

**CHAPTER I**  
**MASULIPATNAM: FROM CONSOLIDATION**  
**TO DECLINE 1634-1724**

## Chapter I

### Masulipatnam: From Consolidation to Decline 1630-1724

Introducing the 'The Subject' of Indian ocean, M.N. Pearson stated that "politically all the(se) port cities had a large, or at least the necessary degree of autonomy. Some were completely independent though the port city ruler could govern an inland area as well. Others which were included in large land empires (meaning the Mughal empire), yet had autonomy enough not to be unduly harassed by their inland masters".<sup>1</sup> Apart from merely reiterating the notion of urban autonomy which is grounded in the European historiography, the statement also gives an important indication of pre-modern Indian historiography as far as the relationship between the state and external commerce is concerned. That the Indian trading communities operated in a context of state apathy and acted as merely 'objects of interest primarily for revenue' has been the dominant historiographical trend. It is not surprising then, that traders and merchants are seen as 'aberrations' who participated in trade at the expense of earning the 'odium of being a 'baniya'.<sup>2</sup> This theory neglects the large sub-structure which existed outside the purview of state such as villages inhabited by a highly differentiated rural population, including peasants growing cash crops for domestic markets which in turn transformed into long distance trade, the complex crisscrossing of networks of small and large urban centres bustling with rural and

<sup>1</sup> See the Introduction: The Subject, in Ashin Das Gupta and M.N. Pearson, ed, *India and the Indian Ocean*, Calcutta, 1987, pp. 13-14.

- See the Chapters on 'Foreign Trade' and Indian Merchants in the Indian Ocean' in Tapan Ray chaudhuri and Irfan Habib, ed., *The Cambridge Economic History of India*, Vol. I, Hyderabad, 1984, pp. 382-434.

urban manufactures which were catering to long distance markets. Further, one cannot imagine these developments without the active and even direct participation of state and its apparatus at various levels which particularly formed a vital link between the local, continental and international trade.<sup>3</sup>

Taking Masulipatnam as a case study, this chapter tries to explore such complex sets of relationships which not only fostered its growth in the seventeenth century but also led to its decline depending on the nature of changes in the rural and urban manufactures and in the political structure of the Kingdom of Golconda and finally the impact of Mughal intervention on the Coromandel in the last decades of the seventeenth century.

Despite the claims of being an ancient port, at least one Persian chronicle *Tuzuk-i-Waljahi* mentioned it as predominantly an Arab settlement which was called Bandar-i -*Mubarak*.<sup>4</sup> Paucity of sources between the fourteenth and sixteenth centuries restricts us from any possibility of judging the trading activities of the port before the direct participation of the European companies.<sup>5</sup> Even during the sixteenth century when the documentation on trade became more systematic, the port of Masulipatnam seemed to have

<sup>3</sup> See particularly Frank Perlin's thematic conclusions on these lines. Frank Perlin, 'Proto-Industrialisation and Pre-colonial South Asia' Past and Present (*P&P*,) 1983, pp.1-98 and Sanjay Subrahmanyam/Rural Industry and Commercial Manufacture in South Eastern India' *P&P*, 1990 *passim* . and his 'Imarat and Izzat: Asian Merchants and State Power', *Comparative Studies in Society and History (CSSH)*, 1995, p.754.

<sup>4</sup> See, Burhan's *Tuzuk-i-Waljahi*, Vol.I,p-39, cited in Manzoor Alam,' Masulipatnam: A Metropolitan Port in the Seventeenth century, *Islamic culture*, 1959, p. 169. For the ports supposed ancient antiquity see, R. C Mazumdar, *The Classical Accounts of India*, Calcutta, 1981,p.307.

<sup>5</sup> Even the Venetian traveller Marco Polo, who visited the eastern coast does not mention Masulipatnam even in passing. He however, mentions Motupalli and to a lesser extent Pulicat or Pralayakaveri.

played only a marginal role in the overseas commerce. It was only from the 1560's that there was a regular mention of Masulipatnam and its participation in coastal trade in the Portuguese documentation. The meagre mention of Masulipatnam in the trading invoices of the Portuguese *Estado da India* can be accounted for its anti Portuguese network. There is evidence however, to suggest that the port may have been an important coastal trading centre catering to the whole of Bay of Bengal even prior to the European participation in the sixteenth century.<sup>6</sup> The rise of Masulipatnam from an insignificant coastal outlet to that of a major 'emporium' centre in the seventeenth century can be attributed to two important developments in the last quarter of the sixteenth century. Firstly, the consolidation of the kingdom of Golconda in Krishna and Godavari deltas in which the port was situated and from where it drew most of its merchandise, and secondly to the changing continental dynamics of trade in consciously developing an anti-*Estado* network by the Sultanate of Aceh in northern Sumatra and by 1580's with Pegu. Pegu especially substituted Melaka as an entrepot which was at the heart of the Portuguese *Estado* network of trade.<sup>7</sup> Thus, the south east Asian network became a major determining factor for the rise of Masulipatnam in the sixteenth century.

The Kingdom of Golconda was established by the Sultan Quli, the founder of the Qutb Shahi dynasty. His first concern was to subdue the chiefs of coastal Andhra which was implemented

<sup>6</sup> See, Sanjay Subrahmanyam, *The Political Economy of Commerce: Southern India 1500-1650*, Cambridge, 1990. pp.147-149.

<sup>7</sup> *Ibid.* p. 149

immediately after the death of Krishna Devaraya in 1530, the powerful monarch of the neighbouring Vijayanagara. After four years of rigorous campaigns, Sultan Quli gained control over the districts of Krishna and Godavari and successfully unseated the Gajapatis of Orissa and made it his eastern frontier. Nevertheless his conquests were only partial. It was left to Ibrahim Qutb shah (1550-1580) to consolidate the kingdom by successfully bringing most of the Chiefs of Krishna and Godavari river basins under his control. From then onwards, these local chiefs continued to be the tribute payers to the Kingdom and is therefore of particular importance to us because it represented the zone where the state penetration was met both cooperation and confrontation in a limited manner .<sup>8</sup>

By 1560's the links between the eastern seaboard centered around Masulipatnam and Peddapalli (Nizampatnam) and Golconda was firmly established. The consolidation of Krishna and Godavari deltas by Ibrahim Qutb Shah gave access to the rich fertile zones clustered with villages of craft production, specialised towns which till now catered to domestic markets and occasionally to foreign markets as well.

The political access to the coastal areas coincided with the expansion of trade to south east Asia from about 1570's which picked up rapidly by the next decade and brought Masulipatnam into the Coromandel and south east Asian network of trade. One

<sup>8</sup> H.K. Sherwani, 'Qutbu'l- Mulk's Military Campaigns', *Journal of Indian History* (JIH,) xxxiv, April, 1956, pp.1-31. and by the same author, *Tilangana under Ibrahim Qutb Shah: Diplomacy and Military Campaigns, Part I* , 1550-1565, and *JIH*, xxxv, 1957, pp. 247-69 and 1958,pp.73-100.

notable feature of this expansion of markets has been the corresponding growth of hinterland of the port throughout the seventeenth century. For example, iron and steel which was in demand in Mocha, Achin, Arakan and Tennasarim came from the mines of Nagulwanche in Khammam, almost 100 miles interior from the port. Like wise most of the patterned cloth needed in West Asia, Indonesia and Europe came from Krishna delta, while the ports main export the plain calico was largely produced in the Godavari delta.<sup>9</sup>

Neither the contemporary literature on trade nor the modern scholars are sure of the extent of the hinterland the port commanded. Thomas Bowrey for instance, found many weavers and chintz makers in the near vicinity of two to four miles to that of a 100 miles radius.<sup>10</sup> There is no doubt that the hinterland extended much deeper than what Thomas Bowrey had informed. Raw cotton for example, necessarily came from the central Deccan and perhaps from the Karnatic frontier of Rayalaseema and Telengana. The Dutch and the English for instance maintained a regular factory at Nagulwanche (khamman district in Modern Telangana) for the procurement of cotton, Indigo and cloth.<sup>11</sup>

Despite such deep interior it is difficult for us to clearly demarcate the extent of its hinterland of Masulipatnam as it showed considerable variations in size and extent in the period

<sup>9</sup> F. C. Danver's, ed., *Letters Received from its Servants*, Vol. I, 1602-13, p.75 and Sanjay Subrahmanyam/Rural Industry and Commercial Manufacture', pp.92-93.

<sup>10</sup> R. C. Temple, ed., Thomas Bowrey, *The Geographical Account of Countries around the Bay of Bengal*, Hakluyt Society, 1908 p. 106.

<sup>11</sup> R. C. Temple, ed., Strenysham Master, *The Diaries of Stryensham Master and other papers relating Thereto 1675-1680*, (S. Master) in 2 Vols, Vol. I pp.267-268 fn and Vol. II p.1 10.

under consideration. The hinterland was susceptible to the fluctuating nature of the demand and supply structures which were violent in this period. Besides it was a common feature in the seventeenth century to find very often new places being added up to the port's hinterland, while the old suppliers declined whenever the localised specialization lost its export potential in the over seas markets which constricted the hinterland of Masulipatnam. The hinterland was also dictated by non-economic factors, most notably the regional political scenario, in this case the transformation of Golconda state into a more bureaucratic system in 1670's and finally to the Mughal intervention in coastal Andhra. It may be noted that the non-economic factors cannot be attributed to the so called 'disruption of hinterland theory' which is often encountered in the historiography on the subject but to use these factors specifically in the context of the imperatives of time and space. Various merchant/administrators, the lesser mentioned chiefs and other hereditary intermediaries (*Zamindars*) whose activities clearly played a decisive role in the hinterland of Masulipatnam became crucial factors in the expansion and constricting the hinterland in the late seventeenth century. Thus one can find the concept of "political hinterland " as a suitable analysis in understanding the political economy of the northern Coromandel.

The export trade of Masulipatnam depended on weaving industry located predominantly in the Krishna and Godavari deltas. The textiles exported from Masulipatnam may be broadly characterized into patterned and plain varieties. The patterned cloth, also called or paintings had a limited market and was mainly

exported to West Asia and Europe which the companies assiduously developed from 1620's onwards. The patterned cloth industry was predominantly concentrated in the Krishna delta. Basing on the Dutch documentation, Joseph J. Brenning has identified as many as seventeen weaving villages in the Krishna delta of which Viravasaram, Gunupudi, Elurupadu, Paravamundipeta, Peyyeru, Korraguntapalem and Bezawada had an average of ten to sixty weaving households in each of these villages.<sup>12</sup>

The calico, both coarse and finer varieties (*salnmpuris*, *percallas*, gingham and guinea cloth) were the principal exporting varieties from the port of Masulipatnam. These varieties were mainly produced in the twin districts of east and west Godavari regions. As early as 1613, Peter Floris wrote to Thomas Aldeworth,

"I do send you musters from the finest to coarsest— the advise is that coarser or common sort will sell better and in greater quantity with better profit than the finer sort. I don't see how the fine calicoes can give a great profit" <sup>13</sup>

<sup>12</sup> Joseph J. Brenning, 'Textile Producers and production in late Seventeenth Century Coromandel' (*IESHR*), xxiii, 1986, Table 3, p.339.

<sup>13</sup> Peter Floris was referring to the calicoes and not the finer ones like the muslins. The most important muslin variety was *bethelles* found in the Nagulwanche area, 100 miles from Masulipatnam. See, F. C. Danver's, ed, *Letters received*, Vol. II, 1613-1615, p.59. William Methwold, the Chief factor at Masulipatnam too commented in 1620's that " Calicoes of all sorts are in this place as cheap and plentiful as in any other parts of the country, but different in making and easily distinguishable from any other place" See, *Methwold Relations*, in W.H, Moreland ed, *Relations of Golconda in the Early Seventeenth century*, Hakluyt society, 1930, p.35 (*Relations*).

Within the eastern and western segments of Godavari, we find that the east Godavari had a substantial number of weaving villages. The Dutch who established factories here and gained preferential rights over some of the villages had extensively surveyed the weaving activity in the district. Joseph Brennig who studied the textile industry in the northern Coromandel plain has reconstructed the distribution of weaving villages from the Dutch documentation housed in *Algemeen Rijksarchief*, at The Hague, and graphically demonstrated the existence of extremely differentiated villages and marketing centres with specialised varieties of cloth catering to overseas markets in the late seventeenth century. The information here on the hinterland is taken from his study on pre-modern textile industry in the northern Coromandel and at the same time an attempt has been made to supplement it with the English documents (though meagre when compared to the VOC) thus providing a comprehensive picture of not only the participation of the companies but also of the Indian mercantile operations.

In the east Godavari delta, the Dutch factory was at Draksharamam, a major pilgrimage centre. The Dutch identified Dulla and Vemagiri as being important sources of supplying cloth while Teeperu of the same region as a major centre for cotton procurement. Draksharamam was the main marketing town and as many as 16 villages were identified with 6,000 households having 6,930 looms within its sector.<sup>14</sup> The Dutch had gained preferential

<sup>14</sup> Joseph J Brennig, *the Textile Trade of the seventeenth century- Northern Coromandel: A Study of Pre-modern Export Industry in the late Seventeenth century*, Ph.D Thesis, University of Wisconsin, 1975 p.240.

rights over the Draksharamam factory and exercised a near monopoly on the villages within its vicinity. Tuni had as many as 500 to 600 weaving households, Ponneru with 350 households and Upperu with 150 households, all involving in one activity or the other connected with weaving.<sup>15</sup> It is interesting to note that the number of weaving households always exceeded the number of general households in these villages. Other prominent centres of weaving in the east Godavari delta were Nagaram, Amalapuram, Tatipaka, Mummadivaram, and Yudurulanka.

Palakollu was the main weaving marketing town on the west Godavari delta. Its hinterland comprised of as many as 23 villages of which the largest were Talleru, Viravasaram, Gunapudi, Daddanapudi, Sisali, and Kallakuru with an average of 30 households in each of these villages.<sup>16</sup> Palakollu sector was famous for *salampuris*, long-cloth, *morees* and also for dyeing of cloth. The goods were sent either by overland routes or by flat bottomed boats to Vinteru and from there by road to Masulipatnam.<sup>17</sup> Within Palakollu were the twin towns of Viravasaram and Madapollem. Madapollem acted as a sort of satellite supply centre to the port of Narsapurpeta which was just nine miles away. The English were instrumental in establishing

<sup>15</sup> Tuni as a major marketing centre for cloth for both the English and the Dutch. Adjoining Tuni were two villages of Gollapalem and Gondavaram. Gollapalem for instance, had 34 weaving households out of total 61 houses while Gondavaram had 14 weaving households. Gondavaram however had 74 washermen houses who were involved in washing and bleaching of cloth. See S. Arasaratnam, *Merchants, Companies and Commerce on the Coromandel coast 1650-1740*, New Delhi, 1986, p.51 and Sanjay Subrahmanyam, 'Rural Industry and Commercial Manufacture,' *P&P*, pp.102-103.

<sup>16</sup> Joseph Brenning, *The Textile Trade*, p.293.

<sup>17</sup> S. Arasaratnam, *Merchants, Companies and Commerce*, p.52.

their factories in Viravasaram and Madapollem with preferential rights to procure and trade in cloth. On Viravasaram, the English factors wrote:

"It is necessary that had it not been for it we should not have invested half our monys in it. Most of the white cloth that hath bin provided was brought out of those small villages that are adjacent to it—"<sup>18</sup>

Though the English records do not mention about the number of villages and households under weaving like their Dutch counterparts did for Palakollu and Draksharamam, it can however, be suggested that this region was clustered with weaving villages for which Madapollem was the main centre for marketing. Viravasaram had been the main supply centre to Madapollem particularly when the latter became an independent factory of the English in 1680's.<sup>19</sup> The English reported that they could procure yearly great quantities of calico, all the country near it being weavers".<sup>20</sup> The villages which may have supplied cloth to the factories of Madapollem were Modderupalem, Peddagollapalem, Chinnagollapalem, Kalipatnam, and Upputeru .<sup>21</sup>

<sup>18</sup> William Foster ed, *The English Factories in India*, 13 Vols, (EFI), 1634-36 P. 296 and *EF1*. 1655-60 p. 39.

<sup>19</sup> Joseph Brenning has suggested that the decline of Viravasaram from about 1670's to the deliberate policy of the English company in abandoning the factory. In his own analysis of Dutch documentation, Viravasaram was mentioned as a town with as many as 40 weaving households. The relative decline of Viravasaram from the English documentation can be attributed to the rise of Madapollem as an independent factory which reduced Viravasaram to a mere supply centre which did not necessarily mean any reduction in its weaving capacity. Joseph Brenning, *The Textile Industry* p.293

<sup>21</sup> See, Memorial of Stryensham Master, *Records of Fort St. George, Diary and Consultation Book, 1679-1680 (RFSG)*, p.95 and *S. Master, Vol. I*, p. 88.

To the north of Masulipatnam, about 60 miles, was Eluru which produced *percallas*, *salampuris* and *bethilles* apart from being famous for carpet industry.<sup>22</sup> Bapatla was the major centre for coarse cloth produced near Vetapalem and Nayanapalli. As many as 32 weaving villages were identified along the route to Masulipatnam.<sup>23</sup>

Krishna district proper, did not have many weaving villages specializing in coarse varieties. The district specialised in the super fine variety of cloth called paintings which was not yet a major merchandise to the companies at least till the last quarter of the seventeenth century. Bezawada for instance, though had as many as 50 weaving households, an equal number of *komati* households suggests that it was a major marketing centre rather than that of production.

When we continue our journey along the river Godavari into the interior, we come to Nagulwanche sector (Khammam district), the main centre for production and marketing of *bethilles*, a cloth which was in demand in west Asia and European market. Nagulwanche itself had 150 weaving households and about 20 washermen houses suggesting the dyeing specialty of various kinds. Makkapeta which was situated close to Nagulwanche had about 100 weaving households.<sup>24</sup> The main weaving villages in Makkapeta division were Penuganchiprolu, Mustikunta, Nawabpeta, Jujur, Gosavidu, Vipparala, Makkapeta and

<sup>22</sup> *Ibid.* Vol. I, p. 86., *RFSG, Diary and Consultation Book, 1679-1680*, pp. 99-100. and S. Arasaratanam, *Merchants, Companies and Commerce*, p. 53

<sup>23</sup> *EFI 1630-33* p. 230.

<sup>24</sup> Sanjay Subrahmanyam, *The Political Economy of Commerce*, p. 75.

Komaravalli (the last being just about 30 Km from Hyderabad, the capital city of Golconda).<sup>25</sup> Apart from cloth production, Nagulwanche and Palawancha were the centres of iron and steel which was regularly sent to Narsapurpeta, the main ship building centre on the northern Coromandel. Jean Baptiste Tavernier mentioned that Batavia could sell 1000 piculs of iron and 30,000 pieces of steel annually which were exported from Masulipatnam direct or from Narsapurpeta.<sup>26</sup> Though the contemporary evidence is silent on a possible route to Hyderabad from Nagulwanche we can however, surmise that there existed one such route, the former being the main centre of consumption of steel.

The naming of the eastern gate of Charminar as *Machilikaman* (literally meaning fish, in this case specifically meaning a gate to the fishing town of Machilipatnam) not only testifies the symbiotic relationship between port and the capital but also to the importance given to trade by the Sultanate of Golconda. Hyderabad was the biggest consumption centre in pre-colonial south India. The capital which housed the Kings and its retinue in twin cities of Golconda and Hyderabad (since 1591) and the residences of the nobility and other higher administrative staff, were the main consumers of the imports from the eastern coast, notably from Masulipatnam and Peddapalli. However, the city's economic base was not limited to consumption alone as we find high valued goods such as rarities and horses from Persia, and

<sup>25</sup> S. Master, Vol. I, p. 267, 268fn.

<sup>26</sup> William Crooke and V. Ball ed, Jean Baptiste Tavernier, *Travels in India*, 2 Vol.s, Vol. II, P. 239,251 and also See, Thomas Bowrey, *the Geographical Account*, p. 102.

other commodities going overland to Surat and various other parts of Mughal north India thus suggesting that Hyderabad was a major redistributive city for many a itinerant merchants going overland. Van den Broeke, a Dutch factor at Surat who travelled overland to Masulipatnam via Hyderabad recorded his itinerary. He found a substantial number of small and big urban centres which help us in establishing that Hyderabad was a main centre for itinerant merchants travelling overland between north and south and east and west axis in the seventeenth century. Van Broeke's journey took him from Surat to Baglan, Patoda, Nizampur, Daulatabad, Ambad, Sholapur and reached Golconda. From Golconda, Broeke took the more familiar route of Ibrahimpatnam, Kondapalli, Vuyyuru and reached Masulipatnam after one and half months.<sup>27</sup>

Starting roughly from 1580's, the contacts between Golconda and Masulipatnam remained intact till 1680's — a history of hundred year span in which both port and the capital prospered due to their mutual interdependence. There was a constant

<sup>27</sup> Van Dan Broeke started from Surat in October, 1617 with 103 Dutchmen and 21 native guides and reached Masulipatnam after one and half months. See, F.C. Danver's, *Letters Received*, Vol. VI, 1617, p. xxvii. Other merchants who travelled overland from surat to Masulipatnam in the seventeenth century were Reyensyten, Andrew Cogan, Jean E3aptiste Tavernier and Thevenot. See for details, Sanjay Subrahmanyam, *The Political Economy of Commerce*, p. 79. For a typical itinerary between Golconda and Masulipatnam see, Diogo do Couto, *Da Asia, Decada Decima*, (reprint), Lisbon, 1973, Part 1, p.14-15, 74-83 and Arquivo Nacional da Torre do Tombo, Lisbon, *Mamiscritos da Livraria*, No. 1104, fl. 104-105. cited in Sanjay Subrahmanyam, 'The port of Masulipatnam 1550-1750' in Narayani Gupta, ed., *Craftsmen and Merchants: Studies in South Indian urbanism*, New Delhi, 1992. p. 54. Thevenot's route was different from those mentioned in the Portuguese documentation. From Golconda he travelled to Amberpet, Chalkapalli, Pangal, Amangal, surchelaquintla, Gurgaluru, Anantagiri, Pendyala, Madduru, Krishna, Vuyyuru, Nilapalli, Madduru, Guduru and Masulipatnam. See, S.N. Sen, ed., *Indian Travels of Thevenot and Carreri*, New Delhi, 1949 pp 146-147 and 334 fn. and *Santanavuru Kaijiyat*, Prakasam Zilla, A.P.State Archives, Hyderabad 1994.

movement of goods and men, traders of all kinds ~ from small time peddlers to seasonal merchants like the *banjaras* who carried bulk commodities such as cotton and grain, to great continental merchants such as the Persians and Hindus and finally the state itself. The relationship between Masulipatnam and Golconda was so important that the Sultanate of Golconda was able to develop a vast hinterland and one might even be tempted to characterize the Sultanate of Golconda as a state with strong leanings towards mercantilism.

The direct route between Golconda and Masulipatnam was clustered with marketing centres such as Pangal, Nandigama, Kondapalli, Bezawada and Vuyyuru. Though the European documentation is silent on the character of these small and big towns, most of them seem to have been centres of consumption as well as marketing for the local *Zamindars* and even to a substantial number of *Sar-samtu* officials of Qutb Shahi kingdom. Nandigama for instance, emerged as a main marketing town for grain to be transported not only to the coast for overseas and coastal trade but also to various *Zamindari* areas within the region. Kondapalli, the most important politico-administrative centre in Krishna district was perhaps the main centre of marketing and as well as consumption for the goods coming from and to Masulipatnam. The *Santanavuru Kaifiyat* mentions that during the reign of Abdullah Qutb Shah, two *Sar-samutu* officials, Aziz Khan and Asad Khan arranged *samutubandis* at Ravuru, thus bringing several villages like Motupalli, Chinna Ganjam, Mattigunta, Karampeta, Palakurti, Pamarru, Ananthavaram, Ganapavaram and Ramayampatnam

under its jurisdiction. This suggests the existence of various villages and local marketing towns operating within the Hyderabad and Kondapalli sectors.<sup>28</sup> These villages and *palems* played a crucial role in linking the local production to continental trade. Both the state apparatus and the local officials at the village level acted as main insulators for local trade which in turn was linked to overseas trade. The bulk goods marketed in small fairs (interestingly '*Santa*' of the above mentioned *Kaifiyat* literally means fair and '*vuru*' a village) became a major link between the local grain production and marketing for local and overseas trade and the weaving economy on which it depended. These markets regularly supplied grain to various specialist villages of weaving, notably to the coast and thus cushioned the export oriented textile economy of the coast.

The Krishna delta which was not yet on the textile map in the period under review had other advantages. It was the richest rice growing district and had substantial number of diamond mines which catered to demand in Europe and west Asia. Grain which was crucial for the port's economy came from the vast alluvial tracts of Krishna district. The peasants produced for markets which was perhaps sold in the local fairs while the *banjaras* and other itinerant merchants carried it to long distances. This level of economic activity was crucial because it was at this level that professional merchants came to interact in the actual production economy. As far as diamond procurement and trade was

<sup>28</sup> *Santanvuru Kaifiyat, Prakasam Zilla Kaifiyattulu*, A.P.State Archives, Hyderabad, 1992.

concerned, Tavernier identified as many as fifty diamond mines in the Kingdom of Golconda, notably in the Krishna district.<sup>29</sup> The biggest diamond mine was at Kolluru in the Krishna district. If we have to believe Tavernier, the mine was inhabited with around 100,000 souls and on an average 60,000 people constantly laboured in the mine. The mines were declared as a state monopoly and were often farmed to prosperous entrepreneurs in the seventeenth century.<sup>30</sup> However, it must be mentioned that the diamond industry and trade underwent violent fluctuations especially in the last decades of the seventeenth century when the Persian markets declined considerably.<sup>31</sup> Nevertheless, the active participation and the formation of powerful syndicates by English private traders in this trade had considerably reactivated the diamond industry of Krishna district at least in the last quarter of the seventeenth century.<sup>32</sup>

By the second half of the seventeenth century the hinterland of Masulipatnam was more or less streamlined. While there is no denying that the port's hinterland expanded considerably over a period of time, one can also witness frequent restructuring of the hinterland which proved detrimental to the

<sup>29</sup> Tavernier, *Travels in India*, Vol. II, p. 348-351.

<sup>30</sup> The mines of Kolluru in Krishna district and Manimadugu of Jammulamadugu Taluq in Cuddapah district were regularly farmed by Mir Jumla since 1650's. Like wise among the Europeans, the Dutch farmed a segment of Kolluru mines with the help of a Telugu merchant and in fact established a mill at Masulipatnam for trimming of diamonds. See, *jammulamadugu Kaifiyat*, Roll No 9, AP State Archives, Hyderabad, and *EFI* 1622-23 p.221.

<sup>31</sup> Om Prakash, ed., *The Dutch Factories in India*, New Delhi, 1984, p.209,111 & 248.

<sup>32</sup> Soren Mentz, *British country trade* ' pp.155-56.

port. In other words, the hinterland of Masulipatnam did not uniform development during the period under study.

To establish this, we will take only random samples of such frequent fluctuations in the hinterland of Masulipatnam. Vetapalem (Guntur district) for instance, which was traditionally sending cloth to Peddapalli (Nizampatnam), for some reasons not dear in the sources, started exporting textiles to Masulipatnam since 1660. This may have expanded the volume of trade at Masulipatnam, but on the other hand seem to have adversely affected the port of Peddapalli. It is also not clear if the Peddapalli merchants sent goods to Masulipatnam on regular basis, for, in 1676 the local merchants of Nizampatnam (Peddapalli) requested Stryensham Master, the Governor of Madrasapatnam, to reopen English factory in the port. Likewise, in the last decade of the seventeenth century, when the companies negotiated for Divi island (Krishna district) and Ingeram (East Godavari) to develop these ports as satellites to Masulipatnam it proved to be an additional advantage to the main port but once they lost their satellite character and became independent of Masulipatnam in the first decades of the eighteenth century, the trade at Masulipatnam was adversely affected. In fact it will be argued in the later section that the changes wrought in the east Godavari district which was so crucial for the port's export economy actually led to the decline of Masulipatnam.

The Persian Market, English East India Company and the  
Freight Trade

The most significant development in the mid seventeenth century was the reopening of the Persian gulf market to the

Coromandel coast. This trade not only increased the volume of Masulipatnam's exports but also paved way for Persian immigrant merchants to trade between Masulipatnam and Bandar Abbas which in turn led to a large scale realignment of the political formation in Golconda. One can clearly see a shift in the mercantile operations from traditional Hindu mercantile groups into the hands of Persian emigrants. However, the direct participation of Persian merchants did not lead to the decline of Hindu merchants *per se*, but one suggest that their trading operations were restricted to the districts of Godavari, while the main route between Hyderabad and Masulipatnam came to be dominated by Persian merchants. The revival of Hindu merchants in the late seventeenth century was based on the relationship which they developed with the local *Zamindars* and the European companies. The direct participation of Persian merchants had far reaching consequences for the regional state formation in the Sultanate of Golconda.

Amongst the European companies, the Persian freight trade especially proved advantageous to the English company and to English private traders: the latter particularly seem to have supplanted the Asian freight operators in the last quarter of the seventeenth century.

Two unrelated developments, one in Persia and the other in Golconda fostered the Persia- Golconda links through overseas trade in the seventeenth century. On the Persian front, Shah Abbas 1 (1587-1629) resented the Portuguese control over the port of Hormuz. The silk routes of North-west and south-east axis was dominated by Portuguese at a time the Shah of Persia declared silk

as a state monopoly and made attempts to control silk price directly under royal seal.<sup>33</sup> The idea behind such a step was to recruit mercenaries and pay for armaments to check the external threats from the Ottoman's and the internal dissension within the empire. He was quick to realise that the necessary money came from the trading sector i.e., through an effective control of the ports of Persia.<sup>34</sup> By far the most important port of the time was Hormuz which was under the Portuguese control which restricted Persian operations especially in the silk trade.

The Shah of Persia entered into an alliance with the English company in order to curtail the growing presence of the Portuguese who had the exclusive control over the port of Hormuz. In the war that ensued between the combined forces of English and Shah of Persia and the Portuguese, Hormuz was effectively taken over by the Shah Abbas 1. According to the treaty between the English and Shah Abbas, the company was given half the spoils of the war and in addition were exempted from paying any taxes and dues to the Persian king in perpetuity.<sup>35</sup> One notable outcome of the fall of Hormuz was the development of Bandar Abbas which the Shah had built with great pomp and celebration.

On the Golconda front, the newly consolidated Sultanate was involved in a series of wars against the Vijayanagara (now centered in Chandragiri), while the first signs of Mughal threat was felt by 1620's which climaxed into what was called the "Deed of

<sup>33</sup> **Sanjay Subrahmanyam**, *The Portuguese Empire in Asia: A Political and Economic History*, Longman, p. 149.

<sup>34</sup> **Ibid.**

<sup>35</sup> *EFI 1622-23* p. viii,x.

submission" in 1636. Within the state structure, Golconda was involved in the process of consolidation which involved the subjugation of traditional ruling elite at the local level under its control and supplanting state machinery in these areas which however, was met with limited success. Though, the main strength of Sultanate of Golconda depended on the collaboration of various *Nayak* elite of Telangana and northern Coromandel, the state had to reconcile to mere tribute paying and had to allow fiscal autonomy to these chiefdoms. Despite the fact that Golconda never achieved the desired centralisation at the local level, the pressures from the Mughal empire and the expanding kingdom of Bijapur from the westward forced Golconda to identify new economic zones for its sustenance. Thus the immediate fiscal necessity to achieve political consolidation at the localities, and to come into terms with the expanding neighbours pushed the state to intervene in the commercial sector to finance both external pressures and internal political contradictions. The state adopted two distinct methods to garner the finances, i) was to take recourse in revenue farming as a measure to increase economic surplus to the state, and ii) allying with mercantile groups, in this case the Persian emigrant merchants. The fiscal exigencies of the Sultanate of Golconda as seen in the revenue farming was primarily to extend the states influence on agrarian, commercial and trading sectors, and perhaps an attempt to centralise the state fiscal system.<sup>36</sup>

<sup>36</sup> Sanjay Subrahmanyam has argued that revenue farming in Golconda was predominantly a product of response to crisis' to various external and internal pressures. While accepting that Golconda was piquently placed in the seventeenth century between the Mughals and its own internal contradictions,

There was one feature common to both the Sultanates of Persia and Golconda in the seventeenth century. Both the states aimed at political consolidation which necessarily came from the economic reorganisation at various levels of state authority. It pushed the states to intervene in commercial sector and trade rather than merely depend on the agrarian surplus. The states intervention in these sectors was done not so much by its direct participation but through encouraging various categories of 'private' persons to participate in the production economy and trade and by giving these men a 'semi- official' status within the state administrative structure. This was best exemplified in the nature of revenue farmers and their direct participation in state political systems as well.

Parallels between Persia and Golconda can be found in the way these states reacted to a given set of propositions in specific context of time. Both the states thoroughly exploited the non-agrarian resource base by imposing monopoly in certain sectors of industry and trade and by exercising tight controls over the movement of goods. Thus, if Shah Abbas tried to monopolise silk trade and controlled its sales price, his Golconda counterparts, imposed monopoly in diamonds, salt and grain markets through *Gudem* tax within its dominion.<sup>37</sup>

revenue farming may also be seen within the context of the states desire to centralise its apparatus, no matter how much it succeeded in the process. Sanjay Subrahmanyam, 'Aspects of State formation in south India and south east Asia' pp.368-372

<sup>37</sup> The diamond mines for example, were exclusively farmed by the king, though he may have occasionally farmed them to private entrepreneurs as well. In the case of farming of the mines, the King demanded diamonds with 10 carats of weight and above as his monopoly. More important however, was the tight

The process through which the Sultanate of Golconda participated in trade was both direct and indirect. Some of the provinces which had direct access to ports were declared as *Khalisa*, the revenue of which directly went to the King. However, the King also gave some of the *Khalisa* lands to revenue farming for prospective entrepreneurs who in turn could sublet them to others. In coastal Andhra, one sees a hierarchy of revenue farmers operating in the ports. Throughout the period under consideration i.e., both under Golconda and Mughals, Masulipatnam and Nizampatnam remained under *khalisa*, the revenue being 1,80,000 pagodas and 80,000 per annum respectively, according to a seventeenth century estimate. Perhaps, more crucial was the indirect manner in which the state intervened in trading sector. It did so by actively collaborating/ aligning itself with the mercantile groups who operated in the port towns of Coromandel. The state consciously gave them preferential treatment in trade. Apart from the preferential rights extended to Persians, Golconda created a political space for these merchants within its administrative structure. Thus the dichotomy, we often find in the Asian historiography, between the merchant and administrator as two distinct entities was blurred in the Sultanate of Golconda.

Prior to the opening of Persian market through the sea, most of the trade between Golconda and Persia went through overland routes.<sup>38</sup> Though the overland trade had its own advantageous, it

control over grain trade in the Kingdom of Golconda through imposition of *Guddem* tax in the later seventeenth century.

<sup>38</sup> Though we do have evidence to suggest that Masulipatnam vessels were plighting to Mocha from 1590's, the overseas trade seemed to be very marginal. In 1590 of total 54 vessels sent to the east Asia only 2 were actually directed to the

became increasingly unprofitable due to high rates of taxation along the route which often escalated the prices of commodities. It is perhaps for this reason that the Portuguese exports through sea from Hormuz to the east were much cheaper than those which were sent overland from India to Persia.<sup>39</sup> The merchants of Masulipatnam more than welcomed the revival of the sea route to Golconda from Persia in 1634, which was outside the logic of Portuguese control of trade.<sup>40</sup> The Masulipatnam merchants sent goods cheaper on ships specially meant to carry freight and in the process gained a huge profit margins.

#### Scale of Freight charges from Masulipatnam to Persia 1642

|              |                                |
|--------------|--------------------------------|
| Cloth        | 1 1/2 pagodas per maund        |
| Bengal Sugar | 8 pagodas per candy of 500 lb. |
| Coarse sugar | 4 pagodas per candy of 500 LB  |
| Gunwale      | 7                              |
| Benzene      | 12/15                          |
| Cloves       | 16                             |
| Tin          | 8 " "                          |
| Steel        | 6 " "                          |
| Passengers   | 10                             |

Source: *EFI*, 1642-45, p.65.

Bay of Bengal. See Neils Steensgard, *Carracks, Caravans, And Companies: The Structural Crisis in the European -Asian Trade in the Early Seventeenth Century*, Copenhagen, 1972. cited in Sanjay Subrahmanyam, *The Portuguese Empire in Asia*, p. 156

<sup>39</sup> Most of the Persian trade was centered in six ports of Iran: Harmuz, Banten, Jasque, Bandar Abbas Behrain and Rashell.

<sup>40</sup> The first freight ship from Masulipatnam sailed to Bandar Abbas in 1632 with 400 bales of cloth and 130 passengers, this ship sailed under the English flag but with varied merchandise belonging for most part to the Asian merchants. *EFI* 1630-33 p 236-37.

The freight trade between Masulipatnam and Persia was initiated by the English East India Company. However, it was dominated by Persian merchants throughout the first half of the seventeenth century. The careers of Mir Kamaluddin and Muhammad Sayyid Ardestani are interesting as they practically monopolised this trade from Masulipatnam to Bandar Abbas. The English company which was a keen competitor to Persian merchants in carrying freight trade, time and again complained that Mir Kamaluddin was reducing the English freight into a non-entity. Mir Kamaluddin operated his freight regularly from Masulipatnam from 1620's onwards. In the initial years of career in trade, Mir Kamaluddin preferred freighting goods in the company's ships belonging to the Dutch, English and Danes to Persia.<sup>41</sup> He maintained good and steady relations with the companies for sending of freight before he himself embarked on independent shipping in 1628 which, however, proved disastrous.<sup>42</sup> Mir Kamaluddin effectively used the governor ship of Narsapurpeta for building his own ships which ranged from 200 to 450 tones. However, his independent shipping failed to have any impact on the monopoly market and most often had to contend with freighting in the company ships. Further, his activities depended mainly on the cordial relations maintained with the companies, though we do have instances of his reprisals on the Dutch and English in 1630's.

<sup>41</sup> Tapan Raychaudhury, *Jan Company in Coromandel*, S Gravenhague, 1969, p.87.

<sup>42</sup> For Mirkamaludin's career, see, Sanjay Subrahmanyam, *The Political Economy of Commerce*, p. 314-322 and EFI 1630-33 p. 296.

It was left to his successor, Muhammad Sayyid Ardestani, popularly known as Mir Jumla, to embark on a massive politico-mercantile aggrandizement in south India. The main strength of Mir Jumla lay in his capacity to control the actual process of production which proved advantageous to his shipping career which spanned more than three decades.

Born in 1590, Muhammad Sayyid started his career as a horse trader and a leading diamond merchant in the kingdom of Golconda. As the *havaladar* of Nizampatnam, Mir Jumla entered into a conflict with VOC over sending freight goods to Persia.<sup>43</sup> Till about 1639, Mir Jumla mainly concentrated on freighting goods in European ships, but in the same year sent his first ship to Bandar Abbas. It was not an accident that Mir Jumla's independent voyage to Persia coincided with his elevation to the position of *Sar-i-Khail* in that year. This new position allowed him to expand his trade to Pegu, Kedah, Perak, and Persian Gulf which he continued till 1660's.<sup>44</sup> At the zenith of his career Mir Jumla owned as many as 10 vessels which dominated the Indian ocean area.

The companies very often complained the 'ubiquitous' presence of his ships in the Indian ocean.<sup>45</sup> Apart from the south

<sup>43</sup> Most of the information on Mirjumla is taken from the works of Sanjay Subrahmanyam, Joseph Brenning and J.N Sarkar. The analysis of Sanjay Subrahmanyam is of particular importance to us because he is perhaps the only historian to study Mirjumla as a merchant with a Portfolio interests such as trade and politics, the former obviously taking primacy over the latter. For that particular freighting voyage See, Sanjay Subrahmanyam, *The Political Economy of Commerce*, p.323 and *Dagh Register*, 1637, p.94 and *EFI* 1642-45. Andrew Cogan, the Chief of Masulipatnam wrote to the Company " to accept the freight to Persia, as they cannot expect any of it at Masulipatnam where the *Serkhail* will monopolise all that is available", p. 65-67.

<sup>44</sup> *ibid* p. 322-327. and Joseph Brenning, *The Textile Trade*, Chapter I.

<sup>45</sup> *EFI* 1642-45, p.207 and *EFI* 1651-54, p. 12-13.

east Asian voyages, Mir Jumla dominated the Persian gulf trade which allowed him to have a regular contact with his Persian counterparts at Bandar Abbas and Hormuz. The main success of his Persian trade came when he gained preferential rights from Golconda to trade in the Coromandel overseas commerce. For instance, in 1640's Mir Jumla attempted at breaking the Dutch monopoly in cloves and pepper by gaining preferential rights in its import trade to the Coromandel<sup>46</sup> Through his intervention in production process and a near monopoly position in overseas trade, Mir Jumla held the double advantage of operating very competitively with the Europeans in the high sea commerce ~ a typical character of a portfolio management in the seventeenth century south India. He often collaborated with his Asian competitors as he did with the English in freighting goods to Persia and never hesitated to confront them whenever necessary for his trading operations. As a Mir Jumla' he frequently flouted his official position by manipulating the royal *firman*s which gave concessions to the European companies, a process which vindicated the European trade. The English factors wrote in 1644:

<sup>46</sup> Sanjay Subrahmanyam, *The Political Economy of Commerce* , p. 326.

" He sends yearly from the coast to Persia a large quantity of goods which under pretense that they belong to the King of Golcondah, (he) expects should be landed free of customs, insoe much as concerns your proportion thereof in retaliation of the immunities you receive in his country: but they be properly Kings or his, is not much material since he governs the King and consequently the country".<sup>47</sup>

There is every reason to believe that his trading prospects in the Coromandel trade increased correspondingly to the official positions held during the years 1630-1655. One might suggest after a closer analysis of Mir Jumla's politico-mercantile aggrandizement in the mid-seventeenth century and his subsequent defection to the Mughal camp in 1650's that defections/ factions were embedded in the very nature on how entrepreneurship developed in the seventeenth century. There is no doubt that revenue farming became crucial in determining the careerism in south India which implicitly provided space for defections as well. These entrepreneurs thoroughly exploited the political fluidity of the seventeenth century. In fact after the decline of Vijayanagara we find in south India, the numerous defections of *Palegadu* lineages in the central Coromandel region. Defection was a product of the logic of state formation in south India. South Indian states, including Golconda, were forced to provide independent economic

<sup>47</sup> *EFI 1642-45 p.207.*

and political space outside the purview of its official machinery which in turn gave scope for factions and defections which was done as career enhancement. Surely then, Careerism prevailed over loyalty to the state in the changing political equations which was wrought by constant threats due to Mughal expansion into south India.

Among the European companies, the English had a definite edge over the VOC in the Persian Gulf trade from Masulipatnam. In the period between 1620-40, the Persian market gave a new boost to the English company, especially at a time when the company was threatened at London by consistent financial losses, severe military reprisals of the VOC in south east Asia, the outbreak of thirty years war on the continent, war and famine in India and problems of share holders at the India Office ; on the whole phase of crisis for the English Company.

Three developments seemed to have contributed for the consolidation of the English commerce between Persia and Coromandel. Firstly, the privileges of free access to the port of Bandar Abbas in perpetuity, Secondly, the 'Golden *Firman*' from Abdullah Qutb Shah in 1634 and thirdly, the relative lack of interest of the Dutch in the freight trade west Asia .<sup>48</sup> Further the rise of Bandar Abbas and the subsequent decline of Hormuz checked the Portuguese presence in Persia which left only English and the Dutch to compete in west Indian Ocean. The English sent three separate voyages to Persia in 1628, 1629 and 1630 after a careful deliberation at the India office in London. This trade, the directors

<sup>48</sup> Ibid.

thought, was the only way out from the financial losses and to balance the loss of Bantam factory.<sup>49</sup> The first three voyages of the English company fetched substantial profits.

| Years: | 1628     |        | 1629     |        | 1630     |        |
|--------|----------|--------|----------|--------|----------|--------|
|        | Capital  | Profit | Capital  | Profit | Capital  | Profit |
|        | 1,25,000 | 60%    | 1,50,000 | 80%    | 1,00,000 | 40%    |

Source: Holden Furber, *Rival Empires of Trade in the Orient 1600-1800*, Minneapolis, 1976 and K.N. Chaudhuri, *The English East India Company*, p. 70-72

In spite of the initial scepticism expressed by the Court of Committees about freight trade to west Asia from India, the factors at Surat, Coromandel and Bandar Abbas in Persia convinced the Board of directors about the importance of freight trade between these countries. On the Coromandel, freight trade was already established by Persian merchants and the English were quick to realise the importance of developing strong mercantile relations with Mir Kamaluddin. Unlike the Dutch who adopted a more aggressive stand *vis a vis* Indian authorities, the English on the other hand, were much more cautious as far as Golconda officials were concerned. However, we do have an instance in 1629 when the English along with the VOC participated in a reprisal against Mir Kamaluddin over the movement of goods at Masulipatnam.<sup>50</sup> This, however, did not affect the Golconda - English relations in the long run. In fact, when the first English

<sup>49</sup> For the history of the English East India Company for the years between 1620 and 1640 see, K.N Chaudhuri, *The English East India Company: A Study of the Early Joint Stock Company*, London, 1964, Chapter III.

<sup>50</sup> *ETI 1624-29* pp. 339,346.

freight ship sailed to Persia in 1634, most of the merchandise belonged to Mir Kamaluddin and other Persian merchants of Masulipatnam. The excessive dependence of Mir Kamaluddin on English ships casts doubts if he was instrumental in negotiating the Golden *Finnan* to the company.

The Sultanate of Golconda on the other hand, adopted a clear cut trading policy by granting the Golden *firman* to the English company. Abdullah Qutb Shah, well aware of the English role in the capture of Hormuz and the subsequent trading concessions given to the company by Shah Abbas 1, and the economic links Golconda wished to maintain with Persia had accelerated the granting of *firman an* to the English company. Significantly, both Shah Abbas and Abdullah Qutb Shah followed an anti- Estado policy which became an added benefit to the company. Further, the Golconda state perhaps wished to integrate the English company into their "official" Persian link as it did with the Persians. It may inferred that both Persia and Golconda were aware of each other's policies regarding European companies and in fact tried to use them for their advantage. The Golden *Firman* given by Abdullah Qutb shah to English company read:

"For as much as the English have declared that they will serve the king and that in Metchelepatnam, Nizampatnam, Vizagpatnam, and Bimlipatnam, and all other ports and sea port towns, they will bring horses from Persia —, It is agreed that the English shall be free from Bank shall, customes and other duties paid by other merchants. That they take junk an or other duties of them or of any other people— that they shall send their list of goods and other ships and things that the King may choose—Paying the full market price — and that if they take or own any strangers goods which if they do, he will take junkan from them. That whereas the English used to pay 500 or 600 *pagodas* annually, the king deducts out of the Governors rent assume of 800 *pagodas* old yearly and if he shall pretend the customes of the English goods more than it amounts they shall give account to the King"<sup>51</sup>

According to the Golden *Finnan*, the English company was exempted from the payment of following duties and charges: *Junkan*, levy on merchandise, *Rahadari*, *Danwaza*, Forest products and port duties for perpetuity. The Golden *Firman* forms an

<sup>51</sup> There are two version of Golden Firman preserved in the India Office Library and Records, London. It is interesting to note that the contemporary version of the Golden Firman elaboratly mentions about the preferences extended to Persian merchants in the company's ships. The latter version of 1679 has no mention to Persian component in the firman. Obviously the companies who had to renegotiate time and again with the Indian rulers conciously avoided such 'native' preferences which which were perceived as detrimental to their future. For the Golden Farman See, *Original Correspondence*, (henceforth O.C), Vol. xiv, No 1471. and Appendix I.

interesting reading from the Golconda's point of view. In giving concessions to the English company, Abdullah consciously tied the *firman* with the expanding Persian trade and ensured from the company that trade carried by Persian merchants in English ships would have preferential rights. The *Firman* explicitly states that "commerce they (Persians) will bring from Bandar Abbas in gulf of Persia Countrey ships and vessels laden with rarities and horses upon which design their ships may sett sayle for (sic) ports of Hindustan unto the said Bandar Abbas and thence to proceed to our ports to augment our trade".<sup>52</sup> Concerning the Persian merchants he stated that " they who shall come in the English ships, the said merchants (Persians) will for their own profitability endeavour to have their goods coloured under the name of the English, that so they can pass without being pained any duties which are liable unto others".<sup>53</sup> The *Firman* is instructive in two ways. By specifying the coveted trading networks (in this case Bandar Abbas and Masulipatnam), the state directly intervened in over seas commerce as a policy matter rather than a mere accident. Secondly, by tying the *firman* with the Persian merchants it strengthened its major collaborators in trade, in this case the Persian merchants.

The Golden *Firman* clearly distinguished the European trade from the non-European trade. The *firman* in reality gave a new boost to Persians operating from the ports of Masulipatnam and Nizampatnam. The Persian merchants operated both at individual

<sup>52</sup> *EF1, Feb 1634,1634-36* p.14.

<sup>53</sup> *Ibid.*

level (i.e through their independent shipping), while the newly granted Golden Firman accorded them new rights to carry freight at a very cheap rates in the company ships. On the Persian freight trade at Masulipatnam , the English factors wrote : " the Persian merchants who pay in freight and customs at least 15% more, thrive and throng between these places (Gombroon and Masulipatnam) and always have 8 or 10 vessels during monsoons". This was made possible, one can surmise, from the concessions of freight charges accorded to them in English ships. Ashin Das Gupta is of the opinion that a combination of factors helped in the relatively low price structure of freight; that the Indian merchants preferred to deal with ships owned by their communities and to the practice of Indian freights to split their risks even by distributing among the available shipping.<sup>54</sup> While there is absolutely no doubt that Asian freight had double advantage of a strong community based trading, and sharing of trade between themselves, our examples from Masulipatnam suggests that Persian merchants of Coromandel were freely sending goods in the English ships due to double advantage gained firstly due to independent shipping and secondly, due to the nature of preferential rights given by the state. Further it is doubtful whether Persian merchants of Masulipatnam were ever based their trade on community lines. They were highly competitive and individualistic mercantile group working on independent basis rather than sharing the spoils of trade on caste or community lines.

<sup>54</sup> See, Ashin Das Gupta, **Indian Merchants in the Indian Ocean Trade**, in Tapan Raichaudhuri and Irfan Habib, ed., *77K? Cambridge Economic History of India* p.417

By the second half of the seventeenth century, trade to west Asia was consolidated by the Iranian merchants operating between Bandar Abbas and Masulipatnam.<sup>55</sup> But as we advance into the last quarter of the seventeenth century, one witnesses a marked shift in the freight trade from Persian merchants to that of Europeans, be it company or non-company shipping on the Coromandel. Asian freight operators declined or became dependent on the European ships.

Freight had several components; the most important being its capital value, and the nature of consignment and distance. Firstly, the Freight trade between Masulipatnam and Iran showed frequent fluctuations — instances of slump and boom were a common feature in the period under consideration.<sup>56</sup> Secondly, only large vessels sustained freight trade. There is no doubt that European shipping was better equipped with larger tonnage capacity when compared to Asian shipping. Thirdly, the nature of European factories with their appreciable capacity to organise trade in different lands simultaneously through their corporate structure seemed to have dismissed these 'individual' based Asian operators. The nature of individual operations which was based on a sort of sole proprietorship was not able to withstand the European competitions in the long run. Private traders who were similar to Persian merchants in their mode of trade, had other advantages.

<sup>55</sup> Apart from those based in Masulipatnam, many merchants of Bandar Abbas frequented Masulipatnam carrying specific orders of Abdullah. We come across Mir Taj al din Qummi, Shah Hasan Riyas, Mriza Muhammad Mashadi, Kwaja Abd al Ali Ardestani and Muhammad Sabir of Bandar Abbas in Masulipatnam invoices. See, Shakleeb, 'Aspects of Goconda-Iran Commercial contacts', *Islamic Culture*, Vol. xix, No 2,1 April 1995, p.27.

<sup>56</sup> *S. Master*, Vol. I, p. 181,184,198.

They formed into trans-oceanic syndicates across Asia and reaped an additional advantage of 'maintaining nebulous' economic equations with the company officials at respective factories. The establishment of inland factories by the companies brought them closer to the areas of production which in turn brought down the freight price which till then was Asian monopoly. These were some of the causes for the relative decline of independent Asian freight trade in the last quarter of the seventeenth century.<sup>57</sup>

### **Hinterland Factories and the Consolidation of European companies 1660-1724**

The main purpose of this section is to study the impact of the European companies since their establishment of inland factories in the textile producing regions of coastal Andhra. While accepting the relative effectiveness of these inland factories, the main purpose of this section is to draw attention to the actual processes of 'penetration' of the companies which was met with mixed response from Indians at various levels of social system. In some areas, as those dominated by Persian merchants, the company trade remained limited, while, in the areas which was dominated by Hindu traditional elite and Hindu merchants, the companies were able to find collaborators who formed a significant link in the process of company penetration on the northern Coromandel.

The establishment of inland factories was dictated by three considerations. Firstly, it gave access to the marketing centres and to some extent to the areas of textile production. Secondly, the

<sup>57</sup> See, Joseph Brenning, *The Textile Trade*, p. 49

companies could now claim monopoly over certain villages exclusively given to them through preferential rights by the Sultanate of Golconda, which in turn led to clear cut demarcations in 'procuring zones' for respective companies. Thirdly, the companies were able to avoid the much dreaded moor' / Indian competition with whom the companies had to constantly confront in the ports *per se*.. For various reasons, the companies were able to strike a chord of collaboration with the chiefs and *Zamindars* of the northern Coromandel which fostered the company trade in the northern Coromandel. Ever since the companies established factories in ports, their intention was to directly negotiate with the merchants in the actual place of production and in other local marketing towns. The provision for investment in the company invoices asked for a very precise specifications to be delivered to match the shipping schedules which required a steady relationship with the actual production process. For example, a freighting voyage from Masulipatnam to Pegu specified the factors about the length and breadth of cloth in yards:

| Cloth          | length | Breadth        |
|----------------|--------|----------------|
| Calicoes       | 21-24  |                |
| Veiling        | 16-25  |                |
| Muslin's       | 18-20  | <b>1-1 1/2</b> |
| Neck cloths    | 7-10   | <b>1 1/2-2</b> |
| Hand kerchief; | 15     | <b>3/4</b>     |
| Veiling(silk)  | 25     |                |
| Cloths(silk)   | 4 1/2  | <b>3/4</b>     |

Source: S. Master, Vol. I, p. 134-135 and see, Joseph Brenning, *The Textile Trade*, Appendix A, p. 286

The Dutch were the first to establish inland factories at Palakollu and Draksharamam in 1613 and at Hyderabad in 1661. As noted in the earlier section, one of the main provisions of the golden *Firman* was the exemption local cesses and customs. The *firman* clearly showed that the English need not buy goods only at the ports, instead could directly venture into the areas of textile production. On the strength of Golden *Finnan* the English immediately deployed factors to Viravasaram and Madapollem to establish factories. A host of *firmans*, perwanas and cowles given to companies between 1610 and 1687 by the Sultanate of Golconda and local administration allowed the European companies to expand themselves considerably into the actual areas of production and marketing.<sup>58</sup> Comparative statistics of the VOC and the English for the year 1682 show that the direct exports from the inland factories was far more than those exported from Masulipatnam.

| VOC          | yards     | English      | yards     |
|--------------|-----------|--------------|-----------|
| Palakollu    | 1,895,000 | Madapollem   | 2,173,000 |
| Draksharamam | 1,895,000 | Nizamapatnam | 628,000   |
| Masulipatnam | 1,054,000 | Masulipatnam | 1,778,000 |

Source: Joseph Brenning, *The Textile Trade*, Appendix A, and see, *Records of Fort St. George, Letters to Fort St. George*, 1682, p.78-92

While the statistics does illustrate the effectiveness of the company procurement from inland factories, this was by no means

<sup>58</sup> We can count as many as twenty *farmans* and a host of other grants and privileges given by the rulers of Golconda. While the initial *farmans* allowed the companies to establish factories at ports, while the later grants such as the Golden Farman and A Grant from the King given to the Dutch in 1647 permitted them to establish inland factories in the Kingdom of Golconda.

the total volume of trade from the port of Masulipatnam. Though, there is no quantifiable data on the non-company trade of Masulipatnam, we can, however, infer the non-company trade from the information available from the shipping lists. In 1682, out of 56 departures from Masulipatnam, 21 belonged to various European companies while the rest were owned either by Euro-Asians or by Asian merchants.<sup>59</sup> However, lack of any detailed documentation on non-company trade (especially of Asian shippers) will not allow us any systematic analysis on the volume of Asian trade during the period under study.

One of the most vexed question for historians has been the process of European 'penetration' into the hinterland and their subsequent hold over the indigenous capital which reduced the weaver and Asian merchant from a price worker to that of wage worker through the system of advances in the form of cash and hence the subjugation of Indian merchant to European capital.<sup>60</sup> While it is conclusively proved by historians that the European companies failed to alter the existing pattern of Asian trade on the sea front and that the company penetration into the hinterland was a phenomenon of late eighteenth century, its pre-history on the other hand, is assumed lay in the establishment of these inland factories in the late seventeenth century. However, a careful study of the northern Coromandel reveals that the European 'penetration' was a very limited affair to certain areas of regional industry and

<sup>59</sup> *RFSG Masulipatnam Consultation Book*, 1682, p. 2 & 83.

<sup>60</sup> Arasaratnam for instance, argues for the introduction of the Company Joint stocks though increased the indigenous merchant capital to some extent, were reduced to mere company servants in the long run as a major precursor of company dominance in the northern Coromandel.

was effective only in the villages or towns where the companies established exclusive control in the production process.

The companies, at least in theory, sought to achieve monopoly in procuring of textiles by taking some prospective villages and marketing towns such as Palakollu, Draksharamam, Viravasaram, and Madapollam under lease. But considering the spatial distribution and substantial number of weaving villages present in the Krishna and Godavari delta, it was very unlikely that the companies exercised controls outside their factory jurisdiction. Even in the towns where the European factories had gained preferential rights, we find the rival companies too procuring cloth on a regular basis. Thus, the English maintained three factors at Palakollu and Draksharamam which was under the VOC jurisdiction, while the Dutch regularly sent factors to Viravasaram and Madapollem, places where the English company had a regular factory.<sup>61</sup>

In order to curb the rival European competition and the local merchants alike, the companies introduced Joint stock companies in the hinterland which would legally bind the local merchant to the company. According to Joseph Brenning the establishment of Joint Stock companies was "an attempt by the European companies to exert greater control over their brokers and resources, and, from a broader perspective, an attempt to gain control through transfer of

<sup>61</sup> The Dutch were more effective in having a say in the matter of procurement of textiles. They expelled English from Nagulwanche which forced the latter to buy piece cloth at neighbouring villages. See, *fn, no.* 11. Likewise the English were confident that the Dutch has no place at Viravasaram as 'wea hath bin well established here', See, *EFI 1655-60*.

a typically European mode of commercial organisation".<sup>62</sup> The European joint Stock companies involved the participation of merchants using capital raised by them through an association of partnership. This supposedly reduced the internal competition among themselves and further entailed a kind of legal binding to the company by the local merchants. On the one hand, it ensured a steady rise in the Indian capital and on the other hand meant a streamlining of supplies of cloth and a greater reliability of the Indian Chief merchant to the company.

The VOC was the first to experiment with the formation of Joint Stocks at Pulicat in 1652. The Joint stock companies which were initially experimented in the port towns spread to the hinterland as well. By the end of the seventeenth century the companies made it mandatory for Indian merchants to form into Joint stock companies to deal with company trade. In the initial phases, both the company trade and Indian merchants were mutually benefited by the extension of Joint stock companies on the northern Coromandel. We have instances to show that the Coromandel merchants took their own initiative to form into joint stocks in the inland and sent regular petitions to respective companies to draw them into its trade. In fact at Palakollu and Madapollem, merchants formed a company and proposed to the Dutch and the English respectively to activate them into the joint stock. By 1675 all the inland factories of northern Coromandel were working on independent joint stock which were outside the

<sup>62</sup> Joseph Brenning, *The Textile Trade*, p. 88.

purview of Masulipatnam jurisdiction.<sup>63</sup> In 1676, Stryensham Master, the Governor of Madrasapatnam decided to form separate joint stocks at Masulipatnam, Madapollem and Nizampatnam with at least 100 merchants in each of them which according to him, would " activate the stock, procure bad debts, secure full investments, shall bring natives to godowns and procure English cloth to Europe at cheaper rates".<sup>64</sup> At the zenith of English trade in 1680's , it was noted that the investments through Joint stocks in the inland factories was far exceeding the individual procurements by the company as far as the capital invested was concerned. Whether the formation of joint stock companies led to any institutional and structural changes in the pattern of India trade has been a major question in the existing historiography.

The formation of joint stocks in the northern Coromandel did not reflect the submissiveness of the Indian merchant to the European company trade, but on the other hand, the Indian merchant seemed to have retained his flexibility as far as his mercantile operations were concerned. His binding up with individual companies existed only in theory numerous instances of the period showed that chief merchants simultaneously operated with more than one company simultaneously during the period under study.<sup>65</sup> Contrary to the expectations of the

<sup>63</sup> For the study of Joint stock companies by the Indian merchants on the northern Coromandel See, Joseph Brenning, *The Textile Trade*, p. 87-102.

<sup>64</sup> *S. Mater*, Vol I.

<sup>65</sup> Sunca Rama the English Chief merchant not only looked after the English company joint stocks but also dealt in Paddy trade independently. In 1699 for instance, the Dutch Chief merchant, Golalore Narrain sent a proposal to the English at Madapollem from Draksharama that he is willing to do business worth 5000 to 6000 pagodas with the English but on the name of his son. This was a typical way by which the company merchants sought to overcome the

companies of subjugating the Indian merchant under the company dominance, this period marked a transition for Coromandel merchant. Coromandel merchant was highly competitive and on the other hand the petitions and requests sent to companies by the merchants by creating alibi's to find a place in company trade marks the initial transformation of Coromandel merchant into a dependent category vis a vis the companies.

Apart from taking the marketing towns and villages under lease, (now termed as factories), and extending Joint stock into the hinterland, the companies encountered a complex local political strata which played a decisive role in the commercial economy of the northern Coromandel. The companies, for example, who never overcame the prejudiced notions about 'moor' merchants remained extremely uncomfortable in the Muslim dominated trading sectors. The moods of the English company in respect to Persian merchants said "nothing but feare keeps a moor in awe, use him kindly and he will abuse you; but deal with smooth words and ripping deeds, he will respect and reverence you".<sup>66</sup> If we closely analyse the spatial distribution of the economic hinterland of northern Coromandel from the coast to its interior, the Muslim merchants were urban

legal bindings imposed by the Europeans on them. However, the very fact that albies were most often used to trade with more than one company it definitely reflects on the growing effectiveness of the Joint stocks as well. It must be stressed that the very fact that the merchant sought a rather 'back door entry' in his operations by way of legislating his family members is an indication of the growing strength of the company trade. See *RFSG, Public Department, Letters to Fort St, George*, 1682 p.30-31, 1699-1700, p.285 and Joseph Brenning, *The Textile Trade*, Chapter III, *passim*. See, P Sudhir and P. Swarnalatha, 'Textile Traders and Territorial Imperatives: Masulipatnam 1750-1850', *IESHR*, Vol xxix, 2, 1992, pp. 149-150.

<sup>66</sup> *Original Correspondence*, No 595, 1617-21, in *Calender of State Papers, Colonial Series*, p. 106 and Holden Furber, *Rival Empires of Trade in the Orient*, Minneapolis, 1975, p.7.

based and mainly operated in port towns and in the areas where the state penetration was more or less successful. Persians were the single most important urban community in the port of Masulipatnam. The *Bandar Kaifiyat* of the late eighteenth century gives graphic information on the nature of Muslim settlements at Masulipatnam. Out of 22 pettah's in the town of Masulipatnam as many as 12 pettas were named after Muslim merchants and other Muslim notables.<sup>67</sup> The Persian merchants were present in the port towns such as Masulipatnam, Narsapurpeta, Madapollem, Nizampatnam and in the provincial administrative centres of Kondapalli, Nizampatnam, Nagulwanche etc. dominated the trade and politics. It was precisely in these areas that the European commerce failed to make any impact as far as direct procuring of the merchandise was concerned. In these areas then, European companies had to depend on a complex hierarchy of brokers and other intermediaries which in turn escalated the prices of textiles. In the port towns of Masulipatnam and Nizampatnam, the European commerce had to contend with their competition as well as the extortion's by Muslim administrators which the companies thought 'arbitrary' and 'rapacious'.

The hinterland, on the other hand, was more diverse in terms of varied categories of professional merchants, offered the companies to establish relations in the areas dominated by the

<sup>67</sup> The pettas which were named muslim notables were Aneesupeta, Mustapha Khan peta (probably the Mughal faujdar), Mallikapatnam (named after Ibrahim Qutb Shah), Fakirullahpeta (Fakirullah Khan was the Mughal faujdar between 1700-1715), Kalekhan peta, Rustom Dil peta (Mughal faujdar of coastal Andhra, 164-96), Jawarpeta, Sukurabadpeta, Farusupeta, and MirHale peta. See, *Bandaru Kaifiyat*, in, *Krishna Zilla Kaifiyat*, A.P.State Archives, 1990.

*Zamindars* and tributary chiefs.<sup>68</sup> The distribution of the weaving economy on the northern Coromandel was spread in the areas where the traditional elite including the *Zamindars* dominated. Though the state allowed the traditional ruling clans of *Velamas* and *rajus* their independence as long as the tribute was sent to central exchequer, one can also see a simultaneous development of the increasing power of *havalgars* and *Sar samutu* officials in the period under study.<sup>69</sup> *Kaifiyats* (literally meaning information), on the other hand, provides information of different villages which were under the local elite from their antiquity to the nineteenth century.<sup>70</sup> Even the European documentation of the early eighteenth century do mention a certain "Rangaraju in possession of Madapollem", Timmaraju, the country raja of Draksharamam", and "Bairamma in hold of the 'Diu island' etc..<sup>71</sup> One such *muniwar* (tributary chief) was Ashwa Rao of Palwanche in

<sup>68</sup> See, Sanjay Subrahmanyam, 'Rural Industry, *P&P*, p. 97.

<sup>69</sup> We often encounter in the European documentation of the areas being directly under the king. These are not to be taken as *Khalisa* (crown lands) but might actually suggest Zamindari areas which were directly supervised by the King. In 1655, the English factors wrote on the preference of Viravasaram to Masulipatnam as the latter being under the nabob and the former under the king directly. *EFI* 1655-60 p. 39.

<sup>70</sup> The *Kaifiyats* were collected by Col. Colin Mackenzie in the nineteenth century when he was appointed as Surveyor General of the Madras Presidency. The *Kaifiyats*, which were for most part the *Karanam* records, are to be interpreted very cautiously. They deal with myths, legends, histories and personalities of a particular place or village which are yet to be corroborated by other historical evidence. They also seem to fall into a particular pattern of starting with a myths attached to the place or personality, suddenly jumps to Kakatiyas, Reddi Kingdoms and specifically to Vijayanagara, then there is a long silence with only sporadic references to Qutb Shahis and finally culminates into the histories of Zamindaris of the eighteenth century. See, *Guntur Zilla kaifiyat*, 4 Vol.s, Prakasam *Zilla Kaifiyat*, and *Nellore Zilla Kaifiyat* for the history of Zamindars in the coastal Andhra. These are recently published by A.P. State Archives.

<sup>71</sup> *RFSG, Public Department, Letters to Fort St. George*, 1712, p.48 and *Diary and Consultation Book*, 1714, p. 109-110

Khammam is of particular importance to us due to the Dutch presence there.<sup>72</sup> With the consolidation of the Qutb Shahi Kingdom in coastal Andhra, the regional elite seemed to have come under crisis firstly, due to the presence of state machinery which sought to monitor the local economy and secondly, due to revenue farming which clearly eroded their traditional revenues. Coupled with this was the extension of privileges to the companies by the state which further reduced their income which came predominantly from *Rahadari, Junkan, Darwaza* etc.

The erosion of local revenues at the local level for the traditional elite necessitated the promotion of non-agrarian activity such as commercial production (in this case, textiles) and a need to negotiate with local traders and European companies as well. However, the relationship between European commerce and the *Zamindars* in the Krishna and Godavari deltas more or less remained implicit during Golconda period. Though, one is handicapped on the sources on the actual role of *Zamindars* in the local economy, one can however, surmise that were the major beneficiaries of commercialisation on the northern Coromandel. Their active collaboration with European companies furthered helped them to consolidate the local economic resources by the time of Mughal invasion which culminated in a series of revolts for political power.

<sup>72</sup> The *Muniwars* or the tributary rajas who paid tribute and held only nominal allegiance to the state. The *Naikwarins*, on the other hand, were members of warrior/peasant castes involved in central administration as holders of hereditary garrison and actively involved in the political system as long as their autonomy was recognised. See, T. Sridhar Murthy and N. Sarveshwara Rao ed., *Dupati Kaifiyat*, Government Oriental and Manuscripts Library Bulletin, Madras, Vol xiii, No.2 pp.67-87.

The presence of *Zamindars* in the Krishna and Godavari deltas apart, the region itself offered two other major advantages to the companies. Firstly, the companies thought it was easy to deal with petty officials such as *havalgars* rather than dealing with *Sar-i-khail* /and other upper levels of administration. Secondly, the establishment of inland factories brought the European companies closer to the *komati* merchants 'who operated in the hinterland unlike the moors who operated on the sea front'.<sup>73</sup> Significantly the *komati* merchants who were spatially distributed in the *Zamindari* areas of Krishna and Godavari deltas had a wide knowledge of trade and prices in the region and were involved in diverse activities such as middlemen, money changers, petty shopkeepers etc.<sup>74</sup> When the companies established their inland factories, the *komatis* acted as the main complementary group between the weaving economy and the company trade. Most of the *komati* merchants were found in the *Zamindari* areas of Krishna and Godavari deltas and the extension of the company trade into these areas benefited the local elite considerably.

The annexation of Golconda by the Mughals in 1687 seemed to have transformed the relations between the regional aristocracy and the European commerce into a more explicit one. In the period between 1690-1724, *regional Naikwarins* and the *Zamindars* not only

<sup>73</sup> *Methwold Relations*, p. 16.

<sup>74</sup> To cite only one example of the diversity of their activities, In Madapollem we come across about seven merchants who formed the Joint stocks for the English company on procuring textiles, washermen, painters, and dyeing etc. They are Wordinneh Gurusvappa, Punde Caudama Bandu, Gobba Lingappa, Conda **Sambu**, Conda jaganna, Angedi Jogee and Collapilla Narasu. The paddy merchants included Biruda Gangappa, Bugganna, Narasaraju, Casua Narasimham. See, *RFSG, Public Department, Letters to Fort St George, 1682*, p.30-31 and 1684-85, p.83

participated in trade directly but also emerged as the main arbitrators of concessions given to the companies by the central authority. For instance, in the wake of fluid political environment of the last decade of the seventeenth century, companies preferred approaching the *Zamindars* for trading concessions on the northern Coromandel. The political uncertainty which followed after Mughal expansion opened up new opportunities to these *Zamindars* in more than one way. Firstly, they tried to assert their independence by openly revolting against the Mughal intervention and were involved in the process of chalking out distinct political zones of control. This called for quick money which came from local trade and in developing relations with the European commerce. For instance, Timmaraju, the *Zamindar* of Draksharamam was an active grain merchant and in fact negotiated for a contract worth 30,000 *pagodas* with the English.<sup>75</sup>

In the changing political scenario, it became imperative for the companies to necessarily seek permission from the *Zamindars*. In spite of the *firman*s and *perwnas* given by the Mughal emperor and the *faujdars* such as Zulphikar Khan, Mustapha Quli Khan, Rustom Dil Khan, Fukirullah Khan and Mubariz Khan. At the local level the regional aristocracy emerged as the major adjudicator of affairs which dealt with Indian and European trade. In most cases the *firman*s issued by central authority proved ineffective without the sanction of raju clans at the local level of administration. To illustrate the growing interest of *Zamindars* in trade related aspects, we will take the case of Divi *seema* and demonstrate how a small time renter

<sup>75</sup> RFSG, Public Department, Letters to Fort St George, 1712, p. 48

Appa Row was elevated to the status of a *Zamindar* by the Mughal Diwan largely due to his intervention in production and trade.

Divi island which was situated 19 miles south of Masulipatnam was the most coveted place for the companies since the last decade of the seventeenth century. The island was known for its rich alluvial tracts and as the main outlet for grain trade. Divi, which was situated strategically with a good berthing capacity for country made flat bottom boats.<sup>76</sup> In fact both the English and Dutch companies had grand plans of constructing a port by developing inland navigation to the nearby weaving villages.<sup>77</sup> Between the years 1700 and 1720, the English desperately tried to acquire the island firstly, through negotiations with Zoode Khan, the Mughal *faujdar* to get an imperial *firman*, and later from Bairamma, the *Zamindar* of Divi island.

There were two main contestants to possess the island. Appa Row, the renter who had active support of the Mughal *faujdar*, and the English East India company who were supported by Bairamma of Divi island. The case is as follows: In 1709 Appa Rao took possession of the Divi island apparently 'on the recommendation of the Zoode Khan and moved around '25 families of weavers'. Meanwhile, the English also approached the *Faujdar* to recommend their case to Divan Mubariz Khan and Shah Alam for

<sup>76</sup> In 1676, the English factors wrote of Divi island as a place "rich in chay root and because of its convenience in settling the weavers there from **the** moors" See. *EFI* (New Series), 1676, 1670-77, p.227. And on other related aspects of the island see, *Factory Records, Miscellaneous, 1717, G/40/26 IOLR*.

<sup>77</sup> William Norris embassy to the Mughal court especially requested for the cession of Diu to the English. It is surprising that none of the companies were successful in acquiring the port till the second half of the seventeenth century. See, Harihardas ed, *William Norris Embassy to Aurangzeb, and RFSG, Diary and Consultation Book, 1709, p.6.*

which the *faujdar* promptly agreed and even demanded rent from the company for the first three years. Appa Rao coming to know of the English interest in the island immediately farmed the place for 20,000 *pagodas* and moved weavers from adjacent parts. Zoode Khan who had 'considerable influence' on Appa Rao failed to convince the renter to move out and in a rather desperate situation asked the English company to forcefully take the island from Appa Row. The English realising the futility of such a step for 'it was known 'through our intelligence that Zoode Khan was behind Appa Row' approached Bairamma, the *Zamindar* who had considerable clout in the imperial court and had 'a particular grievance against Zoode Khan and Appa Rao'. Through her, the English company negotiated for the grant of privileges for the English company.<sup>78</sup> Though the company failed to acquire the island till 1740's, the above mentioned events, nevertheless, showed how important the local elite prevailed even over the imperial officialdom and how the English were forging alliances with the local *Zamindars*, during this period. However, it must be stressed that the collaboration between *Zamindars* and the companies were by no means steady for one finds numerous instances in which *Zamindars* involving in bitter conflicts with the English in the late eighteenth and nineteenth centuries.

<sup>78</sup> See, *RFSG, Diary and Consultation Book, 1709*, p.6,1717, p.137 and *Letters to Fort, 1710*. p.37-38,1712,61,133.

**English Private Trade and the Decline of Asian 'Portfolio  
Capitalism '1664-1687**

Recently, Sanjay Subrahmanyam has developed an interpretation on the rise of English private trade and the decline of Asian portfolio capitalism not as a cause but as a consequence. According to him, Asian shipping underwent a significant transformation in the post- Muhammad Sayyid era, i.e. in the second half of the seventeenth century and never recovered from his unscrupulous 'monopolistic' trade in the succeeding years. He suggests that the 'mercantile vacuum' created by Muhammad Sayyid in the second half of the century was taken over by the English private traders such as Samuel White and Robert Freeman (especially mentioned by Sanjay Subrahmanyam).<sup>79</sup> This section describes the actual private trade conducted from the port of Masulipatnam and secondly, draws attention to the role of Asian merchants in the 'post Muhammad Sayyid's' phase between 1664 and 1687. The period is justified by the fact that the private trade at Masulipatnam reached its zenith during this time.

Private trade is defined as a trade carried by the company servants with and within the east which was outside the purview of the company control to augment their personal wealth.<sup>80</sup> Ever

<sup>79</sup> See, Sanjay Subrahmanyam, 'The Port of Masulipatnam 1550-1750: A Bird's Eye View', p. 61 and Sanjay Subrahmanyam and C.A. Bayly 'Portfolio Capitalists and Political Economy of Early Modern India', in his Volume, *Merchants, Markets and the State in Early Modern India*, New Delhi, 1990 p. 253-254.

<sup>80</sup> By far the best work on the English Private Trade is by Bruce Watson, *Foundation for Empire: English Private Trade 1660-1760*, Delhi 1982. He identifies five categories of persons who can be called the private merchants. First were the company merchants who augmented their salaries by trading through their employment in the company, second, were the commanders and seamen on the ships in the Indo-european routes, third, the free merchants who resided in company settlements and carried on trade without encroaching into the company

since the English company was involved in trade with India, the factors and servants used it to augment their private fortunes in spite of the fact that the company declared it illegal in all sectors of trade. The power of private trade was such that the company was forced to liberalise its policy on private trade by allowing trade in certain commodities which were secondary to company invoices. Private traders were not allowed to trade in indigo, spices and textiles which were the main components of company dominion of trade. However, from time to time the company was forced to give 'restricted liberty' to its servants to carry on their private trade.

Private trade can be understood as the inability of the company to effectively curtail the private aspirations of its servants working in Asia. Though the company rather grandly prohibited private trade in the initial years, the inner logic of the company and its servants forced it to reconcile to what was called a 'permissive trade' and justified it as a mere 'deviance' of the servants operating in the east. Despite many legislations and strictures against private operations both at Home and in Asia, private trade continued to thrive in all parts where the company had established settlements.<sup>81</sup> The problem was most acute in the 'free ports' such as Masulipatnam, Nizampatnam, Hugli, Balasore, etc. where the English was one among other trading nations.

trade, fourth, were the interlopers or who came nearest to pirates who played a decisive role in the early decades of the eighteenth century and lastly were the Indian brokers and merchants, *Ibid* p.61-62.

<sup>81</sup> For various legislations, strictures, punishments, petitions of pardon etc See, *Ibid*, and for the relationship between the country trade and private trade, See, Holden Furber, *Rival Empires of Trade in the Orient*, pp. 217-219.

Coming to the Coromandel coast there are very few studies which deal with the private activities of company servants for the period under study.<sup>82</sup> Masulipatnam, being the main re-distributive centre for intra-Asian trade, offered many prospects for private traders to operate freely at the port. Private trade on the Coromandel reached its high point when Robert Freeman regularly freighted goods between Masulipatnam and Persian Gulf.<sup>83</sup> Country trade was particularly profitable to the private traders because of two reasons. Firstly, the profitability was high with less investments and secondly, it meant considerable freedom from structures imposed on them at London. Recently, Soren Mentz has argued, basing on the wealth/debts of the private traders of the Coromandel that the country trade was not as profitable as it thought to be unless supplemented by direct financial flow from London. He further categorized private traders into 'middle class' and elite operators, the former being Robert Fleetwood, Christopher Hatton, Mathew Mainwaring, Richard Mohun and Robert Freeman, while in the latter group were William Langhorn,

<sup>82</sup> Even the most comprehensive work on Coromandel coast by Arasaratnam has totally neglected the activities of private traders and referred to them only in passing. Notable exceptions to this neglect are Sanjay Subrahmanyam, Joseph Brenning and Soren Mentz.

<sup>83</sup> In 1682 the English private shipping was substantial at Masulipatnam. Robert Freeman owned many as 14 vessels used for country trade. In fact according to Joseph Brenning, the ships of Robert Freeman virtually supplied the existing demand in the Persian Gulf. Robert Freeman started his career as an English factor in 1668 and worked at Masulipatnam till 1675. He later became a free merchant and was readmitted into the company at the capacity of Chief of Masulipatnam factory. He went on to become a leading shipowner on the coast. Robert Freeman developed links with other notable private merchants such as S. Master and Chomley, the notorious interloper. See, *RFSG, Diary and Consultation Book, 1681*, p.32, Public Department, *Letter to Fort St George, 1682*, p 30-31, Soren Mentz, 'Diamonds and Country Trade', p. 171, and Joseph Brenning, *The Textile Trade*, p. 48-49

Stryensham Master, Elihu Yale, etc. who were the Governors of Madrasapatnam.<sup>84</sup> There is no doubt that the private traders were backed by corporate financiers of London, while the Governors of Madrasapatnam used their official positions within Asia to enhance their private wealth. One should analyse private trade not on the individual assets accumulated by the private traders, as Soren Mentz does in his discussion, but on the total volume of private trade in the country trade.

The success of private traders in the country trade lay in their ability to direct the company's investments to a quicker port-to-port trade and to divert the benefits gained by the company from the Indian rulers to private trade. The factors openly flouted the privileges given to the English company. These private traders often traded under the company flags and thereby escaped from paying local taxation and other legal procedures. Further, the main strength of the private trade lay in the relationship they established with the chief merchants of the company. Abbe Carre, the French traveller has noted in 1678 that private traders "received gifts and loans and followed the advise of local merchants and brokers who gave them the means of carrying their trade that benefited themselves".<sup>85</sup> The Coromandel merchants on the other hand saw the benefit of collaborating with the English factors in their private capacity. The Indian merchants saw private trade as a relatively simple operation which did not entail various legal procedures/stricutures which the company trade demanded. As

<sup>84</sup> Soren Mentz, 'Diamonds and Country Trade' pp. 161-163

<sup>85</sup> Abbe Caree, *Travels*, Vol. II p.382

long as complaints were not lodged, both the English factors and their Indian counterparts protected each other in private trade. Legally, of course, even Indian merchants who participated in trade in their private capacity were also categorized as private traders, especially if the said merchant was part of the company joint stock. In 1682, for instance, Sunca Rama, the chief merchant and *Dubas* of Narsapurpeta factory anchored a vessel carrying grain at the bank shall, apparently under the company 'colours' and ordered the boatmen and other small time peddlers to carry grain to mainland at the payment of five *pagodas* per boat while the actual customs to be paid to the Diwan was twenty *pagodas*.<sup>86</sup> Surely, the vessel belonged to both Sunca Rama and the chief of the Narsapurpeta factory. Narsula Beig, the *havaladar* confiscated the vessel and on investigation found that "it belonged to chief merchant "and reported "when it was informed to the chief he said that they belong to him (meaning the English company), for there is no reason to believe that if it was his ship would (for it would)anchor in the company's bank shall<sup>87</sup> Muhammad Ali Beig, the Governor of Narsapurpeta lodged a strong complaint to Madrasapatnam on the incident and wrote " you please let me know whether you keep your chief to do your trade and merchandise or to share the Divans revenue betwixt himself and Dubas".<sup>88</sup>

Though the history of Masulipatnam centered private trade goes back to as early as William Meth wold in 1620's, it became

<sup>86</sup> *RFSG, Public Department, Letters to Fort St George, 1682* p.101-102

<sup>87</sup> *Ibid*, p. 30-31.

<sup>88</sup> *Ibid*, p.39.

crystallised in, 1670's and reached its zenith in the succeeding decade. Each of Masulipatnam's chiefs between 1670 -1679, were involved in private trade which ruined the company prospects at Masulipatnam . The activities of William Jearsey, Richard Mohun, Mathew Mainwaring and Robert Fleetwood became a major concern for the company both at Madrasapatnam and at London.

William Jearsey who was the chief of Masulipatnam factory since 1662 was engrossed in private trade that "he neglected the company's business, used its stock for his own business and had not submitted company accounts for a period of five years". At the height of his career he owned as many as seven ships which sailed to all parts of Indies and Europe.<sup>89</sup> For over a decade, the company was helpless about his activities at Masulipatnam. The failure of the company to deal with him stringently was due to his active collaboration with Edward Winter, the Governor of Madrasapatnam and to the clout he enjoyed among the Board of directors.<sup>90</sup>

<sup>89</sup> William Jearsey started his career as an accountant at Pegu in 1650. He was later sent to Burma as Chief of Syriam factory where he remained against the company orders and was dismissed from the service. His first activities as a private trader dates back to 1660's from Syriam factory. On a special appeal he was reinstated into the company in 1660 and came as the chief of Masulipatnam, factory in 1662. At Masulipatnam, he was actively involved in the private trade. it became so severe that he was dismissed in 1669. He later on stayed in India as an independent trader and died in 1690. On his career See, Robert Young, *The British East India Company's Pepper Trade at Sumatra, 1730-1760*, Ph.D Thesis, University of Perm, 1969, pp.55-98 cited in Holden Furber, *Rival Empires of Trade in the Orient*, p. 270.

<sup>90</sup> Edward Winter bought a ship of 800 tonne capacity from Mir Jumla in 1662 and named it Great George. In 1661, the factors wrote that the goods "aboard Marigold, which the factors had described as provisions and other necessities for Edward Winter and his family, had proved to be largely private trade" See, *EFI 1662-64, 1661*, p. 36, 42.

On the whole, William Jearsey's private trade had overshadowed the company trade of Masulipatnam for over a decade. He was dismissed in 1669 and was replaced by Richard Mohun. Richard Mohun was sent to Masulipatnam with a special mission of reorganising the accounts at Masulipatnam factory and to stop William Jearsey from selling his property at Masulipatnam.<sup>91</sup> Richard Mohun started of his career on a sound note but soon fell prey to private interests. He used his official capacity and special orders from the company which he manipulated for his own benefit at Masulipatnam. In 1675 the factors felt that the investment was low because:

"by all the information, (seems) to have been much to blame for undue and untrue entities of cash and more especially using the same for other uses — Gentoo merchants employed with him for receiving thereof and other undue practices of which he is ill minded".<sup>92</sup>

However, unlike William Jearsey who was an active ship owner, Richard Mohun, on the other hand, manipulated the investments of the company and regularly freighted his goods on company ships. We have no evidence of Richard Mohun being a ship owner, but he was the first to collaborate with *komati* merchants for his private trade. Richard Mohun was suspended from the service. The Madrasapatnam council under William Langhorn confiscated the property of Richard Mohun and on

<sup>91</sup> On Richard Mohun's career See, *EFI* (New Series), p. xix.

<sup>92</sup> *RFSG, Diary and Consultation Book*, 1675,1672-78, p 45-46.

further investigation found that he was in a debt of 5800 *pagodas*.<sup>93</sup> Significantly the company suspended Richard Mohun not with the intention of curbing private trade at Masulipatnam but on the basis of regular complaints made by another private trader, Mathew Mainwaring, the second- in- charge of the Masulipatnam factory.

Mathew Mainwaring who was in the good books of William Langhorn was immediately appointed as the head of 'Commissioner for the management' of Masulipatnam factory. His first step was to file charges against Richard Mohun and sent a detailed report to President and Council. Richard Mohun, who remained in Masulipatnam, countered the charges and lodged complaints of private trade on Mathew Mainwaring. In 1677, he wrote to the Governor:

" That he had an account of 25 bales of cotton in ship *Anne* on private account, that he took 4000 pieces of silver from godown, that the boats taken by the Dutch at Pulicat were sent by Mainwaring, that he used company boats to Bantam and Gingelly, that he secretly sent money to Mohammad Narasinge (?), Venkata Brahmin (Chief Dubas at Madapollem) and Accanna, that he paid money to Robert Fleetwood and Chamberlin, that he took a loan of 2000 *pagodas* on company account"<sup>94</sup>

Due to his close association with chief merchants of Masulipatnam, Madapollem and with Accanna, Mainwaring was

<sup>93</sup> *Ibid* p. 48, 65,67.

<sup>94</sup> *RFSG, Diary and Consultation Book, 1677, 1678-79, p.29-30.*

instrumental in getting a *firman* from Tana Shah for "free exporting and importing, either by sea or land, all sorts of commodities, gold and silver" and secondly, in activating the investments in Madapollem and Viravasaram.<sup>95</sup> Mainwaring was particularly disliked by other factors at Masulipatnam and when Streynsham Master became the Governor of Madrasapatnam, Christopher Hatton was appointed due to special favours accorded on him by the Governor. Meanwhile Mainwaring was dismissed from the company service on a murder charge but later on returned to India as an interloper working for Captain Alley and died in 1679. Meanwhile, Richard Mohun too was reinstated in the company after pleading guilty but preferred to operate as free merchant at Madrasapatnam. Streynsham Master, who visited Masulipatnam factory on 'express orders' from London, to activate the factory and to introduce 'rule books' for the working of the factory' appointed Christopher Hatton as the new chief. Christopher Hatton who was asked to submit a report on the activities of his predecessors found that differences between Richard Mohun and Mathew Mainwaring arose due to breaking down of joint trade that they were involved in 1671.<sup>96</sup>

Unlike Richard Mohun and Mathew Mainwaring, the activities of Robert Fleetwood were slightly different. He joined the

<sup>95</sup> *EFI* ( New Series), 1675, 1670-77 p. 294. On Mainwaring's career, See, *Court Minutes*, Vol. xxvi, fol. 48, Vol. xxxiv. fol. 95, 114 and 5. *Master*, Vol. 1, 283 and 284fn. Mathew Mainwaring came to India as a factor in 1667. From 1669 to 1671 he was a second at Balasore. In 1672 he came to Masuliptanam and was in variance with Richard Mohun. Mainwaring was suspended in 1678 on the charge of Murder of Robert Crawley. Later on he went to England and returned back as an interloper by associating himself with Captain Alley.

<sup>96</sup> *RFSG, Diary and Consultation Book, 1672-78*, pp. 29-35.

company service in 1661, was sent to Masulipatnam on the recommendation of William Jearsey and was appointed as the chief of Madapollem factory. When his mentor William Jearsey fell into the bad books of William Langhorn, Fleetwood was also vindicated. In 1674, he was threatened of dismissal from the company service for having revenue farmed the town of Viravasaram . Fleetwood who bought a revenue farm to collect taxes worth 300 *pagodas* , collected 1200 *pagodas* and in the process made a profit of 900 *pagodas* per annum.<sup>97</sup> When the orders came from President and Council to surrender the revenue farm, Robert Fleetwood submitted it to the company and sought reinstatement into the English service. Fleetwood died of debts to governor and the company in "1679 at Navarazpuram.

The purpose of this elaborate description of the careers of these private traders has been two fold. Firstly, we see a considerable difference in mode of operation of these traders. We find three different categories of private traders at Masulipatnam, i) Sea borne traders with independent shipping such as William Jearsey and Robert Freeman, ii) traders who manipulated company's investments at their respective factories in collaboration with local komati and chetti merchants and freighted goods in company's ships such as Richard Mohun and Mathew Mainwaring and 3) traders like Robert Fleetwood who tried to penetrate into inland by revenue farming.<sup>98</sup> Considering the differentiated modes

<sup>97</sup> S. Master, Vol. II, p. 284fn.

<sup>98</sup> For the intervention of private traders in the political arena and for the development of "sub-imperialisms" See, Sushil Chaudhari, 'Trade, Bullion and Conquest: Bengal in the eighteenth century', Presidential Address, *Proceedings of Indian History Congress*, Gorakhpur, December, 1989 (mimeograph), For the

of operation by these private traders, it is questionable if they were merely ' port-centric'<sup>1</sup> as Sanjay Subrahmanyam opined, but on the other hand seemed to have combined (though in a small way) a complex pattern which involved local merchants (mainly Hindu) to that of central administration like Accanna.

The nature of private trade at Masulipatnam further reveals a nexus between the company factors and the Governors of Madrasapatnam. The Governors of Madrasapatnam like Edward Winter, William Langhorn, Streynsham Master etc., sponsored the local private trade by appointing their favourites as chiefs in respective subordinate factories. Secondly, the governors of Madrasapatnam provided capital to the factors involved in country trade. In our period, barring Edward Winter and Elihu Yale, the participation of Governors of Madrasapatnam in private trade was rather indirect. Streynsham Master, for instance regularly sent money to Robert Freeman for diamond trade, who instead of investing it in diamonds as expected by the London financiers, used it for his own country trade.

As late as 1713, Master wrote letters to Thomas Pitt of Madrasapatnam about the money he left behind with Freeman to administer the diamond trade." From the company's point of view there is no evidence to suggest that private trade at Masulipatnam led to a decline in the company trade on the Coromandel.

history of Private Trade in the eighteenth century, See, Peter. J. Marshall, *East Indian Fortunes*, Oxford, 1976. and his more recent monograph, *The Bengal Bridgehead, The New Cambridge History of India*, Cambridge, 1994.

<sup>99</sup> See, Soren Mentz, 'Diamonds and Country Trade' p. 171.

Asian shipping underwent a significant transformation in the second half of the seventeenth century. Sanjay Subrahmanyam is of the opinion that Asian shipping witnessed a general decline attributed it to the unscrupulous intervention of Muhammad Sayyid in Asian trade. In fact he says that the attacks on Masulipatnam shipping in the western Indian ocean and the dwindling political fortunes of the Persian portfolio interests in Golconda as a major cause for the decline of Persian shipping at Masulipatnam.<sup>100</sup> Joseph Brenning on the other hand argues that the Asian shipping declined due to the opening of the Hyderabad factory by the VOC with exclusive privilege for import trade between Golconda and Masulipatnam.<sup>101</sup> However, both the scholars agree that Asian shipping at Masulipatnam declined by the last quarter of the seventeenth century and that it was a phenomenon which took place long before the Mughal conquest of Golconda. While accepting what the scholars have to say on the decline of Persian shipping partially, this section will try to analyse the actual process of transformation of the Persian elite in the period under study. The second half of the seventeenth century witnessed a change in the nature of economic and political activity Persian merchants from shipping to that of financiers to company and non-company trade.

In the above paragraphs, it was seen that the seeds of decline of Asian shipping and the concomitant growth in private trade in

<sup>100</sup> Sanjay Subrahmanyam, 'The Port of Masulipatnam', p.61, *The Political Economy of Commerce*, pp. 217-218, and 'Persians, Pilgrims and Portuguese: Travails of Masulipatnam Shipping in the Western Indian Ocean 1590-1665', *MAS*, Vol XXII, 3, 1988.

<sup>101</sup> Joseph Brenning, *The Textile Trade*, pp. 36-38.

1680 was actually sown in the decade immediately preceding it. Politically, the death of Abdullah Qutb Shah in 1672, and assuming of the throne by Tana Shah in the same year witnessed a massive transformation of political structure of Golconda. Soon after the accession of Tana Shah, Madanna was appointed as *Sar-i-khail* (Chief Revenue Officer) with an additional charge of the provincial administration of Masulipatnam, Mustaphanagar, Murtazanagar, Eluru and Rajahmundry. Interestingly these are the areas where the Brahmin *havalendars* were dominant and through favours extended by Madanna were able to consolidate their positions in their respective areas. Niyogi Brahmins who remained as *havalendars* in the earlier periods largely due to Persian dominance in the higher strata of administration, were now able to aspire for higher levels of administration. The reforms of Madanna of making the officials to be paid in salary rather than through farming, increase in salt taxation, monopoly of copper minting, etc. enlarged the scope of local *havalendars* in coastal areas. In reality, Madanna's reforms reflect the process of centralisation of the state which left out Persian entrepreneurs.<sup>102</sup> Madanna's policies had two major consequences for Coromandel economy in general and Persian merchants in particular. The Persian elite who were concentrated in the urban centres, now had to contend with mere official positions such as *havalendars* and *seerlaskars* which meant a considerable erosion of their 'portfolio' management.<sup>103</sup> In such a scenario, the Persian elite had

<sup>102</sup> Ibid., pp. 186-188.

<sup>103</sup> It may be noted that the positions of *havaladari* in the kingdom of Golconda is given for a short period of time and was totally unsupervised by the central administration. Often the tenure was held for a period of three years and was

two options. They either migrated to other parts of the coast or rechannalise the money into other spheres such as providing finance to traders. They regularly gave loans and perhaps even provided capital to the company and non-company trade which centered around Masulipatnam. In 1677, Agha Jalal demanded from Stryensham Master of the debts of Fleetwood at Viravasaram.<sup>104</sup>

| Name of the Merchant  | Amount payable in<br>(in months) | <i>pago(ias(@ 2% interest)</i> |
|-----------------------|----------------------------------|--------------------------------|
| Mulla Ali (1675)      | 4 months                         | 2440                           |
| do                    | -do-                             | 1080                           |
| Mir Nasir (1676)      |                                  | 375                            |
| Haji Omar (1676)      | 6 months                         | 600                            |
| InayatMeer (1676)     | - do-                            | 400                            |
| Abdullah Bakir(1676)  | - do-                            | 2000                           |
| Mir Jamal (1676)      | 4 months                         | 1485                           |
| Mir Fakkuridin (1674) | 6 months                         | 600                            |
| Haji Mohammad         |                                  | 500                            |
| Mir Inayatullah       |                                  | 300                            |
| Total                 |                                  | 9780                           |

Source: S. *Master*, Vol. 1, p. 58 and Vol. II, pp. 100-101

Though the amounts financed seem small, it nevertheless represents a period of transition for Persian merchants on the northern Coromandel. However, it may be added with certain caution, the transformation of Persian merchants into financing is only a conjecture and is not adequately backed by contemporary source materials. The second major consequence of the reforms

publicly auctioned and ranged between 20,000 to 30,000 pagodas. For details see, Sanjay Subrahmanyam, "Aspects of State Formation", pp.368-69.

<sup>104</sup> On the Persian finance to the company and to Private traders see, RFSG, *Diary and Consultation Book*, 1679, 1684. S. Master, Vol I, p. 58 and Vol II, pp.100-101.

was the fact that it led to a large scale restructuring of the nature of the character of state itself. The proposed streamlining of administration into a more bureaucratic system by Madanna left little space for Persian 'portfolio' interests.

Madanna's career in trade bears a remarkable similarity to Mir Jumla. By streamlining the bureaucracy, Madanna eliminated competition in trade and claimed monopoly in grain and freight trade. However, unlike Mirjumla whose participation in trade was outright aggrandizement in the sea borne commerce, Madanna's activities were more localised and indirect and never achieved the eminence of his predecessor. For some unknown reasons, Madanna used his brother Accanna and other Brahmin officials to manage his shipping. In 1682 the English reported: "Worshipfull already hath heard of a ship belonging to Accanna which is already built and goods providing for her".<sup>105</sup> In 1684, John Coates, the chief of Madapollem seized two ships of Madanna which led to reprisals on the English company. The English were sceptical about their position in Madapollem. On the merchandise in the ship the English chief recorded

"The Braminy's ships at Madapollem, it said to very rich with owners estates in 2 or 3 chests which action is likely to bring great trouble to the English in these parts and put a stop on company's business"<sup>106</sup>

<sup>105</sup> RFSC, Public Department, *Letters to Fort St. George, 1682*, p. 57.

<sup>106</sup> RFSG, Public Department, *Letters to Fort St. George, 1684*, p. 365.

From the information given by John Coates, it is clear that Madanna owned about 3 ships with a tonnage of 170, 330 and 220 tones<sup>107</sup> Apart from shipping activities, Madanna intervened in the production process by appointing Brahmin officials in the most coveted areas of the kingdom. He appointed intermediaries such as Podela Lingappa, Linguana etc. to augment his trading activities. One significant aspect of his trading career had been an overemphasis on grain trade. This was crucial in the period when the prices of grain went up by as much as '100% in the Masulipatnam sector of trade.

Coming back to Persian merchants, one cannot say that they declined totally in the changing politico-economic structure of Golconda in the Madanna' phase of intervention. An early eighteenth English letter has recorded some resident Persian notables at Masulipatnam. They were Mirza Asseddula, Mosuam Khan, Mirza Habib Khan etc. who mediated in the disputes between the company and Indian merchants. Persians continued to trade, probably on a smaller scale as carriers of textiles and grain from and to Bengal and other parts of the sub-continent. A recent work on the eighteenth and nineteenth century has shown that there was considerable revival of Persian activates ( called *Mogal* merchants) on the Coromandel coast even during the phase 'company dominance'.<sup>108</sup>

<sup>107</sup> *Ibid.* p. 379.

<sup>108</sup> On the role of Persians in the eighteenth and nineteenth century see, *Reports on the Disturbances in Purlakimcdxj, Vizagpatnam and Gomsoor, 1832-36*, and P. Sudhir and P. Swarna Latha, " Textile Traders and Territorial Imperatives: Masulipatnam 1750-1850, *IESHR*, Vol xxix, 2,1992, pp. 149-69.

#### Masulipatnam: The phase of Decline 1687-1724

In the above section, a suggestion has been given on the slow transformation of state into a bureaucratic enterprise under Madanna and its impact on the trading economy of northern Coromandel. Though scholars like Arasaratnam and Joseph Brenning are clear on the timing of the decline of the port of Masulipatnam, the causes for the decline have been variously interpreted. Discussions on the decline of Masulipatnam fall into two propositions. Scholars like Tapan Raychaudhari and Arasaratnam argued that the Mughal invasion of Golconda had direct impact on the fortunes of Masulipatnam. However, recent interpretations by Joseph Brenning and Sanjay Subrahmanyam traces the cause to the complex nature of economic changes in the last decade of the seventeenth century. They include, a general decline of Asian shipping, steady rise in the prices of rice, and the tightening of revenue controls in the Sultanate of by Madanna in 1670's and 80's. This section will consider each of these discussions and tries to locate decline in a paradigm of port-hinterland nexus.

All the above mentioned scholars agreed, albeit with differences that Masulipatnam declined in absolute terms only in the eighteenth century. Joseph Brenning remarks that the decline of Asian shipping had direct impact on the fortunes of the port which started with the opening of the Hyderabad factory by the VOC in 1661 with monopoly rights. According to him, this concession given to the VOC cheapened the prices of imports to Hyderabad which adversely affected the Asian merchants who dominated between

Golconda and Masulipatnam.<sup>109</sup> His conclusions are drawn from two contemporary observations of Christopher Hatton and Daniel Havart. Christopher Hatton who was asked to submit a detailed report on the trade in 1678 at Masulipatnam observed that:

"Found 20 sailes of ships of goods belonging to the native merchants here constantly employed to Arakan, Pegu, Jahore, Tennasarim, Queda, Malacca, Jahore, Achen, Mocha, Persia — and continued for many years, till the Dutch settled a factory at (1661), *where keeping of all sorts of commodities, they furnished these merchants that usually come down to this place and thereby occasioned a decay of trade here*" (emphasis added).<sup>110</sup>

Joseph Brenning's argument has two limitations. Firstly, he seems to be over emphasising on the Dutch monopoly of import trade to Hyderabad factory. It was noticed that there were other centres of consumption spread across the kingdom apart from Hyderabad. The *paraganas* of Kondapalli, Bezawada, Payakaraopeta, Bobbili, Rajam, Vizianagaram, Draksharama etc., emerged as main consumption points which were directly drawn into the dynamics of company trade by the second half of the century. These centres not only imported goods from Masulipatnam but were well connected with port towns of

<sup>109</sup> Joseph Brenning, *The Textile Trade*, pp. 36-38.

<sup>110</sup> For details of Christopher Hatton's report, See, *S. Master*, Vol II, p. 113.

Vizagpatnam, Bimlipatnam, Masulipatnam and Nizampatnam which fell within their provincial jurisdiction.<sup>111</sup> Further more the vibrant *Zamindari* belts of the Krishna Godavari deltas surely diverted much of the import trade of Masulipatnam since the last quarter of the seventeenth century. During the Mughal phase the Imperial *firman* of 1691 which revoked the concessions given to the companies stated that all goods on transit (even those which belonged to the VOC) were to pay flat duty of 3 1/2 %. The *firman* revoked these concessions particularly on the behest of the local officials who objected to exemption of duties and internal customs which officially formed their prerogative.<sup>112</sup> The revoking concessions given to the companies may have led to a considerable diffusion of trade to other centres within the regional economy. In the Madanna phase and in the Mughal phase, local officials were increasingly demanding the central authority to cancel various concessions given to the companies in the earlier periods.

Interestingly, Daniel Havart mentioned about the role of local officials as "merciless local tyrant, capable of any act from thrashing a visitor's peon within an inch of his life for stealing a lemon from his garden, to squeezing foreign traders without any regard for longer term consequences". We have yet another evidence to suggest the powers of local officials was steadily increasing during this time. Stryensham Master mentioned that " Sayyid Mir Jafir, who rented this country to such would give most, and they to raise their summes, by which meanes grown double to

<sup>111</sup> *Prakasam Zilla Kaifiyatulu*, AP State Archives, 1993 pp. 20-21, Daniel Havart, *De Op- en Ondergang*, Vol. II, p 40-41. and S. Master, Vol. II, p. 113,

<sup>112</sup> S.Arasaratnam, *Merchants, Companies and Commerce*, p. 74.

the former rents, oppressing the people, have now reduced this place to low condition --for the present the whole trade and support of this depends on EIC and VOC-"<sup>113</sup> . These statements apart from being a mere stereotype on the nature of Indian administration also reflects the growing authority of local officials in matters of trade.

Secondly, Joseph Brenning is not clear on how the decline of Asian shipping *per se* became a cause for the decline of Masulipatnam. According to the shipping estimates cited by Joseph Brenning for the year 1682, one stills finds Asinas at a very competitive stage when compared to the first half of the seventeenth century. In the period between 1624-34 an average of 10 to 15 Asian vessels departed from Masulipatnam while the 1682 statistics which the historian records, had as many as 12 Asian ships .<sup>114</sup>

However, one sees a major change in the shipping lists of 1682 when compared to the earlier period. As many as 14 ships belonged to European private traders which exceeded the Asian shipping. Thus, if we argue that the Asian shipping was supplanted by the European private traders in tonnage and volume of trade carried from the port, it then becomes difficult to directly link between Asian shipping and the decline of the port.

<sup>113</sup> Daniel Havart, *De op-en Ondergang*, Vol. I, pp. 226-28, cited in Sanjay Subrahmanyam, *The port of Masulipatnam 1550-1750*, p. 60. and S. Master, Vol. II., p. 113.

<sup>114</sup> Compare the statistics of Sanjay Subrahmanyam and Joseph Brenning for the first half and the second half of the seventeenth century, See, Sanjay Subrahmanyam, *The Political Economy of Commerce*, p. 214,334 and Joseph Brenning, *The Textile Trade*, p. 46.

Arasaratnam, whose source again is Daniel Havart, argued that there was considerable disruption in the port's economy due to Mughal invasion of in 1687. According to him Masulipatnam never recovered to its former glory and witnessed numerous slumps and depressions in the post-Mughal invasion period. According to him the general investments and profits of the Dutch and English companies which reached its height in the 1680's fell drastically from 1690 and between 1702-1712; the exports from Coromandel to Europe were in a range of 40,000 to 50,000 lb<sup>115</sup> But the quantitative evidence of K.N. Chaudhuri and the more recent work of George. D.Winus and P.M. Vink for the English and Dutch companies respectively showed definite signs of recovery of the Coromandel between 1720-1730 .<sup>116</sup> However, it must be remembered that the statistics mentioned above covered the whole of Coromandel coast and of Masulipatnam *per se*. There are no sources in the seventeenth century to asses the actual volume of trade carried from Masulipatnam in this period and hence only of a limited value for any discussion on the actual decline of trade at Masulipatnam.

Sanjay Subrahmanyam, who agrees with Joseph Brenning on the decline of Asian shipping argues that the port of Masulipatnam showed cracks due to a combination of factors. He highlighted on the transformation of state especially under Madanna, steady rise in prices of rice, the regularity of slumps between 1730-1740 and a

<sup>115</sup> S. Arasaratnam, *Merchants, Companies and Commerce*, pp. 189-191.

<sup>116</sup> See, K. N. Chaudhuri, *The Trading World of Asia and the English East Company 1660-1760*, Cambridge 1972, Appendix and Marcus P. M. Vink, *The Merchant Warrior Pacified: The VOC and The Political Economy of India*, New Delhi, 1991. Appendix.

shift in the European commerce to the Gingly and southern coast of Coromandel.

There is no doubt that the companies started concentrating in their southern settlements such as Madrasapatnam and Fort St. David by the English and Nagapatnam by the Dutch in the last decades of the seventeenth century. But how one can attribute the decline of Masulipatnam to shifting of European commerce to southern Coromandel is still hazy. If one carefully study the situation in the northern Coromandel in the last decades of the seventeenth century, one finds that the decline was rooted within the port - hinterland nexus as emerged in the phase of Mughal intervention. In the first instance, the Mughal intervention surely put an end to central authority of Golconda while the imperial apparatus failed to consolidate its position in the northern Coromandel. The failure of Mughals to consolidate their position was effectively manipulated by the local chieftains and *Zamindars* who demarcated territorial controls in respective areas of coastal Andhra.

The *Zamindars* of the northern Coromandel chalked out limited territorial controls which in turn led to constriction in the vast hinterland the port commanded in the earlier periods of the seventeenth century. Thus, to cite an example, *Timmaraju*, the *Zamindar* of Peddapuram whose political control extended to about 50 Sq.Km now started using Ingeram as a main outlet for goods produced within his area of control. In this context the hinterland was more defined but small and Masulipatnam had to sacrifice its trade to the emerging small ports in east Godavari delta. It was for

this reason alone that the European companies started negotiating to develop 'satellite ports', exclusively under their jurisdiction. Masulipatnam at the end of the seventeenth century was a classic case of hinterland shrinkage, an opinion which Ashin Das Gupta has tested for Surat in the eighteenth century.

One can identify at least two factors for the emergence of smaller ports within the northern Coromandel region. Firstly, the European company trade underwent a massive transformation during the phase of Mughal intervention. The European commerce which was more or less consolidated in the hinterland through their factories started seeking permission to gain exclusive control on ports such as Divi, Ingeram, Jaganathapuram, Vizagpatnam, Bimlipatnam etc. on the northern sector of Masulipatnam. These ports which were located closer to the weaving villages led to the cheapness of finished textiles as it did not involve too many taxes along the route, especially if one is speaking in the wake of revoking of concessions by the imperial authority. It may also be emphasised that in initial years after the war, there was steep rise in *Rahadari* and *Darwaza* due to uncertain political conditions along the coast. These ports which earlier acted as 'satellite ports' to Masulipatnam were slowly coming out of their satellite character and claimed independent status by the beginning of the eighteenth century. These ports became crucial suppliers of cloth and grain to the companies in the coastal trade. On Divi the English factors wrote:

" We have given particular direction about Divi and the grant of it from the crown directly would be the best jewel you have in India. There is everything upon it that can be wished or derived in such a place. The water is excellent, plenty of wood, soil is fruitful to a productivity of everything that is useful and necessary, especially Chayroot and a good harbouring of vessels from 100 to 200 tonnes".<sup>117</sup>

Divi island solved the problems of procuring grain and chay root directly from the hinterland but also provided an alternative to Masulipatnam, However, it is not clear whether commodity trade at Divi was directly routed to other Coromandel ports. For instance, on Ingeram the factors stated that:

"The goods we use to have at Madapollem were made in this country, and upon those islands surrounded with deep and broad rivers, which makes ground fertile so that it maintains vast number of inhabitants"<sup>118</sup>

By the middle of the eighteenth century, these ports of east Godavari were able to channelise most of the oceanic trade which hitherto was exported from Masulipatnam. The reduction of distance between production areas and the ports enhanced exports with greater reliability. Masulipatnam had to sacrifice hinterland

<sup>117</sup> See, *RFSG, Despatches to England*, Vol IV, 1714.

<sup>118</sup> *RFSG*, Public Department, *Letters to Fort St. George, 1712*, p. 133

of east Godavari to the smaller ports in the same delta. The notion of 'Port complexes, Port concentration and Port diffusion' in which the competition or traffic in trade in their common hinterland affect the fortunes of other ports (even if they were of Metropolitan nature) holds ground for the port of Masulipatnam at the beginning of the seventeenth century.<sup>119</sup> The consolidation of these smaller ports was a by product of Mughal invasion and the consequent processes of consolidation of territorial jurisdiction by the tributary and other *Zamindars* of the region. In Vizagpatnam for example, the local chief Pusapati Ananda Raju encouraged English trade by allowing the company to fortify the town and with additional concessions of farming the villages around the port. At Ingeram the factors wrote,

"very civil treatment from the governor  
and all people at Ingeram and  
Timmarazu, that countrys rajah gives frequent  
assurances of his favour and friendship, so that  
we can hope considerable trade may be  
carried for the company in spite of the Dutch  
who have begun and continue to trade  
there"<sup>120</sup>

By 1690, the role of *Zamindars* and tributary chiefs in trade became more direct when compared to earlier periods. The role of

<sup>119</sup> See, B. Ogundana, 'Patterns and Problems of Seaports Evolution in Nigeria' in B.S.Hoyle, ed., *Sea ports and Development in Tropical Africa*, London, 1970, cited in Atiya Habeeb Kidwai, 'Conceptual and Methodological Issues: Ports, Port Cities and Port-Hinterlands' in Indu Banga, ed., *Ports and their Hinterlands in India, 1700-1950*, New Delhi, 1992 pp. 23-25.

<sup>120</sup> *RFSG*, Public Department, *Despatches from England, 1712*, p.61

Zamindars and their attempts to streamline trade through smaller ports which lay within their territorial jurisdictions had an adverse impact on Masulipatnam. It was a common feature in the eighteenth century to find ports with small but definite hinterland survive over those which commanded vast hinterlands such as Masulipatnam of the preceding century.