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THE MULTIPLE FACES OF THE EARLY 18TH CENTURY INDIAN MERCHANTS

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Partnership or interdependence as distinct from a later period of subjugation has often been suggested as the keynote of the relationship of Indian merchants and European traders, settled either in traditional market towns and ports like Surat, Masulipatnam, Patna or Hooghly, as well as in the new enclaves such as Madras, Pondichery or Calcutta. Down to the middle of the eighteenth century Indian middlemen and agents are said to have more or less held their ground against attempts by the English, the Dutch or the French to reduce them to a subservient position.\(^1\) Moreover the growing European towns on the Coromandel coast and in south Bengal are often depicted as important refuges for Indian artisans and merchants from the tyranny of rapacious local political authorities.\(^2\)

The present paper firstly examines the claim of English and French settlements on the Coromandel coast in the first half of the eighteenth century as welcome alternative shelters, offering protection and prosperity to Indians. The method followed is the survey of the career of some of


the leading merchants of Madras and Pondicherry in the service of these two Companies. The findings lead us to conclude that with a few significant exceptions, these merchants, in spite of the affluence and influence attained by some of them, were on the whole in a subservient position, vis-à-vis their new masters.

As one goes through the records dealing with the activities of the English and French merchants in India it becomes evident that buying merchandise for shipment to Europe constituted only a fraction of their commercial concern. Here we come to the still largely uncharted area of traditional trade in the Indian Ocean. The prosperity of any European port town depended very considerably on the facilities it could offer to Europeans and Indians for successful participation in this trade, better known as "country trade". This was one area where European control over the sea combined with Indian capital and continued to provide opportunities of making fortune to a very mixed crowd. The second section of the paper tries to envisage the role of the Indian merchants residing in the European settlements as participants in this trade. Our knowledge in this area is still extremely fragmentary. Many aspects of the complexities of the relationship between the Indian and the European merchants will continue to elude us till much further light is thrown on this "grey area". ³

I

The transformation of Madras from a small trading post to practically a political enclave with a near sovereign status offers the most spectacular example of the growth of European enclaves in coastal India. Such transformation has been explained in the particular context of the situation prevailing in south Coromandel since the late seventeenth century. Draught and severe famine frequently hampered production and trade. Continuous conflict

³ This expression is aptly used by Arasaratnam to describe our lack of clarity about this aspect under review: Trade in South India, op.cit., p. 22.
between local rulers, Marathas, and the Mughals, before and after the subjugation of Bijapur and Golconda by Aurangzeb led to serious political and economic dislocation of the region. Merchants, artisans and groups traditionally performing administrative services did not require much persuasion to move into the secure shelter offered by European settlements. The significant quantity of bullion imported by the Companies for their investment, and the diverse services required by them provided opportunities of livelihood to a considerable section of the local populace. 4

Pondicherry's development followed a similar pattern, although on a much reduced scale and in an uneven manner. 5 Even so she came to earn the distinction of being, previous to 1756 "perhaps the finest city in India". 6

Submission was however the price paid by even the prominent merchants in exchange of relative and often tenuous security within these new towns. The examples of Sunca Ramah in Madras and Nainiya Pillai (better known as Maniappa) illustrate the increasing severity of this subjugation already in the early decades of the eighteenth century, when even a leading merchant who had for one reason or another aroused the hostility of his European master could not expect any effective help from a seat of traditional authority.


Sunca Venkatachalum, generally known as Sunca Ramah Chitty, was one of the most important merchants of early eighteenth century Madras. He himself was appointed Chief Merchant in 1711, following the disgrace of Serappu, his predecessor. Between 1711 and 1720 he is referred to as having extensive shares in the company's textile business, along with important stakes in inland and overseas trade. He enjoyed special privileges like the entry to the White Town and farming right over several villages.\(^7\) I am inclined to identify him with the Soucourama mentioned in French records, often buying up silver imported in Pondicherry, or purchasing substantial shares in the French town's trade ventures to Mocha.\(^8\) The Directors of the Company objected to the preferential price at which Sunca Ramah was allowed to purchase vermilion and quick silver from its ships.\(^9\) Nor did they approve of this "favourite" being allowed "the same privilege with Deolala Cawn a Moor at the Customs".\(^10\) However, much of his privileges seem to have arisen from his being a "wonderful favourite" of Governor Colett. Hastings, the next Governor could squeeze him and other "Black Merchants" to such an extent that Sunca Ramah was compelled to resort to the well practised method of threatening to quit the town.\(^11\) However, despite allusions to his "wicked practices with the

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\(^7\) Most of the references to Sunca Ramah are from the printed records of Fort St. George (Madras Records Office). The following headings have been consulted: Diary and Consultation Books (Diary), Despatches to England (D to E) and Despatches from England (D from E); see also Love, H.D.: \textit{Vestiges of Old Madras} 1640-1800, Vol. II, London 1913, passim and Chaudhuri, K.N. \textit{op.cit.}, p. 146, pp. 309-710.

\(^8\) A. Martineau: \textit{Dupleix et l'Inde Francaise}, Vol.I, 1722-1741, Paris, 1929, p. 70; see below, Note 49.

\(^9\) D from E. 1717-1721; 17.10.1718, p. 5.

\(^10\) \textit{Ibid.}, p. 7, para 41

\(^11\) \textit{Ibid.}, 26.4.1721. Furber mentions a similar threat from the entire Chettiah community in protest against Hastings. Furber, \textit{Rival Empires}, p. 316. For similar later incidents, see D to E 1719-1727, 17.1.1723, p. 78.
country government" Suncah Ramah, when once fallen from grace could muster no effective support from outside in his favour. 12 In 1731 he lost his post of Chief Merchant. He was deprived of his extensive garden by Governor Pitt in 1735, who turned it into a village of weavers and artisans. The establishment of Chintadripetta (the village of small looms) has been referred to by many recent studies on eighteenth century Madras. Historians have often looked at it as an example of constructive indigenous participation in the city’s development, not always caring to note that this was done at the expense of one of its notable residents. 13 At his death Suncah Ramah seems to have left very few assets "most of his houses and Gardens being mortgaged ......." 14; the Madras Council noted that his family and the Chitti merchants had worn themselves out in the Company’s service "more from vanity than from hopes of financial gains". 15

There is no need to accept Suncah Ramah and others like him as simply innocent victims of the ruthless drive for enrichment which marked the career of many European Company agents of the period. He certainly used his power to lord it over the Indian residents of Madras. 16 But from whatever evidence we have so far, his predominance as well as his disgrace were brought about by the English. Whatever useful contacts he might have had with "country powers" (such as the Nawab of Carnatic, they were not of any use in retaining him in his position, and it is doubtful if he really succeeded in making serious trouble for the Company in its relations with local rulers, as suggested by K.N. Chaudhuri. 17

12. D from E. 1717-1721; 17.10.1718, p. 5.


15. Ibid., p. 3.


Nainiya Pillai's case presents an extreme example of the helplessness of prominent merchants in front of a particularly repressive political authority. Pondichery's failure to consolidate its significant gains, secured during the troubled period following the fall of Golconda in 1687 was due as much to the inbuilt weakness of the French East India Company (FEIC), as to the ineptitude of the Governors of the city during the two decades following the death of its able founder Francois Martin. The way in which the Jesuits were allowed to interfere in, and often influence, the administrative and commercial decisions of the Pondichery Council, often in direct contradiction to the latter's declaration of freedom of trade and faith for all inhabitants, illustrate some of the peculiar constraints imposed by the Sun King's state system. This was moreover in open contrast with the cultural policy pursued by the Protestant powers in their settlements. French observers themselves have pointed out religious intolerance as one major drawback of the method of government pursued in their settlements in India. Two French memoirs of the 1740s, completely unrelated to each other, consider the denial of the permission to build their own churches as the principal reason behind the unwillingness of many affluent Armenians to settle permanently in Chandernagor. But the most articulate reaction to this policy comes from Ananda Ranga Pillai, the notable merchant of Pondichery.


19. Furer in his Rival Empires (pp.325-326) brings out the difference between the Protestant policy and the French one, the former putting trade ahead of conversion, and the latter, paralleling the Portuguese.

20.a) Mémoire concernant le commerce actuel de Bassora en general ...... Archives Nationales (A.N.) Paris, Colonies F25 (this unsigned document has no pagination. It was written on the basis of the author's first hand knowledge of the town, during his stay there from 1739 to 1745)

b) Voyage aux Indes Orientales...... Bibliothèque Méjanee, Aix-en-Provence, MS 206-8549. ff.388-389. This is an interesting account of a French ship officer's impressions of India, visited by him in 1743. He was de Gernes de la Chancillerie, Second Captain of the ship le Penthievre, belonging to the FEIC.
In his petition to Godseheu, the successor of Dupleix, Ranga Pillai declares "If temples were built, within two years the town would abound with all castes of Tamil, Gujarati and Hindustani folk. The reason why the town had not thriven because men could not follow the custom of their castes". 21

All the facets of Jesuit ambition in Pondicherry are not clear to us, but they were obviously cut to control the cultural and commercial life of the town. Mudaliar "Naniappa", who as courtier or broker enjoyed a position more or less similar to that of the Chief Merchant was appointed by Governor Hebert in 1708 in direct opposition to the Jesuit demand for a Christian to this important post. This cost Hebert his governorship. His subsequent return to Pondicherry in 1714 as the virtual overlord was possible only after he had made his peace with the Jesuits. They obtained his promise for the removal and humiliation of Naniappa. In spite of his competence, his considerable wealth and some standing at the court of the Nawab of Carnatic, Naniappa was completely defenceless against the savagely vindictive measures imposed upon him by a chastened Hebert in ill-concealed collaboration with the Jesuits. On at least one earlier occasion, the French had desisted from toeing the Jesuit line by the sobering thought that this might lead to Naniapa's departure from the town, which meant less of an irreplaceable middleman. But he was evidently incapable of doing so when the menace was real. In February 1716 he was deprived of his post and property, whipped in public and imprisoned on many vaguely defined charges. The principal of these was instigating a "seditious" exodus of the Hindu inhabitants in 1715, and malversation of the Company's funds. He died a slow painful death in prison in August 1717. His property, including jewellery, shops, godowns and houses and estimated at 40,000 pagodas were sold at auction for about 11,000 pagodas. Most of the movable properties were bought up by the Jesuits under the name of their protege, the new courtier Mudaliar Pedro. 22

The anti-Jesuit reaction following the death of Louis XIV ended a phase marked by a desperate bid on the part of the Jesuits to secure as much hold as possible on the town during the last pious phase of Louis XIVth's reign, complaints against Hebert's policy also came from a Company of Malacca traders who had been handling the FISIC's business for some time. Hebert was removed from office in 1718. Naniappa's case was reopened, and a royal decree revoked the verdict against the late courtier in 1720. What is more important for our understanding of the situation of men like him is his son Gurava Pillai's acceptance of Christianity and subsequent appointment as courtier with the title Chevalier and "head of the Indian subjects of the French" in Pondicherry. The post of courtier, usually called chief dubhash passed to Pedro Kanakkaraya Mudali after Gurava's death in 1724 since no other member of the former's family had accepted Christianity. 

23. For the details on Gurava Pillai, see Olagner op.cit., p.106; Proces Verbaux des Deliberations du Conseil Souverain de la Compagnie des Indes 1701-1739 (3 Vols. Pondicherry 1913-1915) (These are minutes of the meetings of the Pondicherry Council), 13.6.1722; Kaeppelin, op.cit., p.630. The Introduction of J.F. Price to Volume I of Pillai (Madras, 1904). A Courtier has been translated as the 'Chief Native Agent' by Price. The usual English equivalent is 'broker'. The French definition of a broker is clearly brought out by letters of the Pondicherry Council to Chandernagore. "A broker should not be involved in anything but keeping a watch over the conduct of merchants, in order to know whether they are solvent and if they are capable of furnishing the quantity and quality of goods no mentioned in the contracts.....". Instances of a broker's supplying goods "directly or indirectly" were condemned as "grave of his obligations as a broker". Correspondence du Conseil Superieur de Pondichéri avec le Conseil de Chandernagore, Vol.I, p.56. 28.2.1730; p.110, 12.3.1731. For a lucid discussion of the role of the role of dubhash or dubash, see Arasaratnam, Trade in South India, pp.22-24. A Governor's dubhash was usually known as the chief dubhash of a settlement.
favourite of the Jesuits who had aided them and Hebert in their attacks against Naniappa and his friends and relatives, including Tiruvengada Pillai, father of Ananda Ranga Pillai. When one remembers that this person continued to hold the post of chief dubhash till 1746 when he died a rich man, leaving property worth about 50,000 pagodas, one gets some idea, not only of the order of priorities of the French Company but also the price local merchants had to pay in order to enjoy relative security and prosperity. 24

Part of this weakness is most probably to be understood as a product of the merchant community's failure to put up a joint front. Caste and family allegiance being the most important factors ruling one's life, no other basis of solidarity was sufficiently stable or lasting to make joint actions a feasible mode of operation. 25 The invaluable source of information, the diary of Ananda Ranga Pillai, dubhash of Dupleix provides a remarkable wealth of details on the factions of merchants within Pondicherry. Sunca Ramah and Naniappa may very well have failed to secure a sizeable number of supporters in their favour. But the generally weak position of the merchants vis-a-vis rulers in the Indian state system remains one basic component of the situation. The average merchant has always had to depend on some patronage of the traditional political authority. 26 The dislocation of political life in the region under survey must have led to a corresponding breakdown in this traditional system of patronage. In short, in spite of their ability to bring off important deals with one ruler or another governor in the vicinity of the European settlements, merchants could not depend any more on any active interference on the formers' part on their behalf.

24. My guess about Kanakaraya's identity is based on the following remark of Ananda Ranga Pillai when explaining to a friend the reason of the bitter hostility between the former and himself "you may remember all the mischievous acts of which he, out of sheer jealousy, was the author during the time of M. Hebert". Pillai, Vol.I, p.68. 6.11.1738. Olagnier gives a detailed account of the persecution of Tiruvengada in the hands of Hebert. Olagnier, op.cit., pp.57-61.


26. Dasgupta, A: Trade and Politics. op.cit., p.203; Pearson op.cit., passim; see specially chapter V, Merchants and their state.
This helplessness was in striking contrast with the weavers and other artisans of the region. If one compares the meagre evidence available concerning the artisans of Pondicherry with that of persons of substance like Naniappa, one cannot help noting the organisational strength of the former as well as their better bargaining position vis-a-vis their new masters. In 1701-2, 1705 and 1715, weavers and other artisans, led by their respective caste leaders, threatened to leave. On one occasion they actually left Pondicherry as a protest against the attempts of the Council to impose restrictions on their religious practices. Again and again the Council was made to retreat, since it knew too well that the prosperity of the town depended on these people and they just could not ruin the settlement in order even to appease the intransigent Jesuits. 27 The mobility of the Coromandel weaver, alluded to by John Irwin and K.N. Chaudhuri was a decisive factor in his favour. As he had nothing to lose by moving into a place with better prospects, he could use it with good effect as a last resort against oppressive treatment of a local potentate. The competition between European buyers to secure certain specialities of textile products such as the "betilles" brought forward tempting offers from rival establishments to come and settle within their jurisdiction. 28 It seems that most merchants were not indispensable in this sense, and obviously they had much greater stakes in the towns from which they operated. The situation had to be really desperate for an average merchant to be prepared to leave behind all his asset and risk escaping to an uncertain future.

The career of Ananda Ranga Pillai, as far it is known from his diary available for the period 1736-1761 furnishes so far the best illustration of


the position of a merchant in a European enclave on the Coromandel coast in the middle years of the eighteenth century. His diary is recognised as a unique piece of indigenous evidence on political and commercial affairs of the region. He himself is usually referred to as the illustrious dubhash of Dupleix, the latter's right hand man in most affairs of trade and politics concerning the governor, a wealthy and influential personnage moving in the highest circle of Pondicherry's French society and dominating at the same time its Indian inhabitants. However, the image that emerges on even a preliminary study of his diary up to 1754 does not always fit in the model of a partner, respected for his commercial competence and influence with the local society. Ranga Pillai (or Rangappa as he was usually addressed by the French) the son of Tiruvengada Pillai, brother-in-law and friend of Naniappa was sufficiently capable and wealthy to rise from post of the broker of the French factory at Porto Novo in the 1720s to that of dubhash or broker of Dupleix. We find him possessing trading posts at Lelapet and Arcot, owning weaving centres at Porto-Novoo besides his areca nut and indigo warehouses in Pondicherry. He also enjoyed farming rights over certain villages, sent his own sloop Anandapura to Colombo for trade and participated in Pondicherry's trading ventures with Mocha. He is known to have

29. For comments and references to Pillai usually underlining his prominence, see Labernadie, op.cit., pp.235-239, Arasaratnam, Trade in South India, p. 24.

30. My assessment of his position is based on a survey of Pillai, Vols.1 (1736-1745) 2, 3, 4, and 9, covering the period 1736 to 1754. There are altogether 12 Volumes, published between 1904 and 1928 (Madras).

31. For information on his early life see the Introduction of Price to Vol. I of Pillai, based on the copy of a petition in French, as presented by Ranga Pillai's nephew to the Governor of Pondicherry shortly after his death; also Labernadie, p.237.

entered in trade partnerships involving such high sums as 25,000 pagodas as his own share. His considerable influence with the Indian inhabitants was reflected in the role of arbitrator often played by him. This ranged from intervention on behalf of defaulting merchants to the assessment of the property of a former chief dubhash, in order to settle a succession dispute.

However, his rise and prominence depended on the good grace of three Governors in succession, Lenoir (1726-1735), Dumas (1735-1741), and Dupleix (1742-1754). For the first ten years recorded in his diary (1736-1746) his influence notwithstanding, he was very much one of the several Indian merchants and officials in constant contact with the French, eager to note every word and mark of appreciation from the latter, bitter in criticism of his rival, Pedro Mudali. He was obviously in a better position during Lenoir's governorship. Ranga Pillai took care to point out that on many occasions, in spite of Pedro's official position as chief dubhash (the personal broker or dubhash of the Governors) of Pondicherry, he himself was not lacking in any distinction possessed by the other. He did not attain the post before his predecessor's death. Even then he had to wait patiently for the Governor's decision, who had to take into consideration such factors as Ranga Pillai's religion; he was, besides, heavily indebted to the Governor and to the Company.

It was the Governor and his wife along with their friends in the Council who dominated the life of the settlement. They exacted money from the Indian merchants on every conceivable pretext — for attending a marriage, for

34. Pillai, I, chapters XIII, XIV, XV are particularly revealing in this context, where it shows Ranga Pillai engaged in settling the accounts of Kanakeraya Mudali, the deceased courtier.
35. Pillai I, pp. 325-328; Pillai II, pp. 61-63. On 12.6.1746 he was told by M. Barasset, a Frenchman in the know "if there was any Christian fit for the post he would no doubt have got it" loc.cit., 63; on his indebtedness to Dupleix, Pillai II, p. 31. 20.5.1746.
giving verdict on a disputed succession, for choosing a chief dubhash. It was by flattering the Governor and by securing advantageous business deals for him that Ranga Pillai retained his position. Throughout the diary there is an underright of worry, about his losses in the overseas trade and in money lending. As Pillai is very brief in describing his own business and prefers to accept his problems as divine ordained, rather than analyse their nature, it is not easy to follow him through the crowd of people and events of Pondichery which he has brought to life with such vividness. It was on 15 October 1754, the day of Dupleix's departure in disgrace from Pondichery that Pillai unburdened himself in a cri de coeur. "12 years and nine months age (14.1.1742) he (Dupleix) landed here from Bengal. In all this time he has gained lakhs upon lakhs by my efforts but has never troubled about me. In all this time I myself have given him over a lakh of pagodas by sharing profits with him, by making presents, and by the adjustment of accounts. Thus I have become indebted to the company". 36

Once more it is not necessary to accept this judgement as irrefutable. But cases similar to this have already taken place in Madras. On the whole, the leading personages, serving the English and French as middlemen had already accepted a decidedly subservient position. Their rise and fall now depended on their ability to keep their new masters satisfied.

What has not always been taken into account is the fact that this did not merely (or at times even necessarily) mean fulfillment of the terms of the annual contract made with the Companies for a certain quantity of merchandise of required specification. It has been argued by K.N. Chaudhuri that by the middle of the eighteenth century conditions on the coast reduced even the most important cloth merchants to impoverishment and indebtedness. 37

36. Pillai, Vol. IX, p. 54; also see ibid., pp. 56-57.

However, the ups and downs of individuals and families cannot always be properly followed from these reasons. As the case of Ranga Pillai suggests, for most of the merchants officially engaged by the Company, satisfying their new masters actually involved aiding the local Governor and his favourite European merchants in their pursuit of private trade. This often led to antagonising one or another influential member of the Council who represented the Governor's preponderant role. A change in the Council's set would thus often lead to a corresponding change in the Indian agents' fortune. As the right hand man of one chief he might be made to bear the full brunt of the next one's displeasure. One European's failure to make good in a certain deal could bring ruin to a middleman, whose "indebtedness to the Company" often amounted to nothing but his master's inability to pay back the sum he had borrowed through the former. Such practices were far from being rare, and must have contributed in part to the general discomfort of the Indian merchants engaged in the official business of the Companies. The growing European settlements on the coast thus exacted their own price for permitting the local middle classes to carry on their professions within their jurisdiction. The impermanence of the former's fortune was partly due to the weaknesses inbuilt within the traditional business system. But, above all, a change of masters did not mean a change in the average merchant's subordinate position in society vis-à-vis the political authority.

38. The example of Sunca Rama would bear this out. Ranga Pillai's difficulties with Dumas and the former's obvious preference for Dumas' predecessor Lenoir are also relevant in this context. Pillai, I, pp. 4, 17, 26-27. As for the plight of a dubhash of Madras in similar circumstances, see the case of Guda Ankanna, dubhash to Governor Macrae of Madras (1725-1730). Directly on Macrae's retiring from his office, complaints "streamed in against Ankanna". Ankanna was ultimately condemned to a fine of 20,000 pagodas, whereas Macrae "carried home a substantial fortune of over £ 100,000". Love, op. cit. II, pp. 224-225.
II

Our survey of a few principal figures among the Indian merchants serving the English and the French Companies on the Coromandel coast has shown the growing subservience of the former during the first half of the eighteenth century. Their service officially consisted of purchase and sale of merchandise in connection with a Company's European and Asian trade. But any survey restricted to this aspect is an extremely inadequate guide to the totality of their mercantile activities. To begin with, helping masters to build up their individual fortunes through private trade seems to have been an important part of the services rendered by Chief Merchants and dubashes Sunas Ramah, Pedro, Kanakaraya and Ranga Pillai all fall in this category, and so does perhaps Cashia Chitti Andeappah, the right hand man of Governor Benyon of Madras. It is well known that this was the trade in which all officials of a Company were engaged, in order to supplement their nominal salaries, Holden Furber in his masterly survey of European trading activities in Asia maintains that the East India Companies "eroded in varying degrees by the private concerns of their "servants" were all to a high degree facades". The success of an Indian servant was no doubt often decided by his ability to help his immediate superior to make his pile out of the Company's trade. Supplying goods to one's own Company under fictitious Indian names provides one good example of the methods followed.

39. Cashia Citt Ette Andeappah is referred to as a "prominent Indian merchant" of eighteenth century Madras. His accounts, found among the papers of Benyon are rightly expected to throw a great deal of light on the subject. Arasaratnam, Trade in South India, pp.22-23. The writer has not furnished any clue to his identity. He was probably none other than Adiyappa Nayakkkan, the dubshaah of Benyon (Pillai, I, p.206).

However, the European private trader had not yet made a serious dent in the inland trade of the country. His main area of activity was the traditional seaborne trade of the Indian ocean, stretching at its farthest from China to the East coast of Africa. The Muslim shipowners of Surat dominated trade between Western India and the ports on the Red Sea and Persian Gulf on the one hand and trade with Bengal on the other. The area traditionally connected with the Coromandel coast was South East Asia, although the establishment of Dutch power in that region had restricted this link to such ports as Ceylon, Pegu, Mergui, Manila, and on occasions Canton. Mocha seems the only port towards the west with which the coast carried on regular trade. There were, besides, regular trips between the coast and Bengal, since the former depended quite heavily on the latter for supply of essential provisions like rice.

It is becoming increasingly evident that the facilities provided by a European settlement like Madras, Pondicherry or Chandernagore for carrying on this traditional trade better known as "country" or "Asian" trade was one of the most decisive factors in the growth and prosperity of such a settlement. Protected by its fortifications as well as by its customs privileges, a port town provided remarkable scope for collaboration between Europeans and Indians for pursuing this trade. The concern of the authorities of any European port town for attracting traders capable of participating in Asian trade is evident from numerous records, since sea-customs and other dues realised in connection with this trade was its most important source of revenue. During his first phase of residence in Pondicherry (1721–1731) Dupleix had pointed out the need to develop its trade of "Inde en Inde", meaning inter-Asian sea trade,

41. Pillai, I contains many references to Pondicherry’s trade with these areas; see also the Memoir of Vincens, Passim (Note 46); Indrani Ray, India in the Asian Trade in the 1730s: A Discussion by a French Trader, Professor Sushobhan Chandra Sarkar Felicitation Volume, New Delhi, 1976.
practised with so much success by the English. The Madras Council's eagerness to safeguard its share of the trade is easily discernible from its Diary and Consultation Books and letters belonging to the 1720s and 1730s. Sea customs accounted for at least half of its total revenue. During the 1720s, the Council was particularly worried at the development of certain circumstances leading to a shrinking of this essential source of income. On the news that "Armenian and Black people having of late built a great many ships at Pegu (Pagu)" which was "very detrimental to trade here and other places it was resolved that the price of anchors and cordages, destined to Pegu was to be raised. Anxiety was expressed over the fact that "the customs have been considerably lessened in this port last year and will more considerably this year by great decay in the trade to Manila and the almost total loss of the Trade of the Patans from Bengal both which Trades being principally in fine good and formerly to a great value were very considerable branches of the sea customs". But their main worry was regarding the growing control of the French, Armenian and "Moor" traders "who traffick on other bottoms and import their cargoes into other settlements which they were enabled to do by the money taken up here at Respondentia and without which they could not carry on so extensive a trade". Finally, in his comprehensive and usually well informed memoir on Indian Ocean trade in the 1720s and 1730s, Jacques Vincens, an experienced French private trader remarked that prevents a number of merchants of Madras and other places of the coast to come and settle at Pondichery is the private trade they carry on at Madras because of the great number of ships that come there. They regard the trade that the companies do there for Europe as insignificant. "Besides" continues Vincens "it is a company of merchants who do this trade in which most of the rich Indians do not want to enter".

43. See for example Accounts of the revenue of Madras, 1727, Love II, p. 240.
44. Diary, 1725, p. 101, 22.6.1725.
45. Diary, 1726, p. 167, 5.9.1728.
46. Diary 1727, p. 14. 31.1.1727, See also Diary 1724 p. 52. 27.4.1724.
47. Memoire general du commerce de la Compagnie des Indes peut faire dans les etablissements de l'Inde......Vincens, Chandernagore, 1.12.1733. A.N. Colonies O2 197 f IV.
The last sentence, unless a perfect red herring, is a remark which would suggest the existence in Madras of a group of Indian merchants, sufficiently wealthy and powerful to enjoy the facilities of the town and to offer their services when considered profitable, without surrendering their freedom of action. Their existence would moreover explain the puzzling phenomenon that while on the one hand the Company's official investment depended on the arrival of regular and considerable supply of bullion and the "Company's merchants" were often indebted to their masters, in the sphere of private trade "many company servants made fortunes on Indian capital". This dependence on India capital has been recognised by scholars as the most important aspect of European and Indian collaboration referred to earlier in this section. However, the bulk of the required capital need not have come and perhaps did not come from the merchants-middlemen. Armenians were substantial partners as well as rivals in this trade. Gujarati bankers in Madras and Arcot came to aid of both the English and French. On his part the European shipowner either replaced his Indian counterpart or provided shipping facilities where it had declined for whatever reasons. In spite of this recognition, however, our knowledge of this and other aspects of this collaboration remains quite meagre, specially so far as the coast is concerned. But one can still try to reconstruct a few features, relying on the inadequate data available so far, and point out the problems involved.

48. Arasaratnam, Trade in South India, p.23. For Bengal, see Marshall op.cit., pp.45-47.

49. Regarding the situation in Madras Gadgil (op.cit. p.47), maintains that "The Company's Indian merchants do not appear to have been in a position to lend large amounts to the company for its investment or other needs". One requires much further information, i.e. regarding the origin of the resources of men like Cachha Chitti to come to a conclusion. For the role of Gujarati bankers in Madras and Arcot see the role of the banking house of Tarwari o. Trivedi in Surat Factory Diary No.625 pp.24-25, 20, 24.9, 1737; (Maharashtra State Archives, Bombay). Sambhu Das, the son of Sankara Parik, resident of Madras was treated with special honour by Ranga Pillai, Pillai, I, p.265, p.268. Kasi Das Bukhanji, seems to be an Arcot based banker, "inclined to side with Nawab Safdar Ali Khan". Pillai, I, p.203.
Apart from providing loans, usually on Respondentia, India merchants also held shares on private trading ventures organised by the Council to Manila and Mocha, and undertook to furnish merchandise required for such ventures. Ranga Pillai's important production centre of blue cloth at Porto Novo catered to needs of the Company as well as private merchants. But they could also enter into business partnership with other Indian merchants and even with those belonging to a rival establishment as in the case of Soucourama, and many lesser merchants. The network of inter-Asian trade in fact cut across nationalities, and in spite of occasional resentment and opposition as we have seen in the reaction of the Madras Council, one could not really limit the scope of this trade to one's own settlement.

One finds the same pattern repeated in the securing of suitable cargo and above all the capturing of freight. We are informed of the English Company prohibiting its merchants to supply goods for the Europe bound ships. But they were much more cautious while setting the guideline for those furnishing private ships plying within the Indian ocean. Complete prohibition, even if desirable, was impracticable since "if they should be absolutely restrained in that, Necessity will oblige them to remove to those places where they can have that liberty......". Presence of these suppliers whose identity is however not disclosed was considered indispensable and the existence of too many "Ports open upon the coast where Foreigners may resort to being supplied with goods for all the Markets in India" played a further restraining role. It is significant, that such consideration did not always produce similar moderation towards more substantial merchants.

Furnishing of freight to private shipowners was another principal method of participation. Observations of experienced traders on the Coromandel coast and in the Persian Gulf ports reveal how important it was

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50. For references to 'Soucourama's participation in trading trips organised at Pondicherry see Proces Verbaux, Vol.I, Entry of 3.2.22.
for the success of a private venture to be able to capture freight from all the possible places. On the coast as well as in Bengal Armenian freight was one of the most prized items for ships destined to Manila and Bandar Abbas or Baera. This was an area where dependence seems to have been mutual and the image of a freighter helplessly dependent on a European ship captain does not tally with the anxiety of Madras and Pondicherry over the expected amount of freight. 52 This was partly due to the easy availability of freight ships. Already by the 1720s the European ship captains and supercargo seeks had been caught in a spell of overtrading which persisted till the middle of the century. Lack of sufficient freight often discouraged shipowners to undertake a voyage which did not hold out enough promise. 53 But the repeated references to Armenians are suggestive.

There was also interdependence between Europeans on the one hand and Armenians and Muslim merchants and dignitaries, many of the latter residing at Porto Novo or San Thome, when the former required their help to hide the identity of their ships. No ship owned by a Protestant was officially allowed to do business at Manila. The prohibition may have been a purely formal gesture on the part of the Spaniards, but the coast ships dutifully sent their ships "owned" and "commanded" by Armenians, Hindus and even Muslims. The latter also lent their names to French ships, who did not want to risk being captured by the English during the troubled years of the war of


Austrian succession. 54

The one problem that keeps on intriguing us is the apparent contradiction between the image of an Indian merchant as an indebted Company middleman and a solvent participant in the Asian trade ventures of Europeans. Our lack of clarity may very well be due to insufficient understanding of the situation prevailing on the coast. As our knowledge is mainly based on the records dealing with the official relationship of the Indian merchants with Europeans, we are almost completely in the dark about the role of merchants other than middlemen in this area. Everything can not yet be explained away by upholding the preponderance of private trade interests over the public one of serving the Company, although this was the one of the besetting "evils" of the system in most European trading establishments. Vincents' comment is of particular significance as suggesting one plausible answer to our problem. This was quite true for Surat, as well as for several trade centres in Bengal, although our evidence for the middle decades of the century are scanty regarding the latter. However, too much must not be made out of isolated remarks like this.

The one non-European group (although they are also considered as non-Indians) whose role in the sphere of private fortune makers in Asian trade is so far the best known to us is that of the Armenian merchants. No survey of the traditional trade of India and the Indian Ocean misses their presence.

54. Ranga Pillai describes several such arrangements. One of them concerned a ship which left Pondicherry on 10 February 1745, for Mocha with the flag of the Nawab (of Arcot), the "ostensible" owner being Mir Gulam Husain. Pillai, I, p.266; Pillai, II, 275. There are many references in Pillai to the employment of Indian and Armenian captains on Manila bound ships. See I, p.269, p.297; II 20,6,46 where during a discussion Dupleix exclaimed "The dominant flag there (Manila) is that of a bigoted Mohammedan".
We have already noted the Madras Council's complaints against their "illegal traffic" their important role as freighters. Their domination of the coast Manila trade should not be taken as only reflecting a formal association, amounting to little more than lending their names. Elias Isaac a Pondicherry based native of Zulfa dominated the settlement's trade to Manila for a good deal of the period under review; he was also esteemed for his contacts with Indian powers. Elias participated in negotiations with the Nawab of Arcot for a sanad permitting the French to coin Arcot roupies at Pondicherry. Raja Pillai considered him as his main ally in the early 1740s when the former was yet to secure the full confidence of Dupleix. Elias was accorded the title of Chevalier de l'Eperon in consideration of the important services rendered to the French Company. Armenian merchants of Madras like Khoja Saffar were important money-lenders to the French.

It is curious to note that the two memoirs of 1740s referred to unhesitatingly relate the prosperity of Calcutta and Madras to the number of Armenian merchants living in these colonies — about one hundred in the former and one thousand in the latter. This is shown in striking contrast to the solitary number of one in Pondicherry (evidently Elias) and five in Chandernagore. Freedom of trade and religion offered by the English was

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55. See also the Council's remarks against the persistent "insolence" and general misdemeanour of Armenians. Diary 1724, p. 52, pp. 64-66.

56. There are many references to Elias in Process Verbaux, Vol. I; see specially 7.6.1717; 12.12.1720; 21.5.1721; 12.7.1721; for a brief biographical sketch see the note by Gaudart in Bernadotte, op. cit., p. 39; Pillai, Vol. I, p. 4, p. 27, pp. 30-31, p. 94.

the main attraction for Armenians according to both memoirs. They had
developed a method to get much closer to the production centres with the
country, to work through friends and relatives settled at all important
trading points, and along with the "gentils and Moor" were noted to be
able to put up with much more "tyranny" and were satisfied with a much
narrower margins of profit than the Europeans. But their prominence
brings us back to the old query: how far did they represent the local
merchants, indispensable and independent participants in the traditional
trade which was as yet the main attraction of most European inhabitants
of a colony?

This and many other related questions remain to be solved before
we can come to have a more complete understanding of the Indian merchant
in his relationship with the European trader in the first decades of the
eighteenth century.

58. See Memoire concernant Basra op.cit., for these details on the
Armenians; also Chaudhuri, K.N. op.cit., pp.137–138.

59. This comment comes from Vincens op.cit., f.18.
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