CHAPTER - VI

THE ECONOMIC RELATIONS BETWEEN SOUTH INDIA AND THE PERSIAN GULF UNDER HAIDER ALI AND TIPU SULTAN

There has been long distance trade in the Indian Ocean area for a very long time. The European entry on the scene, first in the form of the Portuguese, and then the Dutch, the French and the English, undoubtedly had a deep impact on the Indian society, polity, economy and culture. The Indian sub-continent was a zone which was largely extended to accommodate the operations of the then Europe-based mercantalist capitalist world-economies even before 1750. The period 1750-1850 could be rightly viewed as the one which incorporated the economy of several countries into the world-economy. In the course of the ‘incorporation’, India became a formally-subordinate political entity.

In the second half of the Eighteenth Century, the European powers dominated the political and economic scenario of South India in particular. Haider Ali and Tipu Sultan made pioneering efforts to challenge the western domination in South India by establishing mutually beneficial economic relations between South India and Persian Gulf. They also made sincere efforts to promote the economy of Mysore Kingdom by establishing and sustaining trade relations with the Persian Gulf. In this chapter an attempt has been made to examine the impact of European merchant capital in the Indian Ocean, economic transactions between India and the Persian Gulf.
region and development of strategic economic partnership between the two regions, under Haider Ali and Tipu Sultan.

The entry of European companies in the Indian Ocean and their subsequent carving out of colonies in the Indian subcontinent was a phenomenon very much different from those who had entered through the North West. The main part of Indian subcontinent remained under political structures which were land locked states in India including the huge Mughal state apparatus. Navies existed and transported goods on the inland rivers but their usage on high seas was very limited until Tipu Sultan organized a Naval organization on the west coast of India for defence as well as mercantile purposes. For good or for worse, this policy of Tipu Sultan ultimately proved detrimental to him.

It may not be out of place, if a few sentences about the sea faring activities in the Indian ocean during the period previous to the arrival of the Europeans are mentioned. The rise of stable states in West Asia and India such as the Abbasid empire, the Ottoman empire, the Safavid empire and the Mughal empire gave a fillip to long distance trade in the Indian ocean. The Chinese silk route and the Indian Ocean spice trade route met in the Abbasid, Safavid and the Ottoman empires and oriental goods known for both luxury articles and commodities used by the common people reached European markets in which the Arab merchants played a key role. The Arab merchant travellers predominated the Western part of the Indian Ocean, the Chinese merchants held command over the eastern part, and there was very brisk mercantile traffic in the India Ocean. Ma Huan, a Chinese traveller merchant has given a very good account of the navigational and mercantile activities in Indian Ocean Sea board. The Chinese ships and the Arab Dhows could be found sailing in the Indian Ocean and Asia-Pacific region.
All this was rudely disturbed by the entry of the European trading companies with their merchant ships which brought into the Indian Ocean enough gold both-coined and uncoined from the plundered wealth of the countries of the Western hemisphere. They acquired trading posts, markets, colonies in South Asia during the seventeenth and eighteenth centuries and raised factories along the coastal littoral, equipped them with protective mechanism through signing treaties of a varied kind with the local ruling elite, which ultimately proved fatal to their independence and freedom. To sum up the whole process, colonial subjugation of Indian commenced as we enter the eighteenth century and by the middle of the century, the Mughal state started crumbling. The European trading companies which had come for pure trading purpose were gradually transforming themselves into territorial powers by actually interfering into local politics and wars of the several European companies. The British were struggling to gain a foothold in the Persian Gulf that would ensure their future prospects in South Asia. Rivalry among the European companies, for markets, colonies and areas to create special spheres of influence had commenced. Local rulers and dynasties were in a state of deep slumber unmindful of the drastic change in store for them. They were completely unaware that very shortly; they would all have to surrender their foreign policies and became pensioned Rajas and Nawabs and live at the beck and call of the European companies. None, not even the Nizam or the Marathas could understand the danger hovering on the Indian horizon. The only exception that we find in South India were the plebian rulers of Mysore; Haider Ali and Tipu Sultan who saw the real threat gauged the danger looming large and made genuine efforts to prevent
the European companies, especially the British from obtaining a foothold in the land.

It needs no emphasis at this stage regarding how these rulers of Mysore prepared themselves and prepared their country to face the colonial challenge. Haider Ali, in his life time waged two formidable wars against the British and defeated them, but Tipu Sultan lost the third and fourth wars and perished. His destruction came mainly an account of the administrative and economic measures that he introduced in his Kingdom to augment and modernize the economy. His economics measures to make Mysore participate in foreign trade, attempts to commercialize the agriculture economy, building up of a navy, opening trade centers and emporia in west Asia, attempts to learn the secrets of Europe’s progress and modernization-al went against British colonial interests in India and hence a grand plan by the British East India Company to liquidate him completely and dismantle the Kingdom of Mysore and the infrastructure that was built by him.

**Development of Strategic Economic Partnership Between South India and the Persian Gulf under Haider Ali and Tipu Sultan:**

Though agriculture was still the prime occupation of the people of Mysore, other activities like trade, commerce and industry played considerable during the period of Haider Ali and Tipu Sultan, who encouraged the growth of market towns in order to promote business activities. We could see brisk trade activities under the patronage of Haider Ali and Tipu Sultan. It was the unceasing efforts of the rulers like Haider Ali and Tipu Sultan in the second half of the eighteenth century that the commercial activities could progress widely in Mysore. Haider Ali gained
Mysore State which was a vast and fertile land with a fine coast line and access to several ports which brought about economic prosperity. He also expanded the kingdom of Mysore beyond the expectations of the Nizam, the Marathas, the Nawab of Carnatic and the British. Mysore kingdom had extended its territories up to the river Krishna in the north, the state of Travancore and Tinnelvelly in the south and the Ghats in the east under the regime of Haider Ali. Wars and conquests had filled the state treasury with immense wealth. Buchanan observes that there was a flourishing and brisk trade under Haider. Haider opened up a grand bazaar near Srirangapatna and named the place as Ganjam Shahar.\(^1\) This was a decisive factor in establishing a sound economy in Mysore. The British perceived Haider Ali as a mortal enemy and the greatest obstacle in the achievement of their ambition in India and the neighboring Gulf region. In South India, Haider Ali and Tipu Sultan were the only prominent rulers who defied the British and maintained their sovereignty until they breathed their last. As a result of Haider and Tipu’s land settlements and regulations, the old feudal system had completely broken down. They also made earnest efforts toward developing a strategic economic partnership between South India and the Persian Gulf.

Haider Ali’s political adventurism also paved the way for establishing an economically beneficial relationship between South India and the Persian Gulf. Thus on the eve of Haider’s advent, i.e. 1763, the sea trade on coastal Karnataka saw a turning point. Haider Ali took keen interest in sea trade and persuaded the merchants of different communities to come and settle in the

\(^1\) Buchanan, F. Journey, op.Cit., I, P.76&127.
ports of Mangalore, Honnavar, Karwar and Calicut. His notions of commerce have been curtly disparaged but it is true that not they were altogether so barbarous. Haider Ali had established close trade ties with Oman’s ruler, Imam Ahmad bin Said (1744-83), with a factory at Muscat while a Vakil had been appointed at Mangalore to represent Omani interests.

A letter from Haider Ali to the Governor of the British East India Company, Madras, reveals his economic vision thus: “In my county there are factories belonging to the English, Dutch, Portuguese and the French. Besides these there are many merchants here who are considered as my subjects. If anyone entertains designs against those traders, I will without doubt take the best and most considerable methods to give them assistance”.

The travelogue of Vincent William also throws light on the role of Haider Ali in facilitating commerce and navigation in the Indian Ocean. It reads: “The ancient Kingdom of Canara embraced a large part of the Peninsula. The capital which was Rajapoor, the modern name Bedanore, district was chiefly laying on the coast, with its capital about the Ghauts. It was an independent state or kingdom till it was reduced by Haider Ali in 1765 and it was at that time governed by a queen.” Who would drive out the rajah, a child of 9 years, in favor of her brother under the pretence of assisting the deprived Raja. Haider entered the country laid seize the

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3 Public Department Dairies, No.65, Part II, 1774, Maharashtra State Archives, Bombay, P-4
Bedanore and took it, and in a very short time. Bedanore, the capital is rendered famous by the defeat and death of the unfortunate General Mathew in 1783 and was considered by Tipu Sultan as a fortune of sufficient strength to confide to it a very large portion of his treasures. The document also states that Haider Ali had his agents dispersed from the Indus to Arabia to obtain a constant supply for his very large cavalry.6

Haider Ali noticed the changes that took place in the Persian Gulf in terms of political and economic transactions between Mysore State and the Persian Gulf. There was new leadership in Persia, Oman and other states.7 The decline of the great Asian States in general and emergence of a new political leadership in Persian Gulf in particular were grasped in the right spirit by Haider Ali who had political and economic interests which benefited the Mysore State. The Arab trade achieved considerable progress during the reigns of Haider Ali. It was sustained by his son Tipu Sultan. Haider Ali invited merchants from the Persian Gulf to come and settle in the ports of Calicut, Mangalore, Honnavar and Karwar in order to expand sea trade.8 Haider Ali very early in his career realized the advantages of raising a powerful navy. His formidable adversaries the English were strong on sea his Portuguese, Dutch and French neighbors relied on their naval weapon in their struggle for supremacy in India. When Haider Ali conquered coastal areas from Karawar to Travancore, the need for building a navy for the defence of the coastal territories was a basic necessity. At Mangalore and Honnavar a naval arsenal and a dockyard were set up in 1763 for the construction of powerful navy. Adriaan Moens, a Dutch biographer of Haider Ali, observes that “after the conquest of the kingdom of Bedanore his

8. Public Department Diary No.65, Part.II, 1774 , MSA.
first care was to secure and fortify the capital of Bedanore and the four ports of Canara. He also made himself strong at sea by building some ship\textsuperscript{9}. At Honnavar coast Haider Ali began to prepare a fleet and had appointed as admiral of it. Lutfi Ali Beg, an officer of his cavalry. But, they were inefficient to command over the sea. During that time Haider’s navy consisting of two ships, two double masted \textit{Grabs}, and a few \textit{Gallavaits}.

Haider Ali found the King of Persia as a dominant personality who acquired political power by virtue of his courage and capacity. Besides this, Haider Ali and King of Persia had common political animosity towards the European colonial forces especially the British. In 1775, Haider Ali sent a delegation to Persia headed by Shah Noor Ulla along with jewels, elephant, a \textit{Palankeen} and other presents comprising all curiosities foreign to Persia\textsuperscript{10}. These were embarked on a ship and he also sent some of his servants to raise troops in Persia. The ambassador Shah Noor Ullah was accorded an honorable reception by Karim Khan, the King of Persia\textsuperscript{11}. The Persian team consisted of several officers and 30,000 or 40,000 horses to escort the ambassador to the presence. They duly presented the gifts which were well received in pomp and the bearer was treated with all dignity and honour.

In response to the diplomatic mission of Haider Ali, the King of Persia sent about 1000 soldiers and plenty of Persian horses to Haider Ali as a token of his appreciation and diplomacy\textsuperscript{12}. The contingent arrived at Mangalore in 1776 and reached Mysore by road. Haider Ali wanted to promote trade relations between Mysore State and Persia. He had persuaded the King of Persia to make use of Mangalore as a commercial base and in turn enable

\textsuperscript{9} Adriaan Moen’s, Memoirs. Dutch Records No.13.TSA
\textsuperscript{10} C.P.Brown, (trs) Memoirs of Hyder and Tippoo- Rulers of Seringapatam ,by Ram Chandra Rao Punganuri in Marati, Simkins and Co., Madras1849,Book-2,p.43
\textsuperscript{11} Ibid,p.54
\textsuperscript{12} Ibid,p.57
Haider Ali to build a commercial base at Bandar Abbas. This was agreed by the Persian King and Haider Ali established a commercial centre subsequently. This move promptly reveals the success of Haider Ali in establishing trade relations and promoting the economy of Mysore State. Hence Haider Ali was also fully aware of the importance of the naval power, fighting spirit, anti-European colonialism and other attributes of the Persian rulers. He wanted to enrich the military and economic base of Mysore State by establishing diplomatic and economic transactions. In particular, Haider Ali had to develop the naval base which was the primary source of economic and military transactions during those days. Haider Ali once desperately expresses his weakness in naval power thus “The defeat of many Baillies will not destroy these accused feringhees. I may ruin their resources by land, but I cannot dry up the sea”. Haider Ali wanted to gain an upper hand over other rulers of India by enriching naval force and economic transactions. Initially Haider Ali resolved to have a fleet in order to defend the coastline from the incursions of pirates. Mir Ali Reza, son of Chanda Saheb, who escaped and landed at Canara after the fall of Pondicherry in 1761, sought the protection of Haider Ali and later distinguished himself in his service as a military governor of Mangalore and high admiral of the Navy. Haider Ali brought together all available talents and resources in building a fleet. Innes Munro observes, “What at once show the extended ideas and ambitions of this prince are his surprising endeavors to become formidable at sea. He established first kind of his Navy with the help of East India Company’s dockyards at Bombay. At the outset the English considered his attempt to build a fleet as helpful

13 Public Department Diary, No. 65, Part II, 1774, MSA
14 James Grant, Cassell’s illustrated History of India, Cassell’s and Co., Ltd., London p.222
to check piracy and the dangerous activities of the Maratha fleet near the Konkan coast and accordingly rendered help. The infant Navy of Haider Ali had a small fighting navy commanded by Mir Ali Reza. The new weapon was used both for defensive and offensive purposes. The first naval engagement of Mysore Navy was on Maldives Islands near the Arabian Coast. This conquest was made in the name and the account of Haider Ali whose colors were borne by the fleet. When hostilities began with the English in 1767 Bombay Government led an expedition against the sea ports of Mysore and destroyed part of her fleet at Honnavar and Mangalore. Inexperienced Naval staff and European conspiracy made Haider Ali turn towards the Persian Gulf to strengthen his military and naval strength.

Sultan of Oman had already established trade relations with Malabar region and paved the way for economic transactions between South India and Persian Gulf. Haider Ali wanted to establish similar economically viable transactions between Mysore and Oman. He dispatched another mission to Oman with a view to establish trade relations since it was also another powerful economy in the Middle East in 1774.

Monesty’s diary also clearly reveals what Haider Ali had said a ambassador to Karim Khan, King of Iran way back in 1774 with presents in order to obtain a settlement in the Gulf for trading purpose and intermarriage between their children and in return to promise the Khan the assistance of his ships. The agent and council then acquainted them that the Basha seemed very sensible of their friendship in sending them so readily the two

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16. Forrest, Selections from Bombay Dairies Vol.II,p.126, 2nd April 1763, MSA.
vessels. In 1774, Haider Ali had sent an envoy to the court of Karim Khan at Shiraz with the request for a trading settlement in the Persian Gulf. Karim Khan had offered Bandar Abbas but Haider Ali could not take advantage of the offer due to unavoidable circumstances.

Nambiar writes: “Haider Ali had originally intended to build only a large merchant fleet. His battles were fought on land and he counted on the ships of his French ally to engage the English on the seas. It did not take Haider Ali long to realize the importance of self-reliance and he busied himself to build a strong naval army essential for gaining and retaining mastery over land.”\(^20\) Haider Ali was fully aware of the need and importance of strengthening the fleet in order to encounter the English successfully. He also tried to build dock yards and naval arsenal after he annexed the territory of the Raja of Bedanur along with rich ports and shipping resources. In 1776 Haider Ali had controlled Mangalore, Calicut and Honnavar ports where the bulk of his shipping was kept in readiness for engagements along the coast. When Haider Ali invaded on Malabar in 1767 merchants of that place had received well and encouraged them to carry on with their trade. He had left complete freedom trade. The Nawab seemed fully aware of the advantages of a prosperous trade\(^21\). Naval units of Mysore cruised the coast in quest of pirates. The admiral of the fleet carried instructions to remove all hindrance to trade from the ports of expanded Mysore\(^22\).

\(^{22}\) Wilks, Historical Sketches, I, 288-94, 332-3, and II, 1-3, 9, 27-32, 35, 120-46 and 152-5. When Haider Ali invaded on Malabar in 1767 merchants of that place had received well and encouraged them to carry on with their trade. He had left complete freedom trade. The Nawab seemed fully aware of the advantages of a prosperous trade\(^22\). Naval units of Mysore cruised the coast in quest of pirates. The admiral of the fleet carried instructions to remove all hindrance to trade from the ports of expanded Mysore. The Mysorean armies occupied northern Malabar in 1766. They withdrew in
At the same time Haider Ali’s ambassadors approached the Sultan of Oman, Ahmad bin Said. The Sultan of Oman responded to the initiatives of Haider Ali positively. Diplomatic relations between Oman and Mysore began, during the reign of the Imam Ahmad bin Said, from assistance rendered by an Omani delegate with a ship of war in destroying a piratical community on the Malabar Coast. They were obstructing the rice trade between Mangalore and Masqat. The mission of Haider Ali yielded fruitful results and Masqat town was utilized by Haider Ali as a commercial centre. The Envoy of Haider Ali who settled in Masqat was later on known as ‘Tipu Sultan’s Wakil’. Later on Tipu Sultan sustained diplomatic and economic transactions between Mysore State and Persian Gulf.

Haider Ali wanted to restore the broken prestige of his navy with the help of Arabs and the Dutch on the West coast. A new fleet was built and Ranghoji Angria, son of Tulaji Angria, admiral of the Maratha fleet was chosen for its command. Robert Menshaw’s letter addressed to Sir Eyre Coote in 1782 state that Haider Ali would receive the arms and ammunitions at Goa which were supplied by the French through Muscat. Haider Ali had also permitted an Austrian Company to establish trade depots at Carwar, Mangalore and Baliapatnam in order to promote the economy of his state. All these incidents duly confirm that Haider Ali had prepared grounds for meaningful trade relations between Mysore and the Persian Gulf.

Tipu Sultan was one of the innovative rulers of the period also. He was of the opinion that a country’s greatness and prosperity mainly

1768, only to return in 1773. From 1773 to 1782 northern Malabar remained under the governors of Haider Ali. In 1782 Haider Ali died, and the English occupied most of northern Malabar. Tipu recovered this coast by the treaty of Mangalore, 1784. From 1784 to 1790 was the occupation proper of Tipu Sultan.

depended upon its trade, commerce and industry. Fernandez makes this analysis of Tipu’s efforts toward consolidating his kingdom in general and promoting trade between South India and the Persian Gulf in particular: “It is extraordinary that Tipu in the midst of diplomatic endeavors and in the sustained struggle for survival against implacable foes, found time for the business of commerce. A lot of encouragement was given to foreign trade especially after the peace treaty of Mangalore in 1784. Tipu promoted foreign trade by establishing a number of factories. There were thirty factories in Mysore kingdom and seventeen in the rest of India and outside. He appointed nine officers who were at the head of the commerce department to encourage foreign merchants to settle in Mysore and give them liberal concessions. He established a trading company probably with the intention of making Mysore a capitalist country.26 It is even more remarkable that almost 200 years ago an Indian potentate had the imagination and initiative to build up an international trade for the state in systematic fashion.”27 Tipu built a fleet of mercantile vessels to transport the royal trade with Arab countries.28 Tipu’s spectacular mission to Turkey, France, Persia and Afghanistan was always diplomatic-and-commercial missions. However, Tipu did not rest content with these sporadic efforts. He established a more permanent trade contact by appointing commercial attaches and consul-generals and by setting up warehouses, trading posts and factories abroad.29

The waqai’-i Manazil-i Rum, the report that the Secretary (Munshi) of the mission, ‘Abdu’l Qadir, sent from Basra, dated 9 January 1787, is reflect

with commercial information, with detailed statements of the prices of various goods available at Musqat, Bushire and Basra, the major ports of call for the mission’s fleet.\textsuperscript{30} The \textit{Waqa’i’} also contains detailed reports of the effort to sell the products carried by the mission during the regime of Tipu Sultan. His embassy to Turkey aimed at promoting trade across the Arabian Sea, both through the Gulf and the Red Sea. The commercial relations with Turkey did not prosper according to the wishes of Tipu, but it paved the way for the establishment of cordial relations between India and Turkey. He tried to obtain technicians from the Ottoman Empire in order to promote industrial progress of his state.\textsuperscript{31} He desired that from Jeddah or Muscat, both ‘silkworms and those who culture them’ should be brought over to Mysore to promote sericulture.\textsuperscript{32} He wanted to have artisans from Turkey who could make clocks, glass, chinaware and mirrors which had great demand in Indian market. He sent a mission to France to import skilled workers and arsenals in 1785.

Tipu rightly grasped the threat posed by British East India Company for the Indian rulers but strove his best to prevent Europeanization of his regime through the implementation of a sort of state mercantilism. Tipu had tremendous foresight and he desired to teach his people faster than they could learn. His economic vision is duly appreciated by eminent Indian leader Khursheed Alam Khan thus: “Tipu was indeed far ahead of his times and his economic experiments, his efforts at state trading, his great industrial plans, his efforts to build up a strong navy, his imaginative flight to construct a dam across the river Cauvery, his far-sighted vision to establish at Srirangapatna a University which he Christened as Jamia-al-Umar, his first

\textsuperscript{31} Secret Branch(foreign) Consultataions No36,Part-II,Letter No.24
\textsuperscript{32} Kirkpatrick, Letters No.CLV , P.186
Urdu newspaper, *Fauji Akhbar*, his interest in pearl fishery, his interest in rockets and so on reveal his economic vision”.33

Tipu wanted to develop the economy of Mysore State in a unique manner and make his citizens economically self-reliant and politically free. He did not want Mysore State to become a tributary of European colonialism. He brought glory to the history of India by initiating series of progressive economic measures during his regime. Praxy Fernandes appreciation says “Tipu’s conception of the Nation-state, the responsibilities of the government to the people, the elimination of feudalistic intermediaries, his attempt to build up a standard system of laws and his creation of a civil service, were modern ideas, out of tune with his times and therefore unacceptable to those around him. The greatest tribute his conquerors, the British, could pay to him was the progressive adoption of these ideas in their future governance of India”.34

Tipu Sultan also set up depots at Cutch, Muscat, Bahrain and Jeddah for the expansion of trade in the Persian Gulf region. He made earnest efforts to expand sea trade in coastal Karnataka and concluded treaties with Arab countries. Tipu instituted monopolies on spices and other products, enabling the state to muster increased financial resources.35 He granted liberal concessions to the countries which, he found advantageous to Mangalore. The Persian Gulf needed teakwood from Malabar to build ships. In return for this, the Imam of Muscat gave preferential treatment to Tipu’s subject at Muscat, and showed concessions to them. Thus, while the Europeans paid five percent, other Indians eight percent but merchants

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belonging to the Mysore kingdom paid only four percent. Tipu, in return exempted several duties to be paid by the Imam’s ship and Dows of merchandise. Rice was in great demand at Muscat and Mysore exported rice exclusively to Muscat and imported the commodities of that country in the same vessels. The merchants of Oman mainly depended for rice from west coast.

“Tipu endeavored likewise to create a disciplined army in the European manner, recruiting mercenaries of diverse origins. But the advance of the armies of the Company left him no time to bring his plans to fruition. In any case, his control over the diverse regions that constituted his Kingdom was probably too weak to give him a chance to succeed. The Sultan of Mysore was the only one who attempted to fight European mercantilism with its own weapons” Claude Markovits remarked on Tipu’s modernization.

Tipu Sultan’s initiatives in modernizing the economy of the Mysore State were remarkable. A new Marine Board consisting of ‘Mir Yumins’ (Marine Lords) was set up in 1796. In his letter to the ‘Darogha’ at Muscat dated January 12, 1786, he wanted the dispatch of expert shipbuilders to the Mysore territory. Maldives Islands continued to be an important naval dockyard during his time. Mangalore, Bhatkal, Coondapura and Tadadi became important naval centers of his times. Tipu also invited experts from Turkey, China, France and Iran and set up industries in Channapatna, Bedanur, Chitradurga, Bangalore and Srirangapatna. He had invited Chinese

37. Sheik Ali.op.Cit.,p.121
40. Ibid.,Letter No.CC,p23/ Letter No.CCLVIII,p.282
experts for improving sugar manufacturing in his territory. Pearl fisheries were encouraged by him in the Malabar Coast.\(^{41}\) To Tipu Sultan, goes the credit of introducing sericulture in Mysore on a large scale. He had several commercial depots in foreign countries such as Pegu, Muscat, Turkey and Istanbul for selling sandalwood. He forbade the selling of salt from Madras, because he suspected the British merchants were measuring it for spying activities.

In a letter addressed to Meer Kazim, Chief of the factory at Muscat Tipu had requested the Imam to send Dingies, small vessel employed in the trade between Malabar Coast and Persian Gulf in return rice produced in India. It was a move which intended to promote trade between Mysore State and Persian Gulf.\(^{42}\) More concessions were shown to traders of Muscat. It was through them that exports from Mysore kingdom were distributed through the Persian Gulf wee brought into Mysore. The two factories at Muscat carried on a brisk trade with many commodities, one of which fifty and the other thirty four chashmehs.

Tipu also had strongly desired to establish commercial transaction between Mysore and Arab states along the Persian Gulf in order to promote economic and political interest as commented by Kirk Patrick. He had also plan for export of sulphur, lead, copper and other materials for the manufacturing of arms and ammunitions in Mysore State. A separate letter was addressed to the same person seeking him to engage servants and dispatch to Mangalore 10 persons experienced in pearl industry. It is

\(^{41}\) Ibid., Letter No.CLV, p.186.
\(^{42}\) Ibid, Letter No.II, p.20
observed that Tipu wanted to introduce the culture of the silkworm in his state which was economically viable.43

Tipu’s letter addressed to Meer Kazim also reveals that the knowledge of market trends at Persian Gulf accordingly, Tipu wanted to sell Sandalwood at prescribed rates one hundred and twenty pagodas per candy in the first stage, one hundred pagodas per candy in the second stage, ninety pagodas per candy in the third stage and eighty pagodas per candy in the fourth stage and sale of other items such as sulphur, copper, lead, pearls etc.44

Tipu’s another letter addressed to Meer Kazim also reveals that Tipu wanted to avail himself of the services of skilled personnel in silk industries in order to develop the economy of Mysore State by promoting silk industries.45 Tipu promoted this industry to a great extent, and this is also one of his most favorite areas of interest. For developing mulberry culture, he sent his officers to procure Silk worms from Bengal; the Burhanuddin and Kasturi Ranga commanders of Srirangapatna fort had been sent to Bengal for procuring Silkworms. He had established 21 centers in his kingdom where silk was worm rearing carried on. Silkworms were imported not only from Bengal but also from Muscat and other places. Because of his special interest silk industry expanded in the southern part of Karnataka. Tipu’s encouragement brought fame for silk product of the state. They are in great in demand in Arabian markets even today. Tipu was also interested in promoting pearl industry and wrote a letter to his agents at Muscat in this connection.46 The factory at Muscat was made a dependency of Mysore

43. Ibid, Letter No. CC, p, 23
44. Ibid, Letter No. CLXXII, p, 209
45. Ibid, Letter No. CLIX, p, 232
46. Ibid, Letter No. CC, P, 231
State and the superintendent was directed to transit to him the accounts of all sales and purchases. Another letter addressed to Ghulam Mohammad deals with the exchange of Rock salt between Oman and Mysore.⁴⁷

Tipu address to Imam of Muscat deals with the establishment of factories at different sea ports and carries the clear cut instruction of Tipu not to sell rice which is contrary to their agreement and trade interest. His intention was to encourage fair trade practice and safeguard mutual economic interest.⁴⁸

Tipu had also introduced certain incentives in the field of trade with a view to achieve maximum profit which benefitted the Mysore State economically. A letter return by Tipu reveals all the details about such incentives. Kirkpatrick had observed that Tipu Sultan had already so for accomplished his commercial agents at Muscat. He was to be considered the most favored of the numerous traders in that port. There is reason to believe that most profitable branch of the commerce of his dominion, namely sandal wood, betel nut; pepper and cardamom were entirely monopolized by Tipu sultan under those circumstances.⁴⁹ Naranna Prabhu, an envoy from Malabar Council to Calicut in 1784, saw on his way that all sandal trees and pepper vines were being cut down. People told him that the Nawab had given strict orders for their destruction as it was because of these commodities that the Europeans sought to make war on him.⁵⁰

Tipu had also introduced the system of passport or certificate under the seal and signature of the superintendent of his factory and allowed the merchants to procure rice after furnishing such certificates. It was introduced

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⁴⁷ Ibid, Letter No. CCLIX, p.284
⁴⁸ Ibid, Letter No. CCCCXII, p.457
⁴⁹ Ibid, Letter No. CCVI, p.239
⁵⁰ Cited in Ashin Das Gupta’s, Trade and finance in Colonial India, p.124
with a view to prevent misuse of trade opportunity between the two states and prevent British from any manipulative tactics.\textsuperscript{51}

Historians have also observed that Tipu Sultan’s project accruing possession of Basra was probably as extravagant as any he ever entertained. There were also series of correspondence between Tipu and Governor of Basra which revealed the intentions Tipu Sultan for economic transaction. He was so nasty that he went to the extent of not only establishing factory at Basra, a port belonging to the Ottoman empire, but also wanted to exchange the port of Mangalore for it. The ambassadors were also empowered to offer Mangalore in exchange for it.

Tipu was able to procure skilled people and technicians from the Persian Gulf who assisted his government in establishing modern industries. They not only brought their technical skills but also provided meaningful interactions with the locals which enabled them to develop a new vision of the modern world. Iran was another country with which Tipu had some contacts. In the year 1797 he was more desired to promote commercial relations with Iran, knowing full well its weakness on the military side. He desired to revive the old route for sending Indian commodities to Europe \textit{en route} to Iran and Turkey. The establishment of Factories near the coast and promotion of trade and industry would incidentally protect the independence of the eastern powers as they would be vigilant to safeguard their interests both on sea and on land. Tipu desired that Iran should allow Mysore to have a few factories on its coast which would promote both commercial and political understanding between the two powers. He sent his officers to impress on the Shah the importance of political and commercial contacts.

\textsuperscript{51} Ibid, Letter No. CCVII, p.242
Tipu sultan was highly committed to the development of the economy of Mysore State. He took several measures which brought about economic prosperity to his state and well-being to his people. This is duly reflected in the writing of Sir Thomas Munro. He says “When a person travelling through a strange country finds it well cultivated, populous with industrious inhabitants; cities newly founded, commerce extending, towns increasing and everything flourishing so as to indicate happiness, he will naturally conclude it to be under a form of Government congenial to the minds to the people. This is a picture of Tippoo’s country and this is our conclusion respecting its Government”. Buchanan had high regards for Tipu’s economic vision which had made Mysore State very prosperous through the development of strategic relations between South India and the Persian Gulf. It reads: “they had a more extensive trade than at present”. Tipu had persuaded the ruler of Turkey to send a Turkish expeditionary force to India to contain the English who had seized large territories of Hindustan and were oppressing the Muslims.

Tipu had rightly analysed the reasons for the political decline of the Muslims, the most important being their indifference to trade, commerce and industry. The Europeans had also elbowed the Muslims out of commerce and dominated the Indian states. Therefore, Tipu Sultan sent embassies abroad in order to win over the support of the Gulf countries and contain British imperialism and capitalism. His constant diplomatic activities were primarily intended to enhance political, military and economic interest in his State. Tipu’s schemes of cooperation in political and economic spheres are appreciated even today by the historians. Pasha observes: “Tipu Sultan urged the Muslim Gulf rulers to have trade relations, establishment of

52 Moore, Narrative…..Decisive war with Tipu Sultan, p.201
factories, and development of new weapons and enhance naval power. An independent live centre of Islamic renaissance in India could not have suited British interests. The British were simply furious over Tipu Sultan’s contacts with the French as well. His foreign economic diplomacy, which primarily aimed at increasing Mysore’s exports, was largely successful in trade with the Gulf States due to his pragmatic plans. The British viewed him as a dangerous trade competitor. Thus, he British decided to contain Tipu Sultan first and directed all their energies towards bringing about his downfall”.

Tipu was fully aware of the significance of the Gulf region which remained the hub of global economic activity in the area linking the Red Sea, the Arabian Sea and the Indian Ocean. He had established and maintained factories at Muscat, Hormuz, Basra, Bushier, Bahrain and Jeddah. There are two factories at Cutch, one at Mundhi and other at Mundra which were slightly smaller in size having twelve Chashmehs. Tipu had also maintained cordial ties with the rulers of Oman with a view to promote the economic status of Mysore State. He had sent emissaries to the Ottoman Empire to seek exclusive trading rights in the ports of Basra, Muscat, and to offer similar facilities at Mangalore and other parts in his state. Trade and commerce had greatly increased between South India and the Persian Gulf under the dynamic leadership of Tipu and shipping facilities were provided at the ports. He instructed the delegation to carry out a detailed study of the Gulf region from all dimensions in order to enable him to promote in

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53. Pasha, A.K., South India and the Gulf - Trade and Diplomacy During the Late Eighteenth Century, in N.N. Vohra (ed.) History, Culture and Society in India and West Asia, Shipra, India International Centre, Delhi, India, 2003, pp.243.

54. Gurusiddaiah.c, Commercial Establishment of Tipu Sultan at Cutch, ed.R.Gopal, Tiipu Sultan,DAM, Mysore, 2010, p.247
economic bond between his state and the Persian Gulf. Tipu also maintained study correspondence with his agents in the Persian Gulf.

The commercial regulations of Tipu Sultan mainly governed the promotion and encouragement of the maritime trade in general and practices of Indo-Persian commerce in particular. These regulations primarily deal with the marine force, the factories in the Persian Gulf, appropriation of funds, the means of commercial transaction, the participation in trade activities, and other aspects. Tipu had placed certain reasonable restrictions on trade practices with a view to safeguard the national interest against European capitalism. Officers in the commercial department had to discharge their duties with the utmost diligence, concord, and fidelity.

Khan’s views on the regulations of Tipu Sultan (1793-94), (for his state trading enterprise) provide an authentic analysis of trade between Mysore State and other places. Tipu’s regulations contained in the Hukmnama reveal that he tried to maintain considerable personal control over the affairs of his ‘Company’ and its commercial factories within and outside Mysore. He wished to further the export of merchandise and encourage imports of treasure like any good bullionist. These regulations marked a big step forward in the expansion of foreign trade and ensured profitable lines of commerce with other territories in India, and with West Asia. Kirkpatrick observed: “It may, indeed, be reasonably doubted, whether either the resources of his country, or his genius, were equal to the realization of so bold a plan, but it is as well perhaps, that he was not allowed time for the experiment”. Tipu tried to build up his own public

sector company and maintain personal control over its affairs of his company. He wanted to develop Mysore as a model state in the Indian subcontinent.57

Tipu’s diplomatic missions obviously had commercial objectives. He also appointed Commercial Attaches and Consul Generals in the Persian Gulf. He urged the Gulf rulers to send him skilled people and technicians who would assist his government in the setting up of modern industries. He wanted to establish 30 factories in Mysore and 17 in other regions of India and abroad. A few factories were successfully established; the ones with the most potential outside India were at Muscat in Oman (in 1785) and Cutch Mundhwei in Sind (in 1786).58

Tipu had updated himself with regard to market trends in the Gulf region. He encouraged Armenian and Arab merchants from the Gulf to come and settle in Mysore and gave them special privileges as they were considered as successful businessmen.59 The goods brought by them to Mysore ports were exempted from duty. They were also free to buy and sell merchandise in the Kingdom of Mysore and enjoyed full freedom of movement. His emphasis on ship-building and the enlargement of his merchant fleet not only revised him above his peers, but demonstrate that his commercial enterprise was backed by investment in the ship-building industry.

Tipu Sultan’s regime facilitated a state monopoly on trade which ultimately made his state highly prosperous. He prohibited the export of several essential commodities from his state to ensure their availability for

57. Kirkpatrick, Letters No.200, P.234
59. Kirkpatrick Letters, No.II,p.6
domestic consumption. He was also opposing to the import of raw materials and other commodities since they increased the prices in the domestic market. He wanted not just the state not just enjoy the benefits of trade, but also to share the benefits that accrued. He further allowed his subjects to invest their money in the State enterprises and judiciously managed the political economy by following a dual policy of self-sufficiency and stability. His correspondence to Mir Kazim, Mao Saith, Rubiyul Ouwul, Hydery, Yakob, Shaik Ahmed, Imam of Muscat and others reveal the political and economic policies and priorities which were governed by patriotism.

Shivanna emphasizes the foreign trade policy of Tipu Sultan thus: “Tipu Sultan on the lines suggested by mercantilists of the Eighteenth Century emphasized the strategic character of foreign trade and the way it would affect the domestic industry. This was a significant plank in the developmental policy of Tipu Sultan, since for an underdeveloped region like Mysore foreign trade was an important vehicle for the promotion of economic growth”.  

Monesty and Griffith made this comment on the role of Tipu Sultan in Indo-Persian trade: “Tippoo seems determined to throw every obstacle in the way of European’s trading in his dominion. We think there is a circumstance very material for the Honorable court to be acquainted with as we apprehend it precludes all hopes of your servants at Tellicherry being able to provide proper support for your homeward bound ships. We think its is probable that the object of the Embassy to France and England may be to

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obtain the Alliance of those power against the Marathas or to prevent the journey of Marathas against Tippoo.”

Nathan Crow in his secret communication addressed to Bombay Council in 1797, reports that Tipu Sultan had an understanding with the French Directory in order to strengthen the alliance against the British. It was also found that the French had factories in the Persian Gulf and Tipu Sultan too had established an economic bond with the Persian Gulf nations to further his political and economic fortunes.

Setin in his secret communication made in 1797 warns the British authorities and friendly states, that the friendly undertaking between Tipu Sultan and Zamanshah would adversely affect British interest on Indian soil. It also identifies the factories established by Tipu Sultan in the Persian Gulf and the related economic transactions which were guided by political motives.

Samuel Monesty in his secret communication addressed to the Governor of Bombay in 1797 reports that Tipu Sultan had deputed his Vakils to Muscat. They stayed there for over 12 years to manage the depots established by Tipu Sultan. The correspondence clearly proves the fact that Tipu had his business ventures in the Persian Gulf which intended to bring about prosperity in Mysore State.

Spencer Smith in his secret communication addressed to S. Monesty in 1798 states that the British East India Company should be persuaded to instruct the Sharif of Mecca, Governor of Medina, and Governor of Jeddah.

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61. Monesty, S and John Griffith’s Letter to Governor of Bombay Castle, Public Department Diaries, No. 89, October 25, 1786, Maharashtra State Archives, Bombay
63. Sec. & Pol. Diary No. 57, July 5th 1797, Pp 1316-17 MSA.
64. Sec. & Pol. Diary No. 59, Dec. 27th 1797, P 247 MSA.
to stop any diplomatic relations with Tipu and stop all his vessels which were proceeding from the Indian ocean towards Jedda, since it would adversely affect the interest of the Persian Gulf nations. This communication clearly establishes the truth that Tipu had already established fruitful political and economic relations between South India and the Persian Gulf in order to check British influence in India.65

Monsieur Arcangelo in his secret communication addressed to Regoo, a French in 1798 reveals that the Frenchmen in India were trying to develop a strong alliance against the British in association with Sindhias, Sikhs, Cabulistan, Candaharesi, Rohillas, Callestancic, Zomansha, Tipu and Patans in order to defeat the British in India. This communication clearly states that Tipu had a vision of defeating the British by aligning with the French who were their powerful European adversaries.66

One of the letters written by Wellesley way back in 1800 clearly reveals the diplomatic and religious motives of Tipu Sultan who persuaded the Muslims in the Persian Gulf to join hands with him and crush British imperialism which was adversely harming the interest of Muslims. Wellesley also observed that Muslims in India depended on the trade in the Persian Gulf since they shared common culture and interests. The document also states that Tipu tried to motivate the Muslims in South India against the British culture and manipulations himself which harmed national interest in general and religious interest in particular.67

The last quarter of the eighteenth century is conspicuous for the import of large amounts of bullion by Indian merchants into India from both

65 Sec. & Pol. Diary No.68, Part-II, Aug. 17th 1798,. p.247, MSA
66 Sec. & Pol. Diary No.68, Part-II, Aug. 17th 1798,. p.5441, MSA
67 Sec. & Pol. Diary No.88, 5th March 1800, p.904, Morning ton’s Letter to the Hon’ble Court of Directors, MSA.
the Red Sea as well as the Persian Gulf. During this period, trade had extended in all directions under the leadership of Tipu. He was able to achieve economic progress since he had acquired some knowledge of the advanced countries, familiarity with foreign goods and services and extensive foreign trading contacts. Tipu cultivated meaningful, fruitful and enduring relations with the Persian Gulf. His skillful diplomacy paid rich dividends economically and politically. His bold and patriotic initiatives reflected clear global vision and developmental missionary zeal. He was able to survive several wars and rule the State for quite a long time mainly due to shrewd diplomatic and developmental moves. He had many innovative plans in his mind which did not come fruition owing to his martyrdom by the English in 1799 (Figure-17).

Figure-17. MARTYRDOM OF TIPU SULTAN

Courtesy: National Army Museum, London
J.G.Lorimer provides very authentic remarks about the economic transactions that existed between Mysore State and Persian Gulf. It reads: “The Indian State of Mysore gives us a good example of the Indian traders competing with the Company. Haider Ali, the ruler of Mysore and his son Tipu Sultan who succeeded him in 1782, established relationships with the Turks, Persians and Omanis by sending missions and ambassadors to their countries. Tipu Sultan started many commercial projects by arranging for wear houses to be set up for small merchants all over his domains thus increasing the volume of local trade. The Company had no intention of protecting anybody’s trade but resorted to gun-boat trade”.68

A.K.Pasha pays rich tribute to Tipu’s economic reforms and initiatives which were mainly responsible for making Mysore State a model state in Indian sub-continent. He records: “It was due to Tipu’s efforts that Mysore which is now called Karnataka has become India’s leading silk producing state. Tipu Sultan gave all the incentives to grow sandalwood and saw to it that the wood and oil were exported to foreign countries especially to Oman where there was large demand. Tipu’s foreign economic diplomacy, which primarily aimed at increasing Mysore’s exports through state trading even though fell short of his hopes, but was largely successful in trade with Muscat due to his pragmatic plans. Tipu’s shrewd diplomatic initiatives in the Gulf region especially his ties with Oman were bold, imaginative and he was largely successful. After defeating Tipu, the British with the help of Indian soldiers and resources took over much of the Arab world. In the ultimate analysis, all of Tipu Sultan’s intricate, complex international maneuvering, risks, initiatives, friendships and negotiations were primarily aimed at upliftment, prosperity,

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68 J.G. Lorimier Gazetteer of Persian Gulf, Oman and Central Arabia,, P.156.
providing security and improving the life of the people, and making Mysore a truly developed state like Britain or France were at that time”.69

Archival sources and other documents clearly explain the Historic contributions of Tipu Sultan for the development of economic bonds between South India and the Persian Gulf. Several historians have rightly opined that Tipu Sultan’s concept of political economy was almost similar to the contemporary European thought with particular reference to Cameralism and mercantilism. The record of instructions and negotiations with several rulers clearly reveal the historic motives and contributions of Tipu to attain economic prosperity in his State through various diplomatic initiatives. Thus, with all his originality of will and purpose, Tipu Sultan achieved considerable success in setting forth mutually beneficial trade relations between South India and the Persian Gulf in the Eighteenth Century.

The Persian Gulf used to be the trade route between Iraq, Persia and India, and the ships which voyaged in the Gulf carried very rich cargoes. The new economic circumstances in the western seas of the Indian Ocean opened the route for the Europeans. The political economy of the Indian States also provides an explanation for the early phase of European expansion. The Franco-British warfare (1757-1763) actually gave the Europeans a new confidence in the superiority of their armed forces in Indian conditions. In the first half of the eighteenth Century, sea trade was brisk in South India and the Persian Gulf. Arab trade achieved considerable progress during the reigns of Haider Ali and Tipu Sultan. The period 1750-1850 could be rightly viewed as a time which sucked in the economy of several countries into the world-economy. The trading operations of the Portuguese, Dutch, French and English companies dislocated and disrupted the indigenous economies.

Haider Ali’s political policies also paved the way to establish economically beneficial relationship between South India and the Persian Gulf. Tipu had rightly analysed the reasons for the political decline of Muslims; the most important being their indifference to trade, commerce and industry. Tipu was fully aware of the significance of the Gulf region which remained a hub of global economic activity linking the Red Sea, the Arabian Sea and the Indian Ocean. Tipu’s diplomatic missions always had ultimate commercial objectives.

Tipu Sultan’s regime facilitated State monopoly of trade which finally made his state highly prosperous. Technological changes played a prominent role in shaping the state and his people. Mysore kingdom was self-sufficient in industries and did not depend much on imports. Technology and technicians brought several changes in production sector. Tipu took all conceivable measures to promote commercial production and industrial development of his state. He tried to bring industrial revolution in Mysore state. The seeds which he sowed did however bear fruit after his death and the state of Mysore, long before the era of planning, was in the vanguard of industrial progress and public welfare in India. Because of his efforts today Karnataka has become India’s leading producer of silk products. It was due to Tipu’s efforts that a huge quantity of sandalwood was sold in Oman markets. Mysore owes an immense debt of gratitude to Tipu Sultan since those days, sandalwood and oil is exported to Arabian Markets. Tipu’s economic diplomacy and internal policy mainly focused on increasing Mysore’s exports through state trade. Several historians have rightly opined that Tipu Sultan’s concept of political economy was almost similar to the contemporary European thought with particular reference to cameralism and mercantilism. The abundant historical documents provide details and corroborate the significant contributions of Haider Ali and Tipu Sultan for the development of economic relations between South India and the Persian Gulf.