CHAPTER II

COMMERCIAL ORGANISATION, ORISSA MERCHANTS AND THE ENGLISH EAST INDIA COMPANY

A survey of the maritime trade of India during the sixteenth, seventeenth and eighteenth centuries must consider the elements of continuity and change both in these centuries and in the centuries which preceded them. In the late medieval period the trade and commerce of India was characterized by a more detailed picture because of its commercial relationship with the Roman World. These included its seasonal pattern, dependent on the winds of the monsoon and the commodities exported or imported in to the Indian sub-continent.

An attempt has been made in this chapter to discuss the trading activities of Orissa merchants and examine the nature and character of their commercial organization with special reference to the English East India Company. The appearance of the European Companies gave rise to a new situation in the commercial life of Orissa in the period under study. The employees of the English East India Company as well as other European trading Companies had to enlist the cooperation of the native traders for carrying on their business activities. This was because, the European servants of the various Companies had very little knowledge of the area of their operation and the dialect of the locality. Hence, contact with the local producers and craftsmen was possible only through the agency of the native merchants, who were conversant with local language and had the knowledge about the price and quality of goods. The English record termed them as ‘brokers’, ‘middlemen’ and merchants of the Company’. But they were not merely brokers but also traders operating exclusively with their own capital. In fact all of them were played the role of buyers and sellers of various commodities and their business extended to any class of goods which was expected to yield a profit. Throughout the period under review, the Orissa merchants maintained their credit and influence over the European Companies. However in this chapter, we shall discuss the subject matter under the following heads: (i) European trading settlements in coastal Orissa (ii) The indigenous merchants and the English East India Company (iii) Commercial Activities (iv) Composition of trade (v) Growth of commerce center.
I. EUROPEAN TRADING SETTLEMENTS IN COASTAL ORISSA:

Orissa occupied an important position in the trade and commerce of the east in the seventeenth and eighteenth centuries. Merchants from distant parts of the world came to Orissa for the purpose of trade. Besides the merchants of the orient – the Persians, the Arabs, the Abyssinians, the Turks, the Mughals, the Jews and the Chinese¹ had important commercial contacts with Orissa. But here we are more concerned about the Christian traders who had come from Europe. They were the Portuguese, the Dutch, the English, the Danes, the French and a host of adventurers of other nationalities who had entered the province in search of fortune.² Of these Europeans, particularly the Portuguese, the Dutch and the English were the most important trading elements. Also the presence of the Danes on the Orissan coast cannot be said to be insignificant, at least in the seventeenth century.

The Asian merchants not only the traders of Asian origin who drove an extensive trade in various ports of Orissa but also the descendants of those Portuguese who had settled in different parts in Asia at least a century back. They had completely amalgamated themselves with the commercial net-work and structure of Asia and carried on trade on their own account. To make a detailed discussion about the trade of these merchants is a baffling task since the data about them are extremely scanty.

The Portuguese were the first European trading communities who settled down on the coast of Orissa. The Portuguese made there presence first at the coast of Madras in the year 1498 A.D., but due to the opposition of the native people they were forced to move northward in search of another place for their settlement. By fortune the Portuguese succeeded in establishing a town at Pipli in 1514 A.D. at the Orissan coast.³ But there is difference of opinion regarding the date of arrival of

Portuguese in Orissa. Some scholars are of the opinion that the Portuguese came to Pipli in the year 1599 A.D. However, whether the Portuguese obtained any Sanad or not from the then Gajapati ruler of Orissa, Raja Prataparudra Deva, is not clear because the Oriya sources are silent about this. So it is possible that the Portuguese instead of securing a farman from the Raja of Orissa, might have taken the opportunity of the confusing situation that was then prevailing in Orissa. Raja Prataparudra Deva was defeated near Kondavidu at the same year by Krishna Deva Ray, a powerful king of Vijayanagara empire. This is how the Portuguese perhaps taking advantage of the confusion and chaotic state of affairs established their settlement at Pipli.

The Portuguese settlement at Pipli, situated about four miles from the mouth of the river Subarnarekha. It became the earliest European settlement on the Bay of Bengal and soon flourished as an important harbour on the Orissa coast. It rose up as a great centre of Portuguese trade. In fact the Portuguese monopolised the entire trade on the coast and their fleet commanded the whole sea board from Chittagong to Orissa from 1514 to 1615 A.D. The Portuguese brought from Mallacca and Maccao spices, woolen cloth, tin, lead, quick silver and vermillion and purchased at Pipli many kinds of white cotton, cloth, muslin, butter, rice, gingelly seed and such other goods. This brought them huge profit. Further, the Portuguese and Arakanese pirates carried out slave trade. The persons collected through this port were sold away in far off countries.

After establishing at Pipli, the Portuguese were in search of their foot holds for the expansion of trade. They proceeded further northwards and founded a settlement at Hijli. Hijli was noted as a sea port and was situated at the mouth of the river Rusulpur. In 1599, they obtained permission from Akbar and built a church and a

\[^{5}\text{L.S.S. O'Malley, *Bengal District Gazetteers*, Balasore, p. 36.}
\[^{7}\text{J.J.A. Campos, *op. cit.*, pp. 94, 96-97.}
\[^{7}\text{R. Fitch in W. Foster, *Early Travels*, p. 25n.}
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fort at Hijli and opened a settlement at Dacca. Though the Portuguese opened their settlements at various centre’s of trading activities but Pipli remained the main centre for them. Pipli also remained a principal centre of Christian religious activities. Early in the seventeenth century the Augustinians built Churches and a good number of residential quarters for the Christian fathers. Although the Portuguese were expelled from Hugli in 1632 and from Hijli in 1636, but their pillaging activities in the Orissa coast continued unabated.

In 1625, the Portuguese established their settlement at Balasore on the river Burabalanga. They also built some Catholic Churches at Balasore. But the Portuguese settlement at Balasore never played any important role like the Pipli port.

Moreover, about their position in the Bay of Bengal in the second half of the seventeenth century, Sanjay Subramanyam, argued that their decline of the sea-borne empire should not be constructed as the decline of their private commercial activities. They settled on the eastern coast of India with an ideology essentially that of a stateless, an adaptable commercial group. In the period from 1670, the irregular Dutch shipping lists for Hugli and Balasore continue to give us evidence of Portuguese shipping and mercantile activity, though this appear to be at a rather lower level than that of their counter parts based in southern Coromandel.

Coming to the Dutch activities in Orissan coast, it seems that the trade monopoly of Portuguese for a century had to be challenged by them with the help of native powers. By mid-seventeenth century, the Dutch were firmly established in the ports of Orissa though their trade in Bengal region was still secondary as compared to

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13 Ibid., p. 461.
their activities either in the Coromandel or in Gujarat. But by 1670s, they were well established in the Bengal and Orissa region. They had opened factories in Pipili, Balasore, Hugli, Dacca, Kasimbazar, Patna and Malda.\textsuperscript{14} They had secured trade privileges from various central and provincial rulers from time to time embodied either in a \textit{farman} or \textit{parwana}. Detailed accounts of the Dutch activities has been given by Om Prakash in his work.\textsuperscript{15}

The earliest definite reference to the Dutch trade in Orissa is in the Gingelly coast extending from Godavari delta to Jagannath Puri.\textsuperscript{16} Thomas Bowrey opines that the Gingelly coast was “commodious for navigation sake, enjoying many pleasant and good harbours”.\textsuperscript{17} At first it was held that the Dutch came to Pipili in 1625,\textsuperscript{18} but some modern scholars are of the opinion that the Dutch came to Pipili in 1627.\textsuperscript{19} Such as in Balasore, Campos writes, the Dutch came in 1625\textsuperscript{20} but J. Beams writing on the basis of some Cuttack records that the Dutch could not have obtained the grant prior to 1645 from Nawab Mutaqud Khan, who was appointed deputy of Shah Shuja in the same year.\textsuperscript{21} We find reference to the oppression of Malik Beg, the governor of Balasore upon the Dutch in 1647, as a result of which their trade was practically stopped and they could extract a license from the local authorities only by making a show of force.\textsuperscript{22}

By virtue of \textit{farman} issued by Aurangzeb in 1662, the Dutch were to be charged at a established rate which was 4\% in Hugli and 3\% each at Pipili and

\textsuperscript{14} Master's Diary, Vol. II, p. 92.
\textsuperscript{15} Om Prakash, Dutch East India Company and the Economy of Bengal, 1630-1720, Princeton, 1985, pp. 34-50.
\textsuperscript{17} Thomas Bowrey, A Geographical Account of the Countries Round the Bay of Bengal, 1669-1676, London, 1905, p. 120.
\textsuperscript{18} C.R. Wilson, op. cit., p. 137.
\textsuperscript{19} H.H. Dodwell (Ed.), Cambridge History of India, 1497-1858, Cambridge, 1929, pp. 40-41.
\textsuperscript{20} J.J.A. Campos, op. cit., p. 97n.
\textsuperscript{22} W.W. Hunter, Orissa, Vol. II, p. 311.
Balasore. But since the recognition of Hugli as the chief establishment of Bengal, the latter two ports were hardly used for loading and unloading of vessels after 1653.\textsuperscript{23} However the most important concession for the Dutch was the exemption in transit duty on the Agra-Pipli route which enabled them in the dearest market profitably. The \textit{farman} of Aurangzeb asked the officials of Bengal, Bihar and Orissa to exempt the Dutch from other inland duties.\textsuperscript{24} The next \textit{farman} to them was granted by Bahadur Shah in 1709 which reduced the duty to 2.5\% both at Surat and Hugli. Another \textit{farman} was granted by Jahandar Shah which also confirmed the privileges of the previous one but made the Dutch pay the duty only at Hugli. In 1664 there was a dispute between the English and the Dutch regarding boundaries of their respective areas which was settled by \textit{Nawab} Shaista Khan.\textsuperscript{25}

Apart from the above mentioned ports, the Dutch had also another centre at Harishpur situated on the mouth of river Patua. Harishpur or Harsepore or Harishpurgarh was mentioned as sea port by Peter Mundy (1628-1632).\textsuperscript{26} The English Factory Records reveals that the Dutch had another factory at Manikpatnam\textsuperscript{27} near the mouth of Chilika.\textsuperscript{28} Abul Fazl mentioned it to be a large port where salt dues were collected.\textsuperscript{29} Bowrey mentioned Manikpatnam as a sea port on the coast of Gingelly.\textsuperscript{30} However the fact is uncertain that whether the Dutch actually established a factory there or not.

The Dutch principally dealt in silk \textit{Punjah} of Orissa, a commodity over which

\begin{footnotesize}
\begin{enumerate}
\item Om Prakash, \textit{op. cit.}, pp. 41-42.
\item \textit{EIF}, 1618-1621, p. 254n.
\item \textit{EIF}, 1630-1633, p. 189n.
\item T. Bowrey, \textit{op. cit.}, pp. 122-23.
\end{enumerate}
\end{footnotesize}
they had almost monopoly trade.\textsuperscript{31} The Dutch exported Orissan textiles and other manufactures\textsuperscript{32} to Holland, Persia etc.\textsuperscript{33} Master observes, "They sent home cotton clothes silk (raw and woven), rice, opium, turmeric, sugar and pepper, vegetable-dyes, bees, wax and saltpetre."\textsuperscript{34}

A contribution of the Dutch may be noted is that, in 1640-41, they had set up a refinery of saltpetre at Pipili with copper kettles imported from Holland.\textsuperscript{35} As a result saltpetre traders were encouraged to visit the said place. They provided impetus to handicraft production. They maintained a large smithy for small iron work.\textsuperscript{36}

The British arrived at the coast of Orissa, eight years after the Dutch had established here. The English had their trade settlements at Masulipatnam (1611) and Surat (1612) prior to their arrival on Orissa coast. John Norris, an English agent at Masulipatnam, in the spring of 1633 sent a party of eight Englishmen, consisting of two merchants (Ralph Cartwright, the leader and Colley) and six sailors (one of them was William Bruton, quarter – Master of the ship \textit{Hopewell}) in an expedition northwards in search of trade facilities. The party which took a country junk expected golden profits from this voyage. They sailed the Orissa coast and anchored at Harssappore (Harsapur or Hariharpur) situated in the extreme south-east of the Cuttack district on the mouth of the river Patua on Easter Day (i.e. the 21\textsuperscript{st} April 1633).\textsuperscript{37} From that place they took up the high road and passing through the prominent villages of Balikuda, Benahara and the important town of Jagatsinghpur arrived at Cuttack. Ralph Cartwright and William Bruton and some followers went to meet the governor of Orissa, residing in Malcandy (Mukunda Deva's place), the fort of

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\item[31] \textit{Letters to Fort}, 1682, Vol. II, p. 52.
\item[34] \textit{Master's Diary}, Vol. I, p. 141.
\item[37] \textit{EFI}, 1630-33, pp. xxxi.
\end{footnotes}
Barabati. At that time Mutaqad Khan (Mirza Maki) was the governor of Orissa. It appears that the governor was generous and friendly to the British. He granted a parwana to the British to found a factory and for free trade. This facilitated the establishment of a British factory at Hariharpur in 1633.38

The destruction of the Portuguese settlement at Hugli in 1632 attracted the English to open trade northwards. At the same time the growing scarcity of cloth of Masulipatam on account of the Gujarat famine in 1630-31 necessitated opening a new centre of trade and the advance of the English from the East Coast to the Bay of Bengal.39 The manufacturer of the high quality cotton clothes of Mohanpur, Hariharpur and Balasore also attracted the British merchants for their commercial benefit. In May 1633, the British merchants, Cartwright and Thomas Colley, return from Cuttack to Hariharpur and started building a factory there. At the invitation of Mir Qasim, the then Governor of Balasore district Cartwright went there on 16th June 1633 and a factory was also established there.40 Besides the above said advantages there was also the geographical importance of Balasore for which it flourished as an important harbour. The ocean going ships could not go up the Ganges to Hugli on account of the difficulties of navigation and had necessarily to halt at Balasore road and articles were transshipped to Hugli on small sloops and pinnaces.41

In the meanwhile, the British Council at Masulipatam despatched the swan (ship) under the command of Edward Austin with all her cargoes to join the party at Bay. The aforesaid ship anchored at Harishpur on July 22, 1633 but finding no Englishmen there then she sailed up the coast and went to Balasore, where Cartwright had already founded a settlement.42 The commodities brought by the ship were unloaded at Balasore. It was felt that Balasore would be a good place for trade.

39 J.N. Sarkar, Studies in Economic Life in Mughal India, Delhi, 1975, p. 310.
40 EFI, 1630-33, pp. 307-08; Moreland, From Akbar to Aurangzeb, p. 47.
W. Hedges, op. cit., Vol. III p. CLXXVII.
41 J.N. Sarkar, op. cit., p. 331.
42 EFI, 1630-1633, pp. xxix, xxxii; C.R. Wilson, op. cit., Vol. I, p. 16.
The British factory, established in 1633, stood a little way from the riverside. The Company administration was very much disciplined and the Company servants were careful concerning the financial problem. So once the Captain Brookhaven instructed James Bridgeman (Dec. 14, 1650) that, “the Company must not be put to unnecessary expenses by building or repairing houses or by keeping many servants. All matters of importance should be made known to the whole staff.”

At the early stage the English factors faced a number of problems because they were the new-comers and ignorant of the commercial needs of the people of the locality. The inability to adjust to the new climate and shortage of food caused sickness and a number of death, including the death of Thomas Colley from fever at Hariharpur. Another factor was the envy of the other European settlers on the coast of Orissa affected the British trade. Difficulties also came from the Arakanese pirates. Owing to all these reasons and some other causes, English trade in Orissa suffered very much at the earlier stage.

For the greater part of the seventeenth century, the English remained content with the two factories at Hariharpur and Balasore. Regarding English establishment at Pipli, there has been some disagreement among the scholars. C.R. Wilson categorically writes, there never had any English factory at Pipli, except in the imagination of historians. On the other hand, W.W. Hunter and Wheeler believe that the English had a factory at Pipli. There are some later references to the establishment of factories at Ganjam, Cuttack and Balaramgarh. But even in these cases, definite dates of their establishment are not known. The English are reported to have trade contracts with Gingelly coast, but it is also uncertain if they had any factory there.

The English enjoyment of duty free trade in lieu of an annual payment of

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43 EFI, 1646-50, p. 333-34; EFI, 1655-60, p. 297.
Rs.3000/- was based on an imperial farman issued by Shah Jahan in 1650, the obvious meaning of which was, as William Foster says “merely to realise the English from the payment of road dues on their goods collected in Oudh, Agra etc. and sent down to the west coast for shipment”. But it could not have been intended at Delhi to excuse them for paying the usual customs duties on goods shipping from the Bengal Ports.47

However, the English by presenting 3000 rupees to Shah Shuja managed to get their contention accepted that the farman had freed them from all demands in Bengal.48 A nishan to this effect was obtained from him on 13th August 1651 which addressed the officers of Orissa, particularly the mutasaddis of Balasore not to obstruct the Company’s trade and not to demand any duties from them either at the ports or on the roads. This nishan was stolen from a factor on his return to Madras. But it was confirmed another nishan in 1656 without any difficulty.49

The English factors felt uneasy under Shaista Khan in Bengal, who insisted that presents worth Rs.3000/- be paid to him whether they had any business transaction for the time being or not.

“Though we have at present little or noe business of our masters to manage, yet we are not free from trouble nabob’s government.50 This credibly reported that Balasore and Pipli by the king’s order is reduced and brought under the province of Bengal, which we cannot but lament, especially at this time, it falling under the power of a person most unjust and solely addicted to colletiousness. We must fear the yearly present of this place Rs.3000/- will be exacted, though wee may have now shipp arrive, the rent and custome of this towne (i.e. Hugli) being his Jageer.51

The authenticity of the English securing customs-free trading privileges is not clear as Sushil Chaudhuri writes,

“Most of the historians on the early annals of the English trade in Bengal maintain

47 EFI, 1655-1660, p. 109.
48 Ibid., p. 110.
49 Ibid., p. 415.
that the Company enjoyed the privilege of duty-free trade on payment of Rs. 3,000 only per annum. But this theory of customs-free trading privileges of the Company can now be exploded by the discovery of new evidence in the Company’s archives. In fact, the Company had never enjoyed – by virtue of any imperial farman – such privileges in Bengal prior to 1717. The English claim of duty-free trade was only a myth, hardly based on any legal or valid imperial sanction behind it".  

After the death of Aurangzeb in 1707, Murshid Quli Khan was removed and a Parwana was obtained from Nawab Sarbuland Khan. But he was also removed very soon which again created problem for the English. From this time, they decided to procure a farman from the emperor again, which would protect them from molestation of the local officials. However, the death and overthrow of two successive emperors Bahadur Shah and Jahandar Shah in a short period prevented any such progress. At last, a consolidated farman under the embassy of Surman was obtained from Farrukh Siyar in 1717. This farman as Sushil Chaudhuri observes was the most important development in the annals of the Company’s trade in Bengal in the first two decades of the eighteenth century, but it is not the grant of any extra-territorial privileges over the run away debtors, as observed by Sukumar Bhattacharya. The farman makes a clear distinction between the merchant, weavers and others and the Company’s servants. This was just a privilege, because in all other respects the native servants of the Company remained the kings subjects and accountable only to the king’s officers. But it is too much to say that it was in extra territorial privileges. The farman grants freedom of trade in case of export and import but no where it mentioned about inland trade and also perhaps not about private English trade.

Adequate data is not available regarding the exact position of the English in Orissa at this time, though at least theoretically we can say that their position here was exactly the same under the jurisdiction of Murshid Quli Khan and his successor Shuja Khan as was in Bengal. It seems that like Bengal, here also friction with the local officials arose with regard to the use of farman. However, by the close of our period,

52 S. Chaudhuri, op. cit., p. 28.
53 Ibid., pp. 41-42.
the English were in a very strong position in the entire Bengal Subah.

The Danes like the English and the Dutch were one of the earliest European settlers in India as well as in Orissa. Soon after their arrival they made some promising efforts on the eastern coast of India. By 1625, they secured freedom of trade at Masulipatanam, took Pondicherry on a lease and established a factory at Pipil. It is also known that as early as 1633 they along with the English had in Balasore. Throughout the seventeenth century this seems to be their chief settlement in Bengal. However, their trade in Balasore, never appeared to have reached any significant level. The main reason was that they were starved of capital and received very little assistance from their home government.

The settlement of Danes at Balasore was consisting of about seven acres of land and was known as Dinemardanga. The Danish factory was fortified by a natural moat which connected it with the river and defended it from land attacks. On the north side, the merchants had excavated a small dock for shipping. But due to home government's inadequate help and its conflict with the local authorities in Orissa, put it in disadvantageous position till the seventies of the seventeenth century and by that time the European Companies having established themselves firmly in Orissa, the Danish Company could not compete with them.

Compared to the position of Dutch and English, the French were not such an important mercantile power until the second decade of the eighteenth century. They first attempted establishing a factory at Balasore in the early seventies of the seventeenth century, when the commander of a French ship Flamond was received by Malik Kasim, the governor of the said place. But due to the hostility of the Dutch nothing tangible materialised. Thus the first effort of establishing a French

56 Master's Diary, Vol. II, p. 84.
58 Ibid., p. 46.
settlement in Orissa proved abortive. A fresh attempt was made by Mr. Desland, Director of the French Company in Bengal. And the first settlement in Balasore and in Bengal were founded in 1693, the year when a farman was obtained from Aurangzeb. The farman placed French in the same position as the Dutch, i.e. to pay 3½ percentage custom in the Bengal, Bihar and Orissa.60

We do not get a connected account of the growth of French settlement in Orissa. In 1720 a French ship arrived at Balasore with a large sum of money for investment in sannoes.61 The activities of the French seemed to have been dislocated during the period of Maratha raids (1742-1751) into Orissa, and we find that they had to evacuate Balasore factory in 1744 on account of fear.62 After 1765 the French discontinued trading operations from Balasore although private merchants still carried on some business there. The Balasore factory was, however, maintained for despatch of letter from Bengal to Pondicherry.63

The French had a subordinate factory at Mohanpur64 about which we have no detail.

The main items in which the French traded in Orissa were sugar, linen, silk, wax, saltpetre etc. We do not find reference to any European commodities imported by the French to Orissa for financing their purchases there. So, it is likely that they used bullion for this purpose.65

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60 Ibid., p. 242.
62 J. Sarkar, Bihar and Orissa during the fall of Mughal Empire, p. 60.
64 A village situated in Midnapore district; K.K. Datta, Alivardi and his Times, p. 151.
65 Bengal Past and Present, January-June, 1925, p. 57.
II. THE INDIGENOUS MERCHANTS AND THE ENGLISH EAST INDIA COMPANY

We have already discussed about the foreign merchants on the basis of nationality. Among the native merchants, the most prominent were Mughal provincial officials, who were assigned various mansabdari posts in the state. Though, they were not all the native inhabitants of Orissa, yet they actively participated in the trade during their tenure of office in the province. These groups consisted of administrators from Petty Shiqdar, Faujdar and Shanbandar to the dewan, Nawab and subehdar of the province. But they had to defend upon their agents for their trade. For example, in 1682-83, Rahimdad Khan, the agent of Nawab Nasib Khan the Shahbandar of Balasore, despatched a ship to Maldives which belonged to his client. These groups depend upon the agents because they themselves were not in a position to travel to distant places and all of them were not based in Orissa. Some of these officials were based in Bengal and managed their shipping through agents or gumashtas. For example, in 1653 vessel from Masulipatanam equipped at Balasore was operated in the name of Ahmed Beg, the Faujdar of Hugli. Orissan trade with South-east Asia and Ceylon was quite lively.

In this section, we shall discuss the activities of several important merchants with particular reference to their relations and transactions with the English East India Company. The activities of some of these merchants had certain distinct features as they acted as brokers to the European Companies, which could not deal directly with the primary producers for provision of goods for Europe. But, they were not merely brokers but also traders operating exclusively with their own capital. All of them were primarily merchants-buyers and sellers of different commodities and their business extended to any class of goods which was expected to yield a profit.

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66 Om Prakash, *op. cit.*, p. 33.
67 Ibid., pp. 229-30.
The two Balasore merchants Khem Chand and Chintaman Shah, played a significant role in the commercial life of Bengal in the second half of the seventeenth century. They had the skill, the organization, the capital and knowledge with which to meet all the business needs of the European Trading concerns. Of the two, Khem Chand enjoyed a positive and repute better than Chintaman. But both were bonafide characters in the mercantile history of Bengal and Orissa and worked as inseparable wing of Company's trade. They were the most influential merchants at Balasore on their own account, taking a prominent part both in the internal and external trade of the region, some times trading jointly and at other times on individual accounts. For many years they were principal brokers to the English Company at Balasore for providing commodities for the investment of the Company.

Besides. Khem Chand and Chintaman Shah, there were so many local merchants of Orissa belonging to both the Hindu and Muslim communities, who carried trade with different parts of India, i.e. with Calcutta, Dacca, Pulicat, Cochin etc. They used to send iron, stone plates, rice and some other commodities and imports from Calcutta to Balasore consists of tobacco and certain other articles. At the initial stage of commercial operations of the English in Orissa when lack of ready money and difficulty in selling European goods were the main hindrances to their trade, the merchants took part payment for goods supplied by them in the articles imported from Europe. But sometimes the merchants were also harassed by the local authorities. Besides paying much custom duties, the merchants were subjected to many other exactions. For example, during the subedar of Shaista Khan, the

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69 The two well known Balasore Brokers to English. These two merchants were generally referred to in the records of the English Company as Chimcham and Chintamund Saw; T. Bowrey, op. cit., p. 150.

70 Master’s Diary, Vol. II, p. 236.

71 S. Chaudhuri, op. cit., p. 62.


74 EFI, 1668-69, pp. 309-11.

75 Ibid.
merchants of Orissa had to make contributions towards strengthening the naval
defence.\textsuperscript{76} Sometimes the English factors paid exorbitant rate of interest as high as
15 to 18 percent per annum to great and powerful brokers like Khem Chand and
Chintaman Shah. This was however, in the words of Master, "ordinary rates then
paid on outstanding obligations by merchants of the best position and credit.\textsuperscript{77}

Of the two Balasore merchants Khem Chand seems to have enjoyed greater
repute and better position than his partner and colleague Chintaman. As early as
1669, Khem Chand entered into an engagement to supply goods for the Company
investment.\textsuperscript{78} Generally, this investment at Balasore in this period consisted mainly
of sannoes, nillaes, and ginghams\textsuperscript{79} and occasionally if cheap and good quality dories
and cassaes also.\textsuperscript{80} The Balasore merchants generally provided commodities for the
Company investment accepting payment half in European commodities and half in
cash. But some times, influential merchants, would not provide goods for investment
without advance cash.\textsuperscript{81} Khem Chand was seldom subservient to the Company and
maintained his position as a merchant and banker quite independent of the English.
Stryensham Master who was in Bengal during 1676-77 to recognize the Company
trade, reported that Khem Chand and Chintaman Shah were the only moneyed men
amongst the merchants.\textsuperscript{82}

There were also many Muslim merchants who did not belong to the ruling
Mughal aristocracies. The participation of this group seems to have increased from
the nineties of the seventeenth century. In northern Gingelly, the important mercantile

\begin{itemize}
\item \textsuperscript{76} Bowrey, \textit{op. cit.}, pp. 161-63.
\item \textsuperscript{77} \textit{Master's Diary}, Vol. I, p. 137.
\item \textsuperscript{78} Ibid., Vol. II, p. 224.
\item \textsuperscript{79} Manrique, \textit{Travels}, Vol. II, p. 59.
\item \textsuperscript{80} \textit{EFI}, 1637-41, pp. 313-14.
\item \textsuperscript{81} \textit{Masters Diary}, Vol. II, p. 86.
\item \textsuperscript{82} Ibid., pp. 217-19.
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groups were the Kommatties. It is revealed from their names that they were Telugu by birth. Some Muslim merchants were also there whose participation as in Balasore seems to have increased to some extent from the nineties of the seventeenth century. Apart from this, we have also the references of one Armenian trader Khwaja Jaffar who had settled in Balasore in the last part of the seventeenth century and owned ship.

There were some merchants or brokers in the Orissa coast, who were very wealthy and influential. Khem Chand obtained 40 percent and Chintaman 20 percent of the total investment of the English Company. The division of the rest 40 percent among other Merchants of the Company was left unto the discretion of Khem Chand, Chintaman and the chief of factory. Khem Chand alone in 1673 had in his broadcloth worth Rs. 30,000. In 1674 he paid Rs. 50,000 to Rashid Khan, the Nawab of Orissa. These details show the wealth of Khem Chand. The merchants sometimes acted as brokers between the English and the government officials. In 1673, the Hooghly factors directed Hall, the English factor at Balasore, that Malik Kasim, the Governor of Balasore, must either pay cash for the guns that he would purchase from the Company or Khem Chand should buy them for him. The English factors wanted to make this arrangement in order to avoid difficulties in realising the price of the guns.

Besides these two wealthy and influential merchants of Balasore, there were many merchants who had small or no estates. They could earn their livelihood under the patronage of powerful merchants like Khem Chand and Chintaman. The
English factory records as well as the travel accounts mention the names of some of the Hindu merchants of Balasore.\(^{90}\) There were also some Muslim merchants at the port of Balasore, who actively participated with the English Company for transaction but unfortunately we do not have any names of these merchants.

The merchants of Orissa carried on trade with Asiatic countries apart from their regular trading activities with different parts of India. Bowrey in 1670s referred to the merchants of Balasore and Pipili sending their ship for the purpose of trade.\(^{91}\) In March 1680, Khem Chand in his ship brought elephants from Tenasserim to Balasore.\(^{92}\)

The local merchants of Orissa usually played the role of intermediary between the local producers and European Companies. The European traders had to depend on them for the supply of articles of investment for export as well as for the sale of the European commodities brought in Orissa. The European merchant competed with one another to have direct access to the original producers through the brokers. The English factors used to give *dandis* (advances) to the brokers by taking proper security from them, who were bound to make good contact within the stipulated time and were under the obligation of supplying their goods exclusively to the English. The merchants used to collect the articles of investment at a cheap rate and stocked them in the Company’s warehouses. If the merchant failed to deliver the goods in time, or satisfy the Company’s agents of the quality of the goods delivered and thus robbed the Company of the full return of their investments, the merchants shall forfeit and lose his part and share in the investments for ever after provided if were not caused through trouble and stoppage of the goods in the country.

In the first half of the 18\(^{th}\) Century, the local merchants of Orissa faced many problems because of the custom duties and financial extortion of the government officials. There was also heavy competition among the European merchants to reach

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\(^{90}\) *EFI*, 1670-77, p. 358.

\(^{91}\) Bowrey, *op. cit.*, pp. 179-80.

\(^{92}\) J.N. Sarkar, *op. cit.*, p. 337.
the primary producers sometimes evading internal customs duties under the umbrella of the imperial farman for duty-free trade. The increasing volume of private trade, the effect of natural calamities like floods and droughts and political uncertainty owing to the Maratha wars in the forties of the eighteenth century had added to their difficulties. Gradually the merchants lost their foreign trade. 93

The unjust dealing of Mughal officials have been referred to in our sources. Very often the European traders were the victims of "their pretended justice". 94 The extract of a general letter from Balasore to the Company contains the following;

"We sorrowfully considering the arbitrary Government of these parts and the continual study by raising money by unreasonable means, and that as they are people of no principals, so they could make what attestation and certificates they pleased." 95

In view of such situation, many officials tried to keep the Europeans happy by granting them Privileges. The diary of Master refers to the honors bestowed upon the English by the governor of Balasore. When Master visited Balasore officially, in August 1676. Mirza Ali, the governor of Balasore welcome him cordially. 96 So, the access to higher authorities enabled them to escape from the arbitrary behaviors of local officials

However, unlike the Indians, the Europeans could strike back. They had arms and were not averse to using them to gain their ends. On the other hand the merchants were victims of customs, commissions, 97 and special taxes, 98 which had not healed them to improve their economic position in the society.

93 C.R. Wilson, op. cit., Vol. I, pp. 381-84; Bengal Past and Present, Vols. 79, pp. 147-148; Vol. 80, pp. 34-35.
94 Master’s Diary, p. 140.
95 Ibid.
96 Ibid., p. 300.
Regarding the power and influence of Khem Chand and Chintaman Shah both of them lost their position by the close of the eighties of the seventeenth century. Khem Chand died in November 1687\textsuperscript{99} and the Company took summary proceedings against his partner and colleague Chintaman Shah, in view of doubts about his solvency. Chintaman was alleged to be considerably in debt to the Company, and as there was little likelihood of otherwise recovering his debt, the Company decided to seize his ships.

\textsuperscript{99} S. Chaudhuri, \textit{op. cit.}, p. 73.
III. COMMERCIAL ACTIVITIES:

After discussing the role of the merchants of the province, now it is important to discuss the commercial activities and commercial organization of the province during our period.

The mode of procurement of textiles in Orissa was on the same pattern as was in other regions in India. The overwhelming share of the shipping business was handled by the Muslim merchants and the Europeans on the coast. The dalali (brokerage) and paikari (delivery of goods) business were handled predominantly by the Hindu baniyas, where as the primary producers were mainly the Hindus, although some of them seems to be Muslims (for example, among the weaving community). The European trading communities added to the commercial importance of the sea-trade of Orissa as they established themselves at the port towns. They soon controlled a large chunk of the sea-trade of Orissa in the seventeenth century. Apart from Hindus, Muslims and Armenians, many Mughal officials also participated in the commerce of Orissa.

Some zamindars of Orissa, those who possessed ships, also participated in trade in the seventeenth century, because at that time it was not considered derogatory even among non-trading castes of the Hindus. Even some merchants belonging to the Brahmin caste, for example, Gunny Narso, a Brahmin of Ganjam was a trader. As we have already discussed about the role of Khem Chand and Chintaman Shah as the noteworthy merchants of the ports of Balasore, such as Mucunda, a Hindu merchant was active in Pipli. They were the richest merchants in the localities.

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100 Hugli Letters, 1680-81, p. 38.
101 Letters to Fort, 1693-94, p. 49.
102 EFI, 1665-67, p. 261.
The Armenian also permanently settled in Orissa and were very powerful economic groups in the seventeenth century. For example, Khoja Jaffar, an Armenian merchant permanently settled in Balasore in the last quarter of the 17th century and he was rich and owned ships.\(^{105}\)

The Mughal officials were also keenly interested in trade. High ranking Mughal officials, such as Nawab of Cuttack participated in trade. He owned a ship of two hundred tons and the vessel carrying rice and other articles in bales anchored at fort George on 1 March, 1695.\(^{106}\) The Governor of Balasore and the faujdar of Balasore and Pipili, Muhammad Yusuf were the big traders. The Governor of Balasore in Master's time dispatched a great parcel of iron and other materials to the Governor of Hugli from Balasore.\(^{107}\)

But it is true that the employment effect of the European procurement in Orissa was not felt to the same extent as in Bengal proper,\(^{108}\) though the growing specialization of individual aurangs in the regions of Olmara, Mohanpore, Kasiari and Danton were in response to extra demand created by the Europeans.\(^{109}\) As regard other weaving center on Orissa; the Europeans had virtually no contact with the exception of Hariharpur. Hence our conclusion is that in the event of only part-time employment in this industry, the occupation was not likely to be restricted to any particular caste or community.

The principal characteristic of the export trade was that the merchandise was procured through the advance payment system (dadni). The weavers received the advance from the intermediaries or the paikars who in turn received them from the merchants. This was done much before the shipping season. Generally, the link

\(^{105}\) Om Prakash, “The European Trading Companies”, *IESHR*.

\(^{106}\) *Diary and Consultation*, 1692, p. 32.


\(^{108}\) Om Prakash, *Dutch East India Company...*, p. 242.

\(^{109}\) Ibid., p. 239n.
between the *paikari* and the merchant was established by the *dalali* or broker.\(^{110}\) Generally, the *paikari*, the *dalali* and the sea trade were three distinct professions. But a rich merchant like Khem Chand, controlled and combined the elements of these three specialized functions all together. But for the Europeans, this was not possible, due to lack of *farman*, by which their goods might be subject to duty on the roads and lack of ready cash. For this reason, the English Company was not in a position to deal directly with the weavers of some places.\(^{111}\) It seems that the system differed a bit between the Dutch and the English. Where as the Dutch had their salaried brokers, the English only paid *dasturi* or brokerage charge to their brokers.\(^{112}\)

The merchants had a very important role in determining the price and the artisans also did have some role in it. The advance system to the weavers in India is very often compared with their European counterpart, because the Indian weavers received advance in cash, not raw materials.\(^{113}\) But sometimes, the English had to exchange them with the native goods at a very low price. There was no fixed proportion of money to be paid as advance to the merchants.\(^{114}\) It depended upon the situation and the terms and conditions negotiated between the merchants and the Company. At the time of rebellion of Sobha Singh, the Dutch paid as low as 25% of the total as advances in Pipili.\(^{115}\)

The impact of the European trading Companies over the native merchants of Orissa and over the textile and other industries of the region were both restrictive and harmful to some extent. But it was also beneficial and stimulating for the economy. It was harmful because the Orissa merchants were forced to reduce their volume of trade with the number of Asian markets and were forced to concentrate on coastal


\(^{112}\) *D & C Book*, p. 174.


\(^{114}\) *EFI* (New Series), 1670-77, p. 345.

\(^{115}\) Om Prakash, *Dutch East India Company*, . . . pp. 103-04.
trade. The merchants had to seek the protection of the British East India Company for their subsistence against the competition of other European Companies on the one hand, as against the mounting coercion of the Nawabs particularly in the 18th century on the other. Ultimately they concentrated their activities as brokers of the East India Company and stimulated village level manufacture of silk and cotton textile good in Orissa. But the activities of the European trading Companies had stimulating effects on the then declining agrarian economy. The initiative and drive of the Europeans like Dutch and the English, their manpower, the vigor of capital investments and strength over the high seas-opened up for the Orissan silk and cotton textile manufactures new markets and widened the existing Indian markets in Asia. Thus the Japanese market was opened up for the silk and silkpiece goods of Bengal and Orissa. The export of the Orissan commodities like sugar, paddy, earthen pots as well as textiles goods to these Asian markets was a net addition to the volume of total exports from Orissa and Bengal. It is possible to presume that as a consequence the level of production and employment as well as per capita income in Orissa must have had a cumulative upward trend of which no statistical data could be produce. But the increasing open up of the Asiatic markets by the European merchant communities was associated with the ousting of the Indian merchants from these ports, which subsequently led to the rivalry among the European merchants. The outcome of this trade rivalry was the use of a restrictive weapon by the European traders against their Indian counter parts. This was manifested through their power to control the composition, direction and extent of the foreign trade of the Indian traders through the system of passports. The other coercive measures were the price-competitions, differential customs privileges in various Asian markets as adopted by the European

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120 Bowrey, op. cit., pp. 182-190; EFI, 1642-45, p. 156.
particularly the Dutch Company. 121

The analysis made by Om Prakash on the Dutch trade with Orissa and Bengal ports as well as the accounts of Hamilton and Foster 122 suggest mainly two regulates, first, since the advent of the European traders in the coastal Indian trade the Orissa traders had a large share. The textile commodities, sugar and rice which were being exported from Balasore 123 had great demands in the regions of Persia and Ceylon. Second, while the merchants of the port of Balasore in the 17th century losing the Asiatic ports owing to foreign competition, concentrated primarily on trade with Ceylon and the island of Maldives, Hugli merchants specialized in trade with Surat and the Coromandel coast. 124 The Balasore merchants also established trade relations with the Surat merchants. This pattern of specialization became particularly manifest since 1690 when the Dutch Company began to lose their predominance in the Indian Ocean. 125

The Dutch East Indian traders in the early 17th century always used the most effective weapons of their system of passports and coercion to force the Indian traders to alter the direction and composition of their exports. This situation was brought about by the absence of an adequate naval strength of the Mughal rulers. Even they had to ask the European Companies for a passport whenever they wanted to send any ship to the Asiatic markets.

Nevertheless, the Indian traders, particularly the members of the Mughal nobility demanded freedom on the high seas not as a theoretical claim but as a matter of right. They frequently held out serious threats to the foreign Companies to protect their rights in the Indian Ocean. Since 1690s the Balasore-Ceylon trade considerably

diminished in the face of foreign competitions.

The major items of export to Ceylon were rice and textile products of comparatively inferior quality. The imports were elephant-tusks, areca-nuts, cinnamon and conch-shells. The price fixation, prohibition of some articles for exports and imports were dictated, however, by the Dutch Company only to exclude the Indian traders from the Ceylon trade. The Dutch had also made a systematic confrontation with the Indian traders in the Malay-Indonesian Archipelago. Such Company carried on extensive trade. With the far eastern countries, the Orissa goods like cotton textiles, provisions such as rice, butter, oil and opium derived mainly from Behar in lieu of commodities of the Eastern countries like tin, saltpetre and sandalwood. Prior to the 18th century the Dutch Company wanted monopoly trade in these commodities particularly of opium as it offered a profit of several hundred percent, if only supplies could be controlled is a monopoly market. They had to cross swords with the existing ruling machinery in Orissa as well as against the British East India Company. Consequently, they were harassed and ultimately had to leave their trading centers.

Apart from this, there were also other factors like official extortion, rapacity and war which compelled the weavers to desert their places and this ultimately affected the investment. This resulted in many outstanding dues on the merchants of the Company, which was regarded as a bad debt. Master in 1679 found in Balasore, the merchants like Khem Chand, Chintaman Shah, Hira Singh and Hingu Shah were together indebted to the sum of Rs. 10677:09:0. The Company, actually made the necessary abatements after sorting out the goods. In such case, the merchants resorted to the tactics of delaying their supplies so that the Company was hardly left with any time to sort them out.

126 Bowrey, op. cit., pp. 180, 208.
127 EFI (New Series) 1670-77, p. 344.
128 Calculated from D & C Book, 1679-1680, pp. 115-16.
In fact, the direct link between the weavers and the Company was extremely rare. It seems that the powerful merchants of Balasore maintained a nexus between them and the weavers and therefore the Europeans as in the case of Kasimbazar, Dacca or Malda could not establish direct contact with them. For example, in his account of trade of Balasore, Walter Clavell reported to Streynsham Master in 1676,

"And in case chimcham (Khem Chand) should decease or remove hence (Balasore), the weavers of Suro that live is the skirts or Balasore might be treated with all in the same nature that we deal with the Kasimbazar weavers, and as Chim Cham now doth," 130

It seems that most of the weavers who were indebted to one or other Paikars dared not injure their displeasure by offering to deal directly with the Company displeasure. 131 In 1676, only one weaver of Balasore, Bharat who was not indebted to any of the merchants, came forward to deal directly with the Dutch factors. 132 Because of this nexus between the merchants and the weavers, the European could hardly dispense with the service of the merchant middlemen. Hence, a powerful merchant like Khem Chand quite effectively exploited this dependency upon him. Very often he himself made advance to the weavers, before he received money from the English. For example, in 1679, the merchants had already paid advances to the weavers before they came into any contract with the Company's factors on 17th July. Hence, Richard Edward the chief of Balasore hoped to receive the cloths in time, inspite of the delay in paying advances to the merchants. 133 These rich merchants of Balasore knew well that they would not lose any thing even if the English would not accept the product from them, as there were other rival Companies and interlopers.

130 Ibid.
131 Om Prakash, *Dutch East India Company*....., p. 107.
132 Ibid., p. 107.
133 *EFI* (New Series), 1678-84, p. 201.
IV. COMPOSITION OF TRADE:

In the first half of the seventeenth century, Orissa’s trade was centered in the ports of Pipli and Balasore. In the early thirties, Balasore rose into prominence, mainly due to the decline of trade in Pipli and the entry of some Portuguese merchants who had been driven out of Bengal. Until then, Pipli had not lost her pre-eminence as is evident from the account of Manrique.\(^{134}\) It is generally held by some early scholars like Moreland that Orissa’s trade until the beginning of the seventeenth century was mainly dominated by the Portuguese.\(^{135}\) But Arasaratanam has not accepted this view.\(^{136}\) As he said the trade was carried on under Portuguese protection. Hence, the general position might be that the export-track was handled both by the local and the Portuguese merchants.\(^{137}\)

By the sixties of the seventeenth century both the English and the Dutch had founded their factories in Kasimbazar, Patna, Hugli, Pipli, Dacca and Balasore in Bengal. While the English trade was still at the infant stage, the annual import of the Dutch was more than ten lakh florins. In 1663, their import value was 1,069,033 florins but in the next year, it rose to 1,603,906. In 1667, the figure was 2,358,023 florins, but the figure fluctuated between as low as 657,390 florins in 1679 and as high as 2,160,760 florins in 1681.\(^{138}\) While the Dutch generated the bulk of their purchasing power from intra-Asiatic trade, the English had to rely mainly on their home country for capital. They were not only inhibited by the mercantile theorists to export the required amount of bullion for investment in India but were also loaded with many unsolvable products of England. Of course, this was their consistent problem throughout the period. But from the very beginning of their days in Bengal, they had to encounter a lot of problems like shortage of capital, mismanagement,

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\(^{134}\) Manrique came to Pipli in 1636 and described it as a busy port frequented by many Asiatic nations; Manrique, p. 440.

\(^{135}\) W.H. Moreland, *From Akbar to Aurangzeb*, New Delhi, p. 87.

\(^{136}\) S. Arasaratanam, "India and Indian Ocean in the Seventeenth Century" in *India and Indian Ocean*, Edited by A. Dasgupta and M.N. Pearson, pp. 105-108.

\(^{137}\) Ibid., p. 106.

\(^{138}\) Om Prakash, *Dutch East India Company....*, p. 66.
quarrels among the factors, lack of proper co-ordination and communication between the factors of Fort St. George and the former.\textsuperscript{139}

Until the seventies, the English procured some saltpetre, raw-silk and piece goods from Patna, Kasimbazar, Hugli, Balasore and Dacca. From the fifties to the seventies of the seventeenth century, the general feature of the Company's trade in Bengal was slow expansion. In 1652, the total amount marked for investment in Bengal was only 7,000.\textsuperscript{140} But in the seventies, the total values of the Company's export was between 50,000 and 60,000. However, the trade of the English continued with higher velocity from this time until the outbreak of the war with the Mughals in the last two years.

However, it was not the European activities in Orissa, but the trade of the Asian merchants which in fact, kept alive the commercial glory of Balasore. The Dutch shipping list for the ports of Hugli and Balasore, which starts from 1671 and ends 1718, records the departure & arrival of ships in the name of Balasore than Hugli, from and for various ports in south-East Asia and Ceylon. This trade was largely the preserved of Balasore. For example, between 1680-81 and 1717-18 out of 18 ships recorded for Ceylon, 17 are in the name of Balasore.\textsuperscript{141} The figures of South-East Asia and Maldives are 32 out of 53 and 64 out of 91 respectively. Similarly, from 1670-71 to 1717-18 out of 30 ships, which came from Ceylon to Bengal, 21 are recorded to have arrived at Balasore. The figures for Maldives and South-East Asia are 34 out of 56 and 26 out of 42 respectively.\textsuperscript{142} So her trade with South-East Asia is concerned, in the first half of the seventeenth century was quite extensive. The main ports frequented by the merchants of Bengal were Tenasserim, Achin and Malacca. The import to Tenasserim and Achin were, woolen cloth, butter, rice and cotton cloth and the return cargoes from these ports consisted of elephants, tin, spices and non-precious metals, etc. The export to Ceylon and Maldives were mainly rice, coarse

\textsuperscript{139} EFI, 1655-1660, p. 46.
\textsuperscript{140} S. Chaudhuri, Trade and Commercial Organization..., p. 156.
\textsuperscript{141} Om Prakash, Table I & II, “Dutch Shipping List”, IESHR, I (3), 1964, pp. 40-42.
\textsuperscript{142} Ibid., pp. 43-45.
cotton textiles and butter, etc. where the imports were elephant, areca-nuts and cinnamon, etc.

As many as 1643-44, 26 Asian vessels were ready in the ports of Balasore and Pipli for shipment to different Asiatic ports. In 1668-69, as many as, 28 ships had sailed for different Asiatic ports from Balasore. Bowrey in the seventies notices that some merchants of Hugli, Pipi and Balasore had 20 ships of considerable burden that annually sailed for Ceylon, Tenasserim and Maldives. In 1681-82, 30 ships are recorded to have arrived at Balasore against 25 in the next season. The other ports of contact of the merchants of Bengal were Kedah, Perak and Johore whose coastal rulers were keenly interested in the promotion of trade. However, it was not until 1684 that the safe-guard was made applicable to the merchants of Bengal. Hence, for these reasons, the trade between Balasore and Ceylon was fairly active in the seventies and early eighties.

So far as the English trade in Orissa was concerned, we know that until eighties of the seventeenth century, Balasore was the second most important Factory in Orissa. It was the seat of the English chief of Bay in the seventeenth century. However, this place in the eighteenth century documents is mentioned infrequently. But so far as other factories i.e. Kasimbazar Calcutta, Dacca, Patna and Santipur are concerned, their name recur regularly, because the turn of eighteenth century, the muslins of Bengal had found a wider market in England than the mixed piece-goods of Balasore. Bengal also provided sugar and raw-silk which were exported to Persia and Europe respectively. As a port Calcutta have several advantage over Balasore. Calcutta being on the lower stream of the river Hooghly provided enough depth for

143 W. H. Moreland, op. cit., p. 87.
144 Om Prakash, IESHR, I(3), 1964, p. 49.
145 Bowrey, p. 179.
146 Om Prakash, IESHR, I(3), 1964, p. 43.
147 Arasaratanam, Merchants, Companies and Commerce..., p. 112.
the anchorage of big vessels. Secondly, the place was also free from official capacity, which was not true of either Hugli or Balasore. Thirdly, whether Hugli or Calcutta, any chief settlement on the bank of river Hooghly was advantageous as communication with inland factories in Bengal was easier. Hence in 1675, Stryensham Master after much discussion decided to retain Hooghly, instead of Balasore as the chief settlement of Bengal. 148 In 1698, the importance of Calcutta suddenly grew up when the English acquired the zamindari right from the Nawab, and Balasore, Pipli became progressively less important until it was reduced to the position of an agency looking into the requirements of ships calling there before entering the Bay of Bengal.

With the decline of the port of Balasore and a little later of Hugli, there was the corresponding rise of Calcutta. The historian Salim notes...Calcutta owing to the liberality and protection afforded by the English and the lightness of duties levied there, became populous. 149 Throughout the first half of the eighteenth century, there was a remarkable growth of private-owned British shipping, which were also used by Indian merchants for sending their goods to Surat and Persia. 150 Thus, Calcutta by its trading facilities began to attract the commercial land enterprising section of the people from all over the province. However, it is evident from the above documents that Calcutta became an extensive and populous trade centre, and similarly, we do not have any evidence for Balasore during this period, but if we recall the events of the later half of the seventeenth century, than we can imagine how the merchants of Balasore had to reconcile with the oppressive Mughal official like Nawab Safahkan Khan, Rasid Khan and Malik Qasim, the Governor of Balasore. 151

Any explanation of why Bengal became so important to Europeans in the eighteenth century must primarily be in economic terms, but political factors also counted for much. Throughout the century Bengal's ruler Mughal or British were

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able to maintain relatively stable conditions by comparison with the upheavals that took place in western or South-Eastern India. In the middle of the century, after comparatively brief and limited out-breaks of violence, a stable Indian regime was replaced by a stable European one. The British met with very little opposition within the province and after 1764, were able to keep Bengal secure from invasion once again. The wars by which the English gained control of Bengal with Siraj-ud-daula’s attack on Calcutta in 1756 and ended in 1764 with the final expulsion from Bihar of Mir Kasim and his Indian allies. On the other hand, Orissa lost most of her parts to the Marathas between 1742 to 1751.152

Much less evidence about Calcutta shipping is available after 1760. The collection of customs duties replaced consulate in 1759 but the bulk of the Calcutta customs records, with the exception of lists of imports for 1761 to 1765, do not appear to have survived. By the 1770s, there are, however, clear indications that the port being used by a greatly increased volume of shipping (including the Company’s ships from Europe) with a total tonnage of 22,475 called at Calcutta in 1770. His figures for the following years were: 101 ships of 24,140 tons in 1771,199 ships of 26, 184 tons in 1772 and 161 ships of 37,187 tons in 1773. In 1777 Calcutta’s exports to other Asian ports were valued at Rs. 2,562,367, assuming that the consulage figures are a reliable indication of exports, Calcutta trade roughly in 1777 was equal in the value to its trade in 1729-30, easily the most successful year between 1718-1754. War seriously disrupted trade in the following years. In 1783 the total of clearance of private English ships in and out of Calcutta was only 128, but the number of clearances climbed spectacularly after the war to 575 by 1791.153

The trade of Balasore received a set back in 1740s because of the Maratha invasion of Orissa. This period was, in fact, an era of commercial crisis in almost all the traditional maritime centers in India. This general reasons which account for this are simultaneous collapse of the Mughal, Safavid and the Ottoman empire in India, Persia and Turkey respectively. The situation was further aggravated by the official


153 Ibid., pp. 54, 56.
capacity and the invasion and plunder of the Marathas. The crisis had already begun in Surat in the thirties of the eighteenth century when she was engulfed with political turmoil, instability and Maratha invasion which disrupted her hinterland comprising of ‘Ahmadabad, Agra and Burhanpur. Bengal, until then was free from such lawlessness and continued under the peaceful subedari of Murshid Quli Khan and Suja Khan. However, the situation completely changed in 1740 when Alivardi came to the mansad by a coup in that year. This poetical change in Bengal was soon followed by repeated Maratha invasions. As Orissa was a buffer state between the Kingdom of Nagpur and Bengal, it was thoroughly exposed the Maratha raid, who appeared either from Berar in the west or Chilika in the South. Balasore was on the main trade route between Cuttack and Murshidabad. Hence, every news of Maratha appearance created panic in the town and its adjacent areas which affected the mainstream of commercial life there. Finally, its trading network declined around the mid of the eighteenth century.

In the eighteenth century, we see the rise of two ports Vizagapatanam and Ganjam as a result of increasing investment of both the English as well as Telugu and Muslim merchant. The rise of these two ports were the result of the decline of Masulipatanam. From the nineties of the seventeenth century, trade in this port showed signs of decline due to a number of factors such as the disruption of Hinterland with Hyderabad and Krishna-Godavari delta, continuous famines, rising prices of textiles, rise of taxation and the indebtedness of the Company’s servants to the merchants. All these led to gradual abandonment of this port and both the Telugu and the Muslim merchant were compelled to migrate to the ports such as Madras and San Thome in southern Coromandel and Ganjam, Vizagapatanam and Bimlipatam on the Gingelly coast. This was now recognized as an important textile exporting centre for the English. Vizagapatanam was now raised to the status of divisional headquarters for the English in north Coromandel.

155 For details about the trade of Surat in the first half of 17th century see Ashin Dasgupta, Indian Merchants and Decline of Surat, 1700-1750, Wiesboden, 1979.
156 Arasaratanam, Merchants, Companies and Commerce....., p. 166.
The English investment in Coromandel was remarkably well between 1712 and 1724. But after 1724, there was a decline; it again rose in prominence after 1734. The investment very often exceeded Rs. 100,000 an year. But the notable feature was that while Madras itself should no great improvement, the supply was increasing to Vizagapatanam and this trend continued till the close of this decade. But it is also to be noted here that from the third decade of the eighteenth century especially after 1724, the share of Coromandel was consistently below 20% of the total English export from India. The main exports to England from now onwards was Bengal.

However, the Eighteenth century was a period of many changes in the commercial scenarios of Orissa. While the Bengal portion of Orissa with her main port Balasore shows an obvious decline, the two Gingelly ports Ganjam and Vizagapatanam exhibit signs of prosperity. Their coastal trade developed and the European investments also increased. But this prosperity could not come up to the prosperity of Bengal portion of Orissa as in the seventeenth century. While Balasore in her hay days was certainly one of the major ports of Indian Ocean because of her trade links with both Europe and South-East Asia, and also its trade with Indian coasts and Maldives. The overall result of the decline of Orissa’s oceanic trade coming with the loss of most of ports to the Marathas in the fifties of eighteenth century.

V. GROWTH OF COMMERCE CENTRE:

After the establishment of the Hugli factory in 1651, the factors of the Company began trade operations on a large scale. But yet they were not well informed of the behaviour of the local markets and the commercial methods prevalent in the country. As Captain Brookhaven instructed James Bridgman and others in Bengal:

Whereas it is the design of our masters, the Honourable Company to advance and increase their trade in these parts of Orissa and Bengal, you are by all possible means to endeavor more and more to inform yourselves how best and most profitably to carry on the trade thereof.  

157 Ibid., pp. 190-191.
158 EFI, 1646-1650, p. 332.
The development of urban culture and specialisation of handicrafts at various places brought about a change in the economy of the country.\(^{159}\) The commercial towns, which now grew up in response to increased commerce, largely regulated the economy, particularly of the manufacturing class. The establishment of foreign agencies, the close link of the local commercial center’s with European markets, and the flourishing state of the commercial towns are, no doubt, the characteristic features of Orissan economy.

Among the chief towns of Orissa, Cuttack was the long time administrative headquarters of Hindu Kings and later Mughal officials of Orissa. Rich merchants and traders lived here.\(^{160}\) The traders of the adjacent areas brought a variety of commodities to the market of Cuttack. Bruton observed the economic activity of these merchants who sold foreign wares and costly merchandise.\(^{161}\) Bowrey considered Cuttack as the second city in Bihar, Bengal and Orissa.\(^{162}\)

Puri was another important town and a commercial centre as testified by Bruton.\(^{163}\) The commercial importance of the town was due to the availability of different commodities viz., silk, cotton, rice, wheat etc.\(^{164}\) Textile, food stuffs, bee wax, gum lac, etc. were brought from other localities to Puri market.\(^{165}\) Contemporary European travellers have left vivid description of the multitude of people who came to Puri on pilgrimage. The income of the temple was enormous.\(^{166}\) Traders and devotees from all parts of India visited Puri.\(^{167}\)


\(^{160}\) Bowrey, \textit{op. cit.}, p. 152.


\(^{162}\) Bowrey, \textit{op. cit.}, p. 151.


\(^{164}\) P. Acharya, \textit{op. cit.}, p. 201.


\(^{166}\) Thevenot and Careri, Vol. II, p. 117.

\(^{167}\) Bowrey, \textit{op. cit.}, p. 12.
Thevenot while speaking of the towns in Mughal India wrote:

"It contains several good towns; but the best are Sambal, Main Puri, Rajpur, Jaganath and above all Bikaner."¹⁶⁸

From very early times Pipili was one of the important commercial centre. The trade and traffic was large owing to the seafaring activities of the merchants.¹⁶⁹ In the fifties of the seventeenth century, many merchants were induced to transfer their business to Balasore because of the gradual silting up of the river Subarnarekha which in turn affected the port.¹⁷⁰ However, Pipili remained an important commercial town towards the end of the century.

Throughout the seventeenth century, Balasore was a port town of great economic importance. It was the chief commercial centre of the European merchants. Besides Balasore the other large manufacturing centres around it were Soro and Jaleswar.¹⁷¹ Balasore market like other commercial towns of Orissa regulated the economy of the manufacturing classes residing in its suburbs.

Hariharpur and Ganjam were also large industrial and commercial centres of Orissa is the sixteenth and Seventeenth centuries.¹⁷² The large industrial and commercial towns became local marketing centres which united economically not only rural areas but also many smaller towns.¹⁷³ The manufactures of the cottage industries were sold in the economic centres of Balasore, Cuttack, Ganjam and Puri.¹⁷⁴

¹⁶⁹ P. Acharya, p. 152.
¹⁷⁰ Ibid.
¹⁷² A.I. Chicherov, op. cit., p. 134.
¹⁷³ Ibid., p. 101.
¹⁷⁴ Ibid.
The economic links between the towns and adjacent rural areas extended not only from the countryside to the town but also vice versa. It enabled the people living away from urban areas to participate in this commercial activity and contribute to the economic prosperity of the province. Thevenot observed in the last quarter of the seventeenth century about the province of Khandesh and Orissa:

"These countries are of a vast extent, full of populous towns and villages, and in all mogulistan, few countries are so rich as this."  

During the Mughal period the economy of Bengal was marked with the growth of many urban centres like Rajmahal, Dacca and Murshidabad. All these towns grew up as administrative centres for the Mughal rulers of Bengal Subah. This process was further accelerated by the rapid growth of port towns like Hugli, Calcutta, Chinsura and Chandernagar by the efforts of the Europeans. Simultaneously, some inland trade marts like Kasimbazar, Malda and Santipore grew up for their large-scale manufacture of various types of muslins and raw silk. At the turn of the eighteenth century all these towns were business centres of considerable importance. The growth of all these urban centres must have absorbed a lot of her agriculture surplus, though certainly could not have created any crisis. But on the other hand, in Orissa there was no such particular growth of urban centres. Cuttack was not the creation of the Mughals, but an established city since the Imperial Gangas. The port towns of Pipli and Hariharpur in our period declined owing to silting and Balasore in the eighteenth century was certainly not to the height of Hugli or Calcutta.

In the medieval period the towns generally were dependent upon the villages around it for all primary products, particularly foodgrains. But in the event of absence of the growth of large urban centres in Orissa, she must have been left with considerable surplus of grains. Moreover by this time the economy of Bengal, Coromandel and Gujarat were relatively advance in Asian standard in the sense that their manufacturing sector had already assumed an important role in the economy.

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175 Thevenot and Careri, Vol. II, p. 120.
Thus at the close of the seventeenth century, these maritime regions commercial dealing were based mainly on manufactured goods. Of course there were also many agricultural products like indigo in case of Surat, Pepper in case of Cochin, significantly among the export lists both to coastal India and other parts in Asia, but they were cash crops whose cultivation in the second half of seventeenth century especially indigo in Central India and opium in Bihar increased considerably in response to their demands. But in case of Orissa, we have no such evidence of any revolution in her agricultural sector. The emphasis was still on the food crops like rice and pulse which were the only staple agricultural products throughout the medieval period.

Besides the above mentioned ports and their economic growth and decline, there was another port namely ‘Kanika’ that grew up at the end of the seventeenth century. It was an important rice-exporting centre, where annually many Dutch ships and Junks were loaded with boiled rice for Ceylon, Maldives and Achin etc. But until nineteenth century we do not get any other evidence of rice trade from this port.

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