>7,809</td>
<td></td>
<td>14,320</td>
<td></td>
</tr>
<tr>
<td>Stores &amp; Misc.</td>
<td>409</td>
<td></td>
<td>1,075</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1668/69</th>
<th>%</th>
<th>1677/78</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£151,634</td>
<td></td>
<td>£226,735</td>
<td></td>
</tr>
</tbody>
</table>

It is clear from the above table 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. We take into account in the table below
three years, namely 1682/83, 1699/1700, 1718/19 as typical exam-
pies of the Company’s imports to Bengal with their breakdown.

<table>
<thead>
<tr>
<th></th>
<th>1682/83</th>
<th>1699/1700</th>
<th>1718/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bullion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>£94,317</td>
<td>or 35.00</td>
<td>nil</td>
</tr>
<tr>
<td>Silver</td>
<td>173,188</td>
<td>64.35</td>
<td>168,903</td>
</tr>
<tr>
<td></td>
<td>267,505</td>
<td>99.35</td>
<td></td>
</tr>
<tr>
<td>Broadcloth</td>
<td>466</td>
<td>.17</td>
<td>4,665</td>
</tr>
<tr>
<td>Merchandise</td>
<td>786</td>
<td>.28</td>
<td>1,481</td>
</tr>
<tr>
<td>Stores &amp; Misc.</td>
<td>543</td>
<td>.20</td>
<td>4,273</td>
</tr>
</tbody>
</table>

|            | £269,300| £179,322 | £187,387|

\(^2\) All the statistical data regarding Company’s imports are taken from
relevant volumes of Accountant General’s Dept., Range 11.
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 taken the place of gold. Since the Company had to suffer losses, often ranging between 20 to 30 per cent by the sale of imported gold, 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, 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 which incurred losses by importing gold to Bengal. In 1708/09, the Dutch account shows that the Company lost f 17,737 in selling 50,000 gold ducats. So it seems that even the market for bullion and specie was limited, the demand being confined mainly to silver.

Two interesting features that emerge from an analysis of the European Companies’ imports to Bengal were—the flexibility of demand for bullion and specie, and a close connection between the bullion market and the State policy with regard to coining. The effective demand for treasure was to a large extent equivalent to the State demand for the purposes of coining. As a result the metal preferred by the State mints for coining at any given time enjoyed a booming market. Silver coins were in general use in Bengal and as such the Bengal mint was more busy in coining silver than gold. Consequently, 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. Again it seems

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3 Supra Chapter 5, I.
6 The revenue of Bengal, including Bihar and Orissa, in the second half of the seventeenth and early decades of the eighteenth centuries, seems to have amounted roughly to about 268 lakhs of rupees annually (taking 40 dams for a rupee) of which Bengal seems to have contributed 131 lakhs, Bihar 102 lakhs and Orissa 35 lakhs. 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 Quil used to send 130 lakhs of rupees annually to Delhi as revenue for Bengal.
that most of the ruling 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 throughout the period.  

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. It seems that the currency system was one of free coinage, that is, 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 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 1/2 to 3 % and more esteem and value than the peet’. The third variety was called somala 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

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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, Hugil, 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, vide Fact. Records, Misc., Vol. 3A, f. 260, 25 January 1694.

8 For currency system in Mughal India, see, Irfan Habib, op.cit., pp. 380-87; Hodivala, Historical Studies in Mughal Numismatics.


10 Ibid.
in payment than the rest'. The gold mohar was not in general commercial use but mostly employed for hoarding purposes, especially 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; metals—lead, copper, tin; minerals—quicksilver, alum, brimstone; paints—white and red lead, vermilion; and miscellaneous goods for presents such as looking glass, glasswares, pistols, etc. Most of this 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, the Company's wares were seldom sold at a profit because of 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. But it was not always in the factors' power to take any radical measure 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. As early as 1664 the Directors received reports from Bengal that a great quantity of European wares was lying unsold in Bengal which would 'not sell in some years and some never except to loss'. 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 manufactures'. On the contrary, they accused the 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

11 Ibid.
12 Supra Chapter 5, II.
13 Ibid.
cloth to lye by and that high rate discouraged the buyers.\textsuperscript{17} But in 1677 the Court of Directors resolved that they would send but half the quantity of European goods because of ‘the great inconvenience in disposing of them either in sale or barter’.\textsuperscript{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 per cent of its investment in English manufactures and goods.\textsuperscript{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 and Asian merchants trading with various parts of Asia. As a result, the arrival of the English and 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 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.\textsuperscript{20} There was a great slump in the price of lead in 1703 when it was sold at Rs 3.11-12 an.\textsuperscript{21} Similarly copper was being sold in September 1680 at Rs 30 per maund while the price rose to Rs 36.4 an. in January 1681.\textsuperscript{22} The same sort of violent fluctuation was to be found in the price of tin. While in January 1678 it was sold at Rs 26.8 an. per maund, the price fell to Rs 22

\textsuperscript{18} D.B., 7 Sept. 1677, Vol. 88, f. 449.
\textsuperscript{19} D.B., 26 Feb. 1703, Vol. 95, f. 49.
\textsuperscript{22} Fact. Records, Kasimbazar, Vol. 2, Diary, 24 Sept. 1680.
in April 1679. There was a similar pattern in the price movements of vermilion, quicksilver, tutenague, etc. These facts bring into bold relief that the market for import commodities in Bengal throughout the period remained strictly limited and whenever there was a large import 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. Up to 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 European wares—was thus distributed among various factories.

<table>
<thead>
<tr>
<th>Factories</th>
<th>Amount in Treasure (£)</th>
<th>Amount in Goods (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kasimbazar</td>
<td>73,395</td>
<td>7,964</td>
</tr>
<tr>
<td>Patna</td>
<td>7,601</td>
<td>824</td>
</tr>
<tr>
<td>Malda</td>
<td>7,863</td>
<td>953</td>
</tr>
<tr>
<td>Balasore</td>
<td>16,776</td>
<td>1,820</td>
</tr>
<tr>
<td>Dacca</td>
<td>8,652</td>
<td>938</td>
</tr>
<tr>
<td>Hugli</td>
<td>6,553</td>
<td>711</td>
</tr>
</tbody>
</table>

|             | 120,840               | 13,210              |

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 with 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

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in silver and manufacture in the different parts of the East as noted below:

<table>
<thead>
<tr>
<th>Places</th>
<th>Ships</th>
<th>Tonnage</th>
<th>Total Value (£)</th>
<th>Value in Silver (£)</th>
<th>Value in Manufacture (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay, Surat, Persia</td>
<td>5</td>
<td>2,500</td>
<td>250,000</td>
<td>200,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Fort St. George</td>
<td>2</td>
<td>800</td>
<td>200,000</td>
<td>170,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Coast</td>
<td>2</td>
<td>700</td>
<td>200,000</td>
<td>180,000</td>
<td>20,000</td>
</tr>
<tr>
<td>The Bay</td>
<td>3</td>
<td>1,200</td>
<td>200,000</td>
<td>180,000</td>
<td>20,000</td>
</tr>
<tr>
<td>China</td>
<td>1</td>
<td>500</td>
<td>70,000</td>
<td>50,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Bencoolen &amp; St. Helena</td>
<td>1</td>
<td>300</td>
<td>8,000</td>
<td>5,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

It is clear from the above table that the percentage portion of merchandise sent to Bengal was the smallest compared with that for other regions.

So it is evident that despite a significant growth of Bengal's export trade there was hardly any noticeable increase in the inflow of either consumer goods or raw materials. Consequently, the rise in import—as a natural corollary to the expanding export—meant only an increase in the flow of bullion and specie. But a significant portion of this treasure—though not the bulk of it—went into hoarding and luxury consumption. As a result the influx of treasure affected the producer and production-organization in a limited way and that too in so far as it enlarged the volume of money in circulation. The bulk of the surplus from the expanding export trade was mostly expropriated by the European Companies and merchant-middlemen, and only very little filtered down to the primary producers. The net result was that the import market remained relatively stagnant and limited throughout the period.

II. Company and 'Country Trade'

The prospects of a lucrative port to port trade, generally referred to as country trade in the records, 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 employ to

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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.  

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 shortage of funds for investment with the profit from such ventures. So from the early years of its trade in Bengal, the Company was engaged in inter-Asian trade mainly to and from Surat and Persia, though of course such coastal voyages were not always very regular. Later on in the seventeenth and early eighteenth centuries, 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….’

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 while the return cargo consisted chiefly of specie in the form of silver *abasis* and gold ducats, besides such commodities as Shiraz wine, rose water, dry fruits, *hing*, pearls, etc. The profit on such voyages to Persia was quite considerable and often varied between 50 to 60 per cent. 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 $\frac{1}{4}$ to the Agent in Bengal, $\frac{1}{3}$ to Beard (Second in Bengal) and $\frac{1}{8}$ to the Agent in Persia. Despite this, it does not seem that the Company sent ships regularly to

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27 D.B., 2 March 1703, Vol. 95, f. 63.
Persia during this period. The staple commodities in the Bengal-Surat trade, which was mostly in the hands of the Surat merchants, were sugar, raw silk and calicoes while the return cargoes were chiefly cotton, tobacco and other commodities that came from Persia.

The Company did not involve itself directly in any trading voyage to China, Japan, Achin or other parts of the East Indies from Bengal, though its factors often took part in various deliberations about the possibilities of deriving a lucrative trade in those parts. However, it seems that the Company was engaged 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 Batavia 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 eighteenth century, the factors in Bengal pressed the Directors to open China trade but in vain. They pointed out that besides the advantage of a

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\(^{32}\) Fact. Records, Hugli, Vol. 4, f. 11.

profit ranging from 40 to 50 per cent by the China voyage,\textsuperscript{34} i.e., would also help to ease the problem of financing investments in proper season. 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, China-ware 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'.\textsuperscript{35}

The Dutch derived 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. The table below, showing the varieties, quantities, cost and sale prices as also the rate of profit of the Dutch imports to Bengal in 1670 from other parts of Asia, will illustrate our point.\textsuperscript{36}

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantities</th>
<th>Cost Price</th>
<th>Sale Price</th>
<th>Rate of Profit(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pepper</td>
<td>313,708 lb</td>
<td>f. 48,242</td>
<td>f. 86,018</td>
<td>78</td>
</tr>
<tr>
<td>Tin</td>
<td>200,937</td>
<td>&quot; 69,148</td>
<td>&quot; 116,482</td>
<td>68</td>
</tr>
<tr>
<td>Copper</td>
<td>67,386</td>
<td>&quot; 26,835</td>
<td>&quot; 71,897</td>
<td>168</td>
</tr>
<tr>
<td>Spelter</td>
<td>15,065</td>
<td>&quot; 4,950</td>
<td>&quot; 12,400</td>
<td>170</td>
</tr>
<tr>
<td>Gans (Bell Metal)</td>
<td>8,400</td>
<td>&quot; 3,907</td>
<td>&quot; 7,063</td>
<td>80</td>
</tr>
<tr>
<td>Bitgans (?)</td>
<td>18,410</td>
<td>&quot; 3,067</td>
<td>&quot; 5,874</td>
<td>91</td>
</tr>
<tr>
<td>Lead</td>
<td>102,625</td>
<td>&quot; 13,093</td>
<td>&quot; 24,198</td>
<td>84</td>
</tr>
<tr>
<td>Quicksilver</td>
<td>1,526</td>
<td>&quot; 3,058</td>
<td>&quot; 4,753</td>
<td>55</td>
</tr>
<tr>
<td>Vermillion</td>
<td>4,292</td>
<td>&quot; 7,005</td>
<td>&quot; 13,127</td>
<td>87</td>
</tr>
<tr>
<td>Sandalwood</td>
<td>9,302</td>
<td>&quot; 3,448</td>
<td>&quot; 5,420</td>
<td>57</td>
</tr>
<tr>
<td>Clove</td>
<td>7,516</td>
<td>&quot; 5,040</td>
<td>&quot; 35,427</td>
<td>602</td>
</tr>
<tr>
<td>Nutmeg</td>
<td>5,485</td>
<td>&quot; 639</td>
<td>&quot; 7,748</td>
<td>1112</td>
</tr>
<tr>
<td>Cinnamon</td>
<td>3,863</td>
<td>&quot; 2,188</td>
<td>&quot; 9,326</td>
<td>326</td>
</tr>
<tr>
<td>Arrack from Ceylon</td>
<td>344,518</td>
<td>&quot; 20,332</td>
<td>&quot; 45,868</td>
<td>125</td>
</tr>
<tr>
<td>Elephants</td>
<td>6</td>
<td>&quot; 11,439</td>
<td>&quot; 15,204</td>
<td>33</td>
</tr>
<tr>
<td>Mace</td>
<td>1,043 lb</td>
<td>&quot; 1,009</td>
<td>&quot; 5,234</td>
<td>421</td>
</tr>
</tbody>
</table>

\textsuperscript{34} Pitt wrote to John Beard in 1700 that the China ships secured 30 to 40 per cent even before their arrival in Fort St. George, \textit{vide} B.M. Addl. Mss., 22,842, f. 71.

\textsuperscript{35} O.C., 8 Jan. 1702, no. 7820, para 11, Vol. 63.

\textsuperscript{36} K.A., Vol. 1164, f. 397vo. I have left out all fractions.
As a matter of fact, the Dutch Company was engaged 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 (f. 253,912) and sold them for Rs 401,037 (f. 601,556) realizing a gross profit of Rs 231,763 (f. 347,644).\(^{37}\)

Besides inter-Asiatic trade, the European Companies were also engaged in freight trade from Bengal, especially 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 freight 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, was more interested 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 Surhaut’s offer of Rs 35,000 for the ship *East India Merchant* ‘to be let out wholly to him’ since it expected 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 a


profit of 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'. 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. Again in 1699 the Company in Bengal was obliged to accept freight at Rs 8 per maund for the ship East India Merchant in view of the fact that an Arab ship offered to take freight goods at Rs 6 per maund, and there were 'three other ships putting in for goods for Persia'. Even as late as 1718 the Calcutta factors reported that the ship Bouverie was despatched to Persia with only 515 bales on freight at Rs 9 per maund because an Arab ship 'took in freight goods' at Rs 6 or Rs 7 per manud.

The one striking fact in freight trade was the lowering of the freight charges whether for passengers or goods in the later years compared with 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 per maund (of 64 lb.) to Persia. But in 1688 the freight to Persia declined to Rs 30 per passenger and Rs 10 per maund (of 74 lb.) for goods. The rates of the English Company further sunk to Rs 8 or Rs 9 per maund in the first two decades of the eighteenth century while the indigenous ships carried goods to Persia at Rs 6 or Rs 7 per maund.

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40 O.C., 26 April 1684, no. 5143, Vol. 44.
41 O.C., 28 April 1690, no. 5709, Vol. 48.
45 B.M. Addl. Mss., 34,123, f. 36a.
46 C. & B. Abst., Vol. 1, f. 448; Vol.2, f. 144; B.P.C., Range 1, Vol. 3, f. 463a. In 1685 it was reported that the Company secured freight for Perisa at Rs 50 per passenger, and Rs 16 per maund for fine goods and Rs 20 per maund for coarse goods, vide O.C., 31 Dec. 1685, no. 5452, Vol. 45.
a marked fall in the freight rate might have been due to a decline in the Bengal-Surat or Bengal-Persia trade, but as there is no evidence to support such a contention, the fall in freight rates can be attributed wholly to the keen competition among different European Companies and indigenous merchants. It is significant to note that even European merchants sometimes freighted indigenious 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 it of its legitimate return cargo.

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 seventeenth 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 Bridgman 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’.\(^{49}\)

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\(^{47}\) B.P.C., Range 1, Vol. 1, f. 220.

\(^{48}\) Bruce, *op.cit.*, Vol. 1, p. 485.

\(^{49}\) Translation of Dutch Records, Vol. 21T, no. 655, f. 1.
The Company, however, soon prohibited the private trade of its servants. 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 private trade which has been and (if not suppressed) will be destructive to our public’. But this was of little avail. In 1681 the Court of Directors complained that the Bengal factors were ‘overburdened with the load of private trade’.

The familiar pattern of this private trade was to employ ships in inter-Asiatic voyages as also carrying cargoes of indigenous merchants on freight. The private traders were also engaged in inland trade and sometimes sent export commodities to England on their own account. In the early years of English trade in Bengal the free merchants and servants of the Company including Boughton, Bridgman and Brookhaven sent ships on their private trade account to Surat, Gombroon and other Persian Gulf ports. Many of the Company’s factors owned ships which were employed in trading voyages throughout the period. In 1687 the ship *Nilgiri* belonging to John Beard was reported to have returned from such a voyage from Manila. Similarly a Balasore Consultation of 1686 refers to ships owned by Fitzhugh, the chief of the Balasore factory. Edward Littleton’s ship, bound for Persia and carrying cargoes of ‘Cuttarees’ and Armenians of Bengal, was captured by pirates and sold for Rs 40,000 in 1701.

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40 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, nillaes etc. but were free to trade in other commodities.


53 O.C., 11 July 1653, no. 2332, Vol. 23.


55 Ibid., Consult., 17 Nov. 1686.

56 O.C., 25 Nov. 1701, no. 8592, Vol. 70.
was engaged by him on his private trade account. Such illustrations can be multiplied.

In inland trade, the private traders dealt in any commodity which yielded a profit. Edward Reade wrote from Hugli in 1678 to Richard Edwards at Balasore to dispose of the long pepper and rice on the former’s account charging due commission for it and also to buy tin on his account when ships from Tena-sserim had arrived. An interesting feature was that the servants of the Company assisted each other in carrying on this lucrative trade. The Bengal factors also helped their colleagues stationed outside Bengal in the latter’s private trade. Thomas Pitt, the governor of Madras, was closely associated in his business deals not only with President Beard of Bengal but with other factors like Ralph Sheldon, Curgenven, etc. The local merchants often assisted the Company’s servants in their private trade. In 1700 Thomas Pitt wrote to Khoja Surhaud seeking his assistance in procuring ‘fine goods and good freight’ for his ship Sedgwick bound for Persia as also for another ship designed for Mocha.

The volume of export commodities sent to England on private trade account was not very insignificant. As early as 1679 the private investment in Kasimbazar alone was estimated at something between Rs 20,000 and Rs 30,000. In the same year John Naylor, a dyer from England, made an investment of Rs 13,000 according to his own admission, though the factors believed it to be much more. It was reported in 1702 that ‘there were more fine goods sent home on the private trade account’ than on the Company’s account.

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 in four years by private trade only and ‘extracted out of nothing’. His trading voyages

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60 B.M. Addl. Mss., 22,842, Vol. 1, ff. 75-76.
were confined mainly to Persia, Siam and the Maldives, 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.⁶⁴ 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 1670.⁶⁵ The Court of Directors even complained of the ‘great private trade that went up and down with Agent Master’ who came to Bengal in 1676 to reorganize the factories.⁶⁶ The next Agent in Bengal, William Hedges, was similarly engaged in private trade.⁶⁷ 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. His banian Nandaram Mallick, and agents Gossainiram (a fictitious name of Jitu, son of Rupram, Littleton’s servant), Rupram’s brother Paran who acted as Gossainiram’s *gomasta*, Gurudas Mussand and Umirchand assisted him in his trading ventures.⁶⁸ But 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 to China, Japan and Achin.⁶⁹

Though the Company failed to stop the private trade of its servants, it tried to check the abuses of this branch of trade which hampered its own interest. In December 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’.⁷⁰ Four years later they extended the liberty to any parts or places

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⁶⁶ Home Misc., Vol. 803, f. 275.
⁶⁷ O.C., 3 May 1683, no. 4942, Vol. 43.
⁶⁹ For Pitt’s private trade, see, B.M. Addl, Mss., 22,842-22,850.
in the East Indies except Tonqueen and Formosa. 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’. 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 trade’, prohibited calicoes and silk and other goods made of or mixed with cotton or silk. Again in 1682 the Company prohibited all persons in its service from trading in raw silk of the Bay.

At the same time, 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. 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 dadni 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, pikars or to receive goods from them to be sorted or priced there. 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 January 1681 that the Company’s trade was much hindered by private trade and that

73 D.B., 3 Jan. 1679, Vol. 89, f. 27.
75 Fact. Records, Kasimbazar, Vol. 1, Diary, 4 May 1679.
76 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.
the factors in Bengal were 'overmuch crowded and encumbered with the burden of private trade'. They wrote:

... it is against reason and our intent that our indulgence to them of universal 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.78

As a matter of fact they complained in 1681 that 'one of the reasons that slackened and lessened our investments in the Bay is Private Trade'.79

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 investments. In order to prevent this, the Company wrote to Bengal in 1703:

... (we) give due encouragement 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 in any manner of way....80

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) like Gurudas Mussand, Paran, Umirchand and Gossainram for his own private trade.81

77 Home Misc., Vol. 803, ff. 275-78.
79 Home Misc., Vol. 803, f. 278.
80 D.B., 26 Feb. 1703, Vol. 95, f. 54.
Borrowing from indigenous merchants for financing private trade of the Company's servants was a common practice. In 1711 the Directors complained that the late President Wellden "had demanded several sums of money" from indigenous merchants, particularly fifty thousand rupees from Janardan Seth for carrying on his private trade.\textsuperscript{82} 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.'\textsuperscript{83} 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 Rs 21,941 for that year.\textsuperscript{84} In other words the total value of private trade from Calcutta in 1718 was about Rs 1,097,050. The consulage at Patna only (at 2 per cent) amounted to Rs 4,000 in 1719 which means that value of private trade at Patna was about Rs 200,000.\textsuperscript{85}

The interloping trade was no less a concern for the Company especially in the last two decades of the seventeenth 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 \textit{dadni} 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 3½ per cent 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.

\textsuperscript{82} D.B., 28 Dec. 1711, Vol. 97, f. 462.
\textsuperscript{83} D.B., 15 Feb. 1716, Vol. 98, f. 788.
\textsuperscript{84} B.P.C., Range 1, Vol. 4, f. 75.
\textsuperscript{85} 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.\textsuperscript{66} 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.\textsuperscript{67} It seems that Naylor had big transactions on behalf of the interlopers. In November 1683 he was said to have paid Rs 2,740 as custom duties at the rate of 3\frac{2}{3} per cent.\textsuperscript{68} In other words, the goods for which he paid customs were valued at about Rs 73,000.

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 Mahazar\textsuperscript{69} 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 us, which if we must be forced to, there will be no trading.'\textsuperscript{70} The Bengal Agency was, however, successful in preventing the interloper from obtaining a parwana for building factories in Bengal.\textsuperscript{71}

The Company had recourse to various measures to hinder the

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\textsuperscript{67} Fact. Records, Hugli, Vol. 9, f. 54.

\textsuperscript{68} Ibid., f. 173.

\textsuperscript{69} An undertaking.


\textsuperscript{71} Fact. Records, Hugli, Vol. 10, ff. 87, 88, 98.
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.\(^93\) 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 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 frustrating the ‘designs’ of the interlopers.\(^93\) 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 November 1693, the Company sent Captain Dorill 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’.\(^94\) 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 and contentions.’\(^95\) From then onward the interloping trade was much reduced though not completely eradicated.\(^96\)

\(^94\) D.B., 28 April 1693, Vol. 92, f. 286.
\(^95\) O.C., 4 Nov. 1693, no. 5886, letter no. 43, Vol. 50.
\(^96\) D.B., 3 Jan. 1694, Vol. 92, f. 316.

In 1697 an interloping ship came to Bengal and despite the fact that the English procured the Nawab’s parwana forbidding the interlopers’ trade, it procured goods through the French, vide Fact. Records, Calcutta, Vol. 6, pt. I, f. 54.
CHAPTER 8

A RESUME

The objective of the English East India Company's trade in Bengal was mainly to provide supplies for the English and European markets, and not the procurement of cheap Bengal cloth for barter trade with the East Indies which was the main purpose behind the early Dutch and English settlements on the eastern coast of India. In the early years the English Company was mostly interested in the procurement and export of three commodities namely, saltpetre, sugar and silk. But in the course of its trade, the Company shifted the emphasis to raw silk and textiles. From the eighties of the seventeenth century, Bengal piece-goods overshadowed other commodities in the export list of the Company both in value and volume. The Company's investment, however, was 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 seventeenth century, the English trade in Bengal was much less significant than that in Madras or Surat. But towards the close of the century and definitely in the first two decades of the eighteenth century, the Bengal trade became more important in the pattern of the Company's commercial 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'. An English factor wrote towards the close of the seventeenth century that Bengal 'is the most considerable to the English nation of all their settlements in India'.

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 extensive 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 importing bullion and cash specie. The precious metals formed about ninety to ninety-five per cent of the total value of imports during the period. 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 for which there was a steady demand. This was largely because of the fact that Bengal currency was silver based and that the revenue from Bengal was sent to the imperial treasury in sticca rupees. The demand for gold seems to have been rather limited, its use being confined to non-commercial purposes like hoarding or conspicuous consumption. There was hardly any hunger for gold in the province.

Apart from the economic factors, another difficulty in the trade of the Company was an unfavourable institutional framework. Of course, this not only hindered the trade of the European Companies but at the same time inhibited all economic activities which could have possibly led to an expansion in production or a rise in the producers' standards of consumption. The transferable officials or revenue farmers in Bengal, as in other parts of India, had little interest in the economic future of the people or the region they governed except in oppressively taxing them, and their rapacity was a part of the familiar pattern of the administrative system of the period. Extortionate demand on local merchants and traders by these officials is too familiar a thing in the seventeenth century to need any special emphasis. The attempts by the ruling class to monopolize the trade of particular commodities, the system of raddari, sauda-i-khas, farmaish, the heavy burden of tolls (the number of toll collecting centres increasing from eight to twenty-two during the period\(^2\)) and the differential rates of customs for Muslims and non-Muslims

must have impeded the growth of trade and output. Thus the role of the State in fostering trade and commerce seems to have been inhibitive rather than positive.

In the face of this multiform bureaucratic exploitation, the English Company, however, tried to establish exclusive and preferential trading privileges by various nishans and farmans obtained from the ruling authorities. But its claim that it obtained and enjoyed—by virtue of imperial farman—the privilege of duty-free trade on the payment of Rs 3,000 a year was only a myth and hardly based on any legal or imperial sanction behind it. The privilege was secured only through bribes or presents to the ruling subadars who from time to time issued the required parwana or nishan to the effect. It was only in 1717 that the Company secured an imperial farman enjoining the freedom of trade in Bengal in lieu of an annual payment of Rs 3,000. Quite often the bonafides and the interpretation of the various documents—nishan, parwana and farman—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 tried to monopolize 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 in most cases. It had to give dadni or advances to middlemen who in their turn paid advances to weavers and artisans in the proper time of the year. Thus one finds that dadni system was widely in use and that both cash advances and the giving-out of raw materials were established practices. The role of these merchant-middlemen, however, was not yet reduced to that of simply a ‘middle-man’. Often they possessed vast resources and many of them conducted independently considerable trade in the spheres of internal and Asian commerce. They also sometimes acted as bankers and shroffs. The Company, it seems, could not quite realize the power and the multifarious activities of these merchant-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 organize them into a joint stock which would have invariably curtailed their bargaining power and also the risk of bad debt for the Company. Such a joint stock of merchants would 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 organize 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—particularly in Calcutta—from the close of the seventeenth century.

The vast expansion of the Company’s export trade necessarily meant an increase in the volume of its imports, though this primarily consisted of bullion and cash specie. The market for imported commodities was very limited and inflexible. The European products and manufactures imported during the period in the form of luxury items had little demand in the country. Non-precious metals like tin, spelter, lead etc. and even spices had a very limited market and whenever their supplies exceeded a certain point, there was a glut in the market resulting in a substantial fall in their prices. This underlines the relative stagnation in the market for imported commodities during the period though the variety and volume of imports was not very insignificant in the context of the poverty of the vast masses in the country. The only steady demand was for precious metals and that too confined to silver and linked to the State requirements for the purpose of minting. It is significant that the influx of silver was not beyond the absorptive capacity of the country and the increasing flow of bullion and cash specie does not seem to have had any serious effect on the general price level. There is no evidence of any price revolution of the European variety in Bengal. It is probable that despite the expansion of export trade and the consequent increase in the inflow of precious metals, the degree of monetization must have been very limited. Most of the treasure, it appears, was drained out of the country or went into hoarding.

In the internal economy of Bengal, the activities of the European Companies undoubtedly gave an impetus to production. The European demand for the Bengal products was a new phene-
Menon in the history of the country's export trade and assuming, in the absence of any evidence to the contrary, that the supply for European markets did not seriously affect Bengal's traditional exports to other regions, it can rightly be said that the production of these export commodities had definitely gone up during this period. Bengal met the European demand not at the cost of other markets or by diverting the supplies from her traditional buyers to the European Companies. This is quite evident from the silk market. The traditional Gujarati and North Indian merchants continued to procure silk side by side with the European Companies and there is no evidence in contemporary records that silk exports by these Indian merchants to Agra or Surat declined to any appreciable extent as a result of the large export of this commodity by the Europeans. Thus there was evidently an expansion in the production of at least three main export commodities—textiles, raw silk and saltpetre—to meet the increasing orders of the foreign Companies, though it is not possible to measure this in any quantitative terms.

Yet a cursory glance at the export list of the European Companies will give a rough idea of the extent of expansion of the export commodities. Towards the close of the period under study, the English and the Dutch Companies exported from Bengal on an annual average about five hundred twenty-five thousand pieces of different textiles, three hundred fifty thousand lb. of raw silk, and four and half million lb. of saltpetre. Only an expansion in production could meet such a huge demand for Bengal products. The significant point is that the increase in production could be made without any fundamental change in the technique or in the organizational aspect of the production system. The question naturally crops up—how then was this expansion in production possible? In the absence of any direct evidence, a tentative hypothesis can be built up on assumptions. As regards raw silk, an increase in the production of mulberry was perhaps made by extending the areas under cultivation of this crop rather than by raising the yield per acre, especially when the tools and methods of cultivation remained the same. The increase in the total acreage under such crop might have been done either by bringing new lands under cultivation or by shifting lands under other crops to this particular variety.
So far as textile industry was concerned, the expansion in production was achieved by picking up the slack in the economy. The fact that a considerable increase in the total output could be brought about without any significant innovation in the technique of production obviously points to the existence of a possible over-capacity 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.\(^3\) It is probable that these weavers were not fully employed earlier and also that quite a few of them were previously agricultural producers, taking to weaving only as a by-employment and now became exclusively weavers giving up agriculture as their primary occupation.

Industrial production in Bengal, as in other parts of India, was organized as cottage industry by the weavers and artisans in their own homes. These people with little capital in their hands generally had to depend largely on the advance, either in cash or in kind, from the merchant-middlemen for whom they produced the commodities. Thus the merchant-middlemen had some control over the quality, size and quantity of production. But as yet there was no full-fledged putting-out system involving deep penetration of capital into production. The merchant giving out advances was only interested in the finished products and thus remained largely outside the production organization. And despite the increased demand and competition among buyers, both European and Asian, it seems that the weavers and artisans had hardly any bargaining power which remained mostly in the hands of these merchant-middlemen.

It appears that the weavers in Bengal were somewhat reluctant to leave their traditional abodes and settle down in some other places, even in the face of all material inducement. This is rather interesting in view of the fact the Coromandel weavers were 'surprisingly mobile'.\(^4\) Despite the promise of 'great wages', the English Company failed to persuade the Bengal weavers to

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\(^4\) Irwin, _op.cit._, pp. 31-32.
go and settle down in Madras. 'Such was their caste and lineage' that they feared by crossing the salt water 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 and artisans never lacked 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 occasion they demanded payment of the cost of alteration in their looms for meeting the specified dimension of piece-goods required by the Company.

The European Companies found the local credit market highly efficient and organized for their purposes. The specialized activities of a class of merchants namely, the shroffs, and the refinement and development of the existing financial machinery for credit and exchange indicate that merchant capital and commercial organization were capable of quite sophisticated operations. But though merchant capital was highly developed, it had no control over the production system. The entire credit machinery seems to have been formed primarily to meet the requirements of commerce only. No provision for any long-term investment or credit was there and so the efficient and advanced methods of financial organization failed to bring about any significant change in the technique of production. As regards the commercial organization of the Bengal merchants, business was the concern of individual rather than of groups acting together though joint ventures by several merchants were not altogether absent. But there was nothing like the 'sort of enterprise in participation' through joint stock under the initiative and control of the European Companies which is said to have become the norm in the Coromandel Coast at the beginning of the eighteenth century. 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 in Bengal was very high, 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 this can also 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 conditions gave the merchant a larger margin of profit on trade goods than in any other investments so that it was possible for him to pay a high rate of interest for borrowed money. The high rate of interest might have been also due to the fact that money was lent only for short term, the interest being generally calculated at a monthly rate in contemporary records and the loan not carried over beyond a year.

The activities of the European Companies in Bengal were responsible for introducing certain new elements in the organization of production and commerce though not on any extensive scale; but they might hardly be called innovations as their overall impact was not particularly significant. Before the advent of the European Companies of monopolistic merchant capital, the Asian and Portuguese merchants used to buy from the markets or manufacturers the best they could get at any given time. But the foreign Companies, catering to the European craze for 'Indiennes' and trading for a high margin of profit per unit, insisted on supplies conforming to samples with rigid and specific demands as to size, colour, quality etc., and thus introduced the idea of specific standardization which was something new in this region. But one should not perhaps stretch the point too far. While on the one hand the very nature of local artisinal production system was indifferent to any rigid specification, on the other the severe competition among too many buyers in the market was likely to make the merchants and producers reluctant to specific standardization as they were sure of being able to sell off their products to one buyer or the other.

The *dadni* system was considerably extended under the initiative of the European Companies though it was in vogue long before their advent. The Asian and Portuguese merchants trading in Bengal before the arrival of these Companies never fixed a definite price of the commodities they ordered at the time of giving out the advances and did so only when the products were brought to them for sale. The European Companies, however, fixed the price according to samples before the advance was given out and this was a novelty in the organization of
commerce in the region. They also sometimes set up establishment for the processing of cloth—especially bleaching and dyeing—as also for winding or reeling of silk, employed weavers and artisans purely as wage-workers and even brought throwsters, weavers and painters from Europe who instructed local artisans and weavers in those arts and thus tried to improve the quality and colour of the piece-goods or raw silk. These establishments no doubt enlarged the range of the manufacturing system in the region though they were not entirely new institutions in the country. The royal karkhanas were there and though they produced for use rather than for market, they must have served as models for the merchants to indulge in such enterprises. There is evidence, as noted earlier, that such establishments under Indian auspices were operating in this period, though perhaps not on a very large scale.

It is not possible to measure in any concrete terms the impact of the European trading activities on the internal economy of Bengal. As observed earlier, the vast expansion of the export trade brought in its train a great influx of silver. But the claim that this 'huge influx of silver effected a sudden and profound change in Bengal's economy' seems to be superfluous. No doubt leaving aside the free merchants and other European Companies whose trade was perhaps not very significant, the value of the annual exports of the English and the Dutch Companies alone exceeded more than forty or fifty lakhs of rupees on an average in the first two decades of the eighteenth 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 lakhs a year during the period. Naturally it might have been expected that the increased export and consequent influx of bullion would have improved the condition of, at least, the weavers and artisans who were responsible for the production of the bulk of export commodities. But from various reference in the records of the Company it appears that 'the lot of the poor weavers' remained the same despite the increase in production and competition among buyers. The plight of the weavers is amply illustrated by the factors' correspondence which often described it in such phrases as—'

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cannot subsist or lie long idle', or 'weavers live from hand to mouth', or 'such needy a generation as the weavers are'. Even making allowance for the inevitable exaggeration in the observation of the factors, the poverty of the weavers can hardly be denied. It seems reasonable to argue that the middlemen-system was responsible for their extreme poverty. 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 merchant-middlemen was such that he was apparently able to dictate prices both to the Company and the weavers.

A careful study of contemporary records makes it difficult to subscribe either to Moreland's thesis that 'prices on the Hooghly in the second half of the seventeenth century were brought into line with those which prevailed elsewhere on the Indian seaboard', or to Sir J.N. Sarkar's contention that 'money prices and money wages rose sharply in Bengal from the middle of the 17th century'. Moreland argued that up to 1650 prices of provisions in Bengal were abnormally low compared with those in other regions on the Coast as the silver there had previously been inadequate compared with what was available in other parts of coastal India. 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'.

But we have now enough evidence to assert safely that Bengal was never brought on to the same level with other parts of the Coast. Throughout the period, provisions were much cheaper in Bengal than in other parts of India, and they 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 fifty lakhs of rupees a year and which under ordinary circumstances should have pushed the

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7 W.H. Moreland, From Akbar to Aurangzeb, pp. 179-81, 298.
9 For detailed discussion, see, Appendix A.
prices up—had no appreciable impact on the prices of provisions. The probable explanation is that the greater part of the imported silver was drained out of the country towards northern and western India. That the drain from Bengal to these parts reached a new and great dimension during this period can 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.

The fortunes made by the subadars would give us an indication of the extent of loot from this region. Almost all the viceroys during this period indulged in extracting wealth from Bengal. As Sir J.N. Sarkar points out, Shaista Khan took with him nine crores in ten years, Khan Jahan Bahadur Khan two crores in one year, Azim-us-shan eight crores in nine years.\(^\text{10}\) This brings into bold relief the nature and extent of drain from Bengal. There was undoubtedly a continuous drain of wealth from Bengal to other parts of India. As a result, despite a great expansion of trade and a consequent influx of bullion, there was no material alternation in the price level in general, and prices of provisions in particular did not show any appreciable rise throughout the period and remained much lower than those in other parts of coastal India. But despite the low prices of provisions on the one hand and the increase in production and competition among the buyers on the other, the condition of the actual producers, weavers in particular, remained unchanged and poor, as is evident from the factors' correspondence referred to earlier. 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.

Finally, it can be reasonably stated that within the broad framework of an agrarian economy, Bengal reached a high degree of commercialization during this period. As a result of the European demand for particular commodities and their procurement by the foreign Companies, the process of market-

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orientation and commercialization was greatly accentuated. The increase in the production of at least the three main export commodities—textiles, raw silk and saltpetre—was primarily due to the European trading activities. The production of these commodities was now being increasingly regulated in accordance with the market demand. Thus it can be rightly assumed, though cannot be measured in quantitative terms, that the demand of the European trade gave a fillip to the process of commercialization and extended the area under specialized industrial and cash-crop production linked to export markets—a process which becomes more apparent in a later period. Yet the fact remains that the overall impact of the trading activities of the European Companies in the economy of Bengal can hardly be characterized as 'growth oriented', touching as it did merely the fringe of the 'traditional' Bengali economy.
APPENDIX A

Prices of Provisions in Bengal in the Second Half of the Seventeenth Century—Moreland Refuted

Moreland’s thesis\(^1\) that ‘prices on the Hooghly’ in the second half of the seventeenth century ‘were brought into line with those which prevailed elsewhere on the Indian seaboard’ can now be refuted with the discovery of new evidence in the archives of the Dutch and the English East India Companies. This mass of material undoubtedly leads to the conclusion that prices of provisions in Bengal were cheaper—much cheaper indeed—than those in any other part of the Indian coast.

Moreland’s contention was that up to 1650 ‘prices in Bengal were abnormally low compared with those’ in other regions on the coast of India. The reason for this unusual phenomenon, as he explains, was that the supply of silver had ‘previously been inadequate compared with what was available on other portions of the sea-board’ so that ‘silver price was depressed and commodities were cheap’. But the extension of trade in Bengal following the European trading activities in the second half of the seventeenth century ‘resulted in that market being brought more nearly on a level with the conditions prevailing elsewhere on the coast’.

The basis of his inference was that the English 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 holds that this sudden rise in price, as alleged by the factors, was due to the large inflow of bullion as a result of the European trading activities. He tried to explain the shortage of silver in Bengal—in the preceding period—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 sicca rupees. 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

\(^1\) W.H. Moreland, *From Akbar to Aurangzeb*, op.cit., pp. 178-82.
influx of silver in the wake of European trading activities was ‘sufficiently large to effect a material alteration in the monetary position in Bengal’. He maintained that this increase in imported supplies of silver occurring from 1650 onwards sufficed to remove the special cause of the low prices of provisions, namely shortage of silver, and bring Bengal in line with the rest of the Coast. This inference, as he wrote, was in accordance with the fact that for a long time previously (i.e. before 1650) Bengal had exported rice to countries which would more naturally have obtained their supplies from Coromandel.

But we have now enough evidence to show that Bengal was never brought into the same level with other parts of the Coast so far as the prices of provisions were concerned. While Moreland’s thesis was solely based on a single report of the English Company’s factors, we have got quite a few reports from different parts of the country pointing unmistakably to the low prices of provisions in Bengal compared with those in other parts of the Indian sea-board. The Bombay factors wrote in 1698 that ‘workmanship in Bengal is (sic) cheaper than here by reason of the great difference in the prices of provisions’.2 In 1702 the Court of Directors reported that ‘the cheapness of provisions is one reason for the difference of price of Europe investments in Bengal and Madras’.3 Again as late as 1711, the Directors wrote that ‘all things are cheaper in the Bay than at the Fort (i.e. Madras) ... a rupee in the Bay will go as far as a pagoda at the Fort’.4

The abundance of provisions in Bengal and their cheapness were attested to by most of the foreign travellers in the seventeenth and early part of the eighteenth centuries. As noted earlier, in the beginning of the seventeenth century Pyrard de Laval found that Bengal exported rice ‘not only to other parts of India as well to Goa and Malabar’, but to ‘Sumatra, the Moluccas, and all the islands of Sunda to all of which Bengal is a very nursing mother who suppleth them with their entire subsistence and food’.5 Bernier tells us that ‘rice from Bengal was supplied to

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2 O.C., 22 May 1698, no. 6566, Vol. 54.
4 1 pagoda was equal to 3·5 rupees approximately, c.f., D.B., 28 Dec. 1711, Vol. 97, f. 461.
5 Pyrard de Laval, op.cit., p. 327; M.A.P. Meilinck Roelofz, op.cit., p. 68.
Patna, Masulipatam and other parts on the Coromandel Coast as also to Ceylon and the Maldives.\(^6\)

This traditional export of provisions from Bengal was kept alive throughout the second half of the seventeenth century and at least the early years of the eighteenth. The cheapness of provisions in Bengal and their export to other parts attracted the attention of all the foreign travellers who visited Bengal during the period. Barlow wrote in 1692: ‘The place had plenty of good provisions... all provisions very cheap.’ \(^7\) The English ambassador Sir William Norris observed in 1699 that Masulipatam was supplied with rice from Bengal and that the people of the locality would have starved if rice were not supplied from the said place. \(^8\) Even as late as 1706-07, Alexander Hamilton wrote about Bengal: ‘The plenty and cheapness of provisions are incredible.’ \(^9\) So in the face of these statements it is difficult to subscribe to Moreland’s thesis that in the second half of the seventeenth-century prices of provisions in Bengal rose sharply so that it was brought into the same level with the rest of coastal India.

Besides the travellers’ accounts, we have statistical evidence in the Dutch records on the export of provisions from Bengal to other parts of the Indian sea-board as well as to the eastern islands throughout the second half of the seventeenth century. These records provide us with good and concrete data regarding the export of food grains by Indian merchants to various regions. The merchants definitely traded on profit-motive and naturally would not have dealt in provisions as one of the main commodities of their trade if these did not fetch a substantial margin for them. The main provisions in the export list of the merchants comprised rice, wheat, butter and oil, besides sugar which was a regular commodity in the trade with western India and Persia. Rice, wheat, butter, etc., were exported by Indian merchants regularly throughout the period to different parts of the Coromandel Coast, mainly Masulipatam, and Jaffnapatam, though also occasionally to Surat, Bombay, Goa and Calicut.\(^10\) Again,

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\(^6\) F. Bernier, \textit{op.cit.}, p. 437.
\(^8\) H. Das, \textit{The Norris Embassy to Aurangzib}, ed., S.C., Sarker, p. 120.
\(^10\) See relevant volumes in K.A.
provisions in considerable quantities were regularly exported to Ceylon (Gale), the Maldives, and occasionally, though not very rarely, to Achin, Queda, Moluccas, Siam, Manila and Tenassary in the East Indies and Mocha in the west. In a memorandum "of what voyages most profitable with commodities from the Bay", Thomas Pitt wrote in the third quarter of the seventeenth century that rice, wheat, butter, etc. were regularly exported to Batavia, the Maldives, Achin and the coast of Coromandel. One can reasonably ask why rice or provisions be carried to Ceylon or the islands in the East Indies from Bengal when it could be obtained from the Coromandel Coast by a shorter and much less dangerous voyage. The only reasonable answer seems to be that the prime cost of provisions in Bengal must have been so much lower as to cover the increased charge for transit and also a substantial profit.

Quantitatively, the amount of rice exported by Indian merchants was not insignificant. Fortunately enough, we can compute the quantity of annual rice export from the Dutch list of the cargoes of indigenous ships that left Bengal ports. According to the Dutch account, 19,170 maunds of rice were exported from Bengal by indigenous merchants in 1682, while it went up to 62,500 maunds next year, rising to 92,000 maunds in 1684. The export figure was not unimpressive even at the end of the century. In 1698 the total amount of rice exported was 65,500 maunds while in the next year it stood at 31,852 maunds. If we add to this the amount exported by the European Companies to their different factories in India and other parts of Asia, the total amount would be quite considerable. When the Dutch became the sovereign of part of Ceylon in late 1650s it became their responsibility to provide rice for the local population as well as for their own establishment. As such, the Bengal factors were asked to send as much rice as possible and also to persuade Indian merchants to send large amount of rice to this island. At the moment I have only computed the amount exported by the Dutch from Bengal to Ceylon, Batavia and Malacca in 1674/75

11 Ibid.
12 B.M., Addl. Mss., 34,123, f. 34.
and this stood at 1,747,991 lb. or 27,101 maunds.\(^{15}\) Though the major part of this quantity was exported to Ceylon, the amount sent to Batavia and Malacca was not negligible. The amount of wheat and butter exported to these places during the year was 587,294 lb. and 59,620 lb. respectively.\(^{16}\) The English East India Company also regularly sent rice to Madras. In 1685 it sent rice and other provisions proper for Achin.\(^{17}\) Even in the second decade of the eighteenth century we find it sending rice to St. Helena from Bengal.\(^{18}\) Obviously, this considerable export of provisions from Bengal would only mean that provisions were much cheaper there than in other parts.

The normal price of rice throughout the period was around 3 to 4 maunds to a rupee while it fluctuated widely in times of scarcity or abundance mainly depending on the nature of harvest. The legendary price of rice at 8 maunds per rupee\(^{19}\) during the viceroyalty of Shaista Khan was nothing absolutely abnormal. Even in the time of Murshid Quli 'the ruling price of rice was 5 or 6 mds. per rupee'.\(^{20}\) But for the wide variety of rice, a price series could be built up. The great divergence of quality and price of rice is amply clear from the price table for 1729 where the price for the finest quality of rice was 1 maund 10 seers per rupee while the coarsest kind was as cheap as 7 maunds 20 seers to a rupee.\(^{21}\) But whatever might be the price, we know for certain that the traders had substantial profits by exporting provisions to other parts of India and the East Indies. Even as late as the close of the seventeenth century, William Norris made the following observation on the export of provisions from Bengal to Masulipatam: '... corn from Bengal... bearing so much a higher rate here than there, 40: 50 hardly even less, sometimes cent p cent gained.'\(^{22}\)

It is interesting to note that probably the Bengal rulers encouraged export of provisions from Bengal—a fact that indicates

\(^{15}\) K.A., 1196, ff. 596 rect., 603 vo.
\(^{16}\) Ibid.
\(^{19}\) Ghulam Husain Salatin, op.cit., p. 228.
\(^{20}\) Ibid., pp. 280-81.
\(^{21}\) S. Bhattacharya, op.cit., p. 213.
\(^{22}\) H. Das, op.cit., pp. 120-21.
the abundance of food grains in the country. This is evident from a Dutch report of 1686 which states that rice, wheat, butter, oil, etc. were among the untaxed (geen thot schuldigh zijn) goods in Bengal. The assertions in Tarikh-i-Bangala and Riyaz-us-Salatin that Murshid Quli totally prohibited export of rice cannot be taken too seriously in their face value because of contradictory evidence in the Dutch and English records. The prohibitions, if any, might have been imposed temporarily or for a very short time, perhaps in some scarcity years, not definitely for a very long period. We know from Dutch records that at least up to 1708/09 quite a considerable amount of rice was regularly exported from Bengal. Even in the second decade of the eighteenth century Bengal rice was carried to Madras by the English East India Company. However, it seems, while in periods of acute scarcity the State had to step in and prohibit the movement of rice outside the province with a view to checking the upward trend in price, a considerable amount was exported in normal years.

A glance at the export lists of the European Companies indicates that there was definitely an expansion of the export trade from Bengal and as such, a corresponding increase in production, especially in the silk and textile industries. But the increased demand for commodities and consequent rise in production do not seem to have affected the price level to any significant extent. The price of raw silk, no doubt, showed violent and inconsistent fluctuations over the period because of various factors. But at any rate it did not exhibit any secular upward trend. Though a precise price series of textiles could not be drawn up on account of the multiplicity of the types of textiles—prices of the same type widely varying according to the size, quality, place of production etc.—a glance at the prices for four years taken at random between 1710 and 1720 would show no signi-

13 K.A., 1311, f. 1202.
14 Salimullah, op.cit., p. 112; Ghulam Husain Salatin, op.cit., pp. 280-81.
17 See Table 2 Appendix B for price of raw silk. The fluctuations, often wide, were mainly owing to bad or good harvest as also to the competition among the three main buyers—the English, Dutch and indigenous merchants.
ificant rise at all over these years. So it is evident that there was no appreciable change or rise in the price level in general, or prices of provisions in particular, over the period under review. It might well be assumed that if the prices of provisions would have gone up significantly, there would have been certainly a corresponding increase in the prices of silk and textiles, the two principal commodities in the export trade or vice-versa.

Naturally the question crops up—what happened to the large amount of bullion and specie that poured into Bengal and how was it that this great amount of treasure had no significant impact on the economy as a whole? As noted earlier, besides the European ‘free’ traders and indigenous merchants, the English and the Dutch Companies carried on trade to the value of Rs 40 or 50 lakhs a year, mostly financed by importing bullion to Bengal. But the huge influx of silver had no appreciable impact on the prices of provisions and this can only be explained by the fact that most of it was drained out of the country towards northern and western India, and a part went into hoarding. It can hardly be denied that the drain from Bengal up-country during this period reached a new and great dimension. The numerous imperial officials and even big merchants, who were mostly from northern and western India, remitted huge amount to Agra and Delhi in the form of cash. The Company’s records provide a rough idea of the vast sum amassed and remitted by the subadars and other officials.

The fortunes made by Shaista Khan who was governor in Bengal for more than 20 years would give an indication of the extent of loot from Bengal. It was reported by the English factors in June 1673 that Shaista Khan presented the king with two crores of rupees and was thus again confirmed in his governorship. In 1678 the factors wrote that besides gold and jewels, Shaista Khan’s treasure amounted to Rs 40 crores. In November 1679 he was reported to have regained his governorship by giving three crores of rupees to the emperor. When he died at Agra in December 1693, the English factors reported that he

28 See, Appendix E.
was worth '40 million of pound sterling', most of which, it could be assumed, he amassed during his viceroyalty in Bengal. All the subadars during the period indulged in extracting wealth from Bengal. J.N. Sarkar points out that Shaista Khan took with him nine crores in ten years, Khan Jahan Bahadur Khan two crores in one year, Azim-us-Shan eight crores in nine years. The merchants too did not lag behind. Khemchand Shah, a prominent Gujarati merchant in Bengal in 1680s, was reported to have been robbed off Rs 15 lakhs while going to his native land on the occasion of his daughter's marriage. At his death in 1689, when his trade declined considerably, he was said to have left '90 odd thousand rupees' which, it can well be assumed, were transferred to his country as there was no indication that his successors carried on trade in Bengal. Thus there was a continuous drain of specie from Bengal to other parts of India. As a result, despite a great expansion of trade and a consequent influx of bullion, there was no material alteration in the price level in general, and food prices in particular did not show any appreciable rise throughout the period and remained much cheaper than those in other parts of coastal India.

34 Bowrey, op.cit., pp. 152-56.
APPENDIX B

Table 1

Total Value of the English East India Company’s Annual Exports from Bengal

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<th>Years</th>
<th>Value (£)</th>
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<td>1665/66</td>
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<tr>
<td>1666/67</td>
<td>—</td>
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<tr>
<td>1667/68</td>
<td>—</td>
</tr>
<tr>
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(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., 34,123. All fractions have been left out.)
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(Source: See note in Table 1)
## Appendix B

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(Source: See note in Table 1)
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(Source: See note in Table 1)
Table 5

Annual Exports of Textiles (Piece-Goods) by the English Company

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<td>1719/20</td>
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(Source: See Table 1)
APPENDIX C

A Brief Glossary of Bengal Textiles*

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.

Allabaneees
mixed silk and cotton piece-good, 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.

Atchabaneees
probably fine cotton piece-good.

Atllasses
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?

Camcanys
plain cotton piece-good woven near and around Patna.

Carridaries or Choradaries
striped or chequered woven cloth, probably of mixed silk and cotton.

Cherconnaes
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.

Chanderbanees probably silk piece-good woven in Kasimbazar area.

Chillaes probably cotton piece-good; sometimes described also as cotton handkerchief.

Chintz painted or printed calico, provided at Patna and its neighbourhood.

Chowtars plain white cloth, woven chiefly in Hugli area (not in western India only as Irwin holds).

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.

Coöpes 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.

Élatches striped cloth of mixed silk and cotton, woven mainly in Hugli and Malda regions but not in Kasimbazar as Irwin suggests.

Emerties or 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.
Ginghamsmixed silk and cotton piece-good, provided mainly in Balasore area.


Gurrahsplain, coarse cotton cloth exported in large quantities in the first two decades of the eighteenth century.

Humadescannot be identified.

Humhumsmuslin or cotton piece-goods, woven mostly in Dacca and Malda regions.

Jamdaniesmuslin or cotton piece-good, brocaded in white or coloured silk or cotton, usually with floral pattern.

Jamwarssilk piece-good, woven generally in Malda Kasimbazar area.

Jelolsiesprobably muslin piece-good.

Luckowrieswhite cotton cloth woven in Lakhawar, Bihar; a synonym for emerties.

Lungeesilk or cotton loin cloth.

Mahmudbanneesfine muslin provided mainly in Hugli area.

Mahmudiateescannot be identified.

Mulmulsfine muslin woven chiefly in and around Hugli, Dacca and Malda.

Mandillastriped stuff of mixed silk and cotton, woven chiefly in Malda area.

Nainsookplain muslin of fine quality; sometimes referred to as Tansook also.

Nehallawarsstriped piece-good of mixed silk and cotton woven in Hugli area.

Nillaesmixed silk and cotton piece-good woven in Balasore area.

OrungshiesAurangshahi (?); cotton piece-good woven in Hugli area.

Peniascoesmixed cotton and silk piece-good, usually striped and provided mainly in Hugli.

Phoolgarreesprobably silk piece-good, usually with floral design; woven chiefly in Kasimbazar area.

Photaeescotton cloth provided in Bengal, and not in western India only as Irwin suggests.
Putta or Bird's eye  fine muslin woven in Malda area.
Rehings        fine muslin woven in Malda area.
Restaes        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.
Sannoés         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 areas.
Serbettes     probably cotton piece-good.
Serhaudconnaes 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.
Tanjeebs      fine muslin woven chiefly in Dacca and Malda areas.
Tepoy          a type of chintz; painted or printed calico.
Terrendums    fine muslin woven chiefly in Dacca district.
APPENDIX D

[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 pieces
Silk Romalls 20,000 "
Nillaes of good colours 36,000 "
Sannoess 30,000 "
Herba Taffetas of cloth colours & lively colours 20,000 "
Herba Lungee 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 pieces
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
Turmeric 200 "

To be provided at Hugli

Silk Romalls 20,000 pieces
Satins of several colours 6,000 "
Mahmudbannies 500 "
Allabannies 2,000 "
Photama Lungees 2,000 "
Charconnaes Fine 5,000 "
Do ordinary 4,000 "
Amerees 1,600 "
Elatches 2,000 "
To be provided at Hugli (continued)

<table>
<thead>
<tr>
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</thead>
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<td>pieces</td>
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<tr>
<td>Chucklaes</td>
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<tr>
<td>Sousies</td>
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<td>&quot;</td>
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<tr>
<td>Striped mulmuls fine (Doreas)</td>
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</tr>
<tr>
<td>Mulmuls with fine needlework</td>
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<td>&quot;</td>
</tr>
<tr>
<td>Do striped and flowered</td>
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<td>&quot;</td>
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<td>Atlases, coloured &amp; striped, fuller of silk and stronger</td>
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<td>Do flowered white</td>
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<td>Silk neckcloths</td>
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<td>&quot;</td>
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<tr>
<td>Any sort of new stuff of silk or silk and cotton</td>
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<td>bales</td>
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<tr>
<td>Diapers finest and strongest</td>
<td>1,000</td>
<td>pieces</td>
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<tr>
<td>Tablecloth</td>
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To be Provided at Dacca

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<td>Seerbands fine</td>
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<tr>
<td>Seersuckers</td>
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<td>&quot;</td>
</tr>
<tr>
<td>Humhums fine</td>
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<td>&quot;</td>
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<td>Fine Addaties</td>
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<td>Mulmuls with fine needlework</td>
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<td>Any new sorts of goods for trial</td>
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<td>White silk what quantity could be got.</td>
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**Appendix D**

*To be Provided at Malda*

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<td>2,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Striped do</td>
<td>3,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Striped mulmuls fine Doreas</td>
<td>4,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Silk and Cotton Elatches</td>
<td>12,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Any sort of new stuffs of silk or silk &amp; cotton</td>
<td>20</td>
<td>bales</td>
</tr>
</tbody>
</table>

*To be Provided at Kasimbazar*

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taffaties Sad Cloth colours half</td>
<td>90,000</td>
<td>pieces</td>
</tr>
<tr>
<td>&amp; light colours half</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changable colours</td>
<td>4,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Taffaties black</td>
<td>15,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Do green</td>
<td>1,500</td>
<td>&quot;</td>
</tr>
<tr>
<td>Do sky</td>
<td>1,500</td>
<td>&quot;</td>
</tr>
<tr>
<td>Taffaties Raw</td>
<td>10,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Taffaties white</td>
<td>6,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Striped Chain Taffaties</td>
<td>16,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Striped Taffaties or Restas</td>
<td>12,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Farrendines Black</td>
<td>500</td>
<td>&quot;</td>
</tr>
<tr>
<td>Silk Lungees</td>
<td>20,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Chanderbannies</td>
<td>6,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Shahzadees</td>
<td>2,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Phoolgarees flowered</td>
<td>8,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Sashes or girdles</td>
<td>4,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Saracenettes white</td>
<td>10,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Do Black</td>
<td>10,000</td>
<td>&quot;</td>
</tr>
<tr>
<td>Any sort of new stuffs of silk or silk &amp; cotton</td>
<td>20</td>
<td>bales</td>
</tr>
</tbody>
</table>
To be provided at Kasimbazar (continued)

Gold and silver stuff 50 pcs. of each sort &
   pattern for a trial
Plushes & Velvets of each sort            100 pieces
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 pieces
Do Brown                                  20,000 ''
Arundi Yarn                               100 bales
Throwne silk                              200 ''
Shellack the best and finest sort of      50 tons.
   Kasimbazar
APPENDIX E

[Contracts with Calcutta merchants showing the different varieties of three principal muslins and their prices for four years] (Vide B.P.C., Range 1, Vols. 2-4).

<table>
<thead>
<tr>
<th>Variety</th>
<th>1710</th>
<th>1713</th>
<th>1716</th>
<th>1719</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cossaes Maldah</td>
<td>40 × 2(\frac{1}{2})</td>
<td>9-12</td>
<td>9-12</td>
<td>9-12</td>
</tr>
<tr>
<td></td>
<td>2(\frac{1}{2})</td>
<td>6-10</td>
<td>7-0</td>
<td>7-0</td>
</tr>
<tr>
<td></td>
<td>2(\frac{1}{2})</td>
<td>9-8</td>
<td>9-8</td>
<td>9-8</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>13-0</td>
<td>13-0</td>
<td>13-0</td>
</tr>
<tr>
<td></td>
<td>2(\frac{1}{2})</td>
<td>—</td>
<td>—</td>
<td>10-8</td>
</tr>
<tr>
<td></td>
<td>Colligaum</td>
<td>40 × 2(\frac{1}{2})</td>
<td>10-8</td>
<td>10-8</td>
</tr>
<tr>
<td>Mulmuls Malda</td>
<td>40 × 2</td>
<td>13-12</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>2(\frac{1}{2})</td>
<td>8-12</td>
<td>—</td>
<td>8-12</td>
</tr>
<tr>
<td></td>
<td>40 × 2 (\frac{1}{2})</td>
<td>13-8</td>
<td>14-12</td>
<td>14-12</td>
</tr>
<tr>
<td></td>
<td>16-0</td>
<td>11-12</td>
<td>11-12</td>
<td>11-12</td>
</tr>
<tr>
<td></td>
<td>22-0</td>
<td>13-4</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>40 × 3</td>
<td>—</td>
<td>20-0</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>40 × 2</td>
<td>16-0</td>
<td>13-0</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>40 × 2 (\frac{1}{2})</td>
<td>12-0</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>40 × 2</td>
<td>13-6</td>
<td>12-0</td>
<td>12-0</td>
</tr>
<tr>
<td></td>
<td>40 × 2</td>
<td>—</td>
<td>11-12</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>with silk</td>
<td>40 × 1</td>
<td>—</td>
<td>22-0</td>
</tr>
<tr>
<td></td>
<td>flowered with silk thread</td>
<td>40 × 1</td>
<td>16-0</td>
<td>15-0</td>
</tr>
<tr>
<td>Tanjeebs Santose</td>
<td>40 × 2 (\frac{1}{2})</td>
<td>7-12</td>
<td>7-12</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>40 × 2 (\frac{1}{2})</td>
<td>8-8</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>40 × 2</td>
<td>7-0</td>
<td>7-0</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Flowered with silk</td>
<td>—</td>
<td>—</td>
<td>20-0</td>
</tr>
<tr>
<td></td>
<td>Flowered with silk thread</td>
<td>40 × 1</td>
<td>13-0</td>
<td>13-0</td>
</tr>
</tbody>
</table>
APPENDIX F


<table>
<thead>
<tr>
<th>Piece-goods</th>
<th>Quantity</th>
<th>Cost Price (£)</th>
<th>Sale Proceeds (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cossaes</td>
<td>3684 pieces</td>
<td>2928.3.2</td>
<td>15135.18.</td>
</tr>
<tr>
<td>Tanjeebs</td>
<td>3207 &quot;</td>
<td>2322.6.</td>
<td>12236. 9.</td>
</tr>
<tr>
<td>Adaties</td>
<td>819 &quot;</td>
<td>284.13.5</td>
<td>1548. 1.6</td>
</tr>
<tr>
<td>Humadees</td>
<td>212 &quot;</td>
<td>325. 4.4</td>
<td>1304. 7.</td>
</tr>
<tr>
<td>Mulmuls</td>
<td>2889 &quot;</td>
<td>3389.11.10</td>
<td>13576.13.</td>
</tr>
<tr>
<td>Gurrahs</td>
<td>2948 &quot;</td>
<td>597. 1.5</td>
<td>3740.19.10</td>
</tr>
<tr>
<td>Choradarries</td>
<td>637 &quot;</td>
<td>151. 9.1</td>
<td>507.17.4</td>
</tr>
<tr>
<td>Doreas</td>
<td>1447 &quot;</td>
<td>1508. 5.7</td>
<td>11045.13.</td>
</tr>
<tr>
<td>Neckcloths</td>
<td>166 &quot;</td>
<td>139. 9.4</td>
<td>344. 9.</td>
</tr>
<tr>
<td>Humhums</td>
<td>535 &quot;</td>
<td>451.16.10</td>
<td>1583. 4.</td>
</tr>
<tr>
<td>Dimities</td>
<td>417 &quot;</td>
<td>247. 1.5</td>
<td>628.18.6</td>
</tr>
<tr>
<td>Luckowries</td>
<td>1350 &quot;</td>
<td>227.16.3</td>
<td>1070. -.</td>
</tr>
<tr>
<td>Sooseys</td>
<td>582 &quot;</td>
<td>550. -. -.</td>
<td>1378. 6.</td>
</tr>
<tr>
<td>Taffaties</td>
<td>821 &quot;</td>
<td>669. 4.10</td>
<td>1743.16.</td>
</tr>
<tr>
<td>Lungees</td>
<td>327 &quot;</td>
<td>89.18.2</td>
<td>163.10.</td>
</tr>
<tr>
<td>Alibannees</td>
<td>861 &quot;</td>
<td>371. 2.10</td>
<td>968.10.</td>
</tr>
<tr>
<td>Photaeas</td>
<td>428 &quot;</td>
<td>141. 1.3</td>
<td>365.10.5</td>
</tr>
<tr>
<td>Romalls</td>
<td>3568 &quot;</td>
<td>800.14.8</td>
<td>1245. 8.4</td>
</tr>
</tbody>
</table>

(for 1,971 pieces only)

<table>
<thead>
<tr>
<th>Piece-goods</th>
<th>Quantity</th>
<th>Cost Price (£)</th>
<th>Sale Proceeds (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chints</td>
<td>750 &quot;</td>
<td>140.12.6</td>
<td>450.12.6</td>
</tr>
<tr>
<td>Nillaes</td>
<td>1200 &quot;</td>
<td>360. 8.9</td>
<td>1087.10.</td>
</tr>
<tr>
<td>Ginghams</td>
<td>461 &quot;</td>
<td>122.14.6</td>
<td>223. -.1</td>
</tr>
<tr>
<td>Musters</td>
<td>13 &quot;</td>
<td>11. 2.10</td>
<td>50. 2.6</td>
</tr>
</tbody>
</table>

(for 11 pcs. only)

£ 161,41,3,10 £ 710,10,9,-

(A gross profit of more than 425 per cent)
## APPENDIX G

**Saltpetre Production in Bengal Suba in 1688.**

<table>
<thead>
<tr>
<th>Name of Pargana</th>
<th>Distance and Direction from Patna</th>
<th>Circumference</th>
<th>Owned or Administered by</th>
<th>Quantity Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 'Bahaar'</td>
<td>10 kos south</td>
<td>96 kos</td>
<td>A faujdar on behalf of the king.</td>
<td>5,000 mds.</td>
</tr>
<tr>
<td>2. 'Gooaspour'</td>
<td>4 ,, east south-east</td>
<td>140 ,,</td>
<td>Jagir of Asad Khan, adm. by a faujdar on his behalf.</td>
<td>5,000 ,,</td>
</tr>
<tr>
<td>3. 'Terruwa'</td>
<td>2 ,, north north-east</td>
<td>35 ,,</td>
<td>Nawab of Patna; a faujdar on his behalf.</td>
<td>10,000 ,,</td>
</tr>
<tr>
<td>4. 'Casmer'</td>
<td>2 ,, north north-west</td>
<td>45 ,,</td>
<td>Jagir of a mansabdar of 150 horses.</td>
<td>3,000 ,,</td>
</tr>
<tr>
<td>5. 'Bissara'</td>
<td>5 ,, north</td>
<td>150 ,,</td>
<td>Jagir of Asad Khan; a faujdar on his behalf.</td>
<td>40,000 ,,</td>
</tr>
<tr>
<td>6. 'Mackeer'</td>
<td>4½ ,, north north-west</td>
<td>20 ,,</td>
<td>Some small mansabdars.</td>
<td>15,000 ,,</td>
</tr>
<tr>
<td>7. 'Retty'</td>
<td>8 ,, north north-west</td>
<td>40 ,,</td>
<td>Jagir of 15 or 20 mansabdars.</td>
<td>12,000 ,,</td>
</tr>
<tr>
<td>8. 'Monneer'</td>
<td>6 ,, west north-west</td>
<td>35 ,,</td>
<td>A karori on king's behalf,</td>
<td>2,000 ,,</td>
</tr>
<tr>
<td>Name of Pargana</td>
<td>Distance and Direction from Patna</td>
<td>Circumference</td>
<td>Owned or Administered by</td>
<td>Quantity Produced</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------</td>
<td>---------------</td>
<td>--------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>9. ‘Sirant’</td>
<td>12 kos north west</td>
<td>7 or 8 kos</td>
<td>A karori on king’s behalf.</td>
<td>4,000 mds.</td>
</tr>
<tr>
<td>10. ‘Goa’</td>
<td>13 ,, north west</td>
<td>42 ,,</td>
<td>Ekram Khan, nawab of Orissa; a faujdar on his behalf.</td>
<td>14,000 ,,</td>
</tr>
<tr>
<td>11. ‘Raat’</td>
<td>16½ ,, north west</td>
<td>55 ,,</td>
<td>Nawab of Orissa.</td>
<td>14,000 ,,</td>
</tr>
<tr>
<td>12. ‘Mansy’</td>
<td>15 ,, west north-west</td>
<td>5 to 6 ,,</td>
<td>A karori on king’s behalf.\</td>
<td>10,000 ,,</td>
</tr>
<tr>
<td>13. ‘Ara’</td>
<td>11½ ,, west north-west</td>
<td>30 ,,</td>
<td>A mansabdar of 500 horses.\</td>
<td>2,000 ,,</td>
</tr>
<tr>
<td>14. ‘Sereesa’</td>
<td>12½ ,, north east</td>
<td>29 ,,</td>
<td>Jagir of Shaista Khan; a faujdar on his behalf.</td>
<td>15,000 ,,</td>
</tr>
<tr>
<td>15. ‘Melky’</td>
<td>22½ ,, east</td>
<td>16 ,,</td>
<td>A karori on behalf of some small mansabdars.</td>
<td>10,000 ,,</td>
</tr>
<tr>
<td>16. ‘Neyerpour’</td>
<td>24 ,, east</td>
<td>4 ,,</td>
<td>A karori on king’s behalf.</td>
<td>2,000 ,,</td>
</tr>
<tr>
<td>17. ‘Morwa’</td>
<td>22 ,, north</td>
<td>6½ ,,</td>
<td>A jagir of faujdar Ispander Khan.</td>
<td>4,000 ,,</td>
</tr>
<tr>
<td>18. ‘Messy’</td>
<td>27 ,,</td>
<td>160 ,,</td>
<td>A karori on king’s behalf.</td>
<td>5,000 ,,</td>
</tr>
<tr>
<td>Name of Pargana</td>
<td>Distance and Direction from Patna</td>
<td>Circumference</td>
<td>Owned or Administered by</td>
<td>Quantity Produced</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------------</td>
<td>--------------</td>
<td>--------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>19. 'Bobbra'</td>
<td>30 kos north</td>
<td>11 kos</td>
<td>Jagir of a mansabdar.</td>
<td>5,000 mds.</td>
</tr>
<tr>
<td>20. 'Barry'</td>
<td>27 ,, north west</td>
<td>25 ,,</td>
<td>A karori on king's behalf.</td>
<td>10,000 ,,</td>
</tr>
<tr>
<td>21. 'Bossary'</td>
<td>35 ,, east north-east</td>
<td>15 ,,</td>
<td>Jagir of a mansabdar.</td>
<td>4,000 ,,</td>
</tr>
<tr>
<td>22. 'Geddesen'</td>
<td>32 ,, west north-west</td>
<td>12 ,,</td>
<td>A karori on king's behalf.</td>
<td>3,000 ,,</td>
</tr>
<tr>
<td>23. 'Derbangia'</td>
<td>25 ,, east north-east</td>
<td>100 ,,</td>
<td>Jagir of Ispander Khan.</td>
<td>10,000 ,,</td>
</tr>
<tr>
<td>24. 'Bellia'</td>
<td>40 ,, east</td>
<td>55 ,,</td>
<td>A karori on king's behalf.</td>
<td>3,000 ,,</td>
</tr>
<tr>
<td>25. 'Siouparen'</td>
<td>36 ,, north</td>
<td>18 ,,</td>
<td>A karori on king's behalf.</td>
<td>5,000 ,,</td>
</tr>
<tr>
<td>26. 'Bara'</td>
<td>28 ,, west north-west</td>
<td>31 ,,</td>
<td>Jagir of Muhammad Tocky.</td>
<td>10,000 ,,</td>
</tr>
<tr>
<td>27. 'Nerhen'</td>
<td>32 ,, west north-west</td>
<td>9 ,,</td>
<td>A karori on king's behalf.</td>
<td>1,200 ,,</td>
</tr>
<tr>
<td>28. 'Poorunia'</td>
<td>70 ,, east</td>
<td>150 ,,</td>
<td>Jagir of Ispander Khan.</td>
<td>3,000 ,,</td>
</tr>
</tbody>
</table>

Total 226,200 mds.

(Source: K.A., 1343, f. 749vo)
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