CHAPTER VII

DECLINE OF THE COMMERCIAL ACTIVITIES

In the eighteenth century uncertainties in the economic climate of Orissa came up with the decline in the power and social position of the Indian entrepreneurs. They were so long responsible for sustaining the village level industries of Orissa against heavy foreign competitions and financial extortions of the Muslim faujdars and private traders. An unprecedented economic crisis depended with the resultant conflict for power among the Muslim court politicians and conflict of interest between the government officials and the European traders on the question of duty-free trade, to build factory houses according to their needs, to build or repair ships at the ship building centers on the Orissa coast as per necessity. By making payment to the workers at the usual rate and opening of the goods of the merchants on the way for forced sale at under rates. Even though the merchants paid the normal duties. Even the merchants paid the normal duties, their commercial activities were not free from difficulties. To a great extent, the conduct of trade depended on the all privileges stated above secured through farmans, nishans, parwanas and dastaks granted by Mughal emperors, princes, subahdars and diwans respectively.

Besides paying much custom duties, the merchants were subjected to many other exactions. During the subahdari of Shaista Khan the merchants of Orissa had to make contributions towards strengthening the naval defence. The merchants belonging to the Hindu community had sometimes to make extra payments. The Hindu merchants of the Gingelly coast besides paying the usual taxes and duties had to pay many extra taxes that the Muslim governor of the place used to charge from them. Although some of the richest Indian merchants lived there, they could not display their wealth for fear of extortion by the Muhammeden officials as well as for the fact that after their death their properties would belong to the Emperor.

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1 The English Factories in India, 1668-1669 pp. 309-11.
2 Thomas Bowrey, A Geographical Account of the countries Round the Bay of Bengal, 1669-1679, pp. 16163.
3 Ibid., pp. 126-27.
merchants were forced to pay large amounts of money to the subahdars and also were harassed by the local officials in some other ways. When Malik Kasim became the Governor of Balasore in 1673, Walter Clavell, the chief of the Bay Factories, and his councils feared that he would give trouble to the local merchants at Balasore and force to wind up their business. Their fears came to be true and in August 1673, when Malik Kasim created such conditions as would make the merchants prefer to leave the place. In 1680's, the merchants of Balasore who traded with Calcutta were so much oppressed by a gomastah that many of them left the place and transacted their business at Kanika. Some who remained at Balasore were greatly distressed. The merchants with the passage of time, became subjected to harassment by local officers. Further, it indirectly encouraged official corruption and adversely affected the trade.

The frequent changes in governorship of Orissa and their short tenures which became a common feature during the later part of the Mughal rule in Orissa, also hindered the smooth operation of trade. It is recorded that in 1673 and thereafter, the oppression and exactions and harassment of local Mughal governors in Orissa went on increasing. The free passage of the merchandise was interfered. Again the transfer of jurisdiction of Balasore in Orissa to Bengal further caused disadvantage and uncertainty in trade and commerce. On important policy matters pertaining to Orissa, decision was to be taken in the court of Murshidabad in Bengal. The Mughal viceroy of Bengal was found to exercise control over Orissa through his deputy. These new developments were not considered to be favourable from the commercial point of view. But now if the merchants were interfered on oppressed, the immediate relief or redress was not to be sought from local officer at Balasore but from the viceroy of Bengal. By the time such grievances were examined and set aside a lot of time would entail and large amount of loss to the trade they carried on.

Of all the European factors, the English succeeded in establishing dominance in Orissa's trade and Commerce having their seat of government at Balasore. But the transfer of the headquarters from Balasore to Hugli as per the decision of the Court of Committees, in the last quarter of the seventeenth century, had its adverse influence

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5 Ibid., p. 250.
on the commercial position of Balasore as a port of eminence. Hereafter, the chief and the council in the Bay had to stay in Hugli. Though the European ships continued to load and unload at Balasore road, as it was done previously, Hugli was considered more commodious for receiving orders from all superior officers. Further, with the foundation of the city of Calcutta in 1960, the Hugli port gradually rose into prominence on the Bay. These developments consequently affected the commercial prosperity of Orissa ports.

The physical factors also brought discredit to these ports once highly flourishing. The port towns Balasore, Pipli and Hariharpur which were important commercial centres of Orissa, were suffering from accumulation of silt on the mouth of the river. As a result, the mouth of the rivers became unsuitable for ships to come in. This factor with the passage of time took away the commercial advantages of Orissan ports.

Coming to the eighteenth century it witnessed a very complex problems for Orissan trade and commerce. First of all, the Indian traders belonged mostly to the nobility and state officials of the empire who had larger share in the trade lost their Asiatic ports owing to foreign competition by the close of the seventeenth century. Secondly, the general impoverishment of the nobility, the political turmoil in the twilight of the Mughal empire and a general crisis in the feudal economy resulted in setting a trend of decline in trade. Added to this the English merchants tried in many ways to eliminate both the Indian as well as the other European traders for establishing their monopoly of trade. This brought forth the downfall of indigenous traders. To this, Orissa was no exception. The local merchants of Orissa in the first part of the eighteenth century lost their foreign ports. Their participation in the foreign trade declined. The English traders during this time in the one hand eliminated the other foreign traders from Orissan market and on the other hand themselves shifted their centres of trade from Orissa to Bengal.

With the rise and growth of Hugli as a prominent port on the Bay, the importance of Balasore dwindled, and fall of Balasore was further accelerated with

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the river mouth silted up more and more in course of time, to make the harbour no more suitable for commercial purpose. Once the commercial advantages gone, Balasore became a deserted old town, leaving behind merely as marks of history certain ruins of European settlements of the past. The same scenario was also witnessed with other ports of Orissa. As mentioned by Wheeler, that, the port of Pipli is reduced to beggary by the removal of the English factory to Hugli and Calcutta and all the merchants being gone.\textsuperscript{7} However, the mid-eighteenth century political instability accelerated fall of trade activities of the merchants. Therefore, by the close of the Muslim rule, the prosperity of Orissa’s trade and commerce declined to a considerable extent.