

Development of Trade in the Seventeenth Century

Gujarat and Northwestern India

In northwestern India, one of the major features of this period was the growth in the entrepôt character of Surat and a consequent devaluation of other ports in the neighbourhood to a position of its satellites and feeder ports. Thus ports of varying degrees of importance such as Diu, Broach, Chaul, Dabhol and others declined in their participation in oceanic trade, losing much of this to Surat. This was the result of a number of factors such as the decline of the Portuguese, the entry into the trade of the English and the Dutch, deliberate Mughal policy of the development of Surat as an outstanding emporium, and the further growth of the trade from western India to west Asia as a major phenomenon of this period. These factors operated at various times and had major effects on Indian Ocean trade and should be considered in detail.

Surat's role as the major port of outlet for oceanic trade in this region meant that the major export commodities, cotton piece-goods and indigo, had to be brought into Surat from neighbouring ports. Thus Surat became the chief wholesale market for textiles. This is seen in the failure of attempts by European traders to establish factories in neighbouring ports such as Broach. Similarly, in respect of import goods, Surat was the chief distributing point for such goods along the coast and into the interior. It played a similar role for the re-export of goods not produced in this region. The chief among these was pepper which came to Surat along the west coast from Canara and Malabar where a few Surat merchants had control of the market. Of similar nature was the role played by Surat as a redistributing point for southeast Asian goods, spices and tin but this was a role that was to decline after the 1620's for reasons to be noted later.

The decline of Portuguese seapower in the western Indian Ocean and the gradual loss of many of their settlements along the west coast of India gave an initial fillip to Indian trade. Ports under Indian jurisdiction whose trade had paid protection costs and customs dues to the Portuguese were now freed of these costs. This liberation of Indian trade had its effects in an increase in the volume of trade to the Persian Gulf and southern Arabia. In

the Persian Gulf, Indian ships could avoid Hormuz and sail direct into Gulf ports such as Basra or Bandar Abbas (Gombroon). When the Portuguese lost Hormuz in 1622, the traffic to the Persian Gulf became completely free and Indian merchants of Gujarat took full advantage of this freedom.

The capture of Hormuz by the Persians in alliance with the English in 1622 had important effects on the trade of the western Indian Ocean and particularly on the trade links between Surat and the Persian Gulf. The immediate effect was to transfer the trade from Hormuz to Bandar Abbas on the Persian mainland under the supervision of Persian officials and with direct links by caravan routes to the interior. Bandar Abbas soon emerged as a port of international status and somewhat later the inner Gulf port of Basra also grew in importance. Besides freeing traders from the protection costs imposed by the Portuguese, it liberated them from corrupt and inefficient Portuguese customs officials. A further effect of the fall of Hormuz was the entry of the two Companies, English and Dutch, into this trade. Their participation contributed to the growth of commercial enterprise in the western Indian Ocean in the seventeenth century and especially the Dutch in middle decades were making large investments in this trade. It also contributed to the growth of Indian trade in this region, through extensive freighting of goods in English and Dutch vessels. Most of this trade flowed out of Surat.

In the course of its rise as an entrepot of the area, Surat developed links with almost every major and minor regional trading system. Its domination over other ports of Gujarat and the Indus mouth has been already noted. These other ports were relegated to satellite status. It was said that *kafilas* of up to 500 ships would sail from Cochin northwards to Goa, Daman, Chaul and Diu bringing Malabar goods to the northern ports. These Portuguese protected *kafilas* had declined to 20 or 30 in number by the 1630s and most of this trade had been attracted to Surat. Malabar coast ports such as Calicut now traded directly with Surat which became an important distribution point for Malabar pepper, cardamom and cinnamon. Similarly, Canara and Konkan ports such as Mangalore, Rajapur, Vengurla and Dabhol (which, however, continued its oceanic trade for much longer) had direct and regular links with Surat, supplying it with rice and pepper and purchasing their imports from that port.

On the east coast, a major development was the extension of the old coastal trade which ran from Coromandel up to Malabar further northwards to Surat. Here the growth of Masulipatnam under the Golconda rulers and the attraction there of immigrant Islamic entrepreneurs who had links with Surat was a major factor. The Masulipatnam-Surat link grew and flourished through a great part of the seventeenth century as a staple of Indian Ocean trade. By this means, Coromandel textiles were taken to Surat to be transhipped to west Asia. Also Bengal sugar and muslins, southeast Asian tin and spices, precious stones and steel

the first decade of the seventeenth century. The entry of the English and the Dutch and their quarrels with the Portuguese prevented in the waters of northwestern India and southern Arabia untroubled the trade and caught the Indian merchants of Surat in the middle of this conflict. Merchants, who had sought the sea routes with Portuguese passes, now found themselves attacked for carrying the passes. They also began to feel the indirect impact of the competition of these Portuguese, particularly the English, in their Surat and Red Sea markets. Surat merchants initially looked to favour the Portuguese, and took some time to become aware of the significance of the coming of the northern Europeans. Right up to the 1640's when the Dutch and the English were challenging the naval power of the Portuguese, Indian merchants had to perform a balancing act between these powers, not knowing whose protection to accept. When it became clear that the Dutch and the English were the new naval powers of the Indian Ocean, these merchants quickly adjusted themselves and accepted their protection.

The new states were far less overpowering than the old ones. The Dutch, by far the strongest naval power, were concentrating their energies in the Indonesian archipelago. The new threat was, however, of a different sort. It was competitive in respect of markets and investment, and Indian merchants themselves engaged in a far more active competition with the new European traders than anything they had faced from the Portuguese. In this, however, they were in their elements and pulled out all the old arts of their trade to survive and eventually beat this competition, certainly in respect of the trade westwards into Arabia and Persia. The trade was intensely competitive from the 1620's to the end of the century. In Mecca and Bahbla, in Hamir, Aden and Basra, Surat merchants were able to survive the competition and retain a major share of the market for Indian imports till the end of the century. In the ports of the Persian Gulf, Bandar Abbas and Basra, the competition from the English and the Dutch was intense for some years. But even here, Surat merchants and other Indian merchants more than held their own.

In west Asia as a whole, the Dutch and the English withdrew a number of their factories in the second half of the seventeenth century. They concentrated on freight traffic, carrying goods for Indian merchants from Indian ports to the Red Sea and Persian Gulf. The English began doing this early and the Dutch, who were reluctant to enter the freight traffic, were forced to do so from time to time to employ their shipping space economically. Even in respect of freight traffic, the Mughals, realizing the potential of the westward trade, financed the building of ships till the 1680's. This reduced Indian dependence on foreign vessels that also made them vulnerable to attack at sea.

Surat shipping was now and then subject to attack in the seventeenth century in the course of European conflicts with Indian rulers to win

concessions or redress alleged wrongs. English attacks on Surat shipping at the mouth of the Red Sea in the first decade of the seventeenth century, forced the Mughals to admit the English to trade in Gujarat. Again in 1623, the English attacked Gujarati shipping in retaliation for losses they suffered on land. The Dutch had the potential to do greater damage to Indian shipping on the Indian Ocean and did engage in more frequent hostile actions against Indian ships to attain their aims. They attacked Indian ships carrying Portuguese passes as part of their struggle against the Portuguese. The militancy in the pursuit of trade monopoly initiated under Jan Pieterz Coen was extended into the Indian Ocean but conditions on the coast and its hinterland did not favour the aggressive policies being successfully pursued in the archipelago.

The hostile action of 1621-23 in the western Indian Ocean as well as along the Gokarna coast had resulted in unforeseen reprisals from local powers, the Mughals, the sultan of Golconda and the Pasha of Yemen. The next phase of Dutch hostilities in western India came in 1648-49 in an effort to control Indian shipping to southeast Asia. In these years, they blockaded Surat and captured prize vessels to force the Mughals into accepting their pass restrictions on trade to southeast Asia. From the 1670's, Surat shipping was troubled by European piracy. English and French freebooters found Surat shipping coming out of the Red Sea lucrative targets and the Mughals became more reliant on European naval escorts. In the Mughal-English conflict of the 1680's, Surat's trade to the Red Sea was greatly disrupted and a number of vessels captured. While these interruptions underlined the vulnerability of Indian shipping and emphasized the European potential to dominate shipping routes, in the long term they merely pushed up the costs of protection without major changes in the flow of trade. Even after a century of such operations, Surat merchants' domination of the Red Sea and Persian Gulf markets was untouched by the Companies. What was beginning to affect this, however, was the entry of private English enterprise into this trade from the last quarter of the seventeenth century.

In one respect, European enterprise affected adversely the trade of Surat. This related to the control asserted by the Dutch over the spices of Indonesia, for which Surat had previously been a point of transshipment to west Asia. As the Dutch held on these spices — nutmeg, cloves, mace, cinnamon (from Sri Lanka) — tightened, Surat merchants were unable to ship them to west Asia. The Dutch took them in their own ships and kept the price at Surat so high that it was not profitable for anyone else to carry them to west Asia. The merchants soon adjusted themselves to the loss of these commodities from their trade.

Surat also traded with southeast Asia. This aspect of trade has been underestimated in our historical literature and its decline has been antedated. The voyages were longer and therefore less frequent than those

to west Asia and were only undertaken by the larger operators. But it was an important part of the trade of Gujarat. At the beginning of the century Gujarati ships were the major carriers of southern Asian spices to the Indian and west Asian markets. Gujarati factors operated in a number of southern Asian ports well into the seventeenth century. Gujarati-Acheh trade was very important throughout this period. They took Gujarati textiles, wheat and rice and brought back spices, pepper, tin, elephants and gold. This connection was strengthened progressively by political and diplomatic ties between the Mughals and the rulers of Acheh and some religious links. Besides Surat, the port of Dabhol continued to trade with Acheh till mid-seventeenth century. As Bantam rose to prominence in the course of the century, Gujarati trade was attracted there, and again trade links were strengthened by political ties. Gujaratis continued to feature in the administration of ports and of the trading states of the archipelago. They used their factors and their political bases to trade into the archipelago, to Javanese ports, Makassar, and Moluccas until the Dutch domination of these ports and islands.⁶

On the Malay peninsula, Gujarati traders avoided Malacca, despite Portuguese attempts to entice them there. They sailed direct to the tin producing states of Perak and Kedah and to Johor after its rise as a trading kingdom. Though they did sail further north to Tenasserim and the Arakan ports, these sailings were neither regular nor substantial.

The current view in our literature is that this Gujarati trade to southeast Asia was routed out by Dutch expansion in these waters and by Dutch and English competition in markets where Gujaratis traded. The expansion of the trade westwards is further held to be a result of this cutting off of the eastern connection. A close look at the trade in Acheh, Bantam, Johor, Perak and Kedah, right up to the end of the seventeenth century, shows that Gujarati trade with these places continued throughout this period. It is true that Gujarati ships no longer carried the fine spices and thus lost out on a lucrative aspect of the trade. But the trade in commodities of volume—pepper, tin, elephants, textiles, rice, wheat, opium—continued till the end of the century. This trade was not knocked out by English and Dutch competition. In the major markets of Acheh and Bantam, Gujarati textiles were carried largely by Gujaratis themselves, whether in their own ships or in European vessels. The decline of Bantam by the Dutch in 1682 was a major blow to this trade and in the last decades of the seventeenth century, Dutch military control was closing in on these markets. It was only then that Gujarati trade to southeast Asia began to be phased out.

⁶ Evidence for these assertions to be found in *Dag Register Orisweden in 't Carrel Bantam* (S-Gravenhage) May 1642, October 1642, May 1644, November 1645, September 1663, July 1678, May 1679, September 1679, May 1680, July 1681. Also see, S. Anantaram, 'Some Notes on the Dutch in Malacca and the Indo-Malayan Trade 1641-1679', *Journal of Southeast Asian History*, X, 3 (Dec 1969), pp. 485-89.

It is sometimes held that, through the issue of passes to southeast Asia, the Dutch controlled Gujarati sailings to that region. It is true that the naval blockade of Surat in 1682/49 forced the Mughals to an agreement by which they acquiesced in Dutch regulation of this traffic through passes. But these passes were freely given to Acheh and Bantam and only controlled as far as Malacca, Perak and Kedah were concerned. In Malacca and Kedah, Gujarati shippers accepted the rather high toll of twenty per cent imposed by Dutch customs. The trade continued and was in effective competition with the Dutch despite these tolls. Later in the century, Gujarati ships secured English and French passes, even flew English colours and were often piloted by English navigators. So the passes policy, while it added to the costs of trade and gave the Dutch an advantage in some markets, never had the effect of curtailing Indian sailing.⁷

Gujarati trade entered the Manila market from the 1660s, largely on the initiative of the English who provided the shipping, the navigation expertise and the contacts, and the Gujaratis the capital and the goods. This Anglo-Indian collaboration in the Manila trade expanded from Bombay with Parsi interests entering it in a big way and from there extending their connections to the China trade. There is also some evidence that Gujaratis based in Bantam traded with Manila on their own or in league with Coromandel Muslims and with Bantam merchants. Gujarati and other Indian merchants received quantities of silver from Manila in Bantam as a result of this trade.⁸

It is difficult to say whether this trade in southeast Asia grew, as we can say categorically about the trade to west Asia. There is enough evidence to assert that it did not decline. On the contrary, new links were being forged, old links were maintained and strengthened. When the trade did show signs of decline at the very end of the seventeenth century, it was caused by the collapse of the great trading kingdoms such as Bantam and Acheh. It is clear that the Companies did not drive out Gujaratis from their eastern trade. The greater competition, when it did come, was from the English private merchants and this began to bite only in the eighteenth century. Surat was pre-eminent in the seventeenth century in respect of the trade skirting the west and east coasts of India. The trade along the west coast continued with greater strength from the preceding century. The decline of the Portuguese in this trade benefitted the Gujaratis whose ports now became the terminal points of this trade. Surat strengthened its connec-

⁷ *Dag Register*, 12 May 1680 *Generale Miltien*... uitgegeven door Dr. W. Ph. Coolhaas Deel. IV, 1675-1685 (S-Gravenhage, 1971), pp. 232-33. P. Van Dam, *Beeldvorming van de Oostindische Compagnie*, Tweede Boek Deel III, uitgegeven door Dr. F. W. Stapel (S-Gravenhage, 1939), p. 24.

⁸ *Dag Register*, 4 April 1676, 18 January 1677, 12 May 1680. S. D. Quinson, *English 'Country' Trade with the Philippines 1644-1765* (Quezon City, 1966), pp. 36-42.

tions with the Bijapore ports of Vingurla and Rajapur and to the south the old ties with Mangalore, Calicut, Cannanore and other Malabar ports were maintained. With the decline of Portuguese hold on the pepper-producing states of Malabar, Surat merchants dominated the pepper exports. Surat became the major exporting point for Malabar pepper to west Asia.

On the east coast of India, Surat had a strong trading connection with Masulipatnam. Through this link western Indian and west Asian goods were brought to Masulipatnam and from there Coromandel and Bengal goods were taken to Surat. Later direct links were forged between Surat and Bengal, a major growth area in the seaborne trade of India. Bengal silks, muslins, sugar, rice, other food grains and edible oils were imported into Surat, much of this for re-export to west Asia. In return, goods of many regions were brought to Bengal. When the seaborne trade of Bengal started growing from mid-seventeenth century, many of the merchants of Bengal were said to be of western Indian origin.

Malabar