CHAPTER – V

CHIEF MERCHANTS

The development of Madras as a private enclave of the English Company primarily served the purpose of procuring a wide variety of cotton cloth. This cloth from the Coromandel region had a wide European market. Madras, in its first stage of development progressed as a proto-colonial town where both the indigenous and foreign elements impressed themselves equally. With the passage of time the foreign influence seems to have gained ground and a progress towards colonial system becomes evident.

The development of such cities can be viewed as a process of accommodation between the local and the colonial influences. The shape of this accommodation varied widely according to the particular European and Asian societies involved; but the continual interaction and frequent tensions inevitable in such a process created in most cities, a highly complex urban structure.\(^1\) With the growth of trade, both the economic and the social order witnessed the formation of a web of institutional and organizational forms. The markets were located in space and driven by member factors like social, economic, political and cultural those are hierarchically structured.\(^2\) Joseph Spengler gives a three-fold classification of an economy: the physical dimension, the organizational dimension and the dimension of distribution

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\(^1\) P.A. Roche, *Caste and British Merchant Government in Madras, 1639-1749*, pp. 381-407.

of decision-making power. The distribution of decision-making power, according to him is conditioned by an economy’s organizational dimensions and the physical dimensions are conditioned as are the other two sets of dimensions. Both these dimensions are conditioned by the state of a society’s actions.³

Similarly the merchant class, at Madras during seventeenth century Madras had three dimensions within which they functioned. The first was the economic network of trade in which they were like cogs in the wheel for the ongoing English commercial ventures. Their access to the hinterland increased their functional area whereby they facilitated the Company in the procurement of textiles for export. The second was the role of merchants in the social organization and third was the relation between the merchants and state.

The creation of the European port enclaves brought the local merchants into focus. Within the economic, social and political framework, the merchants functioned at two levels. At one level they fulfilled the European aspiration by mediating between the European and the local governments and also between them and the local inhabitants. At another level, the merchants were the representatives of the local inhabitants to voice their protests and demands to the European authorities. The high social status which these merchants gained can be gauged by analysing various roles they played vis-à-vis Europeans, the local people and the ruling elites.

In a discussion about the merchant class Sanjay Subrahmanyam’s classification of ‘merchants as Portfolio Capitalists’ cannot be ignored. The emergence of Portfolio Capitalists can be dated back from the second half of sixteenth century to their prominence in first half of the seventeenth century. He describes them as close to being individualistic entrepreneurs who occupied ‘the middle ground between mercantile capitalism and political capitalism, gaining and using political position to further commercial interest, harnessing commercial operation to gain political influence’. These merchants were able to ‘straddle the world of commerce and political participation.’ They occupied a shadowy middle ground between the state and the producing economy and combined a role in the fiscal structure with participation in inland trade, currency dealings, movement of bills of exchange and even the sea borne trade on quite a considerable scale.

Subrahmanyam and Bayly also argue that the Portfolio Capitalists presented a complex picture as ‘these figures demonstrate a certain fragility and that they were volatile, more dependent on political favours, in so far as they persisted, it was through buying or fighting their way into land rights’. The seventeenth century merchants of Madras shared some of the features suggested by Subrahmanyam and Bayly but at this stage they do not seem to neatly fit into this classification.

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7 Subrahmanyam and Bayly., pp.401-402.
The Madras of the seventeenth century was marked by the growth of the office of 'Chief Merchants'. This position was held by individuals who were powerful personalities, who made large commercial fortunes and exercised a commanding position in the socio-economic life of Madras and its vicinity.\(^8\) The English sought to control the communities by identifying the 'representative men', leaders who were expected to speak on behalf of the English Company and at the same time shape responses of their communities.\(^9\) This brings to fore the question of individuality of the merchants.

In the seventeenth century the Europeans penetrated South India not as a colonial power but as traders who not only tapped the trading and manufacturing sector which was already present but also merged into the local institutional framework and practices. In this endeavour they were received well by the local polities and merchants. It was here that the role of the chief merchants was essential. The chief merchants also acted as leaders of the communities, earned a social space for themselves, and became a class which was 'politically effective', mobilizing the existing caste consciousness.\(^10\) The individuality of the chief merchants was marked by achieved reputation which depended both on their ability and successes as a


merchants.\textsuperscript{11} Their individuality was marked by their autonomy and reputation derived from the pre-eminent position they enjoyed in the social order. This reputation derived from their function as brokers and financiers to the Company. Thus a merchant’s individuality was a combination of who he was and what he did.\textsuperscript{12} This sort of individuality was evident in the personality of chief merchants like Kasi Viranna, for instance. Kasi Viranna’s strong personal influence enabled him to take ‘base of many townships from the Golconda state by cultivating officials and nabobs at various levels which gave him a commendable commercial presence of in the region.’\textsuperscript{13} It was in his context that Lawrence Sawcer, a Company official remarked, “Sir William governs within the fort and Verona without”\textsuperscript{14} It is essential to acknowledge Kasi Viranna’s significance as an individual. His death in 1680 marked the fading powers of the chief merchants. After him, the Company circumvented the influence of the chief merchants.

The institution of chief merchant was a Dutch innovation. The Dutch East India Company instituted its brokers in this position. The English later adopted this, in their port settlement of Madras.\textsuperscript{15} The Consultation informs


\textsuperscript{12} ibid.


\textsuperscript{14} ibid., p.262, C. Fawcett (ed.), \textit{Travels of Abbe Carre}, trans by Lady Fawcett, vol. II, London, 1947, p. 605 n. Sir William Langborne, was the Governor of Fort St.George, Madras from 1672-78 when Viranna’s influence as chief merchant was at its peak.

that like the Dutch, the English had employed a native broker to effect their investment. It further states that the Hollanders, "by the hands of their Merchant Molleya, alies Chinanna Chitty", had sent presents to the new Raja and also to the King of Golconda. The English Record mentions Malaya as Chinanna Chetti, Malaya Chetti started working for Dutch from 1608 until his death in 1934. The VOC faced a setback in its trade on the coast due to its dependence on Malaya. It also tried to maintain good relations with Malaya's heirs by selling them arms and ammunitions. Malaya's heirs lacked his calibre and experience in commerce. Consequently, the VOC suffered a setback throughout the Coromandel Coast.

In 1624, the English were in the process of setting up a factory on the Tanjore coast when they got instructions from Batavia not only on how to demand privileges from the local ruler but also on how to hire a middleman, "there is a great Committee (Komati) in the Naicks country named Malaya, which we make account will be your chief merchant and will undertake great matters." The embassies on the coast were further informed of Malaya's honesty and were told that "by dealing with inferior Committees you shall better understand the markets and know how to bargain with Malaya with more certainty." Malaya Chetti was an influential merchant
who owned several ships. He has been referred to as the ‘governour’ of Tegnapatam by the English. The English landed there to see “the Malloyes brother” regarding the purchase of textiles. In this period Malaya Chetti was trading for both the Dutch and the English. The Dutch however objected to any kind of alliance between English and Malaya. This resentment of the Dutch is evident from the letter sent from Armagaon to Masulipatnam that states, “… the Dutch’s inveterate hate and malice.” The Dutch along with Malaya created hurdles in the English trade and their settlement along the coast. Another practice that the Dutch used to lure Malaya, was to farm the revenues of important commercial areas to him. Later the English and French followed this policy of the Dutch. In 1620, Malaya with his associates Gurua and Raghava Chetti farmed taxes from Etiraja, the Chief of Pulicat. After nine years, 1629, they managed to renew the same contract. The English now complained about the Dutch intrigues and of Malaya’s involvement in them, “The Naigue hath graunted us large priviledges for the confirmation of our trade, with libertie to fortifie for our owne securitie which our unfriendlie neighbours the Dutch hath sought to prevent by there large presents and bribes; and when these could not prevaile, they sent their Molayan (Malaya), a chiefe negotiater of these affairs, to farme the government of Armagon at tribble its usual rent, purposely to disturb our trade; all which their dishonest practices could not prevail with Naig to

21 ibid., p.16.
22 ibid.
23 EFI, 1624-29, p.131.
24 EFI, 28th August 1620, ‘Agreement between Itterage Chief of Pliacat... and the Asty Paschetty, Groah and Raghua Chitty’.
infringe his covenants made with us, whereupon we may confide, if that place be eagerlie supplied with a cargizoon of gould and vendable goods." 25

Although a fading power on the cost as result of the Dutch presence, the Danes were another set of players in the coastal commerce. They wanted an agreement with the Danish admiral, Roelont Crappe whereby the latter would allow Malaya to take Tarangampadi (Tranquebar) so that he would not face any competition from the Naiks. The Danes were ready to hand over the fort to the Dutch on the payment of 12,000 or 15,000 rials. This offer was rejected by the Dutch. The Danes finally allowed the take over of the fort (fort Dansborg) at a fixed rent of 3000 pardaos per annum, to Malaya on the agreement that they would reclaim the place within three years by reimbursing him his outlay. This shows the volume of trade that Malaya controlled on the coast. His being attached to the Dutch was not only beneficial to them but was advantageous for him as well, as this kind of control over the ports helped him in gaining security from the extortions of the local officials.

By 1632 it seems that Malaya had resumed trade with the English which the Dutch complained of. 26 They believed that Malaya sold clothes to the English at cheaper rates than them. Malaya’s death in 1634 was a setback for the Dutch trade in India.

Malaya’s career as a chief merchant marked the beginnings of the institution. After him several other merchants played an important role in the

25 Letter from the President at Bantam to the Company, 28th October 1629, EFI 1624-29, p.358.
26 EFI, 1630-33, 16th November 1632, p.243.
European trade. Under Kasi Viranna their power and influence had reached its apogee. After his death and with the implementation of Streynsham Master’s concept of the Joint Stock Company, their position declined. The following passage discuss some of these merchants and their trading activity on the coast in the wake of English commercial expansion.

5.1 Chinnanna

After Malaya Chetty’s death, his brother Chinanna dominated Dutch trade. Chinanna has been very often been referred to as Malaya in the English records. He did not confine himself to being the facilitator to Dutch and English trade only but meddled in the local coastal politics as well. This affected his credibility as a merchant. His political ambition knew no bounds and very early in his career he got entangled with the Nayak of Gingee. In 1640 due to some rift between the Dutch the Nayak of Gingee had a repercussion Chinanna’s fortune. He then shifted to Tanjavur from where he could facilitate Dutch trade. In Tanjavur also, he ended up having problem with the Nayak. However, he managed to strike a good rapport with the Vijayanagar rulers with Dutch support. In 1642 the Carnatic was facing political turmoil following the death of Raja Venkatapati. Raja Sri Ranga Rayal who succeeded him dismissed Naik Venkatappa and appointed Chinanna (alias ‘Mollay’) instead.27 This appointment was a cause of

concern for Fort St. George. The English constantly felt threatened by the Dutch and more so due to the intrigues of Chinanna\textsuperscript{28}.

The English apprehension about Chinanna’s dealings is clear from a Consultation in which Chinanna’s demand for the control of Madras is noted. It states that, “Wee have in a former Clause made Nomination of Mollay. Wee are sorry wee have occasion to treate of him further. Some few daies sence hee made demands to have the governments of this place and all the profetts to himselfe, which is contrary to those cowles of the former King and our Nagues, for by those the Government is given to us, with halfe its Profit which if wee should yeeld thereto, by surrendering our priviledge, the Towne would be suddenly Ruinaded by the Raiseing of the customs, for therein they ground their police to worke us mischiefe...”\textsuperscript{29} The Consultation thus notes the privileges that English were enjoying at Madras. It continues by noting that by demanding these Malaya was trying to ‘molest’ them. However under no circumstances were they willing to give these over to him and in fact it is clear from the record that they were prepared to retaliate with force lest he should continue with the demand.\textsuperscript{30}

\textsuperscript{28} The English speaks of their predicament in the following words: “Our neighbours the Dutch have beeene long a projecting and now they have wrought it that Mollay, their Merchant, is like to be as Powerful with the King as the Serkayle is att Golconda. And to ingratiate him thoroughly into his favour, they have assisted Mollay with men and Gunns for the subduing of Castles of our Nague for the king, or rather their owne use; by which means our Nague is Casherd and hee substituted, and is also made his Treasurer, and due even in a manner command us all. And ‘tis very probable that he will governe all the seaports even to the very verges of Ceylon; and whatt this may come to us in a short time is no has matter to Judge of...” Love, Vestiges, I, pp.59-60.

\textsuperscript{29} ibid.

\textsuperscript{30} ibid.
That Chinanna’s relations with Dutch had soured can be gleaned from a letter from Fort St. George to Surat. The Dutch had arrested the Raja’s merchant at Trivatore and to rescue him Malaya sent a force to Pulicat. This event seemed to have pleased the English on behalf of whom Ivie reported that, “Wee have formerly advised you of the great difference betwixt the Dutch and Molay, which now is fallen into open warrs…” 31 The English were bent upon the full utilization of this opportunity. They wrote to Surat, that “....we are confident that our Merchants will not fayle us in what they promise, in reguard the Chiefes of them is Molay his bosom friend, whome he endeavourth to make sole Merchant in this King’s Dominions, as himself was in a Manner when he was with the Dutch.” 32 The English with diplomatic intentions had forged a closer relation with the Raja of Vijayanagar. Greenhill was sent to the Raja, who was then stationed at Vellore. They had also accepted the goods that Chinanna had confiscated from the Dutch. This had displeased the latter. Thus a situation was ripe for an open conflict. Along with the support of Raja Sree Ranga Rayal of Vijayanagar, Chinanna now besieged Pulicat. The war was declared and the Raja wrote to the English asking for assistance for Chinanna Chetti, who he described as ‘a man of quality.’ 33

There was state of disarray on the coast. The king had waged war not only on Pulicat but was also at loggerheads with three other Nayaks. The

31 Love, Vestiges, I., p.64
32 ibid, p. 65.
33 ibid.
king of Golconda countered this move by supporting the latter. The king's army commanded by Chinanna was defeated by Mir Jumla, the commander of the Golconda army. Mir Jumla had already taken over three castles of the Vijayanagar ruler, one of which was zealously guarded by Chinanna and which he surrendered to him after some resistance. Chinanna's differences with the Dutch did not continue for long. In 1647, he reconciled with the Dutch, handed them Tevnapatam and lived under their custody. In another letter the English describe this alliance with a trace of anxiety. They write, "Touching the Coast affaires, wee have already, and still doe referr you unto the Agents, etc., letter, wherein you will find Mollay againe returned unto the Dutch, and by them kindly entertained, though wee believe att present but of little use unto them in regard of the greate alteration and present poverty of those parts." Chinanna's last service for the Dutch was when he interceded for them with Vijayaraghava Nayaka of Tanjavur and negotiated the cession of Nagapattinam to the Dutch in 1658.

Chinanna's fickle character can be gleaned from the above discussion. His controversial role in the local politics cannot be denied. He worked for the Dutch but constantly made friendly overtures to the English. Throughout the records, the English seemed to be confused about his

34 "... And now the king of Golconda hath sent his Genrall, Meir Gumlack (MirJumla) with a great Armie to oppose this king, who is advanced to the Jentues country, where the King hath sent Mallay, who hath got together 50,000 souldiers, as reports saith, where of 3000 he sent from Pullacatt to keepe the Mores from intrenching upon this kings country." (Letter reporting the success of Greenhill's mission from Fort St. George to Surat dated 21st January 1645/46)
35 Letter from Fort St. George to the Company, 9th October 1648, EFI 1446-50, p.165.
actions. Yet realising his importance, they continued to their manoeuvres to gain his friendship and alliance.

5.2 Sheshadri Nayak

Sheshadri Nayak had been functioning as the Company’s chief merchant since 1640 when Fort St. George was established. He belonged to Porto Novo. The Record pertaining to 1655 refer to him as "... the Company’s merchant ever since they built the Fort, and a Principall man in the Towne..." In the initial years, Sheshadri worked for the Company with the help of his colleague Koneri Chetti. However he fell from his elevated after being highly indebted to the English. This led to his replacement during Ivie’s administration by Venkata, a Brahmin. Venkata’s brother Kanappa assumed the post of governor and magistrate of the town. This became the underlying cause of conflict between Sheshadri Nayak and the Brahmin brothers, which later manifested itself in the caste conflicts in Madras. Sheshadri Nayak and the Brahmin brother found their patrons in the Company Agents Henry Greenhill and Aaron Baker and thus ensued the conflict between the Agents as well. There were a series of charges against and countercharges against involving Sheshadri.

Sheshadri’s contribution in setting up the town have been recounted by the natives of the town. The Declaration by the Right hand caste goes to say, “Shewing that the most part of us dwelling at St. Thoma, Paleacatt, 

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38 Declaration by the Right Hand Parties at Chennapatam under the Jurisdiction of Fort St. George, 20 April 1655, EFI, Love, Vestiges, 1...p.122.
Armagaon, Trivelecane, and other places here abouts, were by former Agents, Sesadra etc invited to inhabit here; of whence we received cowles and were accordingly favourable to us."  

On the other hand weavers and painters pressed charges against the Brahmin brothers. In their declaration, Sheshadri’s work was praised, “Sesadra Nague in Mr. Ivies time procured to make a Paddy Bazar, and for sometime ‘twas continued; but the Braminy drove way those that sold Paddy, and sold the place for 16 pagodas, and kept the Money himselfe”.  

The same petition goes on to say “Towards the Building a Mudd Wall about the Towne, there was seized from several people 1345½ pags; and Mr. Ivie appointed Sesadra to sett a man to take Accompt of the charges.” Sheshadri thus derived his influential position in Madras from the faith that the local inhabitants like the weavers and painter had in him as well as from the confidence that he enjoyed from the English.

There, however, existed a set of charges against Sheshadri which cannot be ignored, especially with regard to the role that he played in the caste disputes of 1652. Baker charged Sheshadri of beginning the riot in the city in a letter to Greenhill, where he wrote, “You cannot but remember what a Broyle was made by Sesadra, the Bramons great Antagonist…” According to Baker all the that uproar took place was at the behest of Sheshadri. The Brahmin brothers Vinkata and Kanappa’s declaration

39 ibid.
40 The painters and weavers who were the inhabitants Chinapatnam, in their Declaration against the Brahmin Venkata and Kanappa. EFI, 1654., pp. 236-242.
41 Aaron Baker to Henry Greenhill, EFI, 29th March 1654, p. 255.
42 The Brahmines Vincaty and Connapas Declaration, EFI, 1652-54, pp. 258-266.
regarding the riot echo the same sentiments as those of Baker, stating, "Sesadra made a broyle with causeing the Mooree weavers\(^{43}\) to pass with burialls through the west Gate..."\(^{44}\) Sheshadri Nayak was also charged by the Brahmin's of spreading factionalism.

The Consultation presents a picture of Sheshadri in which he seems to be functioning at two levels. On one hand he worked for the benefit of people of the town, many of whom respected and trusted him. On the other hand he created dissentions among the different groups that led to serious disputes among the castes.

5.3 Beri Timanna

Beri Timanna began his career as a dubash. The first reference to Timanna appears in 1646 when he is referred to as the native head of the affairs of the English Agent, Greenhill. In the same year he is said to have made endowments to built the Chennai Kesava Perumal temple.\(^{45}\) The Consultation of 1692 refers to the same, "The Gentoe Pagoda in the Black Town being built by Timina, the former Chief Merchant and from that tyme kept in repayre and maintained by the Chief Merchants, who allso received the Custome of the Gentoe Pagodo, voluntary payd by all but Europe Natives and Armenians, wherewith they ordered the maintenance of their Braminies..."\(^{46}\) Timanna during his tenure had to face a number of

\(^{43}\) Mooree was a variety of textile that was exported by the English.

\(^{44}\) EFI, 1652-54, pp. 258-266.

\(^{45}\) Love, Vestiges, I, pp. 93-95.

\(^{46}\) D & C, 29\(^{th}\) December 1692, pp. 12-14.
accusations from the Company. One of such accusation was that in order to maintain the temples (both Chenna Kesava Perumal and Triplicane) he was taxing the town inhabitants. This was made to appear like as extortion.\textsuperscript{47}

Around the same time the Company wanted a review of affairs concerning the administration and the abuses within it. In an undated communication Rev. William Isaacson, Company servant, wrote to the officials about the Madras administration. Among other things he also talks of the unprecedented power, Timanna enjoyed being the Company’s merchant. He writes, “on this depends the whole management of your Worships affairs in those parts, the want of which hath bin of late a great obstruction to the good Government of your Worships towne, whilst onely the Agent and Timana, a black servant, are privy to all passages, and those that were appointed by the Hon’ble Company to be of the Councell could never be called to advise with them…”\textsuperscript{48} He stresses on the need of a good Council to assist the Agent.

The influence wielded by Timanna and Viranna were immense. A review of the privileges of the Company merchants was carried out, which showed that chief merchants like Timanna and Viranna were free of customs charges.\textsuperscript{49} Timanna’s influence in Madras becomes evident with his appointment to the Choultry or the Court of Justice. From the time of the first settlement of Madras, justice was administered to the local inhabitants

\textsuperscript{47} The Brahmins Declaration 4\textsuperscript{th} April 1654, EFI 1651-54, pp.258-262; Love, Vestiges, I, pp.140-141.
\textsuperscript{48} Isaacson’s letter was undated but its revision was done on 23\textsuperscript{rd} April, 1696, D&C, 1696, p. 58.
\textsuperscript{49} This revision was done on 23\textsuperscript{rd} April 1696, D & C, 1696, p. 58.
by a native Adigar, a Governor of the Black Town functioning from the Choultry or Town House. The office of the Adigar was hereditary. From 1644-48, during Ivie’s tenure, Kanappa was appointed to this post. He was dismissed by President Baker who appointed Captain Martin and John Leigh as magistrates. Sir Edward Winter with the help of the Charter of 1661, reverted back to the old system and appointed both Timanna and Viranna as the magistrates. Foxcroft, in his second term as Governor, once again brought back the policy of appointing Europeans as magistrates and dismissed Timmanna and Viranna. He installed William Dawes in their place. Foxcroft was determined to counter the influence that these two merchants wielded in the town. In 1665, he charged them of being corrupt in the dealing of cloth. He alleged that the Company had paid them in excess for the cloth they procured, a small part of it went to the weavers and the rest was pocketed by these merchants. The Consultation records, “...These twoe persons had the Government of your Towne of Madras-Patan Committed to them by Sir Edward, whoe, we were informed, died with tyranny keeps this poore fearful people in bondage, not suffering any freedom of trade in the towne; but whatsoever came in or went out must come through their hands at such prizes as they pleased.” The reason for this was the administration itself whose dependence on the merchants was

50 Foxcroft’s appeal to the Directors was, “...all things considered, and what influence Sir Edward on the one hand, and Timanna and Verona on the other, had to hold up the combination against us, found it necessary to continue their restraint, thereby and by all other assurances to gaine a full belief among them that, during my abode in this Agency, the said person should never be settled in the Choultry and Government of the Towne againe, or have the sole management of all buying and selling with the Company as before; by which means at length we broke the combination...” (EFI, 26th September 1665; Love, Vestiges, I, p.231)

51 Love, Vestiges I, p.231.
excessive. The Company was bound to trust these brokers because of their experience and the 'extremetie of time'.\textsuperscript{52} The review of 1696, later adds that in 1678, Kasi Viranna who carried maximum trade of the town would pay half rates of his exports and imports, whether they were his private or of the Company. Foxcroft further alleged that both Timanna and Viranna were defrauding the Company by managing the mint along with the 'Coyners and Shroffs'.\textsuperscript{53}

In 1664, trouble began between Timanna and Foxcroft. The latter imprisoned him and even threatened to hang him. By then Foxcroft was replaced by Winter. Thus Timanna managed to bail himself out by paying 15,000 pounds to the Company.\textsuperscript{54} Winter also replied to the charges levelled by Foxcroft that he (that is Winter) along with Timanna and Viranna had defrauded the Company in all possible ways.\textsuperscript{55} He claimed that the Company needed Timanna for his influence and friendship with the Golconda rulers. He also said that the profit that was made by these merchants in the cloth trade by buying at less than the contracted price was legitimate. This fact assumes significance in the in light of the fact that no other native merchants came forward to contract or trade with the English. This was proved by the

\textsuperscript{52} EFI, 14\textsuperscript{th} August 1662, p. 164.
\textsuperscript{53} D&C, 23\textsuperscript{rd} April 1696, p. 58.
\textsuperscript{54} Letter from Court to Committees, 16\textsuperscript{th} December 1663, EFI, 1661-64, p.365. Winter himself claimed that he had imprisoned Timanna and threatened to hang him because he had learnt that the latter had employed people to 'bewitch' him to death. This was probably because Winter was trying to save himself from the accusations of Foxcroft.
\textsuperscript{55} 1\textsuperscript{st} July 1665, EFI 1665-67, p.117.
dismissal of Timanna and Viranna from the Choultry. The customs to the Council from the cloth also fell accordingly.\footnote{Winter to Company, 9th January 1666, EFI 1664-66, ibid., p.132.}

The dependence of the Company on the chief merchants is admitted to by himself as he acknowledges the role of Timanna and Kasi Viranna. He writes, "We have thought it a point of wisdom in respect of the main business of investment, for the present to waive any former matters and to encourage them to come in."\footnote{ibid.} This seems justified, and the trade of the city picked up considerably as weavers and washermen began to return to Madras. Timanna derived legitimacy not only from English but also from his social relations. This social legitimacy was definitely gained through his commercial influence. He made endowments to temples, built temples and controlled their administration and finances. These powers helped him gain the status of caste head of the community. The English Company also required this kind of social legitimacy of the merchants as they were the connecting link between the Company and the basic producers or weavers.

5.4 Kasi Viranna

Kasi Viranna was the Company's merchant from 1662 to 1680. He assumed the post of chief merchant from 1669 after Timanna's demise. Kasi Viranna is referred to in the English documents as 'Cassa Verona' who was in previously known as Hasan Khan.\footnote{"Upon his arriveall of a Captain from the Governor of Punemalee, Chinna Vincatadree, Tymona's Brother, ... went to him, and hand a long discourse with him about Tymona and Verona, desiring him to speake for their coming out; but the Captain told him hee thought..."} He is said to have got a Mosque built
in the Black Town. This was situated in ‘Moors Street’, east of the Perumal Temple.

Kasi Viranna’s was influential at several levels. He had been able to acquire social power and prestige within the community. At the same time he had forged linkages with and gained legitimacy from the traditional political elites. He also wielded considerable influence on the hinterland around Madras from where the cloth was procured for the purpose of trade.

All trade at the ports was dependent on the hinterland. The commercial economy of Madras is said to have had a dual tendency of autonomy-cum-integration. Madras survived as an autonomous port town whereas for all its commercial activity and procurement it was dependent upon the hinterland.59 Kasi Viranna had created a system of credit control within the commercial organisation. As the head of the system he controlled and supervised the money put forward for the production of textiles.

Superior quality of cloth production distinguished Viranna from other merchant dealers. Edward Herrys, the keeper of the Company warehouse acknowledged that “a very great difference between the cloth of Cassa Veronas own providing and that of the said other Merchants which comes allwaies much short of his....60 The Council seems to be bound by this fact. On the one hand it wanted to break the monopoly of Verona, yet on the other they accepted that they could not manage without him. This dilemma of the

60 D&C, 1672-78, 28th September 1675, pp. 74-75.
Company is clear from the letter sent from England to Fort St. George. The Company objected to the trade being limited to dealing with a single firm only that is of ‘Verona and Co’. The ideas was to induce competition by encouraging other merchants to supply goods.\textsuperscript{61} In the same latter, the officials seem reconciled to Viranna’s monopoly. The letter states, “Take measures to prevent the bringing in goods privately to our town of Madras, whereby we are defrauded of our customs, and revoke your order prohibiting any but Verona and his Company from bringing calicoes into the Town, of which you have given us no accompt.”\textsuperscript{62} This kind of dilemma was faced by the Company not due to the lack of merchants in the business but due to their (the merchants) general callousness towards weavers. Viranna’s method of functioning differed from that of his other counterparts. He employed five servants each per unit of eighteen heads to oversee the function of the textile production. More importantly, he took into account the needs of the weavers and organised the production accordingly.\textsuperscript{63} This organisation put Viranna above the rest of the merchants. He assured the Company of the quality of the cloth.

It cannot be denied that Kasi Viranna was the biggest merchant capitalist of the seventeenth century. He could advance any amount of money (upto 1,00,000 pagodas) to the weavers in a season. It should be noted here that the weavers could be bound only by a massive investment.

\textsuperscript{61} Copy of letter from England to Fort St. George 15\textsuperscript{th} December 1676, Notes on the Extracts from the Government Records, Letters from England, 1670-1677, p.13.
\textsuperscript{62} ibid., p.15.
\textsuperscript{63} D & C, 1672-78, 28\textsuperscript{th} September 1675, pp. 74-75.
This was the way in which the putting out system functioned. For this reason Viranna and other merchants requested the Company for monetary advances, “in regard that they might be furnished with money to hold the weavers fast.” Following this there was a contract between Viranna and the Company Agent regarding the contents, sorts, prices and quantity. Heavy investments led to disappointment and bad debts but the Company convinced by the ‘experience of the fair dealing and good compliance of Viranna’ indulged in the trade.

During the late seventeenth century the Golconda officials were very active on the Coromandel Coast. Kasi Viranna excised considerable influence on them. For a functional commercial system, a hold on the local politics was important. The English Company at Madras required to pay a yearly rent to the ruler and in return acquired a firman which provided them with the legitimacy to administer the enclave and the commerce. Viranna’s influence can be judged from Francois is Martin’s remark, “He had influence among the officials of the region, and also at the royal court of Golconda, due to the frequent presents and services he rendered.”

Viranna’s close relation with the governor of the Carnatic, Nawab Neknam Khan helped the Company secure a ‘cowle’ from the Golconda state. This cowle was granted to the Company in 1672 by which it bargained for a permanent lease of the town of Madras. According to the grant, the

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64 ibid., p.74 and Yogesh Sharma, Life in Many Parts... p.276; ibid., 74.
65 Lotika Vardarajan trans, India in 17th Century by François Martin..
66 Cowle in the Company Records was a charter or decree granted by Golconda authorities conferring trade privileges on the Company.
Company was supposed “to pay the Divan twelve hundred Pagodas per annum yearly rent and so to hold this Fort and Towne free from any Aveldar or Divan’s people or any other Imposition for ever.” The Company ended up as a long-term beneficiary in the deal. Nawab Neknam Khan was posthumously charged by Lingappa (Governor of Poonamallee) for making this grant. In 1676 when the Madras Council tried to curb Viranna’s powers and privileges, he reminded them that it was due to his intervention that the cowle of 1672 had obtained from the Nawab. Later in 1676 Viranna obtained a firman from Shah Abul Hasan (the ruler of Golconda from 1672) to build a fort in Madras.

This grant was confirmation of Neknam Khan’s cowle of 1672, which reconfirmed the provisions regarding the fortification. Through these dealings Viranna obtained commercial advantages for himself. He had acquired a cowle for himself from Nabob Neknam Khan gaining exemption from half the usual transit duties, customs and tolls “hath enjoyed for all goods passed into and out of his Towns (Madras) and all these Countrys in his owne name, or in the name of himself and partners, the Sons and Brothers, as Heires to the Estate…” In December 1678, Madanna one of the Chief Collectors the Golconda king, arrived in Madras and stayed at Viranna’s residence. During his stay he extracted large sums of money from

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67 D&C, 1672-78, 18th April 1672, p. 4.
68 21st July 1676, ibid., pp. 95-96.
69 D & C, 1678-79, 27th November 1678, pp. 142-143.
the latter as a rent on the rents that Viranna was collecting from the lands farmed to him from by the Company.\textsuperscript{70}

San Thome and Triplicane were the two towns that had been farmed to Viranna. In 1672, the cowle granted by Neknam Khan to the Company recognising Triplicane as British territory. Triplicane was then farmed to Viranna and after his death passed on the Pedda Venkatadri. In 1676, San Thome was also farmed to Verona at a rent of 1,300 pagodas per annum. Later he spent a huge amount on building houses, in an attempt to repopulate San Thome. Soon after this there was an attempt by the Council to increase the rent, which was vehemently opposed by Viranna as he had been promised that it would remain with him as long as ‘the Sun and Moon endures.’ To prove this he presented the letters and firmans that had been granted to him. He also refused the rent enhancement on account of the investments he had made in San Thome. Now San Thome was given back to the Muslims who farmed it back to Viranna. However, by 1687, the right of the chief merchants was terminated by Streynsham Master who negotiated with Golconda to acquire the right over these towns and their subsidiary villages.\textsuperscript{71} After much tussle, in 1688 San Thome with its dependent villages was given to the Company for 3,800 Pagodas per annum.

Throughout the seventeenth century and even later the Company officials indulged in private trade. For this they needed the support of chief

\textsuperscript{70} 3\textsuperscript{rd} January 1679, ibid, pp. 152-153.

\textsuperscript{71} The Company had visualized that the profit it would incur would definitely exceed the rent that the chief merchants would pay, 2\textsuperscript{nd} July 1684, D & C, 1684-85.
merchants. Viranna became the key player in facilitating this private trade. In 1676, the Auditor of the Madras Council wrote Company charging Viranna of having clandestinely paid Agent William Langhorne, a sum of 20,000 pagodas. On being questioned, Viranna’s answer to the Council was that his dealing with them was that of a free merchant. He was bound by a contract and owed them no other services. Viranna protested against the charges laid upon him. He wrote to the Company, “the spreading of such slanderous reports is a very great injury and dishonour unto him.” He added, “for him his credit and good name is more dear and important to him than either his estate or his life.” The Company had relied so much on Viranna that for him this whole inquiry became a matter of dignity. The Company now also realised that a defamation of this kind would adversely affect their trade. They now proposed an attitude of leniency towards Viranna. It is quite interesting to note that all the Company officials who were stationed in Madras during the Chief merchantship of Kasi Viranna had amassed wealth. Edward Winter, Jeremy Sambrooke, Nathaniel Foxcroft and William Langhorne had made a fortune with his help.

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72 The Auditor wrote to the Company, “Recording the examination of Cassa Verona in reference to a charge against the Agent (William Langhorne) or receiving annually a sum of Pagodas 20,000 from him, in consideration of undue advantages afforded him by the Agent in reference to Company’s trade and other clandestine ways.” D & C, 1672-78, 14th September 1676, pp.100-101.
73 ibid.
74 ibid.
75 ibid.
76 ibid.
77 Yogesh Sharma, A Life in Many Parts, p. 283.
Despite this, at this the Company was not in a position to control in the private trade of its own officials.

Among other functions that Viranna performed, his role, as a social leader cannot be ignored. He was the connecting strand between the natives, weavers, merchants and the Company. Abbe Carre, a French traveller who visited Madras in 1672-73 remarked that Viranna was ‘the Principal merchant who governs everything at Madras.’ The task of administration of the Black Town lay on chief merchants. Both Timanna and Viranna were appointed to the Choultry by Edward Winter, thus gaining the authority to administer justice and punish them. 78 Kasi Viranna exercised his influence beyond the boundaries of Madras as well, on the weavers and merchants. He stood as a surety and guarantor for both the English Company and the weavers. In August 1678, three merchants purchased from Streynsham Master eleven chests of corals worth 12,544 pagodas promising to return them within 10 months. 79 The Governor Streynsham Master was concerned about Viranna’s hold on the Company’s commercial systems. Master claims to have ‘had mulcted’ the “native merchants whose frauds he had detected.” 80 The dependence of both the Company and the weavers on Kasi Viranna could not be disregarded.

78 D&C, 1678-79; pp. 139-40; ibid., p.284. 79 Viranna agreed that “We Cassa Verona and Company doe hereby become Suretys and doe promise and oblige ourselves that the said Agent and Council shall deliver the 11 Chests Curall (coral) whensoever it shall be demanded and the said Moccuppa Mudalaree, Andeapa, Chandewan and Bora Sety shall, pay the said twelve thousand five hundred forty four pagodas within ten Months they have promised....”, D & C, 1672-78, 15th August 1678, p. 104. 80 Master, Diaries, vol. I, p. 130.
The death of Kasi Viranna in 1680 created a void for the English Company and the weavers. The Consultation records the death of Viranna, “In the morning about 3 a Clock, Cassa Verona dyed, having been taken sick the 13th of a malignant feaver….”81 In his honour, “Thirty guns were fired in the fort and outworkes at his funerall.”82 Viranna’s Muslim origin became a matter of difference between the Hindus who wanted to burn him and the Muslims wanted to bury him. The Governor who was informed of this, ordered that “the body should be burned as a Gentue, and not buried by the Moors, it being apprehended to be of dangerous consequence to admit the Moors such pretences in the town.”83 Verona left a huge estate and property but “being not apprehensive that his end was soe neare, made noe settlement of his Estate and family.”84 He left behind an eleven year old daughter by his wife who died in 1678. His living wife had no children. He had adopted a son of his elder brother who was ten years old then called Muddoo Viranna. Muddoo later did work as Company’s merchant but was not as successful as his father.

5.5 The Joint Stock Company

As noted earlier, Kasi Viranna’s death marked the end of the influential position that the local chief merchants had enjoyed. Streynsham Master’s introduction of the ‘Joint Stock Company’ in 1680 undermined the

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82 ibid.
83 ibid.
84 ibid.
monopoly of these merchants. The process of trade and finance remained unchanged but in the new circumstances the Company was able to dictate terms to its merchants rather than get manipulated by them.

The joint stock company was an association of the local merchants of the Coromandel Coast based on the concept of partnership, where each member owned the shares of the company. These associations were a concept borrowed from the West. They were introduced on the Coromandel coast by the Dutch. Later the English also adopted the concept. Tapan Raychaudhuri is of the opinion that the joint stock companies represented a major opportunity for the Coromandel merchant to develop more efficient forms of merchant capitalism, an opportunity ultimately missed because of his failure to act with sufficient enterprise.85 Sushil Chaudhuri, while examining the case of Bengal contends that the joint stock companies in the Coromandel reflect the great submissiveness of the Coromandel merchant to the European mercantilism.86 According to Arasratnam and Brenning the Companies alarmed by the cut-throat competition among their suppliers and the resultant increase in prices, initiated a process of bringing their merchants into associations of a joint stock character and of demarcating among them categories of goods and even areas of manufacture.87

Arasratnam suggests that the joint stock companies provided important lessons to local merchants, stressing the potential in the communication of European commercial ideas to the merchants on the Coromandel Coast. J.J. Brenning after an in depth study of the joint stock companies on the Coromandel Coast concludes that the Dutch and the English with their varying interests used the joint stock mode differently. The Dutch granted liberty to the merchants in joining the organization. The merchants in general favoured the joint stock arrangement, which imparted them the required monopoly in trade, but some of them opposed it because this kind of institutional arrangement interfered in their monopoly that they had cautiously created over the years.

Joint stock system, which sought to regulate Indian merchants was first introduced by the Dutch in Pulicat. The concept of individual chief merchants had also been a Dutch innovation. Till 1634, Malaya, a native merchant played the role. Later he was succeeded by his brother Chinanna. In 1659, the relationship between Chinanna and the Dutch soured owing to the high political ambition that he nurtured. After his departure, the Dutch were compelled to trade with the smaller merchants, who could hardly meet the desired demand in terms of quantity and quality. This led the VOC to introduce the joint stock system. It thus became convenient for them to meet

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their requirements not through an individual merchant but a group. A Joint
stock company involved the subscription of capital by members by the
purchase of shares. The capital raised was used by the members for
participation in trade. It was a kind of partnership, that required a legal or
semi-legal authority embodied in a charter, permitting, membership to
change without dissolution of the company itself.\textsuperscript{90} The system that existed
in the mid seventeenth century was not found on a coherent principle of
organization but was a loosely structured one. The merchants provided
short-term credit to the VOC. A shift in the flow of capital was evident
during the Governorship of Laurens Pit. Christopher Hatton, an English
merchant in Masulipatnam reported in 1676 that the Dutch were “indebted
to the natives, the merchants with whom they deale, and have not the where
with to pay them.”\textsuperscript{91} In the process both the Dutch and the local merchants
seemed to derive the benefit. However the real beneficiary was the VOC
which was guaranteed a suprior quality of cloth.

The English at Madras were following the prevalent practice of
trading with the chief merchants. In this practice the individuality and
reputation of the chief merchants called headmen by the English assumed a
pre-eminent position. The social and economic roles of these headmen were
interdependent. They controlled the social behaviour (as heads of castes) of
the community thus providing the stability that the British needed to further
their economic interest. The individuality of the merchant was

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\textsuperscript{90} ibid., p.74.
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“distinguished by autonomy, stemming from the headman’s achievement of pre-eminence (he was responsible for who he was) and reputation as a broker financier (he was responsible for what he did).”

The shift to joint stock system in Madras was not a pre-conceived idea. The turn of events led to its genesis. In 1679, Streynsham Master, the English governor at Fort St. George was on a tour to their Masulipatnam factory where he was supposed to enter into a contract with the merchants. In the process of negotiation, the Masulipatnam merchants refused to sign the contract. Streynsham Master not only decided to lower the price but created a viable bargaining position by openly negotiating with other merchants from the port of Petapoli. Afraid of loosing their business, the Masulipatnam merchants came to terms. Master in total shrewdness offered them a new contract. According to this contract, the investment was to be divided into equal parts among the merchants each having equal access to the English Company. These merchants came to be referred as the ‘Honourable Company’s Merchants’ with an agreement that none could be removed except on order from the Council in Madras or the Court of Directors in London.

Pedda Vencatadry assumed the position of chief merchant after the death of Kasi Viranna in 1680. Vencatadry’s had to face problems at two levels. On one hand, he had to deal with the Company where the governor, Master was trying to reorganize the system on the lines of Masulipatnam.

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93 Temple, Diaries, I, p.149f.
On the other hand he had to contend with the lesser merchants who were at loggerheads for a share in trade. As per tradition the successor to the post of chief merchant was responsible for all the debt of his predecessor. The lesser merchants refused any kind of dealing till the chief merchant cleared their dues. On 30th June 1680, Pedda Vencatadry and Allingal Pillai informed the Governor that the matter with the merchants was settled and the Company could proceed with investments. Governor Master saw this as the most suitable time to declare his plans, of the formation of a joint stock company on the pretext that there was constant bickering between the chief merchants and other merchants. The Agent and Council resolved to “put it into the way used at Policat, that is to make a Joint Stock of the merchants to provide the whole Investment to pay the Companys Monys thereupon as the goods came in, and to appoint Seaven or more of the principall Men amongst them to manadge the trade and to adjust their Accounts every yeare...”

Master’s intentions were clear to the merchants who were also aware of the fact that the Company had been constantly trying to break their monopoly since the time of Timanna and Voranna. The merchants answered to the Governor’s declaration was, “they had long time been under Verona and now had agreed their Accounts, with Pedda Vencatadry and therefore, desired that the business for this year might goe on as it did formerly and

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94 Kasi Viranna was the predecessor of Pedda Vencatadry. Viranna had left the accounts with the broker and the smaller merchants unsettled for five years. The smaller merchants claimed that Viranna was indebted to them and was supposed to pay a considerable sum.

95 D & C, 1680-81, 30th June 1680, p. 43.
afterward they would doe as the Governor desired and ordered." 96 The merchants were later summoned by the Governor and asked to invest in the joint stock. They refused to comply with any of the Governor’s orders at the behest of the chief merchants. This event shows that the chief merchants still exercised considerable power in the society. Streynsham Master finally gave up and chose the middle path. He sent a message to Pedda Vencatadry that the Company’s investments should be done by merchants within the joint stock and “if he would come into the stock and be one of them he might and they were willing he should be the first and chief of them and have a quarter part of the whole as they have had heretofore, but if he would not be might chuse they neither feared nor cared what he did…” 97 Pedda Vencatadry did not resist further and sent an answer to the Company, “he wholly submitted himself to the Agent and Councell and would come to the fort.” 98 With a positive response Vencatadry the Company set forth to organize the joint stock company. An initial sum of 50,000 pagodas as capital was put forward. This would cover the entire Madras investment without any advance payment by the Company. The merchants generated 75,000 pagodas to purchase 150 shares at 500 pagodas per share. 99 A list of sixty-seven merchants was prepared. The number of shares was limited to 100 per individual. The merchants ended up at an average investment of 645 pagodas each. This figure exhibits a totally different scenario emerging in

96 ibid., 1st July 1680, p. 43.
97 ibid., 4th July 1680, p. 45.
98 ibid.
99 ibid., 5th July 1680, p. 45.
Madras. This was a much higher investment than anywhere else on the northern Coromandel Coast. A contract was prepared by the Company which was signed by all the sixty-seven merchants. The clauses of the agreement were:

1. The Company and the merchants of Madras had entered into an agreement by which a Joint Stock Company was being formed.
2. The stock of the said merchants was listed which would be used to procure cloth.
3. It was a mutual agreement according to which the merchants listed were to enter into any dealing with the Company and it in turn was to enter into contract with none else than the signatories.
4. "The persons nominated, appointed and by mutual consent approved to be of this Joint Stock shall not be removed from this Employment and business without some fault assigned worthy of such punishment and that by sentence to be given by the Agent Governor and Councell after a hearing; but if any person of or in this Joint Stock shall do any thing to the prejudice of the Honourable Company, or to the dishonour or defamation of the Agent Governor and Councell or either of them, or shall endeavour to break the Joint Stock or shall defraud or abuse their trust or be negligent and remiss therein, upon the examination the same appearing to the Agent Governor and Councell, the Person or Persons soe offending shall be put out of the Stocke and loose all benefits.

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100 D&C, 10th July 1680, pp. 47-51.
thereof, and shall also forfeit and loose his or their part or parts therein, and he further punished as to the Agent Governor shall seeme fit and as the quality of the offence shall deserve.”

5. “When any person that now comes into the Joynt Stocke shall Decease, remove or goe out voluntary or be removed or put out of the Stocke for some default or misdemeanour, the part or share soe become void shall and may be filled up by another, and the Person coming into the place or part and share of the other Deceased or removed, must in Company with the Chief Merchants or the more part of them bring his Mony and pay it downe in presence of the Governor, and there the Cancopoly for the Joynt Stocke must enter the mans name and the Mony paid in his Booke of Accounts and the Certificate with the Company’s Seale given to the Deceased or Removed Persons must than be delivered up, and a new certificate given to the person that comes in.”

6. The clauses list the signatories to the agreement and their shares in the joint stock. Of these sixty-seven signatories nine merchants were to be appointed as chief merchants for managing, directing and ordering the stock.

7. It also mentions the volume of trade and specifies the prices at which the procurement is to be made.

8. The Company for all the goods it received agreed to pay in ‘ready money’ i.e. in pagodas for which the merchants were to handover the receipts to it.
9. The merchants were directed to create paraphernalia of warehouses, a cash chest, cash keeper, conicopolys to maintain an account, peons to guard the warehouse. The merchants were not at the liberty of employing or using any part of the stock for any other trade.

10. The Company took upon itself the obligation to help and assist the merchants and see to it that no impediments were placed in the process of trade.

11. Lastly, this agreement and contract was to abide and remain in perpetual force and no alteration could be made unless there was a calamity or by the command of the Directors from England.

The agreement was then confirmed by sealing it with the signatures of the authorities of the Fort St. George and the nine merchants from Chinnapatam. The clauses in the agreement seem to be moving parallel for both the Company and the merchants. There were obligations to be fulfilled by both the parties. The Company very diplomatically maintained the disparity between the merchants in terms of holding the shares in the joint stock. Pedda Vencatadry and his partners held twenty-five shares (one fourth of the total), thirty-six of the merchants held one or more shares. This difference was maintained to satisfy the ego of some powerful merchants and appease them. The merchants had gauged the value of the deal and so readily agreed. The Company did what it intended to, that is, to break the monopoly of a single merchant. Through this, an element of competition
was also induced among merchants primarily designed to meet the ends of
the Company.

Pedda Vencatadry certainly emerged a looser in the deal. He was bent
on undermining the joint stock Company. In desperation he approached
Lingappa, the governor of Poonammallee who was the representative of the
King of Golconda. Lingappa was looking for an opportune moment to pin
the English down. Other political factors existed there; the spark was
provided by Vencatadry's complaint. Lingappa ordered a blockade of
Madras, cutting off the food supplies and trade.\textsuperscript{101} The war between
Streynsham Master, the Governor and Pedda Vencatadry had begun. Master
put both Vencatadry and Allingall Pillai in the prison on charges of
undermining the joint stock. He then went back to the earlier agreement
between Vencatadry and the lesser merchants and dissolved these thus
providing the fuel to the old rivalry between the chief merchants and the
lesser merchants.\textsuperscript{102} The claim made by the merchants was 60,000 pagodas
to be paid by Allingal Pillai and the Vencatadry brothers. Pillai paid 11,000
pagodas and freed himself. The rest of the outstanding dues of 49,000
pagodas was to be paid by Vencatadry bothers, who refused to comply.
Master who was adamant about this decision, announced that the dues would
be paid by selling Vencatadrys trade and personal goods.\textsuperscript{103} Lingappa also
did not stand by the Vencatadrys. As a result Master auctioned Pedda

\textsuperscript{101} D&C, 7\textsuperscript{th} September 1680, p.65.
\textsuperscript{102} D&C, 7\textsuperscript{th} October 1680, p. 72.
\textsuperscript{103} Fawcett, \textit{English Factories in India}, vol. 3, p. 32.
Vencatadry's trade and belonging and generated 49,000 pagodas to be shared by the merchants of the joint stock who had suffered at their hands. Streynsham Master had literally pronounced the downfall and ruin of the Vencatadrys. Soon after this Master was called back to England, Gyfford was sent in his place.\textsuperscript{104}

Here it is not only important to understand the viability of the joint stock company but its functioning as well. After Master's departure, the situation went back to what it had been when he had assumed power. Even around this time there is no stability in the policies of the Company, which differed from governor to governor. What was done by one was undone by the other. The joint stock company met a similar fate. There was no single policy decision by the Company to be follow. With the arrival of Gyfford Vencatadry approached him for a redressal and charged Master of pursuing his selfish interest in the whole affair. Streynsham Master was asked to answer the charges leveled against him. His reply was, "he understood nothing of it, nor was he debtor to anyone, and demanded what proof could be brought against him, but at length came to his old excuse that his memory was bad, soe could neither bring his answer in writing nor give any account thereof by word of mouth..."\textsuperscript{105} After Master's departure Pedda Vencatadry resumed his role as chief merchant of the Company and dominated the trade as he had done earlier.

\textsuperscript{104} D & C, 1681, 24\textsuperscript{th} February 1681, p. 7.
\textsuperscript{105} D&C, 17\textsuperscript{th} October 1681, p. 60.
In 1688, there was another attempt to reorganize the joint stock company. Since 1683 there were dues to be settled between the lesser merchant and the chief merchant. The new joint stock company which was formed in 1688 was headed by Pedda Vencatadry's brother Chinna Vencatadry.

The capital that he possessed for investment was 20,000 pagodas. This kind of decreasing capital was an indicator of a different status of chief merchants who were neither as powerful nor possessed that kind of capital for investment. A merchant of Kasi Viranna's repute could invest 100,000 pagodas at any point of time. The inability of the merchants to invest also undermined their position vis-à-vis the Company. In 1696 there was another reorganization in the joint stock system. The problem remained the same which was the debt of the chief merchant. Cheka Serappa took over as the chief merchant of Madras after Beri Timappa fled from there. In the joint stock company formed by Serappa in 1697, the capital came down to 10,000 pagodas. The organization in a few years got into trouble. There was a dispute between the English Company and the merchants in 1703 owing to a debt that was outstanding against the merchants. It was Serappa who ended up clearing the debt incurred by the failure of other merchants.\(^{106}\)

The joint stock company had had a fluctuating fortune in Madras. The organization was marked by constant dissolution and reorganization. Streynsham Master's main aim behind this organization was to strike at the

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\(^{106}\) D&C, 14\(^{th}\) May 1703, p. 33.
monopoly of the chief merchants, which he was partially able to achieve. The joint stock organization was marred by disputes mainly between the chief merchant and lesser merchants. The English also had a role to play in this. They expected the chief merchants to pay the same amount to weavers as they would have done. The weavers, on the other hand, always complained of underpayment. Another reason for the failure of the joint stock company was due to caste based differences mainly the Right hand and Left hand prejudices. The two groups were constantly competing with each other for favours. The merchants of the two groups were on different sides and thus the joint stock company was never free of bickering at any point of time. This prevented them from coherent actions or from functioning as a group. The Company took full advantage of the difference that persisted between them. The commercial purposes of the merchants could not be achieved without social cohesion. Thus the joint stock system was neither a success nor a failure in Madras and showed mixed result. The monopoly of the chief merchants was successfully broken; yet the Company could not succeed in procuring a large-scale mobilization of capital from them. Joint stock was one of the methods by which the Company, in its proto-colonial phase tried to control the production process.