Introduction
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The English settlement in Bihar was not a mere extension of their trading activities in Bengal. They rather came to Bihar on a well defined commercial mission. Company’s trade in Bihar was a regional manifestation of a worldwide phenomenon. In fact, in the expansion of English commerce, the disruption of the Antwerp entrepot in the 1560’s and 1570’s probably marked a turning point. It encouraged the English merchants to lessen their dependence on European middlemen and to go themselves further East, directly to the source of supply. Organized on a joint stock basis and acting on the theory of mercantilism, the English Company was specialized machinery, especially developed for trading activities in the Eastern seas. The Company was successfully able to integrate the function of a sovereign power with those of a business partnership in later period. From its inception the Company represented a fusion of public and private interest within a technically superior organization.

At the time of the arrival of the English men, the Subha of Bihar and its capital Patna was a commercial hub for the merchants and the likeminded people. The Subah of Bihar had all the prerequisites for trade. A developed credit and financing system, interregional trade and political stability, all were there in Bihar. The contract system of production worked efficiently as merchants could raise short-term loans at a reasonably low rate of interest and could transfer money through bills of exchanges. This attracted the attention of the English to settle a trading establishment in Bihar.

Herodotus, describing his contemporary trading practices, speaks of a ‘silent trade’, in which the need of penetrating each other’s sphere of influence was not required. However, for the formation of trading settlements, the support of groups from indigenous societies is needed. In fact, C. A. Bayly contends that, at this time it almost became a truism that to establish and perpetuate trade in area such as Asia and Africa was impossible without the establishment of trading settlements in these areas.

2 Trades across different societies and cultures have been discussed in several contexts. Herodotus, described it in the form of silent trade where exchanges of commodities took place with no actual intermingling of traders; Philip D. Curtin, Cross cultural trade in world history, Cambridge University Press, 1984, 12.
Consequently, the collaboration of the key people in the indigenous societies was a *sine quanon.*

However, before establishing any settlement, it was also necessary for the Company to see the position of the settlement in case of the goods procurable and saleable there. Bihar in this case showed a different feature. It did not have the spices for which it was said that 'the East was still the foundation of all riches'. In fact, the excessive spice hunger of those days and the difficulty in obtaining them was a chief factor in the jealous contest for the road to India and were long to remain so. Equally, Bihar was not a fresh market for the English cloth which was the main export by the Company to India from England. Thus various reasons, by which the English opened several factories in India, were not generally applicable in case of Bihar. Bihar was initially reached for cotton and silk textiles but later these two commodities gave way to two other valuable goods i.e., Saltpeter and Opium of which Bihar was a famous producer. Bihar thus presented a different though not unique commercial features. In addition to these above mentioned commodities, the fully developed commercial system provided a good prospect to the English to settle factories in Bihar.

A favorable commercial atmosphere in Bihar existed, thanks to the strong political system provided by the Mughals. From 1575 onward (which is the period of this study) Bihar was annexed to the Mughal Empire and was thus under the Mughals. Its capital Patna was dominated by the Nawabs appointed by the Mughal emperors. The English were in direct contact with the Mughal governors and that provided them a link with the imperial capital Agra on one hand and Hugli and Calcutta on the other.

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5 It was argued that, 'Her (England’s) only industry of commanding magnitude was the cloth trade, her only present means of attaining a more diffused prosperity was by finding fresh market for her cloth and by trade generally: the only ready market to be seen lay in the countries... and especially India', ibid, 2.
6 R.C. Temple, ed; Thomas Bowrey, *A Geographical Account of the countries around Bay of Bengal; Munshi Ram Manohar Lal, 1997, First Published London, 1905, Hakluyt Society (Here after, Thomas Bowrey; A Geographical Account...),* 224 (note 1, letter to Fort St. George from Council at Bay, dated 12th December 1669).
It is said that profit making is an art not every one is acquainted with. Yet, it cannot be synonymous with baniagiri\(^7\) alone. It cuts across every aspect of life. Caste and gender too, indeed was, cut across. The pre-eminent position allocated to the merchants may be seen to be born out of the traditional view, since it was they, who mostly indulged in profit making through direct investments. But, certainly there were groups who without having any considerable investments tended to earn valuable profits from the ongoing process of business. The provenance of these groups was varied and diverse, ranging from the political to the religious. They often used their power and influence to dictate the terms in order to earn valuable profits, thus combining political or religious activities with mercantile role. Thus we find a trading arena where a range of groups played their roles accordingly and when any foreign commercial group tended to enter, it had to take the consent and aid of these existing groups.

These groups were small but powerful. They constituted the elites of Bihar. In fact, all societies simple and complex, agricultural and industrial need authorities within and spokesman and agents outside, who are also symbols of the common life and embodiments of the values that maintain it. Inequalities in the performance and reward favours this arrangements and the inequality in the distribution of deference acknowledge the difference in authority. These specific groups are called elites\(^8\), and for every activity and corresponding sphere of life there is elite. In fact, the society in medieval period was divided into two class; Asraf (elites) and Radhalah (the Commoners)\(^9\) and the English as a small group never got an opportunity to interact with the masses.

In Bihar too, we find a wide range of socially well positioned groups influentially operating in our period. Among them we have limited ourselves here with the political and the commercial groups. The former group included the people posted as Governors, Diwans, Faujdars etc. These were the Mughal Mansabdars.

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\(^7\) Colloquially the term 'baniagiri' is used to denote the attitude of a person reflected by his activities just as a Bania caste in India does, in respect to his business and his shrewd behavior in purchase and sell.


\(^9\) I. H. Siddiqui, art., 'the process of urbanization and social change in pre-Mughal India.' Isl. Vol. LXXVII, no. 2, April 2003, 49.
appointed by the imperial authority. These officials as Percival Spear thinks, constituted a genuine elite but of a secondary type. He argues that they never developed a personality of their own and owed their effectiveness to the control of the emperor. However this was not always true as the officials in the far off places from the centre often acted on their own and it was for this reason that special directives were sent to the subahadars and other officials time and again by the Emperors.

The commercial scene was dominated by the merchants operating in the region having considerable capital at their command and a whole team of agents. The name of Fatechand, Pran, Raghu Pandit, Champa Shah and others may well be remembered in this regard. Though the merchants were not organised groups, yet there are references of cooperation like ‘Rewadas and Company’, the House of the Jagat Seth etc. the English Company had to face these groups in Bihar which had serious effect on the English Company’s trade in Bihar.

It is quite clear, as mentioned above, that almost all types of business in Bihar functioned within the framework of the political system and the merchants and manufacturers sometimes felt the weight of the authority wielded by the government officials. This was very acute in case of the trade of Saltpeter. As Patna was the center of polity, political turmoil and commercial motives of the rulers had also its impact on the commercial activities in Bihar.

During most of our period the English, just as other foreign Company had to deal with two sets of ruling groups, one at the imperial cities of Delhi or Agra and the other in the provinces.

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11 An ordinance containing seventeen points of admonition was issued to the Subhadars and particularly to Islam Khan Mushedy (governor of Bengal from 1637 to 16390 by Emperor Shahjahan, to be observed without slightest deviation from them. It contain among others- No Subhadar should sit on a place higher than ½ a human height above the ground; they should not hold any imperial review; they must live according to their own status; no men is to be compelled to Salam and Taslim; the Subhadars must not set up their own standard (Qur); No beating of Kettle-drum at the time of setting out on a Journey etc. this shows that the subhadars, who were also the Mughal Mansabdars tried to set their own standards; M.I.Borah, trns. & ed., *Baharistan-i-Ghaybi*, vol. 1, Govt. of Assam, Gauhati, 1936, 213.

Though provinces were under the control of the centre, we find a situation where the local governors ignored the Mughal stringency to extort arbitrary profits from the commercial groups. At the same time they adhered to the Mughal centre, which assisted and acted as a responsive centre in case, the situation went beyond the control of the provincial Governors. In fact, even when Bihar was integrated with Bengal and the seat of governance shifted away from Patna, the officials at Patna often tried to ignore the directives of Bengal Nawabs.

The use of about sixty percent of the gross agricultural produce by the state aristocracy indicates the high standard of their living and in order to continue and augment that extravagant life style, the Mughal officials favoured the Company which provided them with an easy source of income in the form of gifts, peshkash, bribes etc. It is in this context, that arguments are made to prove the amiability in the relation and ultimate success of the English by following the policy of alignment with the officials.

However, in some circumstances, the ruling authorities treated the traders (English and other foreigners) as a pariah caste, to be exploited or robbed at will; whose presence was tolerated only because it was useful in profit making. Further, the officials and high nobles participated in the thriving inter and intra oceanic trade. For this, they often monopolised trade of certain profitable commodities. They also used force and their official position to carry on their trade.

The increasing weakness of the Mughal Empire in the early 18th century heightened the risk and uncertainties of the trading process in Bihar. The war of succession among the Mughal descendents also affected the trading activities of the far flung areas. Bihar also witnessed several such wars during the early 18th century. Other pressing problem that the Company faced in Bihar was the forceful ejection by

\[\text{W.W.Hunter, A History of British India, Vol. II, Indian reprints, Delhi, 1972, 86.}\]
\[\text{Philip D. Curtin, op cit., 5.}\]
\[\text{There are several instances when certain specific commodities were monopolized either by the state (as in the case of Saltpeter for most of the time) or some prominent indigenous merchants and local officials (as in case of Opium and other goods).}\]
\[\text{After the death of Aurangzeb in 1707, the early two decades of 18th century saw several such wars of succession among the Mughals. The war by Farukhsiyar, Muhammed Shah and Jahandar Shah all had its links in Bihar.}\]
the local officials. The attempt of the Company’s officials to obtain grants of trade and also the incidence of misinterpretation of those grants was also an area of dispute among the ruling groups and the Company. The cost involved in constantly sending embassies to the imperial court and large presents that were lavished on the influential court grandees, added to the Company’s reluctance to secure new privileges for trading in future.

The above mentioned problems that hampered the commercial interest of the Company resulted in various levels of confrontations between the ruling groups and the Company officials in Bihar as in other regions. However, the manner in which these were solved in Bihar by the Company was different to an extant from rest of India. Bihar, being a landlocked region seldom provided the English the edge of their naval strength. In the 17th century, whenever the English tried to demonstrate their power in Bihar they had to use it as a deterrent than as a tactical weapon. They avoided direct military confrontation at least in 17th century in Bihar. The unsuccessful outcome of the war of 1686, demonstrated the better strength of the Mughal military and administrative machinery. During the war, the English Company’s direct trade with England had virtually come to a standstill. It forced the Company to plead for peace and pardon from the then Mughal emperor Aurangzeb. However, with the disintegration of the Mughal rule in 18th century, the English started armed trading in the region, partly to secure their trade from the ongoing political disturbances and partly to show their strength. With the battle of Plassey, they got the much needed political authority in the region.

Commercially, however, the Company faced almost same situation as it witnessed in other parts of India. The indigenous merchant groups as well as the foreigners visited Bihar in large numbers. Bihar equally had brokers or middle men who were the usual intermediary between the foreign merchants and the local producers and manufacturers.

The financial market was also well developed with rich bankers settling in Bihar. The Company allied with these commercial groups for securing trading concessions, finance, procurements and exports of the commodities. However, these benefits for the Company from the indigenous commercial groups of Bihar were not
without ill-effects. The monopolizing tendency of the indigenous merchants as well as the problem of bad debt was also recurrent in Bihar.

The other European rivals in Bihar, though helping the English Company in certain matters were a constant threat to the English Company. The Dutch competition in Saltpeter trade was especially frustrating for the Company. Moreover, the English, fearing a Dutch support to the Mughals in case of war between the English and the Mughals, seldom became offensive in the 17th century at least. Apart from the rival European companies, the English Company had also to tackle the problem of English private traders, including both the Company officials as well as free English men. These private traders mostly used the wages and means of the Company for their private profits and indulged in trade of those commodities that were valuable but not voluminous. Thus, Bihar with better commercial prospects also had embedded problems that the Company had to face in its trading operations.

The English East India Company with the Dutch V.O.C. presented an innovation in the fact that, these companies were formed for pure economic purposes unlike the Portuguese whose main motive was the facilitation of spice trade and spread of Christianity. Though later, both the companies favoured proselytising activities in their colonies but then too economic considerations were primary concern for them. The model set up by the Portuguese admirably suited the purposes of the English East India Company as well. The only significant difference being that, the English Company was determined to be traders first and territorial rulers next. Its overall strategy was premised on the goal of maximization of the commercial profits. In order to reach out to its goal, the English Company had to develop various policies, programmes and strategies to counter the problems arising in Bihar because of the cultural difference, lack of military strength on land and want of adequate finance.

In fact, it is often not the correctness of the economic policies alone that determines the outcome of the trading groups approaches to the profit accumulation. The political structure, the vested interest and allegiances of the ruling elites, typically determines what strategies are possible and where the roadblocks to the effective

economic development and profit making may lie. The constellation of interests and power among different segments of the indigenous population thence, surely affects the policies and programmes of the trading groups. It is in this context that this study of the prospects in Bihar as a commercial hub, the problems inherent in the commercial environment as faced by the English Company and the strategies adopted by the Company for its survival is undertaken.

The English Company had to abide by the laws of the land so that it can continue its trading activities in a peaceful and profitable manner. In order to create space for themselves, the English had to take the consent of the rulers by reaching out to them and this very thing provided the first step in the strategy of the Company towards the ruling groups of Patna. For this the Company used to visit the newly appointed Emperors, governors and officials with adequate gifts and presents and various luxurious European goods to keep them in good humour. Apart from that, the Englishmen tried to adapt to oriental circumstances and at times even took to direct confrontation and outright exposure of their military strength. However, the threat of force or its use by the English against the local ruling elites was mostly answered in a forceful manner especially till the first half of the eighteen century.

Bihar, being a land locked province seldom provided the English the opportunity to push forward their military policies, which were based on their naval strength. The English knowing their limitations on the land, tried to avert their thought of armed trading in Patna. Since a naval blockade or the armed capture of indigenous shipping, was bound to have its ‘costs’ in terms of its trade on land, the English could not afford to avail.

In the first place, there was a distinct possibility that the agents and the servants of the Company’s lives might be in danger. At the very least they would have to endure siege conditions with the supplies of food and water cut off. A greater possibility was the interruption in their trade. In fact, as K.N. Chaudhuri points out, it was clearly in the interest of every one concerned that a conflict should be strictly limited.\(^{19}\) So, in order to establish themselves, as an autonomous self governing

\(^{19}\) Ibid, 126.
group, often, the English by a self conscious pacifisms and neutrality towards all political struggles, sought to concentrate themselves in their commercial endeavours. However, there are certain instances where the English consciously displayed their military strength, which in future would help them to establish their authority more soundly. Then also it has been argued that the building of the English empire of trade depended to a very large extent, on a bargain struck under condition of mutual respect rather than fear of power and violence.  

The English were very clever to use diplomacy and force separately as needed or both simultaneously as the situation demanded. However, the role of power in bringing about any bargain is always underestimated. In fact, the mutual respect in diplomatic relation emerges out of the ‘power’ that each party posses. There are several components of this power- geography, natural resources, technology, morale, ideological element, leadership, military preparedness etc. Geographically Bihar was strategically located and its natural resource provided an edge to it. As far as technology and morale is concerned, both the ruling groups of Bihar and the English Company were almost on the same footing. The Company was inspired by the ideology of mercantilism while the Mughal polity was guided by a patrimonial bureaucratic notion of governance. The extraction of profit was desired by both but varied in degrees.

It was however, the leadership and the military preparedness that decided the most, the nature of policies and programmes adopted by both the sides. Till the first decade of eighteenth century the Mughal Emperor was a force to fear. In that period, the English Company’s attempts to dictate its terms mostly ended in failures as was the case in Anglo-Mughal wars of 1686. In that period the English adhered mostly to the idea of ‘survival’ through peace and diplomacy. However, after the degeneration of Mughal Empire, the perpetual growth of power of the Company helped the English to establish themselves as an important commercial and political power though with active help from the indigenous merchants.

21 Organski, the political scientist has defined power as the ability to influence the behaviors of others in accordance with one’s own ends.
In Bihar, in fact, till the early years of the fifth decade of the eighteenth century, the political authority seldom provided any situation to the English Company for its assertion of power. There are many instances when the local officials by use of force, undermined any chance of the Company to assert its military power. Even the circumstances leading to the battle of Plassey was not initiated and guided according to the strategies followed by the English Company. It was the conflict between the two factions of the nobility supported by the merchant groups to which the English joined later and emboldened by their success against the French, the Company was ready for a complete showdown.

Therefore it would be wrong to see a general trend in English approach towards the ruling groups. In fact, as will be seen, it changes as the circumstances change around them. Thus it cannot be completely termed specifically as cooperative, collaborative, competitive or monopolistic.

The English in Bihar cultivated all their diplomatic and economic relations merely for trading profits and the commodity most important for them from Bihar was Saltpeter, apart from the cotton textiles, Opium and other sundry items. Patna and its hinterland were the major producers of the best quality Saltpeter, cheapest of all varieties and were known as the 'Patna peter' in the international market. The demand of Saltpeter was also governed by the political situation of Europe at that time.

In Bihar the English Company however had to face the most exasperating situation in the procurement and trading of Saltpeter. Due to the classification of the Saltpeter as a prohibited commodity, official vigilance on it was the greatest. The Company’s problems and strategies adopted in commercial field will be discussed further in greater detail in the context of Saltpeter trade in addition to other trade-worthy commodities of Bihar.

As far as the English Company’s attitude towards the commercial groups of Bihar is concerned, the Company, despite having superior organizational skills and trading pattern had to take the help of some trusted indigenous groups at first to breach the gap provided by cultural differences. Also, the Company had to adapt its trading methods according to the local institutions and customs of the people in
commercial sectors. In fact as F. Gaastra observes, 'the Company’s adaptation to local circumstances and the use of existing networks were the very basis of its success.'

The English interacted with the merchants of Bihar under various circumstances and on a variety of levels. Merchants of Bihar were the procurer of privileges and concessions, exportable goods and also the financers of the English trade. The constant dependence of the Company’s officials on the Patna commercial groups i.e. Brokers, bankers (sarrafs) and weavers were also closely paralleled by an equally complex web of relationships in their private capacities. The fact, that the English prospered almost as much through association with the Patna commercial elites as through their competition against them, has led some scholars to characterise their relationship as ‘partnership.'

The Company mainly preferred to deal with those merchants who commanded a substantial amount of capital, either of their own or borrowed from others. This was to relieve the Company from the cash shortage that it faced throughout the period. Even at the close of the 18th century the cash resources of the English trading factory were seldom continuously sufficient to spare its chiefs the necessity of borrowing in his official capacity from the indigenous commercial groups. Also, the Company made contacts with those merchants whose dealings were typically on a large scale both in the cash and forward markets and were able to organise their own chain of middlemen to the producers. The English always faced the possibility that, if they pressed the local sarraf, merchants etc. they could withdraw their support.

The English Company investigated the background of the indigenous merchants before entrusting them with advance payments. This was done mainly to avert the problem of bad debts, which would hamper their trading capacity. It also employed an agent or a broker after being introduced by a reliable and well-known person, but there were certain cases in which the Company freely employed merchants who had not been introduced by others or simply those who were known to

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24 Holden Furber, op.cit, 316.
be reliable. This policy was adopted to avert and weaken the power wielded by the merchant groups who often formed rings and contracted with the Company.

Though these basics were looked upon before contracts, it was the Hindu merchants who were mostly favoured by the Company for employment. One reason for this may be the financial position and strength of the Hindu merchants. However, the identity of interests which a common religion interposed between the Muslim merchants and the Muslim rulers was treated as a sufficient reason for not trusting the Muslim commercial groups at large.\textsuperscript{25}

The English coming from a society acutely aware of social distinctions, behaved towards the highest levels of society in India, as they would have done in England. The English use of the term “blacks” for all their indigenous agents by no means implies that they made no distinction between them. It was this sense of superiority that somewhere worked in the strategies adopted by the English towards the merchants of Bihar though not in case of their contact with Bihar’s political elites. In fact, the nature of the policies and attitude of the English towards the commercial groups of Bihar depended some what on the treatment the later got from the indigenous ruling authorities and hence we find respectable approaches of the English towards merchant magnets like Manikchand and Omichand while there were cases where the indigenous agents serving the English were subjected to ill treatments.

The growth of English Company in Bihar as mentioned earlier is attributed by some scholars to the partnership provided by the indigenous commercial groups to the Company. However this rise of Anglo- Bania order was not the result of perpetual good faith and reciprocity between the two. Even Lakshmi Subramanium agrees that Banias became politically influential only when the centralized system of the Mughals collapsed after the death of Aurangzeb. She argued that, ‘the organisation of the successor regimes in the eighteenth century was predicated on the availability of credit and liquid cash, both of which the bankers were in a position to offer. Not surprisingly, therefore, bankers moved up center stage everywhere.’ And the English authorities in the region, given the situation in which they were placed, were quick to

\textsuperscript{25} K.N.Chaudhuri, \textit{Trading world of Asia...}, 150.
grasp at the opportunities of utilizing the indigenous facilities to maintain their position.\textsuperscript{26}

Before the genesis of this cooperation in Bihar, their attitude towards each other was not completely of partnership or competitive in nature. In fact, there are instances (as it will be seen further in this study) when both of them tried to extract as much benefit as they could from each other. The working together of the indigenous commercial groups and the Company in various trading activities was not always cordial. The English took the help of the Dutch to arrange finance in case of scarcity from the Bihar's bankers side. The Company also sometimes sold its imported goods on its own and once even issued orders to its officials to learn Persian language to minimize the problem arising due to the lack of effective communication in Bihar. In extreme cases, the Company dismissed its indigenous agents. But then the indigenous merchants had the option of airing their grievances in the Patna darbar. Though Patna darbar was vulnerable to payoffs then also till the reign of Alivardi Khan, merchants could count the Nawab on their side which gave them an edge over the English Company. Thus all these above mentioned facts seldom made the Company comfortable on the commercial front.

It was only in the fifth decade of the eighteenth century that the indigenous commercial groups started adopting supportive policies towards the Company. It was because of the fact that there was political instability in Bihar and Bengal while peace in English establishments likes Calcutta. We find many merchants shifting to Calcutta from Patna, Dacca, Murshidabad. The English Company was also gaining military strength by subduing its European commercial rivals. Though there were instances of cooperation earlier in various cases like the Maratha invasion in Bihar and Bengal, it was merely to secure the commercial dealings in a situation of unrest. After the death of Alivardi Khan, a new alignment emerged among power seekers and the merchants supported by the English were one such faction. The local political elites then became suspicious of the dubious character of the indigenous merchants. However then this phase of collaboration came later in our period (denoting the period of this present study) and for most part of our period there was

\textsuperscript{26} Lakshmi Subramanian, \textit{Indegenous Capital and Imperial Expansion}, O.U.P., Delhi, 1996, 9 & 10.
not any fixed stage of either collaboration or competition alone but the attitude and approaches kept changing according to the situation and so was the English strategies towards the commercial groups of Bihar.

Being an interesting aspect of English commercial history, the Company's involvement in trading activities in Bihar had been a matter of several scholarly treatments.

A plethora of writings covering this area's social, political and commercial aspects is there. One of the earliest writings in this respect is authored by N.N.Raye (The Annals of Early English Settlement in Bihar; Kamala book Depot. Calcutta, 1927). This is a study encircling almost all aspects of English activities in Bihar covering a period of almost a century and a half. However, the perspectives of the local political and commercial groups were relatively under represented and hence leaving a sizeable gap in terms of its area and scope, for further investigations.

Three years later, a study covering the relationship of the English Company with Patna by Abdul Ali was published (A.F.M. Abdul Ali - Patna- her relation with the John Company Bahadur; Indian Historical Records Commission, 13th session; Patna, 1930). Though the title of the book sounds promising, it fails to line up to our expectations. The narratives merely detail the English presence in Patna without attempting to relate it to the Company's relations with the political groups of Patna. Neither does it deal with the commercial aspects of the Company's presence or with its interactions with other indigenous mercantile groups.

Jagdish Narayan Sarkar's study on Bihar economy (Jagdish Narayan Sarkar- Glimpses of medieval Bihar economy, 13th to mid 18th century; Calcutta, 1978) provides a good description of Bihar's economy in the medieval period and also discusses the commercial programmes of various European companies in Bihar. What is indeed lacking is the political and commercial links of the European in general and the English Company in particular with various groups in Bihar. Further, in this work, the periodization is too broad to give a microscopic study of the topic.

Sukumar Bhattacharya's work, the East India Company and the economy of Bengal from 1704 to 1740 (Firma K. L. Mukhopadhy, Calcutta, 1969); discusses the
nature of political contacts of the English Company in Bengal and agrees that political
changes, either at the centre or the provinces affected the Company. On the economic
front, Sukumar Bhattacharya describes the groups, ways and rates by which the
Company dealt with the merchants. His study though, integrates the economy of Bihar
with that of Bengal, it leaves the scope for the study of English in Bihar wide open.

*Trade and commercial organisation in Bengal, 1650-1720,* (Firma
K.L.Mukhopadya; Calcutta, 1975) by Sushil Chaudhry discuss the English
Company’s trade and other related activities in Bengal. Though it describes the early
attempts of the Company to establish their trade at Patna, but in only stray references.
Further, the political and commercial contact of the Company with Patna is not
adequately discussed.

K.N.Chaudhuri’s *Trading world of Asia and the English East India Company,
1660-1760* (S. chand & co.; New Delhi, 1978) is one of the most valuable theoretical
works on the English Company which discusses the policies, programs, actions,
relations with the natives of Asia and the English Company, etc., but then too there is
scope for empirically based regional narratives.

Kum Kum Chatterjee’s work *Merchants, Politics and Society in Early Modern
India, Bihar, 1733-1820,* (E.J.Brill, Leiden, 1996) provides an insight into the
commercial aspects focusing on the indigenous groups both political and economic
and their nexus is thus exposed, but there is relatively little emphasis on the English
Company which had acquired a dominant position in the region in the period she dealt
with. Thus there is a fair scope for the study undertaken in respect to the English
Company and its activities in Bihar.

Despite these intellectual efforts by several scholars, this study grows out of
dissatisfaction with the treatment of the political and the commercial realm of the
English Company in Bihar and the activities of the English private traders and the
European companies as rivals to the English Company.

It’s an irony that Patna’s economy in particular and Bihar’s economy in
general has though been well studied, has been largely seen as a mere extension of
Bengal’s economy. This is to an extent because of the political situation of the region. Up till the 17th century it was a part of the Mughal Empire and in 18th century, unlike most Mughal provinces, Bihar did not show any type of political formation that could assert the political autonomy of the province/region, as was emerging in most of the other parts of India. The powerful zamindars of Bihar would have succeeded in projecting Bihar as one of the successor state but thanks to the expansionist policies of Bengal’s Nawab and later the English Company. In fact, from the beginning of the medieval period itself, Bihar was a tempting area for the fulfillment of the imperialist designs. Rulers of north India had no other options but to move towards Bihar while the rulers of Bengal could cater to their imperialist designs only in Bihar. It was only in the period between the reigns of Akbar to Aurangzeb, that it could be convincingly stated that Bihar was given a solid political stability.

The scholars argue that in 18th century the economic decentralisation and the compact and better organised successor regimes proved to be more useful as entry point for European capital seeking, larger consignments and cheaper source of those Asian commodities, that had drawn their interest to these areas in the first place.27 If drawn back to the 17th century this can, in a more general way, be applied to Bihar since under the Pax-Mughalia, Bihar enjoyed a compact and more efficient regime of Mughal Governors who were mostly blue-blooded and near kinsmen of the powerful Mughal emperors.

Another possible reason for the privilege given to of Bengal over Bihar may perhaps, lie in the fact that most of historiography has its origins in the early efforts of the English ‘writers’28 for whom of course Bengal was both politically as well as economically much important than Bihar. The shadow of the Company’s influence looms so large, that even studies on the pre-colonial economic history of Bihar are seldom devoid of references to the Company’s activities. Further, Patna though economically important, never enjoyed the sort of administrative centrality that cities such as Calcutta had for the English, or Chandranagore for the French or even Chinsura had for the Dutch. However, the English Company, as others, never treated Patna establishment as less important to their other factories in Bengal. In fact,

27 Kum Kum Chatterjee, op. cit, 5.
28 By the term ‘writers’, I mean both the writers of professional histories as well as those lowly classical pen-pushers in the employ of the English Company who produced most of the ‘primary materials’ on which these professional histories are based.
according to the Court of Directors, "Patna was the most desirable station, the place where the Calcutta council sent their prime favourites..."\textsuperscript{29}

Thus the birth of this study is in the womb of neglect of the English activities in Bihar in general and that of Patna's trade in particular as an instrument to help us understand better the English Company's problems that it faced and the strategies it adopted in Bihar during our period. Though, the connection between Bihar and Bengal has always been so intimate that it is difficult to separate their histories and statistics but then an attempt here is made to outline English presence in Bihar from 1620 till the battle of Plassey.

First, the question of the political aspects of the Company's trading programme (which by itself has received a fair deal of attention from scholars) cannot increase our understanding much further unless such study is grounded in an analysis of regional levels of political systems. The nature of the English connections with the political groups cannot be discussed as a pan-Indian phenomenon alone, regional variations must also come under research focus.

Further, any generalization on the nature of the relationship between the Company and the political groups in problematic. Pre-eminently since the relation between the English and the ruling groups at the imperial capital was different from those in the regions from the centre of the Mughal Empire. The regional governors and officials often ignored the imperial strictures and tried to augment their profits by various means.

Secondly, the nexus between the indigenous merchants and the Company has been by and large explored as a matrix of cooperation and collaboration but the articulation of a difference is necessary in our appraisal. Therefore, the research focus should also be moved towards the social and economic position of the merchants of Bihar dealing with the Company in order to understand the nature of policies adopted by the Company towards the commercial groups of Bihar.

Thirdly, the commercial interest of free English traders as well as the Company’s officials trading on their own has been deeply studied especially in case of Bengal. However their activities in Bihar needs special treatment because of the incorporation of the two very valuable commodities i.e., Saltpeter and Opium in private trade that were equally important for the Company itself. It was the reason perhaps the Company issued warnings to the officials trading privately as well as free English merchants to mend their ways. Also, the other European rivals, the Dutch and the French eying the commercial potential of Bihar entered the trading arena of Bihar and posed a threat to the English Company. The rivalry between English Company and other European companies should be studied in the context of trade of two commodities, i.e., Saltpeter and Opium.

The starting point of this study is 1620, when the English Company sent two of its factors to attempt settlement at Patna. Though it did not lasted for more than two years, yet it made the English aware of the potentialities which Bihar had with respect to trade. One year later, Bihar was provided with its first Mughal prince as governor or Subhadar. The year 1757 AD has been chosen as the terminating point, not because it was a significant year in the commercial history of Bihar but because it was the year in which the English Company almost got rid of its European rivals and forced them to trade on its terms. The battle of Plassey (1757 AD) also opened the road for the political supremacy of the English in the region. Though Bihar was formally made a part of the Mughal kingdom of Bengal by the Mughal emperor Muhammad Shah, or to use the words of Muzaffar Alam, “the hijacking of Bihar government”30 in 1733, but then it was the battle of Plassey which was a turning point in the military and political life of the English Company not only in Bihar but also in Bengal. Armed with commercial and political strength, the English Company now made the rules of the game for others to follow.

This study is broadly divided into three parts. The first one discusses the prospects in Bihar that attracted many foreign traders including the English. Chapter One is a description of the city of Patna, which was the nucleus of commercial activities in Bihar. Along with the discussion of various cities of Bihar, this chapter

sets out the specific details of Patna, its geography, land and water routes, resources and tries to bring out the conflicts in interests of various groups over the resource utilization of Bihar. Chapter Two is a detailed study of the people of Bihar, their life style and cultural milieu before and after the coming of the Europeans. This chapter also outlines the life of the English in Bihar.

Part two discusses various problems faced by the Company in its operation in Bihar. Chapter Three outlines the English Company’s trading activities in relation to the political groups of Bihar, the problems faced by the English in getting various trading privileges by the monopolistic behaviour of the ruling elites and the threat or use of force by the rulers towards the English Company. Chapter Four emphasises the situation faced by the English Company on the commercial front. It is related to financing its trade, production of trading goods, procurement of those goods and its relation with the indigenous commercial groups as well as other European companies and private British traders.

Part three deals with the strategies which the English Company adopted in order to overcome various hindrances in Bihar. Chapter Five is a discussion of the English approach towards the ruling groups in Bihar, how the English perceived the local elites and what was the nature of relation between them. The Sixth chapter outlines the same on commercial front. The Seventh and the final chapter deals with the English Company’s policies toward the other European rivals as well as private British traders. The policy of the English Company towards the indigenous merchants is also discussed in order to understand the English position in Bihar.

The absence of systematic data left by Indian merchants makes the reliance on the European source material unavoidable, which comprises the records of various European groups operating in the region and more specifically of the English East India Company. However, this documentation naturally expresses the preoccupation and priorities of the English Company and do not provide an answer to important questions relevant for the reconstruction of the political and economic world in which the Indian merchants (merchants from Patna) lived and operated. These records project only the Eurocentric viewpoint and thus it be assumed that they may be biased. The political system of Bihar as compared to other places is relatively
unexplored. Despite these drawbacks, there is little option but to use the English records (in the form of various diaries of Englishmen serving the Company viz-Streynsham Master, William Hedges, John marshal, Thomas Bowery, etc.; English factories in India, factory records of Fort William and Fort St. George and various Company papers; public consultation of Bengal in C.R.Wilson- Annals of English Company in Bengal in addition to a large numbers of English and other travellers visiting Bihar viz- Bernier, Tavernier, Pelseart, Thomas Roe, Manucci, Manrique, Peter Mundy etc.) in order to expand the parameter of our knowledge and understanding of the region.

However, in order to look into the experience of the indigenous society, indigenous sources, mostly authored by the court scribes viz- Ain-i-Akbari; Riyas-us-Salatin; ShanamaMunawarKallam; Baharistan-i-Ghayabi etc. have also been consulted. However one of the major flaws we have to face in the case of these indigenous sources is that these sources seldom have discussion and details of economic aspects. The great Mughal Empire had customhouses at major routes but unfortunately their records have not been survived.

The secondary sources include various texts, edited works and articles published in various journals. These sources helped to substantiate the details culled from the primary sources and thus were very useful.