ABSTRACT

“Commerce Between India and the Arab world During 19th Century”, is the theme of our doctoral dissertation. In the first three chapters we have studied and analyzed India’s maritime trade in the 18th century with the Arab world. In order to understand the development of trade and commerce during the 19th century between India and Middle East, it is significant to note that India had a dominant position as a prosperous trading nation till the 18th century, and in many respects, enjoyed a far better position than those of European companies. Indian goods in Middle Eastern countries were in greater demand and her credit market was flourishing. India’s shipbuilding technology was more advanced than that of Europe. By the 1st half of 19th century, India was even competing with the European companies in the markets of Middle East. It was only with the coming of steamships and the opening of the Suez Canal in 1869 that British superiority over the Indian Ocean commerce became an established fact. In turn the Indian economy as a whole received a crippling blow with the penetration of British capitalism in India vis-à-vis the Arab world. Indian interests were subordinated to British interests leading to the ruin of Indian handicrafts and industries. Nevertheless, India continued its supplies of cotton cloth and silk to the littoral countries of Red Sea and the Persian Gulf. Indian goods were still in demand in Turkish markets, though industrial products of Britain were fast replacing Indian handicraft goods in these markets.
The dissertation is divided into eight chapters. The chapter one is mainly based on India's trade relations with the countries bordering the Arabian Sea during 18th century. During this period while the rest of the ports of India had their orientation towards the south-east Asian regions, Surat was the only port of importance that was closely linked with the littoral countries of the Red sea and the Persian Gulf. Another significant change that one can observe is the concentration of Indian shipping operating in the direction of the two channels under the East India Company's flag. This trend indicates that there was no other powerful European nation or company other than the English East India Company which could control or assure protection to shippers on the high seas. This is evident, therefore, that by the 2nd half of the 18th century EIC had emerged as a single power in the western Indian Ocean which could not be challenged by any other European power. India's export to and import from the channels of Red Sea and the Persian Gulf and the countries of the Arab world actually did not decline. India enjoyed a favourable balance of trade with the countries of Middle East and her volume of trade remained high throughout the century. Her return cargo consisted of bullion besides items such as iron, copper, sena leaves, almonds and Venetian false beads etc. whereas India's export commodity composition was mainly based on gruff goods such as piece goods, varities of textiles, sugar, rice etc.
In chapter two we have brought out facts and discussed about certain ethics, navigational conventions and customary laws relating to wreckage and compensation. From the point of view of their application it appears these were common to all the littoral countries of the ocean shores from the Straits of Madagascar to Japan. As a matter of fact, these were not statutory rules but their violation was considered a serious offence. However, as a matter of fact, there were some exceptions to the rule as well.

Plunder of ships by pirates on high seas was a clamity that the shippers of the Indian Ocean had to face. Indian rulers, however, always favoured the suppression of piracy but in the absence of any strong naval force generally succumbed to the pressure of pirates.

By 1800 all Indian ships which sailed from Surat were made to carry the Company's flag and enter "Mochulka". Having failed to observe this rule a shipper was subjected to payment of penalty. Certain conventions for carrying freight as well were prevalent in the Indian Ocean.

The third Chapter concentrates on participation of Sultan Tipu in the Indo-Arab trade. Designated as chief merchant or Malikut Tujjar he had a well organized trade by establishing commercial links with littoral countries of the Persian Gulf. He had various commercial depots or Kohies within as well as outside India. The Kothi which is frequently referred to in his correspondence was established at Muscat. He had one at Jedd as well. He had agents
appointed to all these Kothis who were entrusted with the charge to look after them and promote the commercial interest of Mysore. It is through these agents that he made transactions and purchased commodities which he required from littoral countries of the Gulf. He imported war horses, green plants, rock-salt and technical know-hows such as pearl-divers, experts on silk-worm rearing and shipbuilders. His export commodities mainly constituted of ‘gruff goods’, such as rice, cloths, spices and sandalwood.

Sultan Tipu deserves and could be called a planner and economist in his own right. The officials of East India Company had treated him as their deadliest enemy. Sultan Tipu had a plan to build a strong navy to defend his country and keep the Indian Ocean safe from the encroachment of Europeans, particularly the British.

He always laid emphasis on the construction of new ships by the merchants of Mysore. He activised the officials of his state by asking them to collect the items of trade from their respective Kachehris and store them to meet the requirements of various Kothies outside Mysore. Prices of sale and purchase were the special subject of consideration for Sultan Tipu. He, therefore, was not only the chief merchant of his state but a moderniser and innovator with foresight.

The chapter four is sub-divided into three sections. The first section relates to bills of exchange, drafts and currency rates in Red Sea trade. Bill of exchange or “hoondi” was used on a large scale by
Indian merchants as remittances from overseas to India during 18th and 19th centuries.

The returning Indian merchants from the Red Sea had no other alternative but to send their cash to India by purchasing bills of exchange, particularly, from the agents of the East India Company at Mokha. Another crucial reason that made the Indian merchants to sell their dollars in the money markets of Mokha was the fair deal in rupee-dollar ratio. The Company on the other hand induced the Indian merchants to sell their dollars mainly on account of acquiring this currency for purchase of coffee as the trade in coffee during 18th century had become very lucrative and its demand was very high in European markets. According to international conversion rate various currencies were converted into rupees and bill was issued to be drawn on the President and Council of EIC at Bombay or Surat or any port-city of India payable thirty days sight from stated dates. A table showing names of drawees and drawers together with the amount drawn has been attached with this section (i.e. Chapter 4-A). The day the twenty sets of bills were issued the rupee-dollar (Spanish) was in the ratio of 2:1. The section discusses by citing examples of issuance of numerous bills of exchange during different interval of times.

Precious metal from Europe as well found its way to the Red sea. Medium of transaction was particularity Spanish dollars. European companies brought gold and silver for their purchases of
Indian goods and Mokha coffee. A fairly good quantity of this precious metal found its way to India as well, either for minting or as treasure brought by Indian merchants. Its magnitude, however, is difficult to determine.

The second section of the chapter exclusively deals with the mode of customs levied on export-import goods at various ports of the Red Sea for which data is available for the 18th and 19th centuries. Port customs was by far the main source of income for the Imam of Yemen. Europeans in 1730 paid 3% on all description of goods whereas Muslim and Hindu merchants were subjected to customs payment ranging from 5 to 7.5%. In 1737 Imam of Sanaa granted an exclusive privilege to the East India Company. Evidently there was no uniformity in the customs rates. It differed from port to port and from time to time.

Customs regulations exempted a merchant from payment of customs at Yembo (a port under the jurisdiction of Mohammad Ali Pasha) provided he had made the requisite payment at Jedda. In 1850, according to the provision of a treaty, the Pasha exempted the British Government from all charges except the regular customs duty. Similarly if “Raftias” or exit permits were issued by the Egyptian customs authorities the goods of EIC were exempted from payment of duty for the second time. Sublime Porte to some extent regulated such customs rates that were levied at the ports of the Red Sea and Basra. But in Yemen and Jedda practice of illegal exactions
such as "Majaba", "Sambookia", and "Ittasibiah" continued for a long period during 19th century. Indian trade was also subjected to such exactions.

Collection of extortion money by the customs authorities of Yemen was a subject of frequent complaints by the Indian merchants. Extortions in various forms were prevalent and those who showed resistance against such corrupt practices were subjected to various pressures and sometime punished.

The third section of the chapter discusses the significance of Basra as a strategic and commercial port of the Persian Gulf. Basra in the Persian Gulf was the main port for the Turkish merchants since the 17th century. A discord between the Mutasallim and the official incharge of the Residency at Basra led to imposition of embargo by the officials of EIC which resulted in the incident of 1820.

From the petitions of claim on account of losses submitted in 1820 to Governor in council by two Bombay-based prosperous merchants and shippers namely Nurseydass Purshotamdass and Shaik Aboo Bucker it is quite evident that the main sufferers on account of discords between the Turkish Government at Basra and the Company’s officials were the Indian merchants and those officials paid little heed to their losses. The early decades from the turn of 19th century are also characterized by the British gunboat policy in the Gulf.
Chapter five is divided into two parts. The first Part deals with the shipping of Mohammad Ali Pasha into the Indian ocean and his trading affiliation with the East India Company. This aspect of his policy towards commerce between Egypt and India was hitherto not much known. During his reign India's main ports of supply to the Red sea were Calcutta, Surat and Bombay. We have much information on English export to Suez from Bombay. Trade touched a high level mark between the Bombay Presidency and the Red Sea during 1816-18. Evidence also suggests that the volume of trade between the Indian ports and the Pasha's ports of the Red sea was very high. There was a sharp upward movement in the volume of trade between 1815 and 1838. Jedda as a leading port of the Red Sea thrived only on Indian commodities. In 1833 the port received 10,000 tons of shipping. The Pasha also formulated customs regulation, and discouraged import of those commodities which were either produced or manufactured in his dominion. His reign is marked by the execution of various treaties of trade and commerce with the British Government. Whereas the other section of the chapter by and large deals with the merchant shipping in the Red sea. The period covered is the 1st half of the 19th century, and we have endeavoured to assess the Indian trade with the Red Sea. We shall see that many petitions of claim against the Imam of Sanaa have been submitted to the Governor in Council at Bombay. The amount of losses particularly guide us to the value and level of trade the Indian merchants had with the ports of Mokha, Jedda and
other ports of the Red Sea. We also understand that a large number of Indian merchants belonging to Surat and Bombay had regular and prosperous trade with Mokha, Jedda and other ports of the Red Sea and had faced many maritime problems. We have valuable information, which had not been hitherto taken note of relates to blockades organized by the East India Company in order to warn the government of Sanaa and punish the governor (Daulah) of Mokha. The documents indicate that the merchants from Bombay and Surat had lodged complaints with the East India Company, pleading that their goods were either seized, or robbed. The Company’s officials were requested to direct the Resident at Mokha to take care of the safety of ships and goods belonging to the Indian merchants. The chapter largely deals with all these complaints and grievances of Indian merchants operating in the Red Sea region.

The chapter six deals with the coming of steamships in the Indian Ocean and its impact on Indo-Arab trade. Replacement of sailing ships by steamships was indeed a revolution in navigation and world trade. But it gave a crippling blow to Indian and Arab owned sailing fleets. Apparently the steam shipping and Suez Canal helped the European trade more. On the opening of the Red Sea route to Europe and with the coming of steamships passing through the Suez Canal, the major beneficiary was thus undoubtedly Britain and Indo-Arab trade did not gain much as a consequence.
The chapter seven is divided into two parts. The first part mainly concentrates on the significance of the Suez Canal which was constructed by the French under De Lesseps. The Canal was opened for shipping in 1869. Interestingly, Palmerston was opposed to the construction because of the fear that during a war France might close the Canal to the British. As a matter of fact the Suez Canal shortened the sea route between Europe and India. Cheaper and faster voyages through the Canal became possible. While Damascus and Aleppo commercially suffered set back with the opening of the Suez Canal but it brought Iraq more firmly in the orbit of Indian Ocean trade. India and Britain came to have greater share of Iraq's trade. By 1914 India and Britain accounted for 50% of Iraq's exports and 2/3 of its imports. Trade of Venice with India as well revived with the opening of the Suez Canal. It served as entrepot of Indian goods and its volume rose to a very high level. Even though Indian goods lost some of their Middle Eastern markets owing to inflow of British industrial goods into those markets, however, evidence suggests that Indian piece goods had captured the Middle Eastern markets of Turkey and Aden and her volume of trade was rising. By 1893 English trade through the Suez Canal had increased tremendously.

The second part of the Chapter describes as to how the port of Aden came into prominence following the opening of the Suez Canal and the increased traffic that passed through it. Aden under
the pretext of maladministration came under the British imperial network in 1838. There was rapid rise of population of Aden since 1839. By 1880 its population had gone up to 35,000. The settlement was placed under the Bombay Presidency. Its prosperity as a thriving port got a boost up but only on the cost of Mokha and, Hodaida. Its commercial prosperity would have been further advanced had railways been constructed from Sanaa to Aden. The annual exports and imports of Aden which in 1839 were Rs. 1,900,000, in 1897 reached a high water-mark to over Rs.30,000,000. There was a marked development of re-exports of gum and coffee from 1877, of ivory and spices from 1875 and rubber and hides from 1876. The value of coffee increased five times between 1870 and 1880 and was re-exported to London, Marseilles, Trieste and New York. Its main exports were cotton textiles since 1874. The port of Hodaida only competed with Aden while Mokha was on the dwindling.

Chapter eight is the overall assessment. What is important to note in this context is that the pace with which the industrial manufactures of Britain were capturing the Middle Eastern markets, survival of Indian textile goods into these markets was in spite of it quite flourishing. So long the Suez canal was not constructed, Bombay was the redistributive centre for EIC’s British industrial manufactures to the Arab world. At the same time India’s textile goods were also in great demand in Middle East. This further finds
corroboration in EIC’s enumeration of Indian textiles like “dotties”, fine piecegoods, “bowchas” and “asloof” which were exported to the Middle Eastern markets.

After the opening of Suez Canal there are varying indications that Indian textile was on diminishing. But Turkey still imported Indian textiles and silk through the Red sea. Her export of piece goods from Surat to the Red Sea was higher than from Bombay. Exports of Indian cloths and silk were also made to Damascus, Kaseem and Lohaj. Urban markets in both the Middle East and South-East Asia had remarkable influence on the growth of cotton in Gujarat and on Eastern coastal India. It is quite obvious, therefore, that during 19th century while Middle Eastern craft was dwindling the Indian craft was improving. This also shows that the British industrial manufacture of cheaper and attractive textiles had yet to occupy its prominence in textile export in the Middle Eastern countries.