CHAPTER – III
EUROPEAN TRADING COMPANIES AND THEIR
OPERATIONS ON THE ANDHRA COAST

(A struggle for dominance and expansion)

During the period under study, Indian sea coast had always been an unfailing attraction for foreigners. Indian riches and luxuries found expression in various accounts, both literary and travel. Particular mention must be made to travel accounts which served as store houses of knowledge about different aspects of the continent. They were the main fountains of inspiration for many an adventurer. They acted as the catalysts in accelerating the enthusiasm of sea bearers. It was an enthusiasm that was not purely notional and psychological. Such an enthusiasm had a distinct material goal in so far as the sea bearers hoped to reap benefits from their travel to India. For them it was a legendary place of riches and luxuries. It was this plenty that attracted their immediate attention. The travel accounts tried to what their appetite by providing reliable accounts of the country and goaded them to try their luck in trade transactions.1 Excited thus by the offer

1 The data in the letters and journals of the officials of the factories which were interspersed along with Eastern Coast or what came to be called the Golkonda Coast cover many volumes of records and are supported by the diaries and letters of many eminent travellers such as Tavernier, Bernier and Thevenot some of whom give a fairly detailed description of the
bounty in the subcontinent there was almost a bee-line of foreign travelers land traders spread over longer periods of time extending from early medieval period. The admiration of textiles attracted the foreigners since ancient times. The manufacture of Cotton Cloth was at its best in India until very recent times and fine Indian muslins were in great demand and commanded high prices both in Roman empire and medieval Europe. As far as Coromandel coast was concerned, it was Marco Polo (1292 AD), who visited the court and kept accounts about the place. For him, coromandel coast which Nizampatnam and Nellore was integral part, as a great centre of pearl-fishing, lured by his account (Travels), several adventurers, merchants and above all ecclesiastical clergy found their way to India. Trade relations were

2 While the cotton industry in India was flourishing, in Europe cotton was still virtually unknown. At the beginning of the Christian Era Indian textiles figured prominently in the trade with Rome. The Roman historian Arrian testifies to the export of dyed cloth from Masulia i.e. Masulipatnam. Periplus of the Enthriaii sea refers to Dhanyakataka (Dharanikota on the Krishna river, near Amaravathi) as an important centre of the textile industry and trade. Vijaya Ramaswamy: Textiles and Weavers in medieval south India, p.3. Also see, Wilfred H. Schoff, Periplus of the Erithrian sea. Trade in the Indian Ocean. (ed.), New York, 1912, p. 59.


4 Marco Polo, a Venetian traveller visited the port of Motupalli in 1290 at the time of Kakatiyas and described the social and economic conditions of southern India. Dr. A. Ramapathi, Videsee Yatrikulu, Telugu Vani, (Telugu). Hyderabad, 1975, p. 79.


6 A.L. Basham, The Wonder That was India, Vol I, Delhi, 1975, p. xxviii.
established soon and conducted without any hindrance through out centuries. The fall of Constantinople at the hands of Turks and the blockade of sea route to India encouraged European adventures to embark upon exploits on water in threading their way to Indian. The excitement, India continued to create among European merchants and nations further added strength to geographical discoveries. The central concern of these exploits on seas was to discover a new sea-route to India and obtain spices and other luxury goods from the East without facing trouble from the Turks or the problem of hefty payments to the Arab merchants. It will be found in a study of India's foreign trade in the seventeenth and eighteenth centuries that we are concerned almost entirely from the point of view of Indian exports with the raw products of the country such as pepper, indigo saltpetre and so forth and with her textile manufactures of cotton and silk. In the initial stages, strictly

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7 With the capture of Constantinople in 1453 by the Turks, the overland trade route to India was closed. From then onwards the commerce of the East became the monopoly of the Italian cities of Venice and Genoa. The other European nations became jealous of the Prosperity of Venice and Genoa and tried to discover a non-Mediterranean sea route to India. P.R. Rao, History of Modern Andhra, New Delhi, 1978, p.3.


9 The main requirements of the west were spices, performs, jewels and fine textiles as well as ivory both raw and worked Dvestuffs such as Indigo and Lac were in demand and several live animals and birds were exported from India on the wild beast shows of the Roman emperors, the larger animals being conveyed by the overland route throughout the desert trading city of Palmyra Owen c. Kail. The Dutch in India. New Delhi, 1981, pp. 16-17. also see, C.J. Hamilton, Trade relations, between England and India 1600-1896 Delhi, (reprint) 1975, p.9.
speaking, the European nations had no designs of conquest in political and military terms. Their main object was to establish, rather revive, commercial relations with India, with its spices heavy of modifying effect on Europe.\(^\text{10}\) It was a commercial instinct and no other motive that led them to discover a sea-route to Indian sub-continent. India as a golden land and a wonder land haunted their memories. In their imagination, India was the richest country in the world, a country which supplied all markets of Europe with many wonderful articles of commerce.\(^\text{11}\)

Vasco da Gama, one of the Portuguese navigators, braved the storms on seas on his ship, San Gabriel, round the cape of Good Hope and cast anchor off on 17th May 1498 AD. in a village called Kappad near the port of Calicut, under the Hindu ruler, whose hereditary title was Zamorin gave friendly reception to these strangers and invited Gama for trading activities in his kingdom. It is remarked that "when the Portuguese, at last, rounding the cape of Good Hope, burst into the 


\(^{11}\) The geographical discoveries undertaken by foreign travellers like Bartholomew Fiaz and Vasco da Gama during the fifteenth century left a deep impress on the commercial relations of the world in general, and India in particular. These discoveries produced far reaching consequences and perhaps no event during the middle ages had repercussions on the civilized world as the opening of the sea route to India. B.D. Basu, *Rise of the Christian Power in India*, Calcutta, 1931, p. 18.
Indian ocean like a pack of hungry wolves upon a well stocked sheep walk, they found a peaceful and prosperous commerce, that had been elaborated during 3000 years by the Phoenicians and Arabs, being carried on along all its shores. The honour here solely goes to Vasco Da Gama. It was an epoch-making discovery. Portuguese people ranked first among seafarers during this important period to establish connections as well as a settlement in India. It is rightly said that "the discovery of America and that of a passage to the East Indies by the Cape of Good Hope are the two greatest, and most important events recorded in the history of mankind". Perhaps, no other event during the middle ages had such far reaching repercussions on the civilised world as the opening of sea-route to India. The event had a revolutionary effect on the course of events and opened the flood-gates of European trade with India. Thus, in the initial stages, the Western Coast of India was brought under the control of the Portuguese who

1 The Portuguese following up their first triumph by Dagama's discovery of the cape route in 1497 had gained the start of a century fastening their hold on the most advantageous positions from the Persian gulf to Japan. In India they had severed a monopoly of trade by emperor's farmans. For a hundred years they thus excluded all European intruders. If any intelligent observer had appraised the situation of Europeans in Asia in the year 1600 he would have been able to give good reasons for concluding that the Portuguese would hold their own at the same time that he furnished further proof of the danger of prophesying under the shifting fortunes of mankind. Sir Theodore Morisson: British India. London, 1926, p. 1, also see, E.F. Oaten, op.cit, p. 51

13 Ibid p. 48

claimed maritime supremacy over the Indian ocean. Later, the Dutch, the English, the French and the Danes appeared on the scene and involved themselves in active trade on the Indian coast\textsuperscript{15}. Soon these foreign companies entered the trade in textile sector and also a number of other commodities. Therefore, there was a significant change in the exports from India since establishment of European trading companies in the beginning of seventeenth century. In this connection, the Andhra coast from Nizampatnam to Nellore and beyond soon became a target of the contending European powers and played a very important role in the life of the companies. Although the centuries trade became an object of special concern particularly in the seventeenth century A.D.

The coast line between Nizampatnam to Nellore and its surrounding area was a rich and fertile coast which had been always an attraction for traders. Natural creeks on the coast helped the development of several other important port-towns like Ganjam, Bimilipatnam, Visakhapatnam, Nizampatnam, Madras, Pondicherry,

\textsuperscript{15} It was the trade in spices which had originally brought the Portuguese to India and which in the early years yielded great profits ultimately they gained most from their participation in the carrying trade of the Indian ocean and the China seas. Certain trade or maritime routes were declared a monopoly of the king of Portugal and on these routes no other vessel could ply other than Portuguese ships. When the Dutch appeared in Indian waters the picture had greatly changed. By 1610 the Dutch had established themselves on the coromandal coast where the English Company also opened a factory in the following year. Eventually, with the English hampered for funds and the Portuguese for reinforcements, the tide turned in favour of the Dutch. Owen C. Kail \textit{The Dutch in India, Op.cit.} pp. 19-21.
Karikal and Point Calimere, which served as important entrepots and foreigners for over centuries.\(^{16}\)

In general, Indian trade dominated the eastern seas and reached out to the Mediterranean. Pepper and other spices were carried on from Andhra coast to the West, and contemporary accounts had full praise for trade in Andhra spices. Andhra had been in the habit of the manufacture of fine cloth from the earliest ages and textile industry had been an inseparable part of her economy.\(^{17}\) Fine cotton fabrics of this region excited the admiration of the foreign travellers from the early period. The Venetian traveller, MarcoPolo observes that "in the kingdom also are made the best and most delicate buckrams and those of the highest price; in smooth (sic) they look like the tissues of spider's web there is no king or queen in the world but might be glad to wear them".\(^{18}\) The Indian textiles, thus had an immemorial legacy in different parts of the world. In the field of textiles, an important advance was made in dyeing of cloth. Among the fast dyes, Indigo was another item which exported from India particularly from Andhra region in contemporary world and even today the area is known

\(^{16}\) Dr. R. Ramam: Early European Settlements in the northern Circars, pp. 144-145.

\(^{17}\) K.A.N. Sastry. Foreign Notices in South India, Madras, 1939, p. 175.

\(^{18}\) Textiles drawn from the weaving villages of Andhra were the chief export. Asin Das Gupta & M.N. Pearson: India and the Indian Ocean 1500-1800. Calcutta 1987, p. 117.
by the same nomenclature. The knowledge of dyeing gave a great impetus to coastal Andhras trade with foreign countries. Of the coastal Andhra products purchased in the earlier times for the European markets, the most important were indigo and cotton goods. Indigo was extensively used in Europe for dyeing purposes and it was the most valuable article of trade. Soon, however, cotton goods (plain and patterned) came into favour at home. It is observed that the contemporary Roman writers felt that "gold flowed (sic) from Rome to India and the East in exchange for various luxury articles". It is only an indication to the amount of trade from India and the kind of favourable trade balance, the country enjoyed during those times.

The developments during the period of our study exhibit a few important characteristics of trade and the players in the trade. By the mid seventeenth century three European Companies viz., the Dutch, the

19 The region was the Godavari where we know of Indigo cultivation in the Kakinada region and farther to the south and west as well in the vicinity of Palakollu. This lav to the North of river Krishna in a broad band extending from Khammam to Eluru and as in the early 17th century called either 'Palewanse' (i.e.Palvancha) or 'the land of Indigo', by foreign observers. Sanjay Subrahmanyam. Political Economy of Commerce southern India, 1500-1650, p. 27.

20 H.H. Dodwell, op.cit, p. 92.

21 Jawaharlal Nehru, The Discovery of India, New Delhi, (Reprint), 1988, pl. 215.
English and the French had acquired and consolidated their settlements on the coast of Andhra. Though the Portuguese were the first Europeans who traded in India but the Portuguese power had been chiefly confined to the Western coast and Ceylon although they possessed outlying factories in the Mughal empire and on the Coromandel coast. Although their sea power no longer enjoyed undisputed sway in eastern waters. The settlers instituted a well-knit administrative and commercial network in all these new settlements. Within their limitations, these foreign companies established effective institutions for the management of their commercial activities. Every company had its own capital on the Andhra coast. The most deeply penetrated among them were the Dutch. They had founded a castle with all the necessary fortifications in 1613 at Pulicat. The fort became a residential place for their Governor and it also served as a controlling post over their possessions on the Coromandel coast.

22 Dr. R. Ramam *The Early European Settlements in the northern circars*, pp. 144-148.

23 Western Coast of India was brought under the Portuguese who claimed maritime supremacy over the Indian ocean with a view to having monopolistic hold on the entire produce of spices. Those who appeared late on the scene, namely the Dutch, the English, the French and the Danes had to get spices chiefly from other parts of Asia and in their quest for these commodities they entered on the trade in textiles and a number of other items. K.S. Mathew: "Masulipatnam and the maritime trade of India during the seventeenth century", *APHC*, 1987, p. 76.

24 Hamilton. *Trade relations between England and India*, p. 9

25 A Fort was constructed at Pulicat in 1613 and given the name of 'Geldria'. The Coromandal factories were reconstituted into a 'government' in 1616. The
English had their foot set near Chennapatnam in 1639 and soon they built the Fort St. George by 1641.\textsuperscript{26} Like in the case of Dutch of Pulicat, the Fort St. George became a residence for the English President and Council. This became a nodal point of control in the course of time. The Danes could secure the port of Tranquebar in 1618.\textsuperscript{27}

The English and the Dutch had spread out into a number of factories or trade settlements in ports all along the coast line around Nizampatnam to Nellore. Though not in any effective manner, the Portuguese continued their tottering presence on this coast at Nagapattinam and San thome along with a civilian settlement at Porto Novo. The Portuguese land power had been chiefly confined to the Malabar coast and Ceylon although they possessed out lying factories in the Mughal empire and on the Coromandel coast. Although their important alteration in the Government of the Coromandel coast viz., the transfer of the head from Masulipatnam to Pulicat actually took place only in 1615 when Samuel kindt was appointed Commander of Fort Geldria (Pulicat) and at the same time Head and President of Coromandel. In 1617 the directorate of the Coromandel was raised into a government, it's chief at Pulicat being given the title of Governor. T.I. Poonen: "Early history of the Dutch franchise of Masulipatnam and Petapolee", (1605-1636), \textit{Journal of Indian History}, 1949, p. 277.

\textsuperscript{26} Sir Theodore Morison: \textit{British India}. London, 1926, p 6

\textsuperscript{27} Owen C. Kail - \textit{The Dutch in India}, \textit{op.cit}, p. 86, Om Prakash, \textit{The Dutch factories}, \textit{op.cit}, p. 7.
sea power no longer enjoyed undisputed sway in eastern waters.28 "Having lost their previous possession of Morocco to the Dutch in 1641, driven out of the Hughli by the Mughal s in 1736, deprived of half the coastal possessions in Ceylon, the writing was on the wall for Portuguese presence on the Coromandel coast."29 By 17th century, the Dutch and the English fully grasped the inherent potential of the Coromandel trade in Andhra Coast, and consequently their own interests in the same. By this time they were fully aware that Andhra coast would be the nucleus of their activities in the years to come. It was but an obvious calculation on the part of the English as well as the Dutch for known reasons. In a way, Coromandel was rediscovered for them. The earlier traveller accounts discovered for them the way to the land of destination. Their actual settlement on the coast in the seventeenth century rediscovered for them the real potential of their destined land or coast.30 Now theirs was a first hand-experience of what the coast line meant for their trade. It was, then, but natural that internecine rivalries


30 The data in the letters and journals of the officials of the factories which were interspersed along the eastern coast or what came to be called the Golkonda coast over many volumes of records and are supported by the Golkonda coast cover many volumes of records and are supported by the diaries and letters of many eminent travellers such as *Tavernier, Bernier* and *Thevenot*, incidentally and this is important, the towns, rivers and ridges which marked the frontiers of the kingdom. *H.K. Sherwani. The Reign of Abdulla Qutb shah - ft*, op.cit.p. 677.
among them erupted with strong claims over the coast as well as the trade including the productive mechanisms of the hinterland. To achieve their aims, they began fashioning appropriate investment policies and started pursuing political and diplomatic policies. Both the foreign trading companies viz., the English and the Dutch were poised for a major growth, a growth that was to be soon fostered not only by the strength of their treasury, but also by the force of their muscles as well as the power of political negotiations with the rulers of Andhra and other neighbouring regions. Thus, commercial investment was increasingly supported by the deployment of military and naval force, and by a more aggressive diplomatic involvement with rulers and the Governors of the hinterland.31 This multi-dimensional expansion in commercial, political and military (naval) was to lead in the second half of the seventeenth century to a close involvement between European and indigenous powers from which important political developments developed very soon. This intense rivalry for trade among European nations also served to accelerate the trend towards a deeper involvement in the affairs of the region. During the second half of the seventeenth

31 The Dutch and the English were at daggers drawn in Europe and elsewhere and some times they would Waylay Engbsh ships covering from Persia and Europe on the high seas as well as between Madras and Masulipatnam. The English therefore managed to get full protection of their merchant navy from the Qutb Shahi officials and when their ship the constainpole merchant was nearing Masulipatnam the Shahbander or the port officer and sarsimt or the Chief Executive officer. Ibid. p. 679.
century these rivalries resulted in the displacement and dislocation of a few weak foreign trading companies. The rapid expansion of the Dutch in the south and their destruction of the power and influence of the Portuguese who had ruled the seas for over a century had the effect of instilling a certain degree of awe in the rulers and princes of south India. These measures had serious consequences for Andhra coast particularly Nizampatnam to Nellore.

Golkonda's attitude had completely changed and the relations between the sultan and the Dutch merchants in this kingdom were radical. Thus, the Dutch removed the Portuguese from the coast. This was soon followed by a joint efforts by the Dutch as well as the English to prevent the establishment of the French commercial enterprise along the Andhra coast. In this rivalry, purely characterized by the rival interests of European trading establishments, indigenous hinterland powers too became involved and the stage was readily set for alliances and counter alliances of the period. All these developments had a serious impart on the region for Nizampatnam to Nellore where most of the regions hinterlands was located around this area .

32 Owen C. Kail, The Dutch in India, p. 88
Arasaratnam, Op.Cit, p. 55
During the early decades of seventeenth century there was a fascination for European trading settlements among the Rajas of the hinterland. This was attested by various concessions and remissions extended to the European traders by the Andhra rulers with the hope that the former would settle down in the ports within their political jurisdiction.\textsuperscript{34} The rulers appear to have had a belief that these concessions and remissions would inturn bring prosperity attendant on European trade to their respective principalities or Kingdoms. For example, the Vijayanagar Emperor, during the period of imperial decline, had given the Dutch permission to settle and build a fort at Pulicat in 1612, together with concessions on tariffs and, judicial and police powers within their jurisdiction.\textsuperscript{35} His successor, in an even worse political situation, had entitled the English to settle in Chennapatnam, with even greater concessions.\textsuperscript{36} She had given them complete freedom from customs duties for their imports and exports, and half the customs on other goods traded from the port. He had also

\textsuperscript{34} At the beginning of the seventeenth century Golkonda rulers, anxious to develop their trading ambitions, for fastened friendly relations with the Portuguese. They took passes from them for the safe conduct of their ships to the Persian Gulf and the Red seas. Arasaratnam. \textit{Maritime India in the Seventeenth Century}, p. 50. In the spring of 1605, the vessel reached Masulipatnam then in the possession of Mohammad Quli King of Golkonda (1581-1611). The Dutch were fortunate to secure firm footing at Masulipatnam and to enter in to commercial relations with the people. Although there were Portuguese merchants in the town they had ceased to receive reinforcements and their rivals welcomed by the Indian authorities. T.I. Poonem. \textit{History of Dutch Factories}, pp. 265-266 for the English trade see N.S. Ramaswamy. \textit{Fort St. George, Madras 1680}, pp. 47.

\textsuperscript{35} Owen C. Kail, \textit{The Dutch in India}, p. 88

\textsuperscript{36} Ibid.
allowed them to build a fort and exercise extra territorial powers within the fort. The Danes had similar powers in Tranquebar given them by the nayak of Tanjore.

As stated earlier, the contemporary rulers and indigenous administrators believed that, in contrast to the Portuguese, the other European settlers would bring in the plenty through a speedy expansion of Commerce with consequent rise in the revenue collections. On the other hand, the Europeans realised that they held important advantages and made as hard bargains as they could. In comparative terms, the Dutch had handsome investments and large naval power than the English during the early seventeenth century. Yet no need was felt to use force to back up their trade, except where vital interests were at stake. In the post 1620 period, the Dutch and the English were forced to lay their hands on arms to settle the debts and secure more favourable trading conditions. In the year 1629, they participated in a joint military action and blockaded the Masulipatnam Port. As a result of the blockade, a major part of their debt was written off.38 There was another conflict at Masulipatnam in 1641 and the Dutch were deeply

37 *Ibid*
36 *Ibid*, p. 66

106
involved in this same. This conflict too resulted in favour of the Dutch.\(^{39}\)

There was always a scope for the outburst of a conflict between local administrative rulers and the foreign traders as the former often did not respect the concessions granted by a distant central authority.

One of the successful foreign trading companies that established itself on a firm footing on the coast of Andhra region was the Dutch East India Company or Vereenidge Oostrindische Compagnie (V.O.C.). Even during the earlier stages the Dutch realised that the different private trading companies of the Dutch should be consolidated to maintain their supremacy over overseas trade.\(^{40}\) This was imperative in view of the establishment of the English East India Company in 1600. The act of the English sent correct signals to the Dutch regarding the need for a concerted, instead of an isolated, effort in the arena of trade outside home. Consequently, a limited company of the Dutch was floated in a couple of years after the establishment of the English East India Company. The year 1602


\(^{40}\) Several companies were formed which by their mutual rivalries clashed with each other buying spices in the east at very high prices and selling goods at home at very low prices. Eventually in 1602 they were united into one company to which the states general granted the sole right of commerce with East Indies for a period of 21 years. T.I. Poonen. *Early history of Dutch Factories*. 264.
witnessed the founding of Vereenidge Oostindische Compagnie (United east India Company of the Netherlands), popularly called V.O.C. The first fleet of the new chartered Company left the Dutch shores in the same year of establishment and sailed off from the homeland. The fleet had 15 ships with a total burden of 7000 tons.41

The main interest of the Dutch during the initial stages was more diverted towards the Indonesian Islands of Java, Sumatra and the spice islands. They concentrated on this region and consolidated their trading enterprise.42 Only after gaining control over the most important and profitable part of Asian trade, they began trying for Indian trade. Once set their foot on Indian shores, they had gone in for the establishment of their factories at Surat, Masulipatnam, Bimilipatnam, Narsapur and Nagapatnam.43 Needless to say, of these five factories, three were on the Coastal Andhra region in the immediate Neighbourhood of Nizampatnam to Nellore. After consolidating their

41 It was in this last years of the sixteenth century that the Dutch turned their attention to the trade of the East. Between 1595 and 1601 not less than Fifteen Dutch fleets were dispatched to the India. C.J Hamilton Trade relations, op.cit. pp.12-13. Also see, M. Prayaga and M. Nagendra Prasad. "Impact of South Indian trade on the Dutch. 1602-1699", SIHC Tirupathi, 1994, p. 352.
42 Early successful voyages gave the various sea ports a footing in the East not in India itself but in Java and sumatrap.W.H. Moreland, Relations, op.cit. p. XXI.
43 PR. Rao, History of Modern Andhra Pradesh, pp. 21-23.
position, they set their eyes on other foreign trading companies. In the process they selected these companies which were already shaky.

The Dutch were soon successful in driving out the Portuguese with whom they shared their trade on the coast earlier. Having achieved this without much trouble from the other side, they evolved a commercial policy on the coast. It primarily aimed at developing Andhra coast as a centre of trade as the cotton goods from Andhra and its weaving hinterland formed the nucleus of trading activities in the markets of far East.

In the process of consolidation the Dutch never lost an opportunity in forging beneficial and favourable alliances with the power groups in Andhra region. This was more essential for foreign trading companies who entertained a long term perspective of coastal trade on the Andhra coast of Coromandel region. While such relations were to give them a free space for commercial activities, then, at the same time, facilitated their easy penetration into rural production centers which provided the solid strength to the trading activities in nearby ports. These considerations weighed with the options of the Dutch in spreading their wings of commercial enterprise.

It was but natural then that they took advantage of patronage of the hinterland powers. They secured some important concession in trade from the Qutb Shahi rulers of the Golkonda kingdom. The Golkonda Kingdom by this time as one of the most powerful ruling powers in the sub-continent. The Dutch entered into an agreement with Mohammad Quli Qutb Shah (1580-1612) and succeeded in securing the necessary permission for the establishment of factories at Masulipatnam and Nizampatnam. In 1660, they opened a factory in the city of Golkonda, whose chief merchant acted as their ambassador. By the middle of the seventeenth century, the Dutch possessed a number of factories on the east Coast of India. There was a Bimlipatnam 40 km north to Visakhapatnam and JagannadhaPuram 150 km to the south, war the mouth of Vasistha Godavari at Narsapur and at Palakollu were their iron foundry and salt petre works. North of Pulicat lake or lagoon was Dugarajupatnam, the Armagaon of the English which along with the villages of Kaveripak. They were aware that the delta of the

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45 The great advantage which the Dutch had over the other European nations was that they had a permanent representative at the Qutb Shahi capital. The Dutch director of Coastal factories had made an agreement with the king that the Dutch company would pay 3000 pagodas as a lumpsum annually covering all import and export taxes and would thus be able to trade freely. H.K. Sherwani, The reign of Abdulla Qutb Shah, op.cit. p. 463, also see, W.H. Moreland, Relations, op.cit. pp. 52, 55, 56.

46 Own. C. Kail, The Dutch in India, p. 86
Krishna river was not rich in "pintados" or painted chintz which were in a great demand in Molucca Islands.\textsuperscript{47} As this variety was freely available in the surrounding regions of Pulicat and San thome, the Dutch soon went in establishment of factories at Tegnapatnam, also called Fort St. David. In addition, they succeeded in the acquisition of a favourable site at Pulicat from the ruler of Chandragiri.\textsuperscript{48} From now onwards the Dutch trade exhibited clear signs of steady growth on the control regions.

It was a bare trading necessity that took them to near areas arid virgin lands. This quest for favourable trading outlets bore fruit for the Dutch. While this activity symbolised their enthusiasm in striking trade roots in different regions scalted along the Andhra coast, the necessarily was felt by the Dutch to strengthen the new stations or factories. The latter assumed even greater importance in the later period after the establishment of factories. This task could not be accomplished unless they took the advantage of the economic policies of the

\textsuperscript{47} Krishna Godavari delta was a region famous for weaving and painting of fine Chintz exported in such large quantities to Bantam, Achin, Malacca and even as far afield as Manila. K.N. Chaudhuri: "European Trade with India" (ed.) in Tapan Ray Chaudhuri & Irfan Habib. The Cambridge Economic History of India, Vol. I (1200-1750). p. 388.

\textsuperscript{48} N.S. Ramaswamy. Fort St. George, p. 5.
indigenous ruling powers.\textsuperscript{49} It was, hence, highly imperative that the establishment of both the new factories as well as favourable trading relationships with Coastal Andhra ruling elements should have a perfect equilibrium between themselves. The Dutch came out in flying colours in fulfilling the present task.

Golkonda rulers continued the policy of trade concessions to Europeans. In 1639, during the reign of Abdullah Qutb Shah, the Dutch were given from a number of exemptions at Masulipatnam. After eight years again, in 1647, Mirjamla, on behalf of Sultan granted a cowle granting the same concessions at Pulicat\textsuperscript{50} On the other, they were allowed to share with the Golkonda Sultan the duty on this count. The Dutch share was 25\% to 50\% on different categories of imported and exported goods.\textsuperscript{51} This was followed by some more trade concessions.

\textsuperscript{49} Though their agreements and conventions with the local rulers the Dutch exercised a limited form of territorial jurisdiction over the land and villages adjacent to their factories and had the right to strike their own gold, silver and copper coins. These privileges enabled them to supervise and direct the work of the weavers, dyers, printers, refiners of salt petre and the other workmen and artisans they employed. Owen. C. Kail. \textit{The Dutch. Op.cit.} pp. 86-87.

\textsuperscript{50} For trade or war Pulicat was their factory and fort. Neither the king of Golkonda nor the kind of Chandragiri and their subordinate chieftains could overawe the Dutch merchants entrenched in their fully garrisoned fortress in Pulicat. M. Pattabhirami Reddy. "Some features of Nellore mandalam in the seventeenth century", \textit{Itihās}, Vol. 2, p. 52.

from the Golconda rulers. Mir Jumla, permitted the Dutch to pay only half duty on the export of cloth from the port of Armagoan, i.e. (Nellore).

In the year 1658 also the Qutb Shahi government permitted the Dutch at Masulipatnam from the embarkation and disembarkation duty of 2 1/2 percent. They were also granted permission to coin rupees in the mint at Pulicat. The coins of the Pulicat mint enjoyed a high reputation on account of which the Dutch derived a high profit of 3.5% on their trade at Masulipatnam. They were also authorised to collect the mint duty of 5.5% at the place of mint. The Golkonda royal farman of 1658 exempted the Dutch from the 2.5% duty on embarkation and disembarkation paid at Masulipatnam.

Apart from these, favours they secured many other favourable concessions from the rulers of Golkonda. A plot of land near the region was given to them for the construction of residential houses. As the piece of land was an elevated area, it also served them as a place of refuge when the port and town were exposed to the fung of floods.

52 As has been mentioned above the Dutch minted the coins under a license from the Qutb Shahi king and the English were also coining money perhaps to a limited extent.

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These very favourable concessions heralded a period of expansion of the Dutch trade in Masulipatnam that coincided with the height of power and prosperity of Golkonda \textit{Kingdom}.\textsuperscript{54} The help from the sultans of Golconda to the Dutch over a period of time was reciprocated with some amount of enthusiasm which favoured to Dutch too. The Dutch readily provided armed assistance to the Golkonda rulers in 1674 when the latter were involved in a conflict with the French at San Thome. The Dutch assistance resulted in the successful dislodging of the French from the place. It brought double benefits to the Dutch. It brought them some important trading concessions from the Golkonda rulers. On the other, their involvement in the conflict can also be construed as a self-help measure in the sense that a rival European power was drive out from an important trading outlet. During the same year, \textit{Abul Hasan Tana Shah} exempted the Dutch from all customs duties in Ports north of Masulipatnam. Another \textit{farman} gave the Dutch complete freedom from tariff in the dominions of Golkonda \textsuperscript{54}.

\textsuperscript{54} In spite of all these difficulties they experienced with the local officials their trade there averaged as 60000 a year thought the best part of the 17th century. In 1660 they opened a factory in the city of Golconda whose chief merchant acted as their ambassador. Owen C. Kail - \textit{The Dutch in India.} p 86.
In the following year, Abul Hasan granted the Dutch a piece of land in Narasapur where they built a house, carpentry workshop and an iron smithy. Earlier they had a smothery in Ponnipilli (Pulapalli near Palakol) village where eighty people worked. Iron workers of Narasapur were highly reputed in contemporary times.\(^{56}\)

According to the accounts of Europeans in the second half of the seventeenth century, nearly 40000 pounds of rails and bolts were made annually in Narasapur. Golkonda, where they had operated through Indian merchants, was the most interior factors in the possession of the Dutch.\(^{57}\) It was also of most profitable factory buying cloth, diamonds, and selling a variety of imported goods such as spices, copper, tin and silver. A very reprehensive act of these Dutch merchants who were fighting for human liberty in their own land was the part played in the slave trade of the time. Between the various ports of India and other Asiatic countries a great amount of slave trade was being carried on.\(^{58}\) At its height, the factory had a staff of ninety in

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\(^{57}\) In Coromandel the flow of Dutch capital into the country for the purchase of textiles needed in Indonesia, actually stimulated some of the richer Indian merchants (and officials who acted as merchants) to participate in the overseas trade themselves. C.R. Boxer, *The Dutch sea borne empire 1600-1800*. p. 197.

total including ten Dutch officers. Indians were working as interpreters, agents, clerks, peons, and carpenters. For twenty long years between 1660 and 1680 the factory at the royal capital of Golkonda kingdom functioned very effectively as an important marketing point for Coromandel ports. The Dutch did not even hesitate to take recourse to arm-twisting methods to protect and maintain their rights. They took over the port of Masulipatnam in 1686 and held it against the siege of the Golkonda army for two months. Finally the king was forced into an agreement with the Dutch praising the restoration of all privileges and the settlements of debts accrued. Another factory of the Dutch located in an interior place was Nagalvancha. This place became an important market town on the main road from Masulipatnam to Golkonda. Here, they collected cloth, indigo, iron and steel.

Unfortunately for the Dutch, the Kingdom of Golkonda was vanquished and annexed by the Mughal armies in 1687. Under the

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59. To the north east at the head of the Godavari delta, the major markets were Rajamundry and Vemagiri, while closer to Palakkollu (the major VOC textile procurement centre, located near Narasapur) the cotton was marketed at Teeparu. Indeed, the Dutch records stress that these were specialist cotton markets, where as in other areas such as the Krishna delta farther south, cotton was sold in more general markets. Sanjay Subrahmanyan. *The Political economy of Commerce Southern India. 1500-1650*. p. 72. J.J. Brennig. *The Textile Trade*, pp. 229-36, citing W.H. Moreland (ed.) *Relations, op.cit* p.68.

60. *Ibid.* p. 73.
changed circumstances, the Dutch had to negotiate a fresh with the Mughal administrators for trade concessions in Coastal Andhra. Jaonna Bacheru, a sound officer of the Dutch Company, an ambassador at the courts of Aurangzeb sent in 1690, of gold and silver to the Emperor. The emperor was highly pleased with the glittering presents and issued a farman in 1690 confirming all the grants and concessions given to them from their first establishment in Andhra, now annexed by the Mughals. On all merchandise imported and exported at Pulicat, the Dutch enjoyed half the duties. At Masulipatnam, they were exempted from port custom on imports and exports, the ground rent, the grazing tax and the roadside duty. The lease of Palakol, Kanteru, Gollapalem and Gokaram was confirmed. In Narasapur, they were allowed to continue to maintain carpentry workshop and smithy. This were further exempted from tax on labourers of the company, tax and boats, the road duties, the duties on provisions and the mint duty on gold and silver. Road duties from Bimilipatnam, Eluru, Rajahmundry, Draksharamam, Palkol, Narasapur, Masulipatnam and Pulicat were also exempted in the same farman. The emperors' order also specified the rates for ox-

61 S. Arasaratnam, Merchants, op.cit. p. 73.

62 In 1689 the Coromandel headquarters was transferred to Nagapatnam. It may be of interest to record that Aurangzeb's farman of 1690 to Johan Bacherus of Surat also confirmed the Dutch in their possession of Pulicat. Owen C. Kail. The Dutch, op.cit. 89-90.
hire and porters' wages on the route between Masulipatnam and Hyderabad. Also, the emperor directed the local officials not to disturb the company's shipbuilding activity at Narasapur and the artisans employed there. He empowered the Dutch Governor at the Pulicat factory to settle matters of minor importance without the interference of the Mughal officials. However, problems of greater magnitude like attacks on the Dutch settlements by other Europeans were to be referred to the Mughal Governor at Hyderabad. The Mughal officials, on the other hand, were not happy with the grant of fiscal privileges to the Dutch as they resulted in the loss of revenue to the Mughal treasury. They were worried that local merchants trading with the Dutch carried their goods under the Dutch banner from Masulipatnam to Golkonda. On account of this, the Mughal official felt deceived and, to counteract this fraud, the Governor of the country between Masulipatnam and Golconda issued a farman stating that all goods belonging to the Dutch as well as indigenous merchants were to pay flat duty of 3.5% to the government.

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63 In Masulipatnam the farman confirmed the exemption from port customs on imports and exports, the ground rent, the grazing tax and road side duties. In Narsapur the rent free grant of the plot of land for the company's carpentry and smiths workshops was confirmed and those employed by the Dutch were to be free of all state taxes on payment of 3 pagados per year for each family. S. Arasaratnam, Merchants, op.cit., p. 73.

64 Ibid.

65 Owen C. Kail, op.cit, p. 92.
The extensive custom exemptions to the Dutch caused an eyesore to the Telugu Rajas who refused to recognize concessions given to the former. In the Godavari region, the local Rajas had serious objection to the concession to the Dutch given by the Mughals after the conquest of Golkonda. Upon the regional protestations, the Dutch lost their control over Narasapur. Draksharamam, Srikakulam and Bimilipatnam. They were forced to confine themselves to Nagapatnam located on the sea and the place was near Ceylon where the Dutch had another string fortification of their own.

Even though the Dutch were very powerful in the early years of the seventeenth century, the Dutch lost its importance by the end of the seventeenth century due to their personnel problems. To maintain their trade and commerce, a large portion of their income had to be spent on their garrisons. Their naval power which had been the despair of not only the Indian princes but of their rivals on the coast had declined. Their astute commercial diplomacy had degenerated to the giving of bribes, gifts and flattery. Obviously, the company's organisation suffered from grave defects. It's administrative system was out dated and its strict adherence, against the advice of all its greatest Governor
generals, to the policy of commercial monopoly was a failure the severe subordination of the whole system to Balavia and the widespread disloyalty and corruption of its' officials undermined its foundation. Great as it had been as an empire builder and able as it was a merchant the Dutch had failed as a colonial power.  

The Dutch East India Company was commercially prosperous in the period between 1687 and 1724. Despite minor problems with local rulers, the Dutch enjoyed favourable trade relations on the coromandal coast. Nicholas de Graaff, writing at the high tide of the Dutch East India Company's power and prosperity, tells us that the voyages from Batavia to Japan, China, Bengal, Coromandel and Surat were of most profitable and popular among merchants and marines alike. A little money went a long way in the favoured regions, where everything was plentiful and cheap.  

The concessions obtained from Golkonda rulers and the Mughal emperors strengthened the hands of the

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66 Although during the eighteenth century both the Dutch company in Java and the British company in India ceased to be primarily commercial corporations and became territorial colonial powers there were certain marked differences in their respective transformations. Whereas British sea power accompanies and protected the growth of Jan Company's power in India, the sea power of both the VOC and its fatherland declined noticeably during the struggle for Java. Also the Dutch dominated areas of Malayan and Indonesian waters was being seriously undermined in many regions by the phenomenal growth of smuggling and piracy. Owen C. Kail. *The Dutch*, op.cit. p. 92.

Dutch. They developed number of ports in coastal Andhra. The mofussil political elements did not curtail the Dutch activities on a larger scale. They continued to maintain trading stations at Bimilipatnam, Palakol, Draksharamam and Nizampatnam.

The next company of importance on the coast of Andhra was the English East India Company. Like other European countries, England was also interested in Andhra coastal trade. But the Portuguese had already been a century in India. Apart from this the Dutch had close relations between with the local rulers made the job of the English difficult. But the very profitable trade with India lured the English. Despite their interest in trade with India, the English were not in a position to challenge the naval superiority of the Dutch. Especially their geographical position as well as their ill-equipped ships or long voyages prevented them from active trade with India. Unlike the Dutch East India Company, the primary concern of the English was, to begin with, the European market for Indian products, particularly

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68 The lucrative trade of the Portuguese with India and the success of the Lavantine trade naturally created a desire among the English to expand their commercial enterprise directly to India. S. Babu. The English trade on the Coromandel coast. 1611-1652. Unpublished M.Phil dissertation submitted to the University of Hyderabad, 1987, p. 35.

69 What ever may have been the case during the sixteenth century when the Portuguese enjoyed virtual monopoly of the Indian Overseas trade with Europe there is no doubt that the advent at the end of that time of the Dutch and the English brought about a considerable extension of Indian foreign commerce as compared with any earlier time. C.J. Hamilton. Trade relations op.cit. p.6.
textiles, indigo and saltpetre. On one hand, the English ships were not suitable for long voyages and, on the other, the geographical position of England on the Atlantic sea board prevented it from participating in the Mediterranean trade. However, by the close of sixteenth century, England gathered enough strength on the sea. The East India Company, established in 1600 with the exclusive aim of trading with the East, decided to found a factory at Surat on the West Coast of India. The word 'factory' refers to a trading depot of the European traders. In the early years of its history, the English East India Company followed in the footsteps of Sir Thomas Roe and his commercial policies.

The Company's first commercial settlements were factories, warehouses, and residences for its local representatives. Most of these establishments were near the sea or a river Surat, Masulipatnam, Madras and Calicut. At the close of these two decades the English were not only trading between England and the India, but also sharing

70 L.S. Stavrianos, _A Global History: Human Heritage_, New Jersey (USA), 1971, p. 278.

71 A petition was presented to Queen Elizabeth for her Royal assent, and by a charter of December 31, 1600, those interested in the venture had been incorporated under the title of "The Governor and Company of Merchants of London trading into the East Indies". The monopoly of English Commerce in Eastern Waters (from the cape of Good hope to the straight of Magellan) had been granted to them and their successors for a term of 15 years. C. Dunbar, _History of India from the earliest times to the 1939_, Vol.1, pp. 212-213.

72 Almost without exception the East India Companies early factories in India were situated in cities and towns or were very close to them. In a preindustrial economy the economic functions of forms were concentrated primarily around the distributive services. K.N. Chaudhuri, _Trading World, op.cit._ p.46.
in the supply of Asiatic merchandise to the southern and western centre of Asia. During the initial stages of their expansion, the merchants were only adventurers and they were not fired by any political zeal or "stirred by dreams of conquest or perplexed by Prospects of Government." Their early administrative policy was governed by the company's commercial factors. The decay of the Mughal authority in India forced the English East India Company to consider exercising control over the lands which produced staple cotton piece goods. The English, however, wanted something more than a factory. They wanted a territory which they could fortify. No such dominions. The Moghuls would neither grant territory nor allow of any fortification. The commercial motive influenced the policy and administration of the English. One of England's aims seemed to enrich and strengthen herself against foreign aggression and this was done by positively encouraging her national industries and foreign trade. Mercantilist philosophy dominated their overseas considerations during seventeenth

73 J.W Kaye, _The Administration of the East India Company_, Delhi, 1966, p. 86. It was far from the intention of the company to aim either at conquest or sovereign power C.J Hamilton, _Trade Relations_, op.cit. p.38.


and eighteenth century. As a result not only the area of Nizampatnam to Nellore but whole of Coastal Andhra became crucial for them to monopolise trade.

The English East India Company soon realised that the British woolens were not in demand in South East Asia while, at the same time, there was an ample demand for Indian textiles, particularly those from the coastal Andhra region. The natives of this region had brought the art of painting or dyeing calicoes to the highest pitch of perfection. These products were great demand not only in the Europe in the eastern countries like Burma, Siam and the India Archipelago. Hence, the company decided to force its way into the textile trade of India at the dawn of seventeenth century. Later the Dutch, the French and the other European nations also devoted at least as much attention to the European as to the Asian market. This interest of European companies in trade in Asiatic region led to the tension among these companies. Which resulted in attacks on each other trade ships in the early years of seventeenth century. The English company dispatched

77 P.J. Thomas, Mercantilism and the East India Trade, London, 1926, p. 3.

78 The natives in these quarters were gifted with the art of painting on calicoes to the highest pitch of perfection and these products were in great demand in Europe and the countries in the South Asian region. Danvers, Frederick Charles and William Foster. Letters received by the English East India Company from its servants in the East, 1602-13, pp.10-15.
the ship, Globe under the command of Hippon to open trade in the Bay of Bengal. In 1611 the globe under Captain Hippon sailed up the eastern coast, touching at several ports, where he found the Dutch already established. The ship reached the Masulipatnam shores in the month of January in the year 1611. On their arrival, the English traders opened negotiations with Muhammad Quli Qutb Shah, the Sultan of Golkonda kingdom. Their main request was regarding a permission to establish trade on the coast of Andhra. The Company was, consequently, permitted by the Sultan to establish their factory at Masulipatnam, Nagapatnam and Pulicat. The voyage of Globe paved the way for the establishment of English factories and thus row the sueds for commercial relations with Andhra. In the initial stages of their establishment the English lacked some of the facilities enjoyed by the Dutch East India company which proved to be good for their trading outlets. They also enjoyed the privilege of paying the customs duties in lumpsum. Whereas the English were forced to pay customs according to the goods handled at individual ports. With these


80 The English established their Masulipatnam and Nagapatnam factories in 1611 but could not establish a factory at Pulicat till 1621. H.K. Sherwani, *History of the Qutb Shahi dynasty*, pp. 413.

disadvantages the English had to face the rivalry of the Dutch in spice trade. It was, now, implied for the English East India Company to arise effective defense structures to check the power of the Dutch. Accordingly, Thomas Dale planned a naval attack on the Dutch fleet from Masulipatnam in 1619 A.D. The period coincide with the reign of Muhammad Quli Qutb Shah. In the battle, the English were easily overpowered by the Dutch and the English fleet of six ships was destroyed.

Owing to the difficulties thrown open by the Dutch rivalry, the English realised, for the time being, that settlements beyond Nizampattanam coast was not safe heavens for their commercial activities. The local officials under the rule of Golkonda Sultan too oppressed them. The English appealed to the Sultan for the redressal of their grievances but in vain. Now, they decided to beat a hasty retreat from Masulipatnam and establish a new factory at Armagoan in 1626 in

82 Of these the Dutch were perhaps the most favoured nation not merely because of their widespread trade which included the whole of the East Indian Archipelago but also because of their hostility towards the Portuguese who were known for their callousness and their fiery zeal for proselytisation. Latter there was some misunderstanding between the Qutb Shahi authorities and the Dutch officials but that had been made up. The English who were often at war with the Dutch in Europe closely competed for the favours of the Hyderabad Government. Ibid., p. 26.

83 P.R. Rao, op.cit, p. 8.

the district of Nellore\textsuperscript{85} 40 miles north of Pulicat. But soon they abandoned it because it was found to be unsuitable for trade as superior quality of textile was not available. Moreover, Armagoan was deeply involved in the disturbing political conditions in Karnataka region of which the former was an integral part.\textsuperscript{86} With a feeling of helplessness the English wanted to return to Musalipatnam and, by this time, the Golkonda Sultan was kind enough to offer them some concessions and privileges to them to conduct the trade.\textsuperscript{87} The Sultan assured them that under the shadow of his sovereign rule in the place, the English could afford to have a sigh of relief. But the ground realities were not favourable. On their arrival, the English were highly discouraged and disappointed to witness the place and part reeling under the pain of the severe famine which forced compulsory migration on the labourers of the place.

However, the factory established at Masulipatnam was the foundation of the English trade in the East India. Under these circumstances, Francis Day visited Pondicherry and its surrounding

\textsuperscript{85} P.R. Rao, \textit{op.cil.} p.9


\textsuperscript{87} Therefore, when in 1632 the Golkonda authorities promised better treatment in \textit{Musalipatnam}, the English returned, but Annagaon was not abandoned. It was retained as a minor station under Masulipatnam authority. N.S. Ramaswamy, \textit{Fort St. George}, p.7.
places to select a suitable site for the establishment of an English factory. Damerla Venkatadri, the then Rajah of Chandragiri in the North Arcot region made an offer to Francis Day to establish a settlement at Madraspatnam, subject to the administrative jurisdiction of Chandragiri kingdom. The English agreed to pay a yearly rent of twelve hundred pagodas, or nearly six hundred pounds sterling, for this piece of land. They built a wall round the island. Venkatadri and his brother had well ground intentions in extending an invitation to the English. The region was rich in textile production. Any permission to a foreign trading company to trade in textiles of Chandragiri region would be highly complementary to the economy of the region. These highly calculated economic motives made Venkatadri extend a cordial invitation to the English. Accordingly Venkatadri brothers issued a grant of permission to the English East India Company according to

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88 In 1639 Francis day, a member of Masulipatnam Council and Chief at Armagaon, proposed to get free of the struggle with the Dutch by founding a factory to the south of their Pulicat settlement. Madras Government manual of administration. Madras government press. Vol I, p. 161, Quoted in Hunter W.W. A History of British India, p. 80. William Foster. The English Factories in India. 1637-41, pp. 149-150.

which the English were allowed to receive half the customs and revenues of the port.\textsuperscript{91}

Whereas in the Golkonda kingdom, the conditions were slowly turning in the favour of the English. Between 1632 and 1636, the English could obtain three farmans from the rules of Golkonda. Of these three, the Golden farman of 1636, as it was famously called, was a considerable importance.\textsuperscript{92} According to it, the English East India Company was exempted from all sorts of duties in the Kingdom, a fixed amount of 12,000 pagodas were to be paid by the English instead of customs duties, royal officials were to be given priorities in purchasing the horses brought by the English from Persia or elsewhere.

On such occasions, it was a customary practice to give presents to the Sultan or his entourage by the Europeans. The English merchants according presented many gifts to the Sultan. They included

\textsuperscript{91}They were permitted to mint coins with the assurance of continued supply of textiles. Finally, the English took possession of Madraspatnam in 1640 and immediately undertook the construction of Fort St. George. The place became a settlement of weavers and began to be called Chennapatnam after the name of Damerla Chennappa. Venkatadri's further. C.S. Srinivasa Chari. History of the City of Madras, pp. 1-2.

\textsuperscript{92}In 1632, the position of the factory at Masulipatnam was much improved by the grant of the Golden Farman by the King of Golkonda, which gave the English liberty of trade in the ports of the kings dominions and fixed a limit of 500 pagodas. It appears, however, in a letter from the court of Directors in 1636, that these farmans were only obtained as the result of large sums in presents by the agent at Masulipatnam. Bruce's Annals. Vol. I, p.326, cited in Hamiltons, Trade Relations, op.cit. p. 27.
large sized minors, cut glass, drinking vessels, tumblers, brass canon, Pedigru dogs and mastiffs. The Sultan insisted that the presents must be made by the principal servants of the coastal factories and should be attended by a large train of followers accompanied by music and pomp. By virtue of the *Golden farman*, the English were freed from the port and town duties in all the port towns within the administrative domains of the Qutb Shahi kingdom.\textsuperscript{94} Taking advantage of the royal concession, the English made investments at Pondicherry and Porto Novo in 1635. Mir Jumla, alias Muhammad said enforced the conditions of the farman in a strict manner after he became the lord of Karnataka region. Being himself an astute statesman and financier, he confirmed the privileges granted to the English by Ramraya, the titular ruler of Karnataka earlier.\textsuperscript{95} Mir Jumla, on the other, set up his seat at Madras, San Thome and Mylapore with his subordinate officers at the head of these offices. One of the central officers, Mallapa, regularly visited the places and checked whether the share in the customs, due to Mr.

\textsuperscript{93} William Foster, *E.F.I. 1661-1664*, op.cit. p. 54.

\textsuperscript{94} W.H. Moreland, *From Akbar to Aurangzeb*, p. 70.

\textsuperscript{95} Thus realising that the Karnataka must inevitably pass from Vijayanagar to Golkonda, Ivy, the English agent at Madras hastened to make an entente cœdiale with stronger power. In 1646, when Mir Jumla formed camp in the vicinity of Madras for the seize of Santhome, Ivy lent him a gunner and several soldiers assisted him in many ways and presented him with a brass gun. In return, Mir Jumla confirmed on behalf of the Sultan of Golkonda, the existing Qaul (regarding the grant of Madras) and Privileges of the English.
Jumla, was credited or not. He also tried to increase the revenue by encouraging the consumption of betel-leaves and herbs. By 1650, the English had a port settlement in Fort St. George and factories at Masulipatnam, Nizampatnam (Petapuli) and Veeravasasam (Veeravaram).

From 1654-55 the English had to face difficulties with Mir Jumla, the powerful, vassal of Abdulla Qutb Shah. He had vast interests in overseas trade. His strong army obstructed the trade of the English which led to the tension between Mir Jumla and the British. Reasons for clearly known the Dutch at Pulicat supported Mir Jumla against the British. Fearing aggression from Mir Jumla in 1637 the English constructed a wall round Madras. In 1658 Mir Jumla laid a siege to Madras but in vain. Finally the English entered into an agreement with Mir Jumla to pay yearly customs. Necknam Khan the then Governor of Karnataka after Mir Jumla tried to enhance the rent and also the royalty which led to petty squabbles between the Qutb Shahi officials and the English. To quote an example was the controversy over the

96 J.N. Sarkar, The Life of Mir Jumla, New Delhi, 1979, p. 96. On September 1, 1652 Madras was proclaimed officially as the seat of the Eastern Presidency. £77, 1651-54, p. 175.
protocol formalities whether the servants of the Golkonda governor or those of the English governor should be served first at the local grass market. The Golkonda Nawab and general Necknam Khan, entered into negotiations with the English to open the question of the customs duty of Madras. He thought that 380 pagodas per year was far too small for the diwani share of Madras customs. But the English countered that this was unfair as they had spent much money in developing the trade of the port. The Nawab wanted to settle the issue, where the servants of the Hawaldar collected half the customs due to the diwan from the customs post in the town. The issue was finally resolved in 1672 when farman was issued by which the English were to pay 1200 pagodas annually for half the share of customs, and arrears of dues for the last eleven years at 1000 pagodas per year. Even this agreement did not settle the conflicting issue permanently. Soon Sir Edward winter complained to the authorities about the persisting problems and lamented that the English would either stick to their trade by foul fair means, or bid farewell to trade in East India. With Necknam Khan's severe strictness, the financial position of the company sank slow that it had to

98 Sir Edward winter the English agent at Madras, complaining to oxendon at Surat in letter dated 2nd April, 1663 that the Governor of Masulipatnam was pressing the English further and was proposing to establish custom house of his own to collect all customs there and then perhaps to hand over half the amount to the company. They had realized that the English were making considerable underhand profits and were paying only a small portion of the
brow money from Edward Winter himself in order to meet the day to day expenses. The Governor of Karnataka had gone even to the extent of threatening the very existence of the English East India Company and warned them of severe military action. Neknam Khan demanded an official of Qutb Shahi state should be placed within Fort St. George itself and, that a customs house should be establish in the Fort to see that the English maintained the correct account of customs. It was also made clear that the customs duties were to be collected directly by the Qutb Shahi officials. The English were not prepared to even, though they accepted the division of customs duties into equal halves."
The English, for sometime, became so desperate with these demands that they contemplated the closure of all their factories, except Masulipatnam, on the coast region.


"The issue was finally resolved in February 1672, when a farman was issued by which the English were to pay 1200 pagodas annually for half the share of customs, and arrears of dues for the last eleven years at 1000 pagodas per year.
close to Madras in 1656 and the English President put the town in a defensible posture to resist Golkonda incursion.\textsuperscript{100}

Madras was laid under siege. Finally, the English had to showdown. They agreed to 1658 to pay 380 pagodas annually to the Golkonda Diwan, while the authorities allowed the English to possess the town of Madras. Again in 1662 disputes arose with the local Governors as they thought that 380 pagodas was a small amount to the Diwan. This time the Golkonda army stormed the British factory, killed some of Company's servant and even over San Thome\textsuperscript{101}. The Golkonda government set up customs posts on all roads leading to Madras and unscrupulously taxed all incoming and out-going goods. Trade in Madras came to a virtual standstill. Meanwhile, the second Anglo-Dutch war in Europe (1665-1667) diverted the attention of the English to the defence of their forts and factories from the Dutch\textsuperscript{102}. The issue of the customs duties was reopened by the Golkonda rulers in 1668 and it was finally solved in 1672. William Longhorne was Governor of Madras from 1670 to 1677 and in the first year of his administration the Mohammadan ruler of Karnataka made over to the

\textsuperscript{100} S. Arasaratnam, \textit{op.cit.} p. 83.
\textsuperscript{101} S. Arasaratnam, \textit{Merchants Companies, op.cit,} p.84.
\textsuperscript{102} On the Madras Coast internal war no less than the continued opposition of the Dutch forced the company to take into it's own hands the responsibility for the defence of it's property. C.J. Hamilton. \textit{Trade Relations, Op.cit,} p. 38
company his claim on the customs at Madras for a fixed rent of 1200 pagodas or 4200 rupees per annum. Afterwards however more energetic measures were decided upon and at a consultation held in 1674, it being recorded that the interests of the company, as well as the lives of the residents at the presidency, were stacked upon the issue of the circumstances then present, a resolution was made to enlarge and strengthen the fortifications. Podile Linganna was appointed the governor of Karnataka after Neknam Khan. Linganna considered himself the sole representative of the Sultan of Golkonda and looked down upon the English as subordinates to his authority. He did not allow the English to deal directly with the government at Hyderabad in their day to day transactions. Linganna was furious when he was not accorded a cordial treatment from the English during one of his visits to Madras. He even blamed Neknam Khan to have foolishly rented Madras for a meagre amount. He expressed his utter displeasure by imposing an embargo on all paddy entering Madras except through Poonamalle. When this measure did not unnerve, Streynsham Master, the then Governor of Madras, Linganna went ahead and stopped all goods including brick and mortar to enter the area which was under the control of the English.


Frustrated by this economic onslaughts by Linganna, Streynsham Master again attempted to override him and sent the Peshkash of 1200 hons to Ibrahim at Hyderabad. He even went further and when he heard that the Sultan was to visit Masulipatnam in the near future along with his Prime Minister Madanna, he directed the Chief factor at Madapollam to try and secure (1) a farman from the Sultan giving the English at Madras the right to coin silver rupees and copper paisa in the name of the Sultan which should have currency all over the Qutb Shahi dominions (2) another farman exempting the English goods from paying toll as was the case at Masulipatnam.

They also wanted to represent to the Sultan that some other port towns like Madapollam and Viracheronne be granted to them either rent free or on a fixed rent. However, the Plan of Master did not see light as the Sultan canceled his visit to Masulipatnam due to excessive heat at the place at the time of his proposed visit. However, things brightened up when William Gyfford took charge as Governor of Madras in June 1681. His first conciliatory measure was to send 2000

105 H.K. Sherwani, History of Qutb Shahi dynasty. p. 632
pagodas as an offering of place to Akkanna, the rahlashkar, and a present of 300 pagodas to Podile Linganna. The present move of the new Madras Governor had the desired effect. Soon the Governor informed his council that all the pending differences with Linganna had been settled and shelved once for all. The English realised that Podile Linganna was a power to reckon with and started addressing his as His excellency. William Gyfford also abolished the tax imposed by his predecessor Streynshan Master on all the inhabitants of the town to defray the expenditure for repairs and fortifications of fort St. George to strengthen his position among natives.

By 1687 the population of Madras, Fort St. George and the villages within the company's reached a staggering figure 300,000. It clearly shows the commanding heights of the English East India Company vis-a-vis the Dutch. From the beginning, the English trading Company combined trade with diplomacy to promote their interests. In turn, they received many concessions and privileges from the Sultans of Golkonda, and later from the Mughal

107 Streynsham Master was replaced by William Gyfford as Governor in June 1681, and with him the policy of Fort St George became a little more pliable. The Madras Council resolved that 2000 pagodas be sent as a "peace offering" to Akkanna, the Sarlaskar and 300 pagodas to Podili Linganna. Sherwani, History of Qutb Shahi dynasty, p. 633.
Emperors. However, the English had a chequered career during this period marked by acrimonious relations, tough dealings and hard bargains. When they realised their inability to fight the Mughal power after the liquidation of the Golkonda empire, they preferred to remain as humble petitioners and submitted to the Mughal emperors that the crimes they had committed may be pardoned. Aurangzeb, therefore, permitted them to resume trade on payment of Rs. 1,50,000 as compensation. On the other hand, the Dutch managed to reconcile with the new masters at Delhi. It was the English East India Company that was badly hit in the political transition at the central level. In due course of time, the English feared an attack by the Mughals on Madras and withdrew their factors from their establishments in Andhra except Visakhapatnam. When the final negotiations with the Mughals for great of concessions failed, the English East India Company captured eighty Indian trading ships on the western coast. Learning this, Aurangzeb passed immediate orders to arrest all the British merchants and prohibited trade with the company throughout the Mughal dominions.

108 'A free trade, a peaceable residence and a very good esteem with the king and people', were the things for which the company aspired in the beginning. William Foster. *The English factories, 1618-21*, p. IX


Responding to the imperial orders, the Mughal faujidars in Coastal Andhra seized by force the English trading settlements at Masulipatnam, Madapolam and Visakhapatnam in 1689. The *farmans* granted by the Mughals in 1690 and 1692 permitted the English to raise fortifications at Visakhapatnam and keep a limited *garrison*.

The Mughals were able to extract large sums of money from the English at the first two factories as the Brahman employees of the company offered no resistance. It was at Visakhapatnam that the Mughals were fiercely opposed and the conflict resulted in the loss of life on both the sides. The English on the other hand, could save Madras since the Mughal rulers were more bothered, in this region, about the suppression of mendicant Telugu zamindaras of Karnataka. It was only after some that the Mughal-English relations improved when the English agreed to pay an indemnity of Rs. 1,50,000 to the Mughal monarch. Now, the English East India Company found an opportunity to win the favour of Mughal emperors by standing behind

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112 On *October 15*, 1689, the Visakhapatnam factory was snaked. However the Company could again revive it's fortunes from 28th December, 1690 onwards with the good will of Zulfikar Khan, Mughal Commissioner in the Deccan, with the result that the factories of Machilipatnam, Madapolam and Visakhapatnam resumed their work. C. Ramalakshmi. "The acquisition of the northern circars by the East India Company" *APHC*, 1980 p.1. also see, W. Francis, Vizagapatnam Gazetteer, Madras, 1907, p.37.

them in their bitter fight against the recalcitrant Zamindars in Karnataka region. During the 1689-90 revolt of the Zamindars, the English East India Company provided both material and manual help to the Mughal commanders. On their part, the Mughals realised the value of English support and consequently extended a number of concessions to them. Asad Khan, the grand Wazir of Aurangzeb assured the Company customs-free trading privileges, establishment of a mint at Madras, easy access to the diamond mines in Andhra and, finally payment of compensation to the English for the losses they suffered during the capture of Visakhapatnam. Though, the concessions did not materialize in an imperial farman, the relations between the Mughal rulers and the English East India company became cordial for quite sometime in the Coastal Andhra.

Apart from this "By 1708 the United East India Company had under its control the following factories on the coromandal coast: Madras, Tuticorin, Porto Novo, Cudalore, Pulicat, Aramagaon, Veeravasaram, Injaram, Nizampatnam, Machilipatnam, Madapollam, Narsapur, Bimilipatnam, Visakhapatnam, Ganjam. As a result of their north Coromandel trade, they could wield political and economic

114 Ibid., p. 68.
115 K. Satyanarayana, op.cit. p. 591
influence in the regions of Hyderabad and Karnataka even without strong territorial roots in those places. However, the commercial plenty of the English may be attributed to Madras which gradually few into a most important trading outlet in South India. The Company invested enormous funds to improve export trade under the supervision of Thomas Pitt, the Governor of Madras from 1698 to 1709. The disturbed political conditions on the Andhra coast in the wake of Mughal military action against the Golkonda kingdom resulted in the gradual shift of place of operation from Masulipatnam to Madras via Nizampatnam to Nellore. Soon, the merchants developed a tendency to migrate to the later in order to escape the tyranny and confusion in the political affairs of the period. Moreover, Madras was in a position to offer many trade opportunities and personal security which northern ports like Masulipatnam failed to extend. With the active support received from the Mughal rulers, the English East India Company was bent upon giving an independent political status for Madras. On the other hand, the Mughal generals looked to the English finance in times of need. To cite an example, Zulfikar Khan, the Jinji commander and

Zulfikar Khan sent his officers to Madras to borrow a hundred thousand Pagados equivalent to above thirty five thousand pounds sterling. Mr. Nathaniel Higginson, who was Governor of Madras, sent a present, but declined to lend money. CD. Maclean, Manual of the administration of the Madras Presidency. p. 170.
Karnatak faujdar, requested the English in 1693 to lend him Rs. 2,00,000 for his military needs.\textsuperscript{117}

The honeymoon between the Mughals and the East India Company of London was short lived and did not continue for long. Sea piracy strained the relations between the Mughal emperor and the English. Aurangzeb blamed the trading transactions of Europeans throughout his empire.\textsuperscript{118} The new faujdar of Hyderabad and Karnataka, Daud Khan Panni, had already nursed a grievance against the English for not giving him a befitting present when he assumed office earlier. Using the present dictate of the Mughal emperor on European trade, Daud Khan now took up cudgels against the English. As soon as the orders of the emperor arrived, he demanded a large amount of money in arrears of revenue along with a personal gift of Rs. 10,000. He even threatened to send forces to occupy the unfortified Indian quarter of Madras.\textsuperscript{119}

The East India Company did not keep quiet this time. They mobilised forces against the Mughal fauzidar. In the conflict that both

\textsuperscript{117} Dairy and Consultation, 1693, p. 57.

\textsuperscript{118} Dairy and Consultation book, 1702, p. 9

\textsuperscript{119} Ibid.
side came to the negotiating table and the talks lasted for three months. Daud Khan agreed to leave the English at Madras undisturbed as he, by this time, realised that Madras posed a direct threat to the Mughal suzerainty in Karnataka region. The English on the other hand declare that they had malice towards none. They were involved in their affairs from now onwards. Soon the English began to upgrade their trade activities and play a pivotal role in the financial sector with handsome amounts of investment as well as returns a their command. They further strengthened their Madras base and operated their other two important coastal settlements viz., Fort St. David and Visakhapatnam with Madras as the central place of their authority. Of these two coastal settlements off Madras port, Visakhapatnam became the most important trading center on the northern coast after the decline of Masulipatnam.

In the first half of the eighteenth century the pattern of conflict changed significantly, though not the political methods. Perhaps a fundamental reason for the change lay in the gradual polarisation of

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Daud Khan became military commandant of the Karnataka region in 1701. The English sent this officer letters and presents. A present valued at seventeen hundred Pagodas was given in public, and another of three thousand rupees was given in private. The Nawab however sent back the presents desiring to receive ten thousand pagodas as his predecessor had done. Daud Khan blockaded Madras for three months, but finally received the present. C.D. Maclean, *The Manual, op.cit.*, p. 170.

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interest between the court of Delhi and the Mughal provincial Governors on the one hand and between the Company and its servants on the other. Apart from that the provincial rulers acquired a much greater degree of financial and political control over the local areas than was possible under Aurangazeb and his predecessors. This however, proved difficult to implement, as the servants of the company had separate private interests of their own which stood to gain from participation in provincial politics.\textsuperscript{121} Qutb Shahi rule, during almost the course of entire seventeenth century, offered political stability and helped the growth of overseas trade.\textsuperscript{122} The English East India Company could carry on their trade without any trouble from the central authority of the Golkonda Sultans. The political stability more than compensated their expenditure incurred by extending valuable gifts to the officials of Golkonda kingdom including the king. However, the Mughal conquest and the post-conquest conditions resulted in considerable disturbance in peace and political stability of these years. Mughal officials like Fakrullah Khan in Coastal Andhra region behaved like local rulers and tried to act independent of the Mughal authority at centre. During this painful transition, transshipment and


transport of goods between two ports became highly difficult. As a result, the English were forced by the contemporary realities in society and polity to follow an aggressive policy of fortifying then-coastal settlements. They struck favourable alliances with important Telugu Zamindars since they had a direct control over cloth production centers in the hinterland. It may also be said that the Mughal conquest of Golkonda was an indirect boon. For, the European companies gathered necessary strength after the conquest of Golkonda.

The imperial authority was so weak that the Mughal officials did not have the required support from the emperor. The inability of the Mughals to consolidate their conquest in territories belonging to Golkonda encouraged the foreign trading companies in building and strengthening coastal city outlets. By early eighteenth century the European companies exerted great influence and gained political importance by virtue of their fortified port cities.\textsuperscript{123} They hand in possession of wealth, partly derived from the trade generated by the demographic upsurge of the protected cities. With fortified cities, wealth and military technology at their disposal, the Europeans became worthy of political power. Every stratum in Indian society, be it

\textsuperscript{123} Ibid.
merchants or weavers or Mughal officers or local Telugu chiefs, was attracted to the British, the Dutch and the French for the fulfillment of its varied interests.

The another company French appeared late on the Indian coasts but they had a desire for eastern traffic since the early days of the sixteenth century. In 1667 an expedition was sent under Francois caron, who established French factory in India at Surat. In 1669 Marcara founded another factory at Masulipatnam by securing a patent from the Sultan of Golkonda.124

Among them, only the French could enter into trade transactions on Andhra coast and the others remained outside Andhra coast.125 Even the French touched only upon the fringes of Andhra trade and had an isolated presence on the coast, that too during the early eighteenth century. Though the French secured trading facilities at Masulipatnam earlier, they were handicapped from the beginning owing to the lack of help from the French government. They also encountered

125 After a number of abortive attempts to develop an East Indian trade the Companie Des Indes was formed in 1662 and established a first factory at Surat in 1668 and in following year a farman was obtained from the king of Golkonda permitting to a factory to be established at Masulipatnam with right to trade in his dominions free of import or export.
the problem of securing proper trade concessions and privileges from the native rulers and the antagonism of the fellow European trading companies. Soon after their arrival, the French made an unsuccessful attempt to capture San Thome from the Golkonda ruler in 1674. But they were forced to surrender. However, the manner in which the French defended San Thome created a good impression on the minds of indigenous rulers of Andhra region. Meanwhile, in 1673 Francois Martin, Director of Masulipatnam factory obtained from Sherkhan Lodi, the Governor of Valikondapur a site in the old port of Pondicherry that became the nucleus of French trade and commerce in due course of time. Between 1647 and 1687, the French trade began to progress in coastal Andhra from the port of Masulipatnam. After the Mughal conquest of Golconda, the French secured trading rights from the Mughal emperor, Aurangzeb. He issued a farman which allowed the French to carry on duty free trade at Masulipatnam only after the French paid Rs. 10,000 to the Emperor. However, the French trade

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126 In 1671 a French fleet arrived in India and in 1672 the French forces captured St. Thorne from the Muhammadans, who had held possession of it since 1646. Shortly after this the Muhammadan army under the command of a general named Baba Saheb endeavoured to recover the place. C.D. Maclean. Manual of the administration, p. 165.

began to progress in coastal Andhra from the port of Masulipatnam. After the Mughal conquest of Golconda, Aurangazeb issued a farman which allowed the French for duty free trade at Masulipatnam only after the French paid Rs. 10,000 to the Emperor. The Dutch attacked Pondicherry in 1693. Francois Martin after defending himself there with great courage, was compelled to capitulate and the town was given up. In 1699 this town became the capital of the French possessions in India.\textsuperscript{128} The status of the French at Pondicherry was similar to that of the English at Madras and the Dutch at Pulicat. By the turn of the seventeenth century, the French, under the leadership of Francis Martin, could obtain more concessions from the Mughals. The Mughal general, Daud Khan, gave away a few more villages to the French at Pondicherry. A large port was constructed at the sea front and, by 1700 the port custom rose to 2791 pagodas. In spite of that, France was greatly exhausted by wars in Europe which ended in 1713.\textsuperscript{129} As many as 500 weavers were employed by the

\textsuperscript{128} CD. Maclean, Manual, op.cit., p. 174
\textsuperscript{129} In 1693 the Dutch seized Pondicherry and expelled the French garrison and merchants. The present happening badly effected the French at Masulipatnam. George Dunbar, A History of India, Delhi, 1987, pl. 313
French by the first decade of eighteenth century. Martin's most important contribution was to fortify Pondicherry. By 1706, there were five companies and thirty officers in the fortress. The French government was given a right to mint coins independently of the Mughal administration. It caused a great alarm among the authorities of Karnataka, and soon they blockaded Pondicherry. Francis Martin could successfully retaliate the same. But a great threat was already in the offing. Daud Khan later challenged the French and objected to the erection of brick bastions around the fortress on the ground that it violated the territorial authority of the Mughals.\(^{130}\)

There was an unfavourable turn in the position of the French in India after the war of Spanish succession had broken out. They had to abandon their factories at Surat, Masulipatnam and Bantam by the beginning of the eighteenth century. Further deterioration came after the death of Francois Martin in 1706.\(^{131}\) The French gradually lost economic and political influence beyond the confines of Pondicherry. It

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\(^{130}\) We made it clear that Pondicherry was only an integral part of the Mughal empire and not an autonomous administrative unit. He demanded a payment of Rs. 1,00,000 from the French. Martin could evade it for sometime, but was finally forced to yield. He gave away the stipulated amount of money as a present, and not as a tribute as demanded by Daud Khan. C.D. Maclean, \textit{op. cit.} pp.152-156

is obvious from the fact that they could establish only one factory at Yanam near Kakinada on the Andhra coast. Thus, in seventeenth and early eighteenth century, Andhra became a region of prime importance and commercial interest for every European power. Among different companies, the Dutch East India Company and the English East India Company had many stakes in this region. These powers brought both naval and military power which were gradually used in consolidating with economic and power. By the end of seventeenth century they had settled into a pattern of concentrating their activities on one or two of their settlements. The Europeans were encouraged and patronized by the hinterland powers of the region Andhra viz., the Qutb Shahis of Golkonda and the Mughals. When the authority of the hinterland powers became weak with the progress of time, the Europeans tried to assert their territorial dominance by early eighteenth century. Their port settlements became centers not only of trade and commerce. Now, they were slowly growing as centers of political power and enveloped the entire region.

In was this process of their growth of economic influence which not only facilitated the incorporation of coastal Andhra from
Nizampatnam to Nellore and beyond but incorporated the overall Indian economy into colonial economy in seventeenth century.