CHAPTER VIII

CONCLUSION: IMPORTANCE AND IMPACT

The growing integration of India into the pre-modern world economy in the seventeenth and eighteenth century had far-reaching implications for her trade and commerce. In pre-modern Asian economy this trade was more or less an economy exchange between the surplus of two countries. Having discussed the commercial organization and commodity structure of trade in previous chapters, now a look is needed at the importance and impact of commerce on the economy of Orissa and its people.

Rich maritime heritage of Orissa had attracted a number of European countries to set up their factories on the Orissan coast which extends over 529 kms. from Ichhapuram in south to Suvarnarekha in north-east. The vitalisation of commercial activities became increasingly apparent, during the period of survey, with the coming of a host of European traders belonging to different nations and rise of merchant entrepreneurs at regional level. In regard to the European traders the first to come to the Orissa coast were the Portuguese, followed by the Dutch, English, Danes, French and the Ostanders. Besides the European Companies, the other trading agencies involved in Orissa’s commercial life were the private traders, all of whom contributed to an unusual competition in trade. The choice of places for erection of factories and conduct of trade fell on Hariharpur, Pipli, Balasore, Cuttack and some places of Gingelly coast which in the history of medieval Orissa became important commercial centres. Of all these, Balasore earned international reputation, monopolising the entire trade of Orissa.

The district of Balasore which has a coast-line of 85 miles was the most important port and commercial centre. The Portuguese, Dutch, English, Danes and French, who came to India for trade established their trading settlements at Balasore as the place was blessed with favourable geographical situation with a chain of good navigable rivers and ports. Gradually, Balasore emerged as a major centre of maritime trade in the entire eastern India. William Hedges, the agent of the English in Bengal
found a ship of 200 tons at Balasore port in July 1682.\(^1\) It remained navigable from April to October.\(^2\)

Balasore port suffered from some disadvantages as well. John Marshall (1668-1672) observed that the bar of Balasore, one mile from the shore, was a "very dangerous place to sail over, being very narrow and being very great (wide) seas."\(^3\) The English factors at Hugli in their letter to Fort St. George (1602) observed that the Balasore factory stood on a river (Burabalang) not navigable much above it except in the time of flood and tide and so the ships had to anchor at a distance of 3, 4 or 5 leagues (i.e. 9, 12 or 15 miles)\(^4\) from the English factory according to the season and tide.\(^5\) Court of directors in their letter to the English factors at Fort St. George (September, 11, 1689) mentioned that the big English ships could not go near Balasore town and had to stay at a distance of 5 or 6 leagues in the Balasore road which was hard and dangerous Roadstead.\(^6\) Alexander Hamilton (1708) also observed, "the sea-shore of Balasore being very low, and the depths of water very gradual from the strand, make ships, in Balasore Road, keep at a good distance from the shores" because it was only at a distance of 9 miles that the depth of water was 30 or 36 feet.\(^7\) As a result of this, the big ocean going vessels could not go near Balasore town and had to anchor at a place in the Balasore Road. However, on an overall estimate Balasore was then considered to be a very important sea-port. Even after the establishment of the Hugli factory by the English in 1651, Balasore retained its importance.

\(^1\) Hedges Diary, Vol. I, p. 31.
\(^3\) Marshall, p. 61.
\(^4\) One league was equal to three miles.
\(^6\) Wilson, Old Fort William in Bengal, Vol. I, p. 5.
\(^7\) Ibid.
Prior to the advent of the Europeans the Indian merchants with trade centres in Balasore, Pipli and Hugli carried on extensive coast wise trade with the South-East Asian countries. Orissa ports exported textiles and other goods to Malacca. Evidences were there that the faujdars of the Orissan ports also carried on extensive foreign trade. The vast hinterland produced textiles opium and rice at Balasore. The strategic position of the Orissan coastal belt and the political uncertainties in Bengal led the British to make heavy financial investments in Orissa, particularly, at Balasore.

The most significant truth of the maritime commerce of the people of Orissa was that it had a deep impact on people and their economic life. The exports of Orissa were mainly in basic commodities, such as foodstuffs and coarse cotton textiles. Hence, while in the eighteenth century a reorientation and rearrangement of the trade took place in most of the coastal India in conformity with the changing situation in the Indian Ocean, the basic character of the trade of Orissa remained essentially unaltered. The commodities of exports from the ports of Orissa such as rice, butter oil, and coarse cotton textiles were not produced by specialized groups of people, concentrated in particular geographical area but were produced almost all over the region at the house hold level and their production was widespread. Naturally most of the people directly or indirectly connected with the maritime commerce.

The settlement of the European Companies added to the commercial importance of Orissa. The Portuguese, the Dutch, the English and other European trading communities established themselves at the port towns. They soon controlled a large chunk of the sea-trade of Orissa in the seventeenth century. The involvement of the indigenous mercantile community consisting of Hindus as well as Muslims was no less considerable. Our sources refer to Khem Chand, Chintaman Shah, Suraj Shah, Kalyan Rai, Rajaram, Ram Narayan and some other who were the powerful local merchants or brokers of Orissa conducting considerable inter-provincial as well as foreign trade.

A significant aspect of commercial activities of the period was the private trade carried out by the Mughal officers and factors of the European Companies in a large scale. As a result of it the volume of trade increased involving enormous profits
to the private traders at the cost of Companies. Participation in trade in the seventeenth century was not considered derogatory even among non-trading castes of the Hindus. This is clear from the fact that some zamindars of Orissa were also traders. They possessed ships. ⁸

By the end of the seventeenth century, the commercial network of Orissa had attained a high degree of specialisation owing to large scale commercial activities in the province. By this time the Europeans and the merchants of various Asian origin had either opened up factories in her port towns or settled around here to carry on trade. Sometimes also the merchants operated their business from out of the province through their commission agents. Amidst such a commercial scenario though trade rivalry was visibly increasing, one of the logical outcome of this pluralist trading society was commercial co-operation among various trading groups. The trading skills, methods and expertise of various ethnic communities irrespective of their races, nationalities and religions were integrated into a common system which came into existence in this time and continued to operate till the close of the eighteenth century.

The success of the maritime trade of a region not only depended upon her good harbours or favourable littoral conditions but also on a convenient hinterland, inland market and internal trade. In the second half of the seventeenth century Balasore rose into prominence with the decline of her two neighbours ‘Pipli’ and Hariharpur. Till the first three decades of the seventeenth century the latter ports were well frequented by the Asian and Portuguese merchants. Though the rise of Balasore could largely attributed to the silting up of Pipli and Hariharpur the advantage of a rich hinterland also contributed to its growth. It occupied a central position and was well connected with all the centres of production. In the north there were textile procuring centres like Mohanpur, Olmara, Dantan and Jaleswar. From Kasiari and Mayurbhanj in the north-west the best quality of cloths were procurable.⁹ Another advantage was its location on the main trade route between Puri and Hugli which eventually led to Delhi and Lahore via, Patna and Banaras.¹⁰

⁸ Letters to Fort, 1693-94, p. 49.
By the close of the seventeenth century, Balasore itself had emerged as a market for different varieties of corns, textiles and other exportable commodities and the saltpetre available here was mainly brought by the peter-man from Bihar and variety of Bengali cloth from Dacca.\textsuperscript{11} Thus, Balasore became not only a centre for its own province, but also for commodities from other neighbouring province. Previous to the growth of Balasore, Pipli as described by Manrique was a busy port frequented by many Asiatic nations, where large quantity of merchandise came from the twelve provinces of Bengal.\textsuperscript{12}

Orissa's trade with other inland provinces comprised a variety of articles like cheap food-stuffs to expensive textiles. Throughout our period food-stuffs were an important articles of export from Orissa to other deficit areas. Despite the heavy expense of land transports, heavy enough to stifle certain lines of commerce, the trade in food-stuffs and a wide range of textiles products, some of which cannot be described as luxuries and these were the most important components of the inter-regional trade of the period. The most important market for Orissa's rice in this period was southern Coromandel, a deficit area. Another important trade commodity was Gingelly oil.

Judging from the activities of the European traders in coastal Orissa it may be inferred that, Orissa had brisk trade with Europe during the period under review and the following were the main items of exports and imports.

The exports from Orissa to various parts of Europe were textile products of different varieties, e.g. gingham\textsc{es}, sannoes, rumals, gurrah\textsc{s}, mulmuls, salambores, cassa\textsc{es}, hammams, nilla\textsc{es}, calicoes, peniascoes, silk rumal\textsc{s}, cotton yarn, sugar, saltpetre, lac, turmeric, iron, wax and opium. Cowries which were imported to Orissa from the Maldive Islands were also exported from Orissa to Europe.

The main items of import from Europe to Orissa were broadcloth, glass, knife, lead, bullion of gold and silver, copper, tin, quick silver, spelter, ivory, etc.

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\textsuperscript{12} Manrique, Vol. I, p. 441.
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The advent of the European Companies was an epoch making event in Indian Ocean. The native industry which was called upon the cater to the taste of European consumers seems to have been influenced by European skill and technology. In 1673, a dyre of the English Company was sent to Balasore to dye the cloths. But the native weavers were so observed with their current customs that they accepted any innovation only if they were paid extra money. In response to European demand the total output in the manufacturing sector seems to have increased as is evident from the growth of many new production centres. The artisans whether skilled or unskilled hitherto engaged in manufacturing on a part-time basis seem to have found it worth while to become full-time artisans to produce exclusively for the market. This is suggested by the growing size of individual aurungs localized centres of manufacturing production and the intensification of the process of specialization among different aurungs. For example, a Dutch report of 1675 mentions that in the vicinity of Pipli the aurung of Mohanpur specialized in the production of humhums, gurrahs, sologazis and adathis that of Danton in dores and soosies that of Olmara in chaklas, rumals and alachas, where as the aurung of Kasiari produced only superfine textiles. In 1675, the Dutch Director of Balasore and Pipli observed, “we understand that for some years now many weavers are coming to Balasore from the interior areas to settle down there. They make very good malmals, khasas and sannoes.

There were some features which were common to all the European Companies. Firstly, to collect merchandise from the interior of the country all the European Companies established factories in such places which were easily accessible to their ships. Secondly, all the Companies took the help of the local merchants in purchasing goods for exportation. Thirdly, to ensure smooth conduct of their trade as well as to free themselves from the vexatious demands of various kinds of taxes by the local officials the European Companies had to procure again and again farmans from the emperors, nishans from the princes and parwanas from the imperial as well

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13 EFI, 1670-1677, p. 361.
14 Om Prakash, Dutch East India Company..., pp. 238-39.
15 Ibid., p. 239n.
16 quoted in Ibid., p. 101n.
provincial officials. Fourthly, the commodities which the Europeans Companies exported to Europe were almost the same. Fifthly, among the methods adopted by the European Companies to finance their purchases in India were (i) by importing European goods and bullion, (ii) by utilising the profits of Asian trade and (iii) by local borrowings.

The English factors in Orissa also followed a similar course. But a major problem which the English had to face was the provision of purchasing power. This they tried to solve by various methods e.g. first, by barter of imported goods like lead, knives and glasses. Second, by resorting to partial barter. Third, by import of gold and silver bullion. Fourth, by import of foreign coins. Fifth, by procuring bills of exchange from the Dutch. Sixth, by making local borrowings. Sometimes these were also used in conjunction. The usual practice of the English factor was to contact the local merchant or a responsible broker for the supply of the goods they required. A portion of the price was paid in cash to the merchants in advance. But the merchants of Orissa did not enjoy the benefit of advance payments from the Dutch East India Company. The Dutch factors made payment only against delivery of cloth.

From a keen observation of the pattern of Orissan exports and imports as well as the extensive trade connections, it may be suggested with emphasis that Orissa in the medieval period did not fall into deficit areas of Indian sub-continent in regard to her agrarian and non-agrarian products. Rather many places of inside and outside India depended on her commodities. In the context of commercial organisation, it is important to note that no basic innovations occurred. Nor they were felt necessary. The increasing demands of commerce inland as well as overseas, were met comfortable within the existing structures of trade and manufactures in Orissa. The village and urban industries formed important sectors of industrial economy during the period. The origin of certain industries such as textile, iron, jewellery, fishing and salt making, which could be traced back to ancient times continued to prosper in our period.

The important emporia for Orissa's merchandise in upper India were Hugli, Patna and Agra. But the trade with upper part of Hindustan was carried more likely by the Ganges. The great public bazzar of Hugli, according to Bowrey, was a market for all sorts of commodities that Orissa, Bengal and Patna could afford. In this bazzar, large quantities of cotton, coarse calicoes and provision etc. were sold. Patna is described as the great gate that open the into Bengal and Orissa. The muslins of Orissa like khasa, mulmul, and ambari were available there. The thinner varieties of khasa and mulmul from Bengal were also available in Patna, but the other varieties were exclusively from Orissa as it evident from Mundy's account.

At the turn of eighteenth century when Calcutta rose into prominence, it became a great mart for the articles of the neighbouring provinces. The merchants of Balasore, by the mid eighteenth century were sending iron, stoneware, rice and other things from Balasore to Calcutta and brought tobacco and other things from Calcutta. Holwell mentions, Balasore stone dishes and cups in the lists of articles on which tax was levied in the market of Calcutta. For the shell work of Dacca, which attained repute in the eighteenth century, Balasore exported the raw materials to the former place via Calcutta.

There was a network of roads connecting the various places during the period under review. The entire coastal region stretching from Balasore to Ganjam had communication links with different centres of production. During the visit of Hamilton he travelled through a fine road which linked Cuttack with Puri.

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19 Thomas Bowrey, p. 15.
20 Ibid., p. 221.
22 Ibid., p. 154.
24 Ibid.
25 S. Bhattacharya, The East India Company and the Economy of Bengal, 1704-1740, Cal., p. 189.
26 Ibid.
was a road which ran between Cuttack and Harishpur. The road which joined Cuttack and Balasore passed through Bhadrak. The communication between Cuttack and Sambalpur was passed through Boudh, Rairakhok, Kusumnagar and Khandapara. The road between Balasore and Midnapur was passed through Jaleswari. The account of Hamilton revealed that the entire coastal belt from Balasore to Ganjam was connected by land route. Trade was carried by land route between Balasore and Mayurbhanj. The road between Balasore and Harishpur was used by the English East India Company to transport their goods. The road from Jaleswar to Balasore went via, Rajghat, Basta and Ramachandrapur, which was continuation of the seventeenth century. The road between Ganjam and Puri was used by Hamilton in his journey. The road which linked Balasore with Puri passed through Mayurbhanj.

In 1669-70, John Marshall, in his course of journey to Patna reached Hugli by land from Balasore. The land route from Balasore to Patna passed through Hugli, Kasimbazar, Raj Mahal, Monghyr and finally terminating at Patna. The road taken by Manrique while travelled in from Harishpur to Agra passed through Balasore, Burdwan Murshidabad, Raj Mahal, Monghyr, Patna, Sasaram, Benaras, Allahabad and terminated at Agra. There was a road in the seventeenth century which linked

28 Ibid., pp. 209-17.
32 Ibid., p. 197.
37 Ibid., p. 161.
Surat with Cuttack passed through Raypur, Ratanpur, Burharpur and Nagarbar.\(^{39}\)

In the seventeenth century under the Mughal rule Orissa underwent trade expansion. The feudatory chiefs of Orissa in our period were frequently rebellious and were not prepared to acknowledge their sovereignty to the Mughals. The regional economy was subjected to occasional stresses arising out of conflict and pressures between the local Raja and Mughal imperial authority.

The wealth credit standing and organizational networks of the merchants of Orissa was one of the important outcomes of the commercial organization and integration. The merchants like Khem Chand and Chintaman Shah were very affluent. Similarly, the governing Mughal officials earned huge fortune during their stay in Bengal. But the majority of the weavers seems to be poor, considering their large scale indebtedness to one merchant or another. This was the reason why they were deprived of their proper share in the profits.\(^{40}\) Their standard of living was not satisfactory. An English report says that, they (weavers) even not have accommodation to worked for their poor cottages.\(^{41}\) About the common inhabitants of Orissa, Bowrey says, they were “poore” and “very low spirited” but about these Rajas and their armies he says, “live by sword, and will not pay homage to any Kings or Emperor in the Universe”.\(^{42}\)

The maritime activities of Orissa in the medieval period brought forth conspicuous changes in social and economic spheres. Emergence of merchant entrepreneurs activised in gross scale, the then existing pattern of production, to meet the changing needs of the people. Resultantly, mobility of manufacturers from rural areas to industrial towns and cities became a dominant feature of economic life. Growth of townships as well as urbanisation in medieval Orissa may be attributed to such new developments. Grants of \textit{dadnis} (advances) by the merchants to the producers or manufacturers for timely production of required articles was greeted as

\(^{39}\) H.K. Naqvi, \textit{op. cit.}, Vol. I, p. 66.

\(^{40}\) Om Prakash, \textit{Dutch East India}...., pp. 248-49n.

\(^{41}\) \textit{EFI}, 1668-1669, p. 304.

\(^{42}\) Thomas Bowrey, p. 130.
incentive to local industries for development.

The decline of the fleet of Hindustan based at Surat indicates a whole range of changes coming over maritime trade, as does the rise of the English fleet at Calcutta, expressing new relations of trade which favoured the European Companies. The alterations during eighteenth century in the Indian Ocean witnessed the steady decline and the sight growth of English trade of the commercial system of Dutch East India Company. It led to the hegemony of the English Company in Bengal which was able to acquire economic as well as political territorial control over the regional economy by the later half of the eighteenth century. Further to complete this process the English Company control the regional economy and ousted the Marathas from Orissa, in 1803, thus bringing it under their colonial control.