CHAPTER V
TOWARDS AN ECONOMIC HISTORY
OF MUGHAL INDIA-II
Sometime after 1920, Moreland discovered a variety of Dutch sources for the Indian history from the period 1590 to 1650. His excitement at this remarkable discovery was tremendous for they promised to impart a new dimension to his historical research. There was scarcely any branch of Indian life, be it administrative, economic, social and political, which the Dutch records did not illuminate. Therefore, Moreland felt that "some knowledge of these sources must be regarded as indispensable to serious students of India in the Mogul period".[1] Accordingly in his article, "The Dutch Sources For Indian History : 1590-1650", Moreland highlighted their importance. He felt that, "To leave out the Dutch in studying Indian Foreign commerce in the 17th century would be almost like leaving out Calcutta or Bombay in compiling the statistics of modern times".[2] Moreland also found that in several ways the Dutch records were more superior than the English ones; because the Dutchmen were careful to write down many things which Englishmen were apt to take for granted. Besides they explain far more clearly than the English literature, the early stages in the long development which "eventually placed India under the government of a parliament sitting at Westminster". Most of the effective pioneering in Asiatic Commerce was done by the Dutch, thus "while English records can tell us how the Dutch lead was followed, we must turn to the Dutch for information as to why they led the way in that particular direction".[3] Only the Dutch sources provided a first hand information on the genesis of Factory and the Fort. Finally, the Dutch sources were definitely indispensable to any one who wanted to study the motives which actuated visitors of all western nations. In the article Moreland gave a sketch of the Dutch

sources available,[4] beginning with Linschoten. Thus, for the study of the motives which impelled the Dutch to come to Asia, there was the work of Elias. Van der Chijs gave the story of the establishment of the Dutch East India Company and de Jonge provided an immense storehouse of early documents. The rare Isaac Committees Collection of Journals give information on the early voyages to Asia. It's French translation by Renneville was also available. For the Dutch activities in India, there were, two volumes by Dr. Terpestra, followed by the Batavia Journal, Van den Broecke's Journals, and the Commercial Reports. Moreland found four Commercial Reports, which ranked highly as sources for history. "It was the Dutch practice, when experience of a particular region had been gained, to forward to Holland a formal description of its resources and potentialities,..."[5] Two, reports, the Masulipatam Report and Nizampatam Report, were written on the East Coast about 1615, the Gujarat Report was written in 1630 and the Agra Report was written in 1627 by F. Pelsaert. Besides there were also the important contributions of de laet and Van Twist. Apart from these sources, Moreland felt that there was a bulk of collections lying at the Hague waiting to be discovered.

Moreland gave two suggestions for making the Dutch sources accessible to Indian students. One way was, to learn the Dutch language and other, by which the needs of the majority could be met adequately, was the compilation of source-books containing translations of the important documents with the minimum of notes and introductory matter required for their comprehension. These coupled with the Commercial Reports, Van Twist's translation, and the Indian matter of the Batavia journal, would be sufficient. Finally, he suggested that "the introduction of such source-books into the University courses dealing with Indian history from 1600 A.D. onwards is, I suggest an object which should be aimed at by teachers of the subjects in every

---

The newly discovered Dutch sources seemed to have reinforced Moreland's vigour to extend the scope of his inquiry into the economic history of Mughal India. Thus, while _India At The Death Of Akbar_ had surveyed the economic condition of India at the opening of seventeenth century, Moreland's next historical venture, _From Akbar To Aurangzeb_ (1923), proposed to examine the changes which occurred in the economic life of India during the reigns of Jahangir and Shah Jahan, covering thereby a time span of nearly fifty to sixty years. Apart from chronological and dynastic considerations, this period, according to Moreland was marked by unity of its own. In the sphere of commerce it witnessed the "practical elimination of the Portuguese, the establishment of Dutch and English merchants in the country, and the first experimental phases of the newcomer's activities";[7] while in the economic field the most significant stages in the deterioration of Akbar's administrative institutions have been covered.

As regards the sources, Moreland found that although the Dutch and English records of the period were incomplete, yet they offered sufficiently abundant information for a systematic treatment of commerce, with which they primarily dealt; While a large mass of incidental observations disclosed by them made it possible, "to interpret with some degree of confidence the fragmentary information supplied by Indian sources regarding the economic life of the country as


[7] W.H. Moreland, _From Akbar To Aurangzeb A Study in Indian Economic History_, Low Price Publications, Delhi, 1990, Reprint, Preface v. Niels Steensgaard, _The Asian Trade Revolution Of The Seventeenth Century - The East India Companies and The Decline Of The Caravan Trade_, Chicago, 1974, has pointed out that, "... the defeat of the Portuguese and the triumph of the Companies was an episode in the historical process.... It was part of the confrontation between older and newer entrepreneurial forms - a step towards the development of modern economy", p. 10.
a whole and its domination by the activities of the various administrations".[8] And Moreland approached the subject by dealing first, with external commerce and then to employ the knowledge so obtained to throw light on topics of greater internal interest. He also tried, at the outset, to portray the activities of English commercial pioneers so as to bring out their true relation to the earlier, more extensive and more profitable operations of the Dutch, operations which were almost ignored in some current text-books of Indian history. Moreland's investigation revealed that, "it was the Dutch, not the English, who succeeded to the Portuguese mastery of the Asiatic seas, and for the greater part of a century it was the Dutch who took the largest share in the external commerce of India".[9] He felt that while the neglect of Dutch sources was to be regretted, the result of this could be detected, "in various popular works, which praise, or censure, the English pioneers for their daring initiative, or their brutal misconduct, as the case may be, when, in fact, they were merely following a road already worn by their predecessor's feet".[10] Besides Moreland felt that, the English reading students were likely to form inaccurate views on many important questions if they fail to take account of the information furnished by the Dutch. However, since Moreland felt that still a large store of unexplored material existed in the Dutch Public Record Office and Indian libraries, "The present volume therefore is, like the former a sketch rather than a definitive treatise, ...".[11] Divided into ten chapters, From Akbar to Aurangzeb comprised five Appendices, an Index and two maps illustrating the Indian boundaries and the Asiatic seas. Moreland has dealt with such important topics as, the Asiatic Environment, Development of Dutch and English Commerce in India, Changes in the Foreign Commerce of India, the

---

[9] Ibid., vi.

Although the theme of the book was an analysis of the economic movements which affected India during the first half of the seventeenth century, yet Moreland thought it desirable to introduce the readers first with the political situation in India and in the countries with which she maintained commercial relations. However, occasional rebellions, struggles for the succession to the throne, and an endless series of Court intrigues which were rife in the Mughal Empire, Deccan and Vijaynagar, concerned the economist only in so far that these "recurring outbreaks of disturbances involved not only loss at the moment but discouragement of enterprise for the future, and that the growth of public expenditure meant a progressive increase in the administrative pressure on producers".[12] Thus, that the political events had an important bearing on commerce is evident from India's struggle with Persia over Kandahar "which affected not only the land trade between the two countries but also the commerce of the Gulf of Cambay".[13] As regards the countries with which India maintained relations, "war was, if not the normal condition of affairs, at least sufficiently probable to dominate the minds of merchants and producers".[14] Further, Moreland indicated that at this stage, it was important to note that "with the exception of China, none of the Asiatic powers had developed anything which could properly be described as naval force".[15] The Mughals had no navy and Moreland found it "almost pathetic to read the demands of the Surat authorities for the help of one or two Dutch or English ships to protect their harbours against...

[13] Ibid., p. 2
[14] Ibid., p. 3
attack", [16] from the pirates of Malabar.

While tracing the rise, expansion and decay of the Portuguese maritime Empire, Moreland pointed out that their indisputable mastery of the Indian seas in the closing years of the sixteenth century was due "not so much from their own strength as from the failure of the Asiatic nations to realise the nature of sea power". [17] The maritime empire founded by the Portuguese was of a type of which Asia had no recent experience. The Portuguese policy was to dominate the Indian seas and control the sea-borne commerce for the benefit of the ruling power. The policy required strong fleets to overawe opposition on the waters and naval stations, defensible both by land and by sea, to provide shelter and supplies for the fleets and subsequently to furnish reinforcements of sailors and soldiers. This enormous enterprise for a small nation, seated thousands of miles away was made possible only by the attitude of the Asiatic powers towards navy. Encountering no serious opposition the Portuguese were able to control the sea with fleets of very moderate strength and proceeded to acquire naval bases at strategic points and to fortify them. [18] Their three main bases were Goa on the West Coast of India, Malacca at the gateway of farther East and Ormuz at the entrance to the Persian Gulf. The Portuguese thus established an extensive maritime empire and regulated the sea-borne commerce by, firstly, declaring certain trade routes a monopoly of the Portuguese King, so that no vessels of other countries could ply on these reserved routes, which varied from time to time. At the close of sixteenth century, no Indian ship could sail to East Africa, China, Japan, or the Spice Islands "without risking capture or destruction by Portuguese". Secondly, "the carriage of certain goods, notably munitions and pepper,

[16] W.H. Moreland, From Akbar to Aurangzeb, A Study in Indian Economic History, p. 5
[17] Ibid.
[18] The theme of the Portuguese conquest, navigation and commerce was later taken up by G.R. Boxer also, in his work Portuguese India in the Mid-Sixteenth Century, Oxford University Press, Delhi, 1980.
was prohibited to all foreign vessels, and a breach of this rule involved destruction or confiscation".[19] Thirdly, no Asiatic vessel could sail to any port, or carry any cargo, until fees had been paid and a license (cartaz) obtained.[20] Thus in theory, the official control of the sea-borne commerce was complete. However, in practice these regulations were relaxed to a great extent by the Portuguese government, which Moreland points out was exceedingly corrupt”. Consequently, "while commerce was active throughout the Indian seas, a large part of the profits came into Portuguese hands".[21]

According to Moreland, the Portuguese maritime empire rested on force and was able to withstand challenges. The Portuguese King was the Emperor of the Indian seas because he had been strong enough to seize on them, and because no other power was strong enough to wrest them from him. Thus Akbar was Emperor of the Indian plains for precisely the same reasons. In fact, "had Asia paid any regard to prescription or lapse of time, it must have recognised the Portuguese Empire as the more legitimate of the two, for the Portuguese were already firmly established in India when Babar started on his great adventure".[22] The Mughals also made no effort "either to free or command the water" and that Akbar also tacitly recognised the position held by Portuguese, becomes evident when he himself obtained licenses to send ships to Red

[22] Ibid., p. 9.
Sea.[23] Besides, resistance offered by Bijapur, Muslim powers, Turks and the pirate king of Malabar also proved to be ineffective till the close of the sixteenth century, when several factors led to the decline of Portuguese maritime supremacy. The Portuguese strength had been severely overtaxed by the enterprises carried on simultaneously in Asia, Africa and Brazil, which had resulted in a sharp decline in its population, so that the Asiatic possessions were left to be defended by the mixed races which had grown up in settlements. According to Moreland, the men of mixed race proved inadequate, both in numbers and qualities to sustain continuous wars of attack and defence.[24] Besides the Portuguese connection with Spain earned them new enemies, the Dutch, who were the inveterate opponents of the Spanish power and who successfully challenged the Portuguese naval supremacy.

The earliest Dutch ventures were strictly commercial and "at the outset there is no trace of any design to acquire territory" or establish colonies.[25] According to Moreland, it was in fact, the conditions prevailing in the Eastern markets, which led to the gradual transition in organisation, from trading voyage to factory, from factory to fort, and from fort to territorial sovereignty.[26] However, for the promoters of the earliest voyages, India offered no attractions. To sail to the Malabar, just to obtain pepper, meant challenging the Portuguese at the very centre of their power. Rather, Western Java and Achin in Sumatra possessed great attraction for the Dutch adventurers. Meanwhile,

[23] W. H. Moreland, From Akbar to Aurangzeb, p. 9. See Dietmar Rothermund, Asian Trade And European Expansion In The Age of Mercantilism, New Delhi, 1981, "The Moghuls were obsessed with land-based power and were entirely indifferent to sea-powers. However, this neglect of sea power also meant that the Moghuls abstained from making their influence felt beyond the coast line. They could not protect the trade of their subjects", p. 69.
[26] Ibid., p. 15.
stimulated by the high prices charged at first by the Dutch, other European nations also prepared to follow the Dutch example and procure spices themselves. Thus, the first fleet of the English Company sailed in 1601 to Achin. Thence forward, the English Company sent its ships regularly, but its resources were limited. In any case, in the early years, the leadership rested unquestionably with the Dutch.

Though the early Dutch voyages aimed at avoiding the Portuguese, yet the Dutch learned two lessons; the ubiquitous hostility of the latter, whose traders or missionaries "exerted all their skill in diplomacy to render the Dutch unpopular in the markets and at the Courts",[27] while various encounters with Portuguese ships demonstrated their weakness in the sea. This determined the Dutch to oust the Portuguese from the seas, which at first they had aspired only to share and from 1603 onwards the Dutch fleets went prepared to fight as well as trade. In naval actions, the Dutch were much more successful, but to attain success on land, they realized the need for a base in Eastern waters. Soon a commercial policy was outlined, whose objective was first to monopolize trade in cloves, mace and nutmegs, and to keep the English out of the Spice Islands at all costs, and eventually to drive them out of Asia, Indian trade, however, was to be developed only as a subsidiary and only Coromandel was to be developed initially, since its cotton goods were the chief medium of trade in the markets farther East. Two factors were greatly responsible for turning the situation in favour of the Dutch, and in realizing their objectives. Firstly, Portugal was not reinforced, secondly, though the English competition was vigorous, it was hindered partly by the lack of capital and partly by the attitude of the home government. Besides, the Dutch and English, the Danes and the French also appeared in the Eastern waters, but the part played by them in the oceanic trade was small.

By the end of the period under review, the Portuguese had lost the Spice Islands, Ormuz, Muscat, Hooghly, Malacca, Negapatam and then Cochin and minor fortresses in Malabar, either to Dutch or English.

Their maritime power had disappeared, their commerce was almost negligible and the vast Portuguese maritime Empire had become a thing of the past.[28]

Moreland believed that the history of Indian commerce during the period under review was bound up indissolubly with the transfer of sea power from the Portuguese to Dutch, in the region between Mozambique and the Moluccas, this change therefore, required notice. Tracing the development of Dutch and English commerce first in the eastern coast, then in western India and finally in Bengal, Moreland indicated that soon after their arrival in the East, the Dutch were "forced by experience to realise that in order to trade profitably, India must be included in their scheme of operations", because, "the pepper and other spices which they sought were ordinarily obtained from the producers by bartering the Indian made cotton cloth.[29] However, the initial attempts in 1601 and around 1606 to enter the cloth market at Gujarat did not materialize and the Dutch had to buy the Gujarat goods in Achin itself. An agreement with the King of Golconda in 1605, led to the formal establishment of factories at Masulipatam, and Nizampatam, then more generally known as Petapoli. However, the Kistna delta offered mainly plain-cloth or calico, bleached and dyed. To obtain pintados or "painted" goods, required particularly by Molucca islands, extensions to the South were rendered desirable, since the principal seat of this specialised industry lay in the vicinity of Pulicat and S. Thome. Thus factories near Tegnapatam were established, "but the most important development was the grant by the King of Chandragiri of a site in Pulicat itself",[30] where the Dutch established a factory in 1608, which was made the headquarters of all their business on the eastern coast and the trade progressed steadily.

In 1611, the English settled at Masulipatam and Petapoli, but their trade did not develop to the same extent as that of the Dutch probably because they had not an equally extensive market in the farther

[28] W.H. Moreland, From Akbar to Aurangzeb, p. 27.
[29] Ibid., p. 30.
East. In 1641, factors established their headquarters at Madras, where "a fort was built under an agreement with the nayak in possession of this part of the Coast".[31] These arrangements on the eastern coast continued for the remainder of the period under review. Besides, both Dutch and English also traded in the various markets along the coast, where goods could be obtained on reasonable terms. "Throughout our period the larger business of the Dutch gave them a definite predominance in the markets and as a rule the English merchants were content to follow".[32]

Dealing with the establishment of factories on the western coast, Moreland introduced a new motive nurtured by the English. Though the English like the Dutch intended, "to obtain cotton goods from Gujarat for employment in the Eastern trade, but they hoped also to extend the scope of the Company's operations by establishing direct commerce between India and England".[33] However, at the opening of the seventeenth century India was regarded only as a "second string" by the English. Their preference was the Red Sea, and it was only when their "fleet was too late to attempt the Red Sea trade" that Hawkins anchored off Surat in August, 1608 and proceeded to Agra to negotiate an agreement for regular trade. He was received favourably by Jahangir, "but his somewhat boisterous diplomacy proved to be ineffective against Portuguese intrigue, and after prolonged negotiations he left Agra without having achieved his object".[34]

It was in 1612 that Best succeeded in concluding an agreement by which English were permitted to establish factories in Gujarat. According to Moreland one of the contributory factors which led to this change of front was the injury to Portuguese prestige which resulted from the failure of their attacks on Best's ships. The myth of the Portuguese invincibility on water thus blasted, to the Mughals it "probably suggested the idea of playing off one nation against the

[31] W.H. Moreland, From Akbar to Aurangzeb, pp. 33-34.
[32] Ibid., p. 33.
[33] Ibid., p. 34.
[34] Ibid., p. 35.
other, and thus loosening the Portuguese grip on the commerce of the country". [35] Thus, after securing the Imperial Firman the English trade at Surat began from 1613. The precarious footing so gained was strengthened by the outbreak of war between the Mughals and the Portuguese, and "so long as hostilities lasted, merchants of other European nations were obviously more likely to be welcomed than when Portuguese agents were active throughout the country", [36] which probably explained the Dutch reappearance at Surat, where they opened a factory in 1617. In the meantime direct trade between Surat and London increased greatly in importance. For the rest of the period under review, the English and Dutch traded side by side in Surat and throughout the towns of Gujarat. However, none had any possessions such as the fortresses on the Coromandel coasts. The factors lived only as foreign merchants on the strength of the terms which they had gained from the Imperial Court.

Surat served as the centre for expansion of trade to a large portion of India as well as to countries farther west. Thus factories were soon established at Gujarat, Ahmadabad, Broach, Baroda, and elsewhere in order to maintain close contact with the producers of indigo and cotton goods. Indigo was initially regarded as the "prime commodity" for trade with Europe, and first the English and then the Dutch established themselves at Agra to procure indigo from Biana. [37] The Dutch, at once took a leading position in the indigo trade. However, when the productive resources of Gujarat were temporarily destroyed in 1630, extensions northward became necessary. In the neighbourhood of Agra, cloth was purchased in large quantities, and English established a factory at Lucknow as a collecting depot for the products of Oudh. [38] While a share in the Sind trade was one of the earliest objectives of

[36] Ibid., p. 37.
[37] See also, "Indigo trade in the seventeenth century", in Jagadish Narayan Sarkar, Studies In Economic Life In Mughal India, Oriental Publishers, New Delhi, 1975, pp. 129-176.
[38] W.H. Moreland, From Akbar To Aurangzeb, p. 41.
the English merchants, attempts to gain a foothold in the port of Lahari Bandar were defeated by the Portuguese who dominated the commerce of the region. It was only in 1635 that an English factory was set up at Lahari Bandar, when the Portuguese monopoly ended. Although the English were subsequently followed by the Dutch but "Sind was, in fact, more important for the English than for the Dutch, because its trade with the Gulf provided a method of laying down goods in Persia and so helping to finance the export of silk".[39]

The attempts to extend trade southwards along the Konkan coast were less successful, because during most of the period under study, the kingdom of Bijapur with its ports, formed an unsatisfactory market, demanding little but the precious metals, and having few goods to offer in exchange. And it was years later that the Dutch and English merchants got admission to the trade of this coast. From Musulipatam southwards, the trade of the coast was fairly well developed. For the greater part of the period under study, the Dutch and English did not venture into the extreme south, but in 1645 the Dutch established a factory at Kayal and subsequently the English also followed suit.[40] A little later, the important town of Negapatam was captured by the Dutch from Portuguese.

For a long period Bengal was not approached by the Dutch and the English mainly because of its unsettled condition, constant wars and rebellious, and frequent changes in the administration. Its seaports too were difficult of access and were dominated by the Portuguese and threatened by the pirates. Such conditions offered little temptation to approach Bengal. In 1632, the Portuguese settlement at Hooghly was destroyed. Relieved of the Portuguese fear, Indian merchants on the Coromandel Coast set out to reopen trade and the Dutch and English vessels also started northwards. However, the real pioneering in Bengal region was done by the Dutch, whose factors were present at Patna and Kasimbazar, in the early forties. Between 1645 and 1650 the Dutch came to Hooghly. Early in 1651 English established a factory at Hooghly and both traded side by side, though it were the Dutch who "predominated in

[40] Ibid., p. 44.
the markets; the staples purchased by them were raw silk from Kasimbazar and saltpetre from Patna and the development of the former trade was their most conspicuous achievement.\[41\]

A few years after the English reached the east coast, the Danes also appeared and obtained a grant of the port of Tranquebar, which served as their headquarters. However, Moreland found no regular records of their commercial activities, but the reports of the Dutch and English merchants clearly indicated that they suffered from a chronic shortage of capital and held a small share in the Indian trade.\[42\]

Thus by the close of the period under review the influence of the European merchants had extended over the greater part of India, so that "it may fairly be said that, with the exception of the Punjab, every important part of India was affected by the new conditions which had come into existence."\[43\]

The next step in Moreland's inquiry was to analyse the nature and magnitude of the commercial changes which resulted as a result of European penetration in India. The commercial position of India at the opening of the seventeenth century was such that Indian goods, even the Malabar pepper, indigo and cotton goods, were not in great demand in Western Europe. As the Indian demand for European goods was of still less importance, Moreland pointed out that, generally speaking, western Europe and India were not employed to any great extent in satisfying each other's needs. However, in Asia where the Indian cotton goods were indispensable the position was very different, and "the clothing demand of Southern Asia kept the weavers of Gujarat and East Coast busily employed and Indian connections were necessary for profitable commerce in Eastern waters."\[44\]

Moreland indicated that the most striking feature of Indian foreign commerce was the absorption of precious metals. But while the

\[41\] W.H. Moreland, From Akbar to Aurangzeb, p. 48.
\[42\] Ibid., p. 44.
\[43\] Ibid., p. 49.
\[44\] Ibid., p. 53
Indian producers were eager to export their goods, the masses of Indian consumers according to Moreland were too poor to buy imported goods, which thus found a limited market in the "wealthy but numerically unimportant, upper classes". According to Moreland, the narrow limits of the Indian markets was clearly indicated by its principal imports, which included, spices and dye-woods, horses and elephants, raw silk, ivory, coral, copper, tin, lead, zinc and quicksilver, together with luxury goods and articles of novelty. A merchant who could not provide these had to offer gold or silver if he wished to purchase Indian produce. Since few of the above mentioned goods were supplied by Europe, "the bulk of the imports came from Asia, so that European merchants who desired to trade with India were faced by the initial difficulty of providing remunerative outward cargoes". As regards the exports from India as a whole, cotton goods formed the foundation of the trade, with the exception of Malabar and Bengal. The former exported large quantities of pepper and the latter, rice and sugar. Moreland classified the cotton exports as calicoes, muslins, and dress or fancy goods. In his paper "Indian Exports of Cotton Goods in the Seventeenth Century", (1925) Moreland attempted "to give a general description of the export trade in cotton goods from India in the seventeenth century, together with a few data which may help students to an appreciation of its magnitude". In a very comprehensive manner

[45] W.H. Moreland, From Akbar to Aurangzeb, p. 53. Howcver Brij Narain, Indian Economic Life Past And Present, Lahore, 1929, argued that "The masses of consumers, whether in India or elsewhere, are always too poor to buy imported articles of luxury. The character of the import trade is explained by the self-sufficient character of India of the past", pp. 51-52.


Moreland has dealt with such topics as, Calico, muslin, fancy goods, consuming markets, and volume of trade, in his paper.

Calicoes were produced in almost every part of India and exported in large quantities to various parts of Asia since olden times. In the sixteenth century the Portuguese extended the trade to West Africa and Brazil also. Muslins were thinner in texture and lighter in weight than calicoes. It's manufacture was to some extent localised, especially in Bengal and Deccan. Muslins were suitable for wear in hot countries and appeared to have been exported mainly to Persia, Arabia and Egypt. The Portuguese developed the muslin trade to North-West Africa. Finally, dress and fancy goods, including pintados, Chintzes, handkerchiefs, short dyed pieces of calico, goods woven with patterns, and cloths with an admixture of silk were in great demand in Eastern markets. Thus, the varying tastes of different markets were met, some from Gujarat, some from Coromandel and others from both sides of India. "The aggregate trade in dress and fancy goods was of very great importance to India".[49] Apart from exports by sea, a small amount of traffic existed on the two land routes going to Kabul and Kandahar also, although the volume of the trade was too small, and the European merchants also did not enter into this commerce.

The European merchants who wanted to buy Indian goods were faced at the outset with providing purchasing power in the markets of Gujarat and Coromandel. For whether it was the spice trade in the Far East, or Persian silk trade, or trade in minor goods, which Europe required from the Far East, it was soon realised by the European merchants that, Indian goods were required to conduct the trade profitably. It was also discovered that the Indian demand for European goods was far too small to meet the costs of Europe's needs so that now three different expedients lay before them, which "were tried with varying success, and the commerce which developed during our period was the result of their combination".[50] The first course was to carry out an adequate supply of precious metals, which would overcome all

[50] Ibid., p. 59. For details see pages 59-64.
difficulties, an account of India’s readiness to sell goods for cash. The second course by which the Europeans sought to raise funds was by borrowing capital in Indian markets. The third course by which the inadequate cargoes of European goods and treasure could be supplemented was to employ part of the available capital regularly in Asiatic trade, conducting operations so as to provide the purchasing power required in India and remit to Europe the profits earned in the form of spices and other eastern produce, but not the capital itself. To Moreland it appeared, at first sight a puzzling phenomenon, "that merchants who came to buy Eastern goods for Europe should devote so much of their energies to the conduct of purely Asiatic trade, carrying all sorts of merchandise from one Asiatic port to another, and dealing largely in markets which had little to offer for shipment to Europe". According to Moreland the germ of what came to be known as the "colonial system" contained in this expedient. The largest supplies of gold and silver were drawn from Japan and China. The way to obtain silver from Japan was to bring raw silk, hides and skins which were in demand there. But the chief demand of Japan was raw silk and the opening of the Japanese market to the raw silk of Bengal, according to Moreland was the greatest success of the Dutch enterprise. Thus Japan provided silver, China and Indo-China furnished gold, which the merchants were able and willing to give in exchange for pepper, sandalwood, dyewoods and other Asiatic commodities, practically all of them bought with Indian cotton goods. The Dutch settlement at Taiwan in Formosa was the centre of this trade, from where gold was sent to the Coromandel coast, silver to Gujarat and Bengal, and Dutch demand for remittances from Europe was correspondingly reduced. Therefore, this course transformed the Dutch business. The English merchants also pursued this course as far as possible, "but their exclusion from the Farther East deprived them of the opportunities which the Dutch turned to such good advantage, and throughout our period their share in Asiatic trade was much less important; their principal business was the development of the direct trade between India and

[52] Ibid., p. 66.
Europe, while their rivals were at least equally successful in this trade, and at the same time were able to undertake a much larger proportion of the distribution of Indian goods, and thereby penetrate the commerce of the whole of southern Asia".[53]

According to Moreland, the appearance of Dutch and English in Indian waters produced two important changes for India. On one hand, a new direct trade between India and Western Europe was established by the Dutch and English merchants and on the other hand, they produced certain modifications in the course of the old established commerce of India with other parts of Asia and the East coast of Africa.[54]

While looking for changes in the course of India's import trade, Moreland could find only few of them. The taste of the Indian rulers, Mughal, Muslim and Hindus, and their courtiers, for more or less costly novelties described as "toys" by English merchants was an important facet of commerce. The "toy" trade was neither extensive not particularly remunerative but its steady supply was deemed a commercial necessity of the period. For without the goodwill of the authorities, foreign merchants were helpless, since no request could be preferred without an appropriate present; and the fashion of the moment required that presents should consist largely of "toys".[55] While Jahangir thought most of novelty, in Shah Jahan's reign presents had to be costly as well as novel. In Moreland's view-point "an ample provision of carefully selected "toys" was in the seventeenth century what judicious publicity is now, not a direct source of profit, but an indispensable preliminary to securing profitable business".[56]

[54] Ibid. J.F. Richards, "Mughal State Finance and the Premodern World Economy", Comparative Studies In Society And History, 1981, p. 303 indicates that the establishment of a direct trade between Northern Europe and the Mughal empire was a critical development in the growth in maritime trade of seventeenth century.
[56] Ibid., p. 71.
While analysing the changes in the export trade from India to other parts of Asia and to East Africa, Moreland's inquiry proceeded on two distinct lines to find out, whether the activities of the European merchants, resulted firstly, in an increase in sales in markets which were already open, and secondly, in a development of sales in regions to which Indian goods had not previously been exported in noticeable quantities or whether they led to the opening of new lines of commerce. The first question however, was not easy to answer. The statistics available in the Batavia journals, though incomplete, indicated that "The Dutch had by the close of our period doubled their exports from Coromandel, and increased their exports from Gujarat by one-half, while they had also begun to export from Bengal".[57] Moreland found no signs of a similar development of English trade in the Far Eastern markets. The question therefore arose, whether the increased Dutch exports represented new business or merely a change in carrying agency, a point on which direct evidence was lacking. Taking all the Asiatic markets, Far East, Red Sea, Persian Gulf and Arakan together, Moreland found no definite grounds for asserting that any proportionately large expansion occurred in the off-take of Indian cotton goods. According to Moreland, this provisional conclusion could be extended to other goods also supplied by India to the rest of Asia.

With regard to opening of new lines of business, the position was different, for there the Dutch activities produced definite results in the sale of Bengal silk, and probably of Coromandel skins, to Japan, as well as in the export of slaves, provisions, and other commodities required for their Asiatic Settlements.[58] Further to inhabit Batavia, the Asiatic capital of the Dutch, they needed population and food-stuffs both of which were obtained from India. East coast of India furnished general labourers and domestic servants. Therefore, around 1620, Indians "were purchased on the coast from dealers of their own nation, and were imported as commodities in Dutch vessels".[59] Moreland found nothing to

[57] W.H. Moreland, From Akbar to Aurangzeb, p. 73.
[58] Ibid., p. 75.
[59] Ibid., p. 76.
suggest that the Dutch merchants practised force or fraud, they bought the slaves regularly from Indian dealers after obtaining the permission of the authorities. In fact the trade was regarded by both, "precisely as any other branch of commerce".[60] According to Moreland the trade in food-stuffs, "must be regarded as beneficial to the Eastern side of India, because, it afforded an outlet for surplus produce, while the authorities were quick to prohibit export at times when no surplus was available".[61]

While examining the changes in the import and export trade of India to other Asiatic countries which affected the Indian shipping industry, Moreland observed that it was the need felt for taking an active share in the Asiatic trade, which led the Dutch and English to employ their vessels on the principal export routes from India, and that, while some new business was created for Indian producers, much of the additional cargo-space was devoted to the established traffic. Thus the existing carrying agencies, Portuguese and Indian, must have been obviously and injuriously affected by the operations of the new competitors. The Portuguese ship-owners certainly were, and Moreland observed "that most of the Dutch and English business in the Asiatic carrying trade was acquired at their expense".[62]

The impact of changes on Indian owned shipping was not uniform, and Moreland observed "that during our period it lost ground definitely, but not progressively, in Gujarat, gained ground but failed to retain it in Bengal, and possibly lost on balance in the Coromandel ports".[63] In Gujarat the most striking change was the rapid decay of the coasting trade to Goa which was largely carried on by Indian vessels.

[60] W.H. Moreland, From Akbar to Aurangzeb, p. 79.
[61] Ibid., p. 80.
[62] Ibid., p. 81. "On the West Coast, Surat prospered while Goa declined; in Coromandel, Pulicat and Madras superseded S. Thome and Negapatam; while in Hooghly, the business lost by the Portuguese eventually passed mainly to the Dutch".
[63] W.H. Moreland, From Akbar to Aurangzeb, p. 86.
under Portuguese protection. The owners of coasting boats were undoubtedly affected on account of the seasonal blockade of Goa by the Dutch and the impoverishment of the Portuguese, but this change was of little significance for the producers or merchants of Gujarat, since the loss of business with Goa was more than compensated by the new direct trade started by the Dutch and English. The injury caused to the coasting trade and export from Surat was not progressive since, "the evidence of recovery appears to be incontestible".[64] Thus the Dutch handled all or nearly all of the new Asiatic trade which they had created, and the Dutch and English between them took over an undetermined but substantial portion of the trade which had existed before their arrival in India".[65]

Thus, Moreland indicated that while the Indian ship-owners must have suffered by the activities of their Dutch and English competitors, the Indian merchants, if anything, benefitted by a service which was at once cheaper and better and probably some portion of the advantage might have accrued indirectly to producers also, except the ship-builders. As the result of competition, freight charges were lowered, and throughout the period under review the efforts of the Dutch to outbid the English furnished a guarantee against excessive charges. Since cargo-space was available in excess of needs, the Indian merchants were frequently in a position to pick and choose. Further, European vessels offered greater security and could stand rough weather also. They were also better armed to defy the attacks of pirates, against which Indian vessels were almost helpless. According to Moreland, "The essence of Indian navigation was adaptation to stable seasons and avoidance of bad weather; the ships were weakly built, and their crews

[64] W.H. Moreland, From Akbar to Aurangzeb, p. 85. "The effects of competition were acutely felt between 1620 and 1630,... but a recovery ensued, and in 1644 the English merchants reported that ships owned by Moslems had become so numerous.... In 1660 again we are told, that Indian ships were multiplying so fast....".

[65] Ibid., p. 86.
must often have been found wanting in experience during emergencies".[66] Above all, the Dutch and English vessels were left alone by the Portuguese custom-boats. No wonder then, the preference shown by Indian merchants to European vessels, was justified, "and while those of them who owned ships must have suffered from reduced freights, and presumably from shortage of cargo, the large number, whose business required only the transit of goods, found it possible to transact their business more cheaply and with a greater degree of security"[67]. During the period under review, while the great bulk of the trade to western Europe passed from the Portuguese to the Dutch and English,[68] with the

[67] W.H. Moreland, From Akbar to Aurangzeb, p. 88. For a different view-point see, Brij Narain, Indian Economic Life, Past and Present, p.67. According to him the decline of Indian shipping was not merely the competition but force and violence also. Jagadish Narayan Sarkar, Mughal Economy: Organization And Working, Naya Prokash, Calcutta, 1967, has pointed out that "Moreland has minimized the adverse effects of the advent of the English and the Dutch on Indian shipping. It declined not as a result of peaceful competition but of a calculated policy of force exemplified in repeated acts of piracy" pp. 171-72. See also, S. Arasaratnam, "India and the Indian Ocean in the Seventeenth Century" in India And The Indian Ocean, 1500-1800, ed. by Ashin Dasgupta & M.N. Pearson, Oxford University Press, Calcutta, 1987, who indicated that the decline of the Indian carrying trade, when it did come in the last decades of the century, was regional and caused not by European competition, as Moreland asserted, but by a variety of regional political and economic factors that have to be studied individually, pp.123-127.
exception of one item, that is, pepper of Malabar, the transfer of agency did not affect the interests of India. Around 1635, friendly relations were established between the English and Portuguese, and from onwards both Dutch and English bought pepper on the Malabar Coast and Konkan seaports. With the establishment of English factory at Calicut and possession of Cochin by Dutch, the trade prospects were again favourable, though the Indian producers had undoubtedly suffered for some time through the establishment of alternative sources of supply, namely, Java and Sumatra.[69]

Moreland found that it was easy to form an accurate idea of the volume of the new direct export trade to western Europe on account of the "occasional uncertainties regarding the extent of the English share, but the chief difficulty arises from the system of shipping adopted by the Dutch, and from the form in which the facts of it were placed on record".[70] Moreover, apart from the Dutch practise of "concentrating trade at Batavia" there are instances of recorded direct sailings from Surat and Coromandel coast also to Holland. Thus, Moreland found it advisable to approach the subject by examining the English trade, where the complications were less serious. Direct shipping from the East Coast to England began in 1649, so that up to 1648, despatches from Surat could be taken to represent approximately the total volume of the English trade, while allowing for the consignments sent from Coromandel by way of Bantam. The English export trade from Surat passed through several phases. Upto about 1620, the demand for indigo was a striking feature of this phase, but the primacy of indigo did not last for long, for in the next decade the trade in calico developed with remarkable rapidity. The famine of 1630 disrupted the export trade and till 1637, cargo was procured only with great difficulty by extending the buying operations to other parts of India. From 1638 to 1653 the exports were once again substantial, albeit unprogressive, and the principal exports included calico, indigo and yarn, while saltpetre,

[70] Ibid., p. 96.
pepper, sugar, ginger, shellac, and a few other items also appeared. After 1653, the English Company was for some time almost out of business, but in 1658, it was at last provided with adequate capital and secured a renewal of its monopoly. The last decade of the period under study was marked by a rapid change in the relative importance of the East and West coasts. "The establishment of trade in Bengal, the discovery that Madras calicoes were better suited to European markets than those of Gujarat, the decay of the indigo trade for which Surat was the principal seaport, and the defects in the Gujarat administration - all these causes combined to bring the East Coast into the prominence which it was to retain for many years".[71] Thus during 1658-1660, Moreland estimated, the annual exports in English vessels from both the coasts of India and Bengal to Europe to Rs. 8 lakhs.

Though the English were the first to enter the field in Surat, the Dutch soon caught up and surpassed them. In Bengal, their predominance was indisputable from the outset. Moreland remarked, that in fact, the Dutch "commercial supremacy may come as a surprise to readers familiar only with ordinary text-books of Indian history, but it is a common place to those who have studied the records of the period, and while the Dutch reports and journals are marked by frequent sneers at the poverty and inefficiency of their English competitors, the English correspondence is characterised by grudging and envious admiration of the Dutch",[72] throughout the period under study. Causes of the Dutch predominance could be traced in English admissions that "their competitors excelled in commercial efficiency as well as in material resources".[73] Further, their monopoly of the spice trade and Chinese and Japanese markets enabled them to employ their capital to the best advantage. In fact, according to Moreland, no student of the

[73] Ibid., p. 105
contemporary Dutch records could fail to be impressed by the ruthless efficiency of the Dutch commercial machine.[74] Thus while the extent of the Dutch export trade to Europe could not be estimated definitely, but taking into account the facts regarding particular commodities, like indigo, saltpetre, and cotton goods, Moreland indicated that at the close of the period under study, the Dutch handled a larger volume of European trade than the English. He put the total exports of England and Holland as "probably worth at least from 18 to 20 lakhs in the currency of the period, or from 80 to 90 lakhs in terms of modern purchasing power",[75] denoting the value of the rupee disclosed by official statistics for the quinquennial period 1910-14.

The trade in particular commodities like indigo, saltpetre and cotton goods was also examined by Moreland individually. Thus indigo was the "prime commodity" sought by the first European buyers in India. At the turn of the seventeenth century indigo was widely grown in India, in the Gangetic plain, Sind, Gujarat, Deccan and along the East Coast, "but as a rule the product was intended for local consumption, and the exporters at first recognised only two commercial descriptions" - Sarkhej produced in Gujarat and Lahori, which came mostly from Biana, near Agra.[76] Lahori commanded greater price in Europe because of its priority in content. Throughout the period Sarkhej and Biana continued to export indigo, but the dye was bought at other places also, like the English bought in Sind, the Dutch in the Deccan country above Vengurla, but Surat remained the principal port of dispatch. In the last decade of the period under review, a great decline in the quantity of indigo exported, occurred "not due to reduction in the European demand, but rather to the competition of supplies from America, which was destined

[75] Ibid., p. 107.
[76] W.H. Moreland, From Akbar to Aurangzeb, p. 109. Indigo produced at Biana had acquired the name of Lahori in the Aleppo market from the fact that the caravans were made up in Lahori.
eventually to bring the trade from India to an end". However, even during its best days, the indigo trade was not free from difficulties, which led Moreland to point out that, "official control was spasmodic, and there seems to be little doubt that adulteration was one of the factors which contributed to the eventual loss of this valuable trade". The export of saltpetre, observed Moreland, was definitely a novel feature of Indian commerce and its origin must be sought in the military history of Europe, since saltpetre was an essential constituent of gun-powder. Unlimited quantities of saltpetre available in India, attracted the belligerent nations in Europe to it and though Portuguese exported saltpetre, the quantity was very small and the commercial initiative was taken by the Dutch soon after they settled on the Coromandel coast. In 1621, a substantial quantity of saltpetre was exported and soon in 1626 the English Company also followed lead. Upto about 1650 the volume of the trade was moderate but by the close of the period under review, "saltpetre ranked definitely as a primary object of commerce". Its production for export was then localised in Bihar on account of low price in that region. This trade was also subject to frequent official interference.

Turning to cotton goods, Moreland observed that before the period under study began, "the nature of Indian cotton goods appears to have been known in Western Europe mainly through small quantities arriving by the overland route, and the high cost of transit is a sufficient explanation of the very limited consumption". Albeit the

---


[78] Ibid., p. 114.

[79] Ibid., p. 117.

[80] Ibid. For details see, Jagadish Narayan Sarkar, "The Saltpetre Industry And Trade of India in the Seventeenth Century", in Studies in Economic Life In Mughal India, pp. 65-128.

export trade in cotton goods to Africa and America had been established by the Portuguese, still, according to Moreland, the Portuguese failed to make the best of their advantages in opening trade to western Europe by sea. Thus, at the beginning of seventeenth century, western Europe constituted a large but wholly undeveloped market for cotton goods. Initiative in this field was taken by the English Company and while the Dutch took little share in opening up the new market, they were quick to enter it when it was an established success. The demand for calico increased with such remarkable rapidity that Gujarat alone could not meet this sudden large demand and buyers were sent to Northern India also for purchases. However, after the famine of 1630, the quality of calico "showed a marked deterioration, which threatened to ruin the European market...., calico in fact came into direct competition with goods manufactured in Western Europe, and the market consequently depended entirely on consideration of price and quality".[82] Around 1646, the calico trade entered a new phase, when the supplies from Gujarat, Agra and Sind began to be supplemented regularly from the East Coast and soon Madras replaced Surat as the chief source for supplying the London market. As regards the Dutch trade, Moreland found nothing to suggest a large extension before 1670 after which the development was rapid.

Thus, indigo, saltpetre and calico, "formed the basis of the new commercial relations between India and Western Europe in the sense that a remunerative trade could not have been maintained without them".[83] Besides these, various secondary commodities like raw cotton, yarn, sugar and silk were also brought to the distributing markets of London and Amsterdam.

Taking a retrospective view of the export trade to Western Europe, the first half of the seventeenth century, according to Moreland, was a "period of prolonged experiment. Late in its first decade, we have the Dutch on the East coast and the English on the West,

[83] Ibid., p. 136.
just beginning to learn by experience what goods could be bought and sold. While the trade in indigo and saltpetre was established, the foundations of the still more export of the Gujarat calicoes was laid by the English. By the middle of the half century, Surat appeared to have emerged as the principal port for Europe, East Coast was then contributing little, while Bengal was still unknown to European buyers; it was only after 1650 that eastern side became prominent in European trade, "partly by the suitability of the Madras calicoes, partly by the cheapness of Bihar saltpetre, partly by the supplies of silk and sugar in Bengal".

Although the direct benefit arising from the new export trade to India was "confined to relatively small areas, but in them it was substantial, in that it increased the demand for goods which producers were ready to buy". However, indirectly the entire country's position was altered by the opening of new commercial relations with the progressive markets of the West. Thus according to Moreland, an outstanding commercial development of the period was the opening of new markets for Indian goods in western Europe. While Portuguese had made a poor use of their opportunities for commercial development; The Dutch and English approached India from a different standpoint, employed very different methods, and secured much greater results. It were they who introduced Indian goods in Amsterdam, London, Paris and other markets. In fact, according to Moreland, their business organisation "could not

[84] W.H. Moreland, From Akbar to Aurangzeb, p. 140
[85] Ibid. Sinnappah Arasaratnam, Merchants, Companies and Commerce On the Coromandel Coast 1650-1750, Oxford University Press, 1986, p. iii, has characterized the situation by the mid-seventeenth century as "a trade boom", stimulated by the Mughal unification of the subcontinent and by the leading role taken by Gujarat which "was the home of a substantial investment in shipping and commodities".
easily be paralleled among civilised countries at the present day".[87] For a modern business, while it was the seller who did most of the work, but India then made no efforts to secure the markets of western Europe. Their contribution to the development of trade was 'passive', and the buyers did most of the work[88].

Examining the conditions prevailing in the Indian markets Moreland pointed out that, "A slight experience of the commercial records of the period will suffice to disillusion any one who may have been tempted to regard India of the seventeenth century as a country of Arcadian simplicity; the buyers and sellers resembled in all essentials the buyers and sellers of the present day, and the commercial aptitudes of Indian merchants were certainly not inferior to those of the foreigners who dealt with them"[89]. There were recognised market prices throughout the country, which fluctuated constantly with variations in supply and demand, while the conception of a normal price governed by cost of production was also known. Further, the Indian markets were characterised by, "the keenest competition among buyers and sellers, eager search for exclusive information, the organisation of rings and commercial monopolies, the specialised activities of a large class of brokers, a remarkable development of financial machinery for credit, exchange, and insurance; a crisis was at least as familiar an event in Surat in the seventeenth century as in modern Bombay; and, though a

[87] W.H. Moreland, From Akbar to Aurangzeb, p. 141. Niels Steensgaard, The Asian Trade Revolution of the Seventeenth Century, pointed out that, "The Companies represented a new entrepreneurial form as far as Asia was concerned, but they did not revolutionize the Asian market", p. 11.

[88] W.H. Moreland, From Akbar to Aurangzeb.141. For a different viewpoint see, S. Arasaratnam, "India and the Indian Ocean in the Seventeenth Century", in Ashin Dasgupta & M.N. Pearson, ed. India And Indian Ocean 1500-1800, pp. 94-130, who in his article presented a picture of growth and of successional competition against the Europeans.

bankruptcy law did not exist, the institution itself was generally recognised".[90] And subject to two important reservations, Moreland found no hesitation in applying the results of recent economic analysis to the transactions described in commercial records. These reservations arose from the risk of official interference and from the time and cost of transport. Both factors posed a practical danger of disturbing the markets. Moreland found numerous instances of engrossing or monopoly in the contemporary records. The foreign merchants often complained against monopoly of such staple commodities as indigo, cotton goods, spices, and even food-grains which were, "solely for the profit of the State, or its officers, or against other monopolistic developments of a more general nature".[91] "Such operations were facilitated by the fact that in some commercial centres local governors were frequently appointed from the mercantile community, and there was nothing corresponding to the modern prohibition of official trading. Apart from monopolising commodities, a governor could even monopolise the entire trade of a seaport, as happened in the case of Hooghly in 1635-36. Further a monopoly might be granted of the business of a group of foreign merchants also. Thus in 1625, "the Dutch at Masulipatam were farmed out like any other source of revenue, and thus found themselves debarred from dealing with any merchants except those who had paid for the privilege".[92]

The factor of time and cost of transport, tended to confine Indian markets within limits with which according to Moreland "nowadays seem extraordinarily narrow, and to make prices depend on the stock of a commodity actually on the spot, rather than on the supply available throughout the world".[93] Time was a dominant factor in the case of imported goods. Thus it might happen that "the goods which had been

[91] Ibid.
[92] Ibid., p. 148. For details on monopoly, see Jagdish Narayan Sarkar, "Monopolies In Medieval India" in Studies In Economic Life In Mughal India, pp. 177-203.
asked for might prove to be unprocurable, or, if they were available they might prove to be unsaleable on arrival". [94] On the other hand in purely Indian transactions, time, though not a negligible factor, was subordinate to the factor of cost, at least so far as goods had to be collected or distributed by land. Moreland calculated that the cost of carrying 100 lb. to a distance of 100 miles in Northern and Western India ranged between half and three quarters of a rupee, exclusive of anything required for payment of armed guards and inland custom duties. However, taking only the actual cost of carriage, Moreland pointed out, that "while it could be borne by goods of high value per unit of weight, it was absolutely prohibitive in the case of ordinary agricultural produce". [95]

Passing on to the personnel and organisation of Indian markets, Moreland indicated that although the Dutch and English merchants possessed a footing in the Indian markets and from time to time they dominated the markets for particular commodities, "but it cannot be asserted that they ever dominated the commercial outlook; that position was held rather by individual Indians - Moslems, Banians, or Chettis, as the case might be - men who through their wealth and abilities might almost be said to control the entire wholesale trade within the area covered by their operations". [96] During the period under review, Virji Vora was the most prominent Indian, known as the merchant - prince of Surat. His counterpart on the East Coast was a family or a firm, known as Malaya. Of ordinary merchants naturally less is heard. They conducted their business "on a smaller scale and as a rule worked on the lines set by the men who dominated their market". In fact, brokers figure more prominently in the records than ordinary merchants. Brokers were 'numerous and ubiquitous' and though at times - they were a nuisance and fraudulent, yet their employment was a universal custom and "within limits imposed by current mercantile

[94] W.H. Moreland, From Akbar to Aurangzeb, pp. 149-150.
[95] Ibid., p. 151.
[96] Ibid., p. 153.
conventions good service was the rule".[97]

According to Moreland, possession of capital was the line dividing merchants from brokers, and apart from this particular case, Moreland found few traces of specialisation in the markets during the period under review. For instance, "Virji Vora was eminently a merchant, that is to say, a buyer and seller of commodities, and his business extended to any class of goods in which there might be hopes of profit, but at the same time he freighted ships, he acted as a banker, he received deposits and he arranged remittances by means of bills or letters of credit on his branch houses",[98] at Ahmadabad, Agra, Burhanpur, Golconda, in Malabar and on the East Coast. Equally multifarious were the activities of the Malaya firm, so that Moreland found that the nearest approach to specialisation could be found among the currency dealers or money changers, known as the "shroffs", but even the "shroffs" did not confine themselves to this business alone, and indulged in trading also. Moreland found no record of a banker as distinct from a merchant. Thus, an Indian commercial centre in the seventeenth century comprised an indefinite number of business men, who were "graded in accordance with their ability and command over capital, and all of them eager to take part in any hopeful venture, provided only that it was not of a nature to bring them into conflict with leaders whom they were not prepared to oppose. The inevitable result was that, hopeful ventures were often overdone".[99] In Moreland's opinion, "the eagerness and lack of restraint" which now characterised the markets of Western India were qualities which went far back into history.

The working of the Indian markets during the period under review was illustrated by Moreland by tracing the changes in prices recorded for a few important commodities like indigo, imported goods like quicksilver, lead, cloves, foodgrains, silver, gold and

[99] Ibid., p. 159.
copper. [100] For indigo and quicksilver Moreland found no evidence of a rise in the normal price, notwithstanding the fluctuations. The normal price of lead along the Indian coast had not risen materially. However, a marked rise occurred in the price of monopoly goods as cloves, mace and nut-megs. Otherwise there was no trace of any increase in the normal cost of imports. From the data available Moreland inferred "that prices of food had not risen to such an extent as to necessitate a rise in wages". [101] Thus Moreland concluded that the normal price of food did not change between 1610 and 1640 and for the next twenty years. Rather the evidence indicated that they remained fairly constant, except in Bengal for which Moreland found definite evidence of a large and sudden rise in food prices between the years 1650 and 1660. Till the end of 1650 prices in Bengal were abnormally low compared with those which were familiar to English merchants. Moreland ascribed this development to the sudden increase in imported supplies of silver from 1650 onwards.

According to Moreland, the price of food-grains was linked with the purchasing power of the money in circulation. On the basis of the evidence available Moreland concluded, tentatively, that during the period under review, "silver was stable in value throughout the north and west of India; but that in Bengal it depreciated rapidly during the closing decade, thereby removing a long-standing anomaly, and bringing prices on the Hooghly into line with those which prevailed elsewhere on the Indian sea-board". [102] While Moreland noticed a rise in the silver capital and price of copper he was uncertain about that of gold.

[100] W.H. Moreland, From Akbar to Auranzeb, pp. 159-185.
[101] Ibid., p. 173.
[102] Ibid, pp. 181-182. See also, Sushil Chaudhuri, Trade and Commercial Organisation in Bengal 1650-1720, Calcutta, 1975, who refuted Moreland's statement that prices on the Hooghly were brought into line with those which prevailed elsewhere on the sea-board. For details see his Appendix A - Prices of Provisions in Bengal in the second half of the seventeenth century - Moreland Refuted, pp. 241-48.
On comparing the system of production as it prevailed at the opening of the period under review with that at its close, Moreland found no important changes either in products or in methods, and the commercial records indicated only the "efforts to meet the demand expressed by buyers, of the degree of success achieved, and of the hindrances arising from various forms of official activity".[103] The most important source of national income was the land, which was cultivated in small holdings by peasants,[104] who were mostly short of contributed a large share of the produce as revenue to the State. Similarly, other forms of production also, like mining and manufacture were organised in numerous small units, which were dominated by the scarcity of capital and demands of the Government or its nominees. Though the producers were, as a rule, anxious to meet the market, but they were not in a position to seek new markets for themselves and, "we look in vain for any traces of productive energy of the type familiar in Western countries at the present day", while "the administrative conditions of the period were more likely to sterilize than to foster any tendency towards enterprise which may have existed among people".[105]

In the list of agricultural products of commercial interest, tobacco was the only new and profitable commercial crop which had become established during the period and its consumption had become general and widespread.[106] Indigo, cotton and also silk were the agricultural

[104] See Brij Narain, Indian Economic Life, Past And Present, who opined that the average size of the holding then must have been much larger than the average holding at the present time, p. 33.
products for which the commercial demand increased during this period and the fact that the new demands were met indicates that production responded effectively. Further in their arrangements for cropping, the peasants were not governed solely by custom, but did their best to follow the markets also. Thus the Dutch and English purchases resulted in extending the production of indigo, cotton and probably silk. Apart from these, Moreland could detect no signs of any noticeable change in the agricultural production during the period. Moreover, according to him, "The outstanding features of the time relate to distribution rather than production, and can be studied conveniently in connection with the revenue administration, which was the principal agent at work". [107]

During the period under review, Moreland found that surplus income left to the peasant tended to decrease, where it had not already vanished, and the impetus to productive effort on his part was being correspondingly weakened. [108] In fact the same could be applied to other forms of production also. As regards manufactures also, there were no signs of important changes other than the increased production of calico to meet the new demand for Western Europe. Probably the weavers also benefitted from the arrival of Dutch and English buyers. The system of advances by merchants to the weavers was found to be well-established so that the Dutch and the English buyers had also to adopt it in order to obtain the goods they required. But the weavers were not always free

[108] Ibid. According to J.F. Richards, "The Seventeenth Century crisis in South Asia", Modern Asian Studies, October 1990, Cambridge University Press, Great Britain, "Until the last decade of the century the economy of Mughal India apparently prospered. In agriculture, apart from occasional periods of dearth due to failure of the monsoon rains, the peasantry continued to produce its surplus. If anything, agricultural capacity improved over the long term. Indian peasants in the seventeenth century grew a large number of food and industrial crops efficiently and well", p. 631.
agents. There are instances on the East-Coast and in Gujarat when their services were monopolised. The system of advances was also practiced, to procure saltpetre in the neighbourhood of Patna, or indigo in parts of the Biana tract, in Sind, and on the East Coast, though in Gujarat the business of manufacture was in the hands of local capitalists, who presumably financed the growers. "These conditions", according to Moreland, "were obviously unfavourable for any spontaneous improvement in processes and the few changes recorded appear to have been due to Dutch or English initiative".[109]

The wages paid to urban workers differed from place to place, but in a given region there was a remarkable uniformity in the wages paid, which were usually independent of the workers' craft. During the period under review there is no evidence of a rise in urban wages.[110] The evils of truck system were also prevalent.

Moreland noticed that an important feature in the Mughal Empire during the greater portion of the period under review was heavy expenditure on public works, but not on works on general utility. In the latter category Moreland placed only Jahangir's water works at Burhanpur and the Panjáb canals constructed or repaired in Shah Jahan's reign, though the Burhanpur waterworks were primarily meant to provide water to troops fighting against Deccan, rather than for the public. In any case much less was spent on canals and water works than on buildings of ornamental nature, the list of which was longer, especially in Shah Jahan's time, whose reign was characterized by a vigorous building activity. Besides these undertakings hindered the ordinary commercial activities also, since impressment of carts was an ordinary occurrence.

[110] Ibid, p. 194. "Writing of Agra, Pelsaert quoted one set of rates for all classes of artisans; a few years earlier, Methwold had noted the same fact in the East Coast".
Thus while the artistic value of some of these buildings was unquestionable, their economic significance was a matter of consumption rather than production.[112]

Regarding consumption, the conclusion which Moreland arrived at in India At The Death of Akbar, that, "at the opening of the seventeenth century, the population of India consisted of a small but extremely wealthy and extravagant upper class, a small and frugal middle class, and a very numerous lower class, living generally on the same plane of poverty as now, but on the whole substantially worse off",[113] was found to be valid for the subsequent period under review also, since Moreland found much additional evidence to confirm it. Moreland also drew information from Fransisco Pelsaert, the chief of the Dutch factory at Agra, who in his report gave a most detailed account of the standard of life in Northern India for the period under review. Pelsaert was greatly affected by the poverty and oppression around him and observed that "the manner of life of the rich in their great superfluity and absolute power, and the utter subjection and poverty of the common people - poverty so great and miserable that the life of the people can be depicted or accurately described, only as the home of stark want, and

[111] W.H. Moreland, From Akbar to Aurangzeb, p. 196. "Thus all the carts at Agra were impressed for the works in progress at Delhi, and on one occasion goods in transit for the coast had to lie on the way for some months, after they had been "by the King's Officers cart down in the fields and the carts taken for his use".

[112] Ibid., p. 197.

[113] W.H. Moreland, From Akbar to Aurangzeb, pp. 197-198. For a different viewpoint see, Brij Narain, Indian Economic Life, Past And Present, who pointed out that India's large and profitable foreign commerce suggested the existence of a numerous and wealthy merchant class under Akbar and Jahangir, who would form a middle class, pp. 55-65.
the dwelling place of bitter woe".[114] As regards the life in the
country, Pelsaert observed that, "so much is wrung from the peasants
that even dry bread is scarcely left to them for their food" or that "the
land would give a plentiful, or even an extraordinary yield, if the
peasants were not so cruelly and pitilessly oppressed".[115] Moreland
also referred to the Gujarat Report by a Dutch factor, which depicted
the weavers as too poor to deal on credit, living from hand to mouth,
and requiring advances to enable them to buy yarn. The peasants, owing
to high revenue earned barely the cost of their labour, and differed
very little from slaves, and were thus compelled to work for the luxury
of the great.[116] Around 1640, the English Council at Sind also
noticed, the abject misery and oppression of the people.[117] The
observations of Bernier and Tavernier further indicate that these
conditions persisted until the closing years of the period under review.
Berner, who spent the years from 1656 to 1658 in the Mughal Empire,
gave a melancholy description of the state of the peasantry, their
poverty, and their incapability of meeting the demands of their
rapacious lords, whose tyranny at times led them to "abandon the
country, and seek a more tolerable mode of existence either in towns or
in the camps. Sometimes they fly to the territories of a Raja, because
they find less oppression and are allowed a greater degree of
comfort".[118] Consequently a considerable portion of the land remained
unfilled. Similarly Tavernier also observed that "you may see in India
whole provinces like deserts, from where the peasants have fled on

[114] W.H. Moreland & Peter Geyl, translated, Jahangir's India, The
Remonstrantie of Francisco Pelsaert, Idarah-i-Adabiyat-i Delli, Delhi, 1972, p. 60.
[115] Ibid., pp. 47, 54.
account of the oppression of the governors".[119] In the Dutch and English correspondence, the weavers, who formed the largest section of the industrial population, are exhibited as living on a dead level of poverty throughout the country.

Thus Moreland inferred that in the years of normal production also, "the mass of the population lived on the margin not of comfort but of bare subsistence, with no incentive to energy and no possibility of escape except by emigration in one of the two forms which were then within reach - either flight to some region where for the moment conditions seemed to be more favourable, or surrender of personal freedom in return for a promise of subsistence in some foreign country".[120]

To find out as to what happened when the ordinary course of production was interrupted, Moreland examined first, the economic results of the famine and then the economic influence of administration. According to Moreland, two factors which greatly impeded production from time to time were firstly administrative interference and secondly, the occurrence of famine. Pointing out the vast change in the meaning which the word famine had undergone, Moreland indicated that at the present day famines were work-famines in the strictest sense and not the food-famines as recorded in chroniclers of the seventeenth century, "when it was not a question of obtaining the means to pay for food, but

[119] Jean Baptiste Tavernier, Travels in India tr. by V. Ball, London, 1889, Vol. I, 391. However, according to Brij Narain Indian Economic Life Past and Present, "The conclusions of Bernier and Tavernier are the results of hasty generalisation. What they saw was particular, small parts of the country desolated by the tyranny of some governors, not whole provinces", p. 9.

of getting food at all".[121] Moreland found that "local dearths were frequent, while acute or widespread famines occurred sufficiently often to influence the calculations of merchants and producers".[122] According to him Indian climate in the seventeenth century was very much what it was today. But the difference lay rather in the results which followed. For instance, the cost of transporting grain over long distances was prohibitive. Consequently a local shortage of food could not be met by importation, people might die in thousands, as on the East Coast in 1647, though there were ample supplies in other parts of the country, and the economic life of the area affected might be broken up through mortality and migration in a way which the modern railway system had rendered impossible. At present however, the very idea of a food famine had been banished from all but the few regions still inaccessible.[123]

In order to indicate that the food famines of the type experienced in earlier centuries had become unfamiliar or obsolete at present, Moreland tried to explain the economic consequences which followed in their train. Thus the famine which broke out in 1630-31 owing to the failure of monsoon severely affected Gujarat, Deccan, East Coast and Sind. The horrors of the famine were described by van Twist, the senior Dutch merchant, which find ample confirmation in "the more fragmentary English narratives, as well as by the rhetoric of Moslem chroniclers".[124] While the famine resulted in the break-up of family...

[121] W.H. Moreland, From Akbar To Aurangzeb, p. 205.
[123] W.H. Moreland, From Akbar to Aurangzeb. According to Irfan Habib, The Agrarian System of Mughal India 1556-1707, Asia Publishing House, Bombay, 1963, Twenty years after Moreland boastfully made this statement - in 1943-44 nearly three and a half million people died of starvation in Bengal and all the medieval horrors were re-enacted on a scale truly befitting 'modern' times, p. 100 n.
[124] W.H. Moreland, From Akbar to Aurangzeb, p. 211,
life, loss of agricultural capital, aimless wandering, voluntary enslavement, deaths from suicide or sheer starvation, cannibalism, it is noteworthy that van Twist mentioned nothing about the State relief measures. Indian narratives, however indicate that public kitchens were opened, taxes were remitted, and money was allocated for gratuitous relief, but according to Moreland, "the facts on record show that the effect of these measures was trifling, and from the nature of the case they could not counteract the actual deficiency of food which was the dominant factor in the situation; they might operate to improve the distribution of such stocks as were available, but they could not bring grain into the country and though their inadequacy may be obvious, it is not easy to suggest what more could have been done".[125] Thus, in Moreland's viewpoint it was unjust "to blame the Mughal Administration for failure to avert a calamity which, in the circumstances of the time, must be regarded as inevitable; but it may be pointed out that the measures actually taken were not only inadequate but tardy, and that the leaders of the people acted in a manner likely to aggravate rather than mitigate the distress".[126] For instance, Peter Mundy while travelling from Surat to Burhanpur observed that no course was taken to remedy the evil, "the rich and strong engrossing and taking perforce all to themselves".

As regards the impact of this calamity on industry and commerce, the famine, together with war in the Deccan, "disjointed all trade out of frame". In Surat the artisans abandoned their homes in

[125] W.H. Moreland, From Akbar to Aurangzeb, p. 213. "Though there was surplus grain in the North, since the Gangetic Plain was not affected but the cost of carriage by land was in practice prohibitive "and it is hard to see how pack-animals could have moved through country without fodder or water in numbers adequate to the emergency", p. 214.

multitudes and perished in fields. Price of gold fell, because the poor were selling, while the rich could not buy; the yield of indigo in Gujarat was about one-twentieth of the normal, and nothing but old refuse was available in the market; prices of cotton and yarn doubled, roads became unsafe owing to bands of desperate robbers, and even messengers ran the risk of being murdered.\[127]\ In 1631, the cost of land transport increased further, the cost of indigo and cotton goods became prohibitive, while food price touched their peak (about 6 lb. of grain for a rupee) and agues, fevers, and pestilential diseases broke out in every home. Thus, Gujarat, "the garden of the world" was turned into a wilderness with few or no cultivators or artisans. The distress began to recede in 1632 when grain supplies came from outside and prices began to fall. Though "the worst of the misery was over, but the restoration of industry and commerce was a matter of years".\[128]\ Gujarat was once again prosperous by 1639, but with a reduced population and a loss of skill, resulting from the death of expert peasants and workmen, and the cotton goods of Gujarat suffered in reputation owing to this cause for many years. While the quality of cotton goods and other manufactures began to improve steadily, but the "loss of reputation abroad, and the advantage which Gujarat had gained by priority in European markets had definitely passed away".\[129]\ Deccan too remained impoverished for at least a generation.

Thus the economic life of a village, a town or a district, once disrupted or thrown out of gear by migration, disease and death could not be restored immediately, "and there are no signs in the literature of the period of such constructive measures of relief as would have required to accelerate the progress".\[130]\ In fact, the "aimless wandering in search of food ... had become so traditional that,

\[128]\ Ibid., p. 216.
\[129]\ Ibid., p. 218.
\[130]\ Ibid., p. 219.
even in the present century, its first symptoms were regarded as the surest index to the need for immediate relief".[131]

Moreland's next task was to examine the economic significance or influence of the administrative and financial instructions which existed in India during the period under review. Examining the position of foreign merchants in Indian States, Moreland indicated that the "ports and cities were not open to settlements of foreign merchants as a matter of course; such settlements were based on special conventions or agreements, and the position of the merchants with regard to the authorities was determined by these conventions rather than the ordinary law".[132] Contrary to the assertion that the privileges of foreign merchants were forcibly acquired by the first arrivals from Europe, the truth according to Moreland was that similar privileges were enjoyed by the Asiatic merchants before European vessels had entered Indian waters and that the new arrivals accommodated themselves to arrangements which they found already in existence. That the arrangement was familiar to Dutch and English merchants is evident from the fact that they accepted it without a comment both in India and Far East. Thus "the suggestion that they imported it must be set aside as unhistorical".[133] However the first Portuguese settlements in India, Moreland pointed out did not confirm to this Asiatic custom because they were much more than commercial. Relying on their superior naval power, the Portuguese merchants assumed rights of sovereignty in their settlements. On the other hand, the earliest Dutch settlements were purely commercial and established in accordance with existing Asiatic practise.[134]

The factory or settlement was a foreign self-governing community which included criminal jurisdiction also. The Dutch accordingly established factories on the East Coast first at Masulipatam, Tegnapatam, Pulicat and Calicut where the authorities, like

[132] Ibid., p. 221.
[133] Ibid., p. 223.
[134] Ibid.
the kings of Bantam and Achin were familiar with the institution of mercantile extra-territoriality. However in the Mughal Empire, which was approached first by the English, the position was quite different. In the Empire of the Great Mughal, who had the outlook of Central Asia where such ideas were not likely to have been known, the grant of a concession was not a matter of course.[135] It was much later in 1612 when an effective settlement could be made. Thus it is clear that "the position of both Dutch and English in India was essentially similar to that of Asiatic foreigners in places like Malacca and Calicut".[136] These merchants did not submit to Indian jurisdiction as modern merchants would necessarily do, rather they lived and traded in the country on terms which had been settled with the authorities, and which both sides were bound to observe. Often however, such conventions were infringed by authorities in various Indian States thus leading to an outbreak of hostilities. Numerically less, the Dutch and English in factories could not enter on a war on land, though they could fight successfully on the sea, since Indian states maintained no naval forces. Thus numerous instances are on record when the usual course of trade would be disrupted by events which are described as Reprisals and which consisted of coercive measures against Indian-owned ships.[137] Since "an unprotected factory offered no guarantee for the safety of its inmates or the maintenance of the terms under which it had been established",[138] the Factory led to the Fort. When hostilities broke out between the Dutch and the King of Golconda, the former using the fortress at Pulicat as their base carried out a successful blockade of Masulipatam. According to Moreland, the foundation of Pulicat and Fort Geldria possessed peculiar interest for students of commercial history, because it was the first Fort in India to be held by the merchants of a European Company and it led directly to Armagon and to Madras. According

[136] Ibid., p. 226.
[137] Ibid.
[138] Ibid., p. 228.
to the contemporary documents, this development "must be described as an accident rather than as the outcome of a deliberate policy".[139] Initially the Dutch were contented with a factory but its transformation was due primarily to the hostility of the Portuguese at S. Thome. At the outset the Dutch sought protection against the Portuguese from the King of Chandragiri and by stages they came into possession of a fortress which was to set a new fashion throughout India. The English built their first Fort at Armagon on the East Coast which was an imitation of Pulicat and was intended to overawe the rulers of Golconda as well as to facilitate trade.[140] Madras the successor of Armagon was also designed to serve similar purposes. However whether the Dutch and English merchants lived in factories or in forts they did not submit nor were they required to submit to Indian jurisdiction and they viewed the activities of the Indian authorities from outside. Their observations therefore, "fill an important gap in our knowledge" of Indian history.[141]

While examining the economic influence of administration Moreland indicated that "India of the seventeenth century must have been an inferno for the ordinary man".[142] Passing on to a survey of Indian administrative systems, Moreland pointed out that a study of Dutch and English records indicate that during the period under review "the working of the administration was, next to the rainfall the most important factor in the economic life of the country. It acted directly on the distribution of the national income to an extent which is now difficult to realise, for in practice the various governments disposed of somewhere about one-half of the entire gross produce of land, ... in such a way that the producers were left with a bare subsistence or very

[140] Ibid., p. 230.
[141] Ibid., p. 232.
little more, while the energies of the unproductive classes were spent in the struggle to secure the largest possible share.\[143] The reaction on production was inevitably unfavourable, since in the absence of retaining any surplus the producers lacked incentive. Able or talented men were discouraged from producing and were "attracted by the very great prices to be won in the struggle for distribution" so that it was better to be a peon than a peasant.

The Indian governments, stated Moreland were despotic by nature and there are no signs of any popular institutions exercising political authority or even influence. According to Moreland, "the actual government of the country can best be described, therefore, as a union of despotism with bureaucracy and the emphasis on either element depended at any given time mainly on the personal character of the Ruler".\[144] The source of orders was of little importance to merchants, peasants or artisans, "who had to reckon with men on the spot". Oppression was always possible and prospects of an appeal were also dubious, for there were numerous instances when "individuals or communities appealed successfully against oppression by local officers, but there are perhaps, an equal number where an official whose acts had been questioned returned to his duties exonerated through bribery or influence".\[145] Thus, during the period under review "welfare of the people depended partly on the character of the local officials, partly on the efficiency of the system of control, and partly on the ideals of the Ruler".\[146] With regard to control two distinct systems prevailed, Pakka or Pukhta and Kachcha or Kham. According to Moreland, Pakka appeared to have been practically universal throughout during the period under review, in the South of India and was also rapidly making headway in the Mughal Empire, where Akbar's aim was to establish the alternative system of 'direct' administration. Under it there were two methods by

\[143\] W.H. Moreland, From Akbar To Aurangzeb, p. 233.
\[144\] Ibid., p. 234.
\[145\] Ibid.
\[146\] Ibid., pp. 234-235.
which salary could be paid, either by cash or by grant of a *Jagir*. Finally, there were the *Zamindars* or Chiefs having local influence who exercised wide powers so long as they paid the stipulated revenue. Thus, an Indian peasant might find himself under a master of one of five different classes - a revenue farmer, a salaried official, *Jagirdars* in temporary possession, a private person or corporation with a longer and possibly a permanent tenure or finally a *Zamindar*, all of whom exercised great powers, and the chances of superior interference were so meagre that his welfare depended principally on the master under whom he happened to be placed.[147]

According to Moreland while administrative progress had rendered the farming system nearly obsolete but when in existence it connoted two things, obstacles in the way of detailed control and emphasis on the financial, as opposed to the ameliorative side of administration.[148] Thus the farming system could not in any ordinary case commend itself to a modern administrator and wherever the system prevailed oppression was a real danger. The customs revenue were also farmed in Sind, Gujarat and East Coast, and there also oppression by farmers was inevitable. Besides duties on production and inland transit were nearly universal "their assessment was left in the hands of local officers, who thus exercised an important influence on the prosperity of merchants and artisans".[149]

Production, in Moreland's viewpoint was dominated by the administration to an extent which had no parallel in British India at the present day.[150] Beginning with a survey of the practical working of the farming system which prevailed throughout the Southern regions, Moreland pointed out that it was perhaps the most oppressive system

---

[148] Ibid., p. 236.
[149] Ibid., p. 239.
[150] Ibid.
which has yet been devised.\[151\] In Golconda, the annual term, the auction of posts to the highest bidder and the severity shown to the defaulters, combined with the extortion and usury at headquarters to make up a method of stripping the producers practically bare. Further, it was significant to note that individual towns and villages were frequently taken in farm by the Dutch and English, sometimes for their Company and sometimes for their private benefit, a fact which confirmed Methwold's statement that the farming system had permeated the whole country.\[152\] In Bijapur and in the Hindu territories of the South also, similar processes were found to be in operation—there was official oppression, severity and extortion. In fact, "the only limit to collections was the risk of checking cultivation or driving the peasants to rebellion or flight".\[153\] The short terms of the farms rendered a constructive policy impossible and Moreland concluded that for Southern India, the first half of the seventeenth century was a period when the masses of the people were forced by the administrative system to live on the border-line of starvation or rebellion.\[154\] This was Moreland's searching analysis of the Farming System.


\[152\] W.H. Moreland, From Akbar To Auranqzeb, p. 243.

\[153\] Ibid., p. 245.

\[154\] W.H. Moreland, From Akbar To Auranqzeb, p. 245. For a different viewpoint see, S.Arasaratnam, Merchants, Companies and Commerce on the Coromandel Coast, 1650-1740, Oxford University Press, Delhi, 1986, who asserted that Moreland has painted a very depressing picture of the taxation and its effects on trade. pp. 322-23.
Moreland's technique of inferring the administrative changes in the Mughal Empire was by instituting a comparison between the regulations issued by Akbar, with those which were issued by subsequent rulers. Further, the fact that Akbar as an administrator was far superior to Jahangir or Shah Jahan in their later years or to Aurangzeb in the greater part of his reign, was indisputable to Moreland. He in fact, inferred "that the same standard would have been worked more oppressively in 1660 than in 1600 and when we find that a new standard had come into existence in the interval, itself much more oppressive than the old, the conclusion becomes irresistible that for the masses of the people our period was one of growing impoverishment".\[155\]

With regard to revenue administration, Moreland indicated that Akbar had attached immense importance to two principles - payment of cash salaries to officials instead of by assignments of land and insistence on direct relations with individual peasant cultivators. However in the course of the next half century, these two principles disappeared, assignments multiplied, the farming system spread and the growth of summary settlements of revenue gave increased scope for tyranny within the village, changes which reflect the deterioration in the position of the ordinary peasants.\[156\] Besides Moreland also found evidence of increasing pressure to extend the area under crops beyond the economic possibilities of the time. Finally, the standard of assessment which was one-third in Akbar's time was raised to one-half of the gross produce after his death. The cumulative effect of these measures was "that the small margin left by Akbar was swept into the Imperial Treasury or the pockets of officials and that a very large proportion of the peasants were brought dangerously near the bare level of subsistence".\[157\] To prove the occurrence of these changes Moreland set out evidences. Thus, Akbar had tried to abolish assignments, but he

\[155\] W.H. Moreland, From Akbar To Aurangzeb, p. 247.
\[156\] Ibid., p. 249.
\[157\] W.H. Moreland, From Akbar To Aurangzeb, p. 249. See also Irfan Habib, The Agrarian System of Mughal India, pp. 90-110.
was not entirely successful and after the removal of his personal influence, "the system quickly regained its previous vogue".[158] Hawkins and Terry noticed frequent transfers which led the assignee to extract utmost possible sum from each successive grant. Though, according to Peter Mundy transfers were at that time less frequent. However, "about the same period van Twist noted their frequency in Gujarat and some incidental remarks in the commercial correspondence suggest that, with the weakening of the Emperor's will this source of danger to the peasants increased. Thus, an ordinary peasant was subject to an assignee rather than an official collector.[159]

Moreland found no evidence of a farm of land revenue granted during Akbar's later years, as the system was opposed to the Emperor's ideal of direct relations with individual peasants. He found the earliest indication of farms in the Mughal Empire in Van Ravesteyn's account of Gujarat in 1615, in which the farms of various 'governments' (or districts) are formally set out.[160] Under Shah Jahan also the system persisted in Gujarat. The Batavia Journals indicate that both Cambay and Surat were held in farm in the year 1636. Apart from Gujarat, the government of Lahari Bandar in Sind was also farmed in the year 1640.

Along with these changes, "an administrative revolution" occurred in the method of assessing revenue. This was the practice of making summary settlements, which Akbar had explicitly forbidden, but which had become the working rule during the early part of Aurangzeb's reign. This in turn made it easier for assignees and farmers to raise

[158] W.H. Moreland, From Akbar To Aurangzeb, p. 249. "The frequent references to assignments in Jahangir's Memoirs show that they were normal incidents of his administration".

[159] Ibid., p. 250.

[160] Ibid., p. 250. It is noteworthy also that, at the end of Jahangir's reign, assignees frequently farmed their lands, handing it over "to farmers of Karoris, who have to take the risk of good or bad harvest". p. 252.
the level of their demands, and exposed 'the less influential peasants' to the risk, apprehended by Akbar, of having to pay more than their full share of the demand on the village.[161] Meanwhile, the demands of farmers, assignees and finally the State had increased, which were met mainly by the land revenue, since there is no reference to imposition of new taxes. In order to increase the land revenue, the State insisted on the cultivation of the largest possible area and raising the standard of the State's demand from one-third of the gross produce to one-half. Moreland did not find a notice of the introduction of this standard in any of the chronicles but he suspected the change to have taken place early in Shah Jahan's reign.[162] This enhancement brought "the peasant dangerously near to the level of subsistence in ordinary times, and to leave him practically nothing to make his life worth living, while even moderate losses might be ruinous.[163]" Further Moreland pointed out that, "Judging by modern experience, Akbar allowed the peasant just about the minimum required to keep agriculture going, but Shah Jahan did not,... the industry was becoming unpopular, and that men who found the life not to be worth living were deserting it for other forms of employment".[164] Thus "by the end of Shah Jahan's reign the economic system of the Mughal Empire had been strained almost to breaking point, because the burdens on the principal industry were becoming unbearable, and production was ceasing to be worthwhile, because the life of the producer was ceasing to be worth living.[165]"

Thus during the period under review, "administrative pressure on the peasants increased so seriously as to affect the productive resources of the Mughal Empire. The increase is apparent also in some statistics of the revenue demand which have survived. Between the year 1594 and Shah Jahan's accession, the revenue of nine provinces rose by

---

[162] Ibid., p. 254.
[163] Ibid., pp. 255-256.
[164] Ibid., p. 256.
[165] Ibid., p. 257.
29 percent, but the increase was by no means uniform. During Jahangir's reign the pressure of revenue did not increase greatly except in Lahore and Agra. Under Shah Jahan it increased by nearly one-half, apart from Lahore and Agra and from Gujarat, which was then desolated by famine. These statistical figures, according to Moreland, could be safely accepted "as a measure of the threat which, from season to season, impended over the agricultural population".[166]

Surveying the system of taxation prevailing in the Mughal Empire, Moreland indicated that the Emperor relied on a small number of recognised heads of income, which he disposed of at his pleasure, while the provincial and local authorities enjoyed a large measure of freedom in levying revenue for their own needs within the area under their jurisdiction".[167] The strongest motives for developing the local sources of revenue was to derive profit from military or administrative rank and Moreland found abundant evidence that these officers in fact levied taxes, distinct from those which were accounted for in the Imperial Treasury. Thus in practice these provincial or local officers had a free hand to raise revenue for local needs or for their personal profit, so long as they did not drive their charges into rebellion or cause a scandal so great as to require Imperial interference.[168]

The Customs appeared to have been usually administered along with the land revenue, if the governor of the district held also the farm of the sea-port, but this relation also was not invariable. Thus on his arrival at Surat, Hawkins found the port under the Viceroy of the Deccan, while the land was under the Viceroy of Gujarat. The duties on imports and exports were fixed by the Emperor, and the privilege of collecting them was farmed, or occasionally assigned, to the governor or some other authority.[169] The rates of custom duties were distinctly low. Thus it was in the interest of the farmer to foster foreign

[166] W.H. Moreland, From Akbar To Auranqzeh, p. 266.
[167] Ibid., p. 268.
[168] Ibid., p. 272.
[169] Ibid., p. 273.
commerce as much as possible, and foreign merchants were welcomed also. However, the lack of continuity in administration made it impossible for an individual farmer to pursue any constructive policy for the benefit of trade. In fact, "the need for realising the amount of the farm, and the natural desire for an immediate profit, resulted in the adoption of various questionable expedients, some of which were undoubtedly injurious in the long run".[170] While the practise of tempting away traders from competing port was the least harmful, the delay in clearing goods, over valuation and compulsory sales were indeed injurious. Thus, "if we take account of bribes, forced sales, and overvaluation, we shall find that the schedule of duties sinks into insignificance in comparison with the demands which might have to be met in practise".[171] The burden of these demands did not alter materially during the period under review. It varied from time to time with the rapacity of individual farmers and Moreland found no evidence that any permanent improvement took place.

Although Moreland did not find "any official statement of the precise claim made by the Mogul Emperors to inherit the estates of their subjects", yet he held the view that "the Emperor certainly claimed the estates of his nobles and occasionally we hear of the claim being extended to the estates of merchants; probably the practical questions which arose in any case were the value of the particular estate and the amount of bribes offered to avert confiscation".[172] However, while no general claim was made on merchants as a body, but the risk must always have been present in the minds of successful men. Moreland assumed that the Imperial Treasury must have derived substantial income from inheritance. And it is noteworthy, that while Aurangzeb condemned the system, he too did not abandon it in practise. In fact, at one time

[171] Ibid., p. 276.
an attempt was even made to extend this rule to the estates of foreign merchants who died in India.[173] In Moreland analysis, "The Emperor was in a position to take from the estates of the rich practically as much as he chose: his direct revenue from commerce consisted of the receipts from customs and the mints: and he claimed first one-third, and eventually one-half of the gross produce of the soil of his dominions. The income of artisans and ordinary merchants, together with the balance of their produce retained by the peasant remained available for local and provincial needs".[174] In this context the authorities of the period under review indicated that revenue required by provincial or local officials might be raised either by supplementary imposts on Imperial taxes, or duties imposed independently, while their income might be increased largely by presents, fines and bribes".[175] The practice of giving presents was universal and binding on officials of

[173] W.H. Moreland, From Akbar To Aurangzehb, p. 279. On the death of the English Chief at Ahmadabad everything in the factory was sealed up without discrimination of the goods belonging to the Company; but so far as the English were concerned this claim was finally abandoned in the settlement of disputes affected in the year 1624. See also Beni Prasad, History of Jahangir, Allahabad, 1940, indicates that "As a matter of fact, the ruthless operation of the rule saved the country from the curse of such a powerful, selfish nobility as reduced Poland to anarchy and ruin or such as fastened on the poor people of France in the eighteenth century. If it encouraged luxury and ostentation, it diminished the motives of financial extortion. It served to restore to the public exchequer a part of the vast sums that were disbursed in salaries", pp. 71-72.


all ranks, while the Dutch Commercial Reports clearly indicated that fines trickled into the pocket of the officers by whom they were imposed. Thus fines were imposed not only for minor offences, but even for murder, theft and robbery, so that the line between fines and bribes became indistinct.[176]

Thus summing up his inquiry, Moreland indicated that the outstanding facts of the period under review were the appearance of the Dutch and English Companies and their gradual penetration into all the most productive regions of India. It were, however, the Dutch who were predominant, commercially during this period in India, while it was the endeavour of the English to retain a position in Indian trade, which saved India, "from the grip of commercial monopoly such as the Dutch established in some other parts of Asia".[177] However, Moreland indicated that the conditions which prevailed in India were such as to

[176] W.H. Moreland, From Akbar To Aurangzeb, p. 294. The Gujarat Reports shows "that armed gangs of robbers infested the vicinity of some of the principal cities with the connivance of the Governors, who benefitted both by the bribes they received, and by the savings in police expenditure. In the case of citizens also the authorities were in a position to exhort money almost with impunity; (for) a trumped-up charge would bring either fine or bribe". See pages, 294-295.

[177] W.H. Moreland, From Akbar To Aurangzeb, p. 298.
prevent any large development of the import trade".[178] On the export side also, it were the Dutch and English activities which secured new and extensive markets for Indian goods, which the Indian merchants had made no effective attempts to exploit, while "the Portuguese activities during the preceding century had produced only limited results".[179] However, the impact of the Dutch and English activities was local and partial. For while they brought substantial economic benefit to indigo and cotton growers, to weavers, producers of silk and saltpetre, export merchants, who were of much greater importance in the aggregate than the pepper-growers, the ship owners and ship builders however, may have been adversely affected by their operations.[180] In this respect there was a substantial balance of advantage for India but in Moreland's opinion, not of such magnitude as to represent proportionately great increase in the total of the national income,[181] because simultaneously the internal forces in operation were wholly injurious. Thus the administrative changes of the period under review "intensified existing defects in the system of distribution, and thereby brought about a

[178] W.H. Moreland, From Akbar To Aurangzeb, p. 298. See also S. Arasaratnam, "India and the Indian Ocean in the Seventeenth Century", in Ashin Das Gupta and M.N. Pearson (ed.) India and The Indian Oceans, 1500-1800, which offers a picture of growth of India's overseas trade and of successful competition against the Europeans. According to S. Arasaratnam, Moreland cautiously took the view that India's overseas trade during the seventeenth century was at best stationary and that in any case, it lost a large share to the Europeans who had come into the trade. Further according to the Arasaratnam Moreland exaggerated the English and especially the Dutch share in the Indian ocean trade and the extent to which they intruded into the markets dominated by Asians, pp. 94-130.


[180] Ibid., pp. 299-300.

[181] Ibid., p. 300.
marked and cumulative reaction on productive industry". [182] In Moreland's opinion, while on one hand "India benefitted by an increase in the efficiency of the marketing agencies at her disposal, but on the other she suffered from the intensification of the economic parasitism which was destroying productive energies". [183] Despite some partial benefits afforded by external forces, "the country taken as a whole was being impoverished by the operation of internal forces".

The demands made by the various Governments on producers, both in the North and South were so exhorbitant that without exaggeration it could be said "that administrative activities were the most important factors in the distribution of the national income". [184] Their impact was to leave to producers very little, if anything, above the minimum required for their subsistence, and to offer the surplus in rewards to energy or ingenuity exerted in unproductive ways". [185] There was thus a diversion of energy from productive to unproductive pursuits. Thus while the low standard of life, and the small spending powers of people were facts established by direct evidence, "a relatively large numbers of producers contributed half their gross income to the support of relatively small number of economic parasites", [186] the unproductive population was located mainly in towns or Camps and the producers in the villages so that "the economic system of our period may be regarded as operating to provide the urban population with subsistence below cost". [187] The tendency almost throughout India was to reduce the reward of production to a point where it ceased to offer an adequate incentive, to attract brains and energy to the struggle for a share in what had been produced by others, and lead the way towards the national bankruptcy which eventually occurred". [188]

[183] Ibid.
[184] Ibid., p. 300.
[185] Ibid.
[186] Ibid., p. 303.
[187] Ibid., p. 304.
[188] Ibid., p. 301.
Moreland also highlighted the plight of the weavers, who themselves naked, toiled to clothe others, the peasants hungry themselves toiled to feed the unproductive population of towns and cities. While India as a whole, parted with useful commodities in exchange for gold and silver, "or in other words gave bread for stones".[189] When the supplies of food failed often, the hope of salvation of the masses was the slave-trader, and the alternatives were cannibalism, suicide or starvation. The administrative methods in vogue barred the way of any escape from this system for they "penalised production, and regarded every indication of increased consumption as a signal of fresh extortion".[190]. The reigns of Jahangir and Shah Jahan were characterised primarily by the extension and intensification of these methods. Thus, at the close of the period under review the economic system of India was heading towards collapse.[191]

That both the works of Moreland, namely, India at the Death of Akbar and From Akbar To Aurangzeb, were well received by the readers is evident from the following reviews it evoked from various quarters.[192] Thus, The Spectator wrote, "Mr. Moreland's excellent study of the condition of India in 1605, at the death of Akbar... has thus provided a

[190] Ibid., p. 305
[191] According to J.F. Richards, "The Seventeenth Century Crisis In South Asia", Modern Asian Studies, October 1990, The greater part of the seventeenth century "was a period of moderate, but steady, population growth and rising productivity. The Mughal Empire imposed a new level of peace, order and stability throughout most of the subcontinent. Only at the turn of the century we do find political crisis, warfare, disease, and economic disruption accompanying the descending spiral of Imperial decline". p. 625.
[192] The excerpts from the above mentioned reviews (n.d.) have been taken from the pages added at the end of the above mentioned works of Moreland.
book of great historical interest". According to The Times "Mr. Moreland has set a standard of thoroughness, exactitude which provides a good model for Indian research students". After the publication of From Akbar To Aurangzeb, it was noted in The Journal Of The Royal Asiatic Society that, "The writer, as in his previous work; marshals his facts with extreme skill and writes with admirable clearness and freedom from bias and prejudice of all kinds. He had the rare gift of dealing with a thorny and intricate subject in such a way as to make it of enthralling and absorbing interest". The Clare Market Review wrote that, "It is impossible to do more than indicate the wealth of information Mr. Moreland provides.... many lecture courses in economic history will be modified and extended as a result of the publication of this book". Thus, while even a critic of Moreland, namely Beni Prasad, while reviewing, India at the Death of Akbar noted the author's "anxiety to take as favourable a view of the present and as unfavourable a view of the past as possible...", further indicated that the work was the "first of its kind in the entire range of Indian historical literature" and "deserves commendation as the first serious attempt to grapple with some extremely difficult problems in Indian economic history".[193]

Hence, it goes without saying that Moreland undertook to present a panoramic view of the economic history of the period with all its aspects of agricultural and non-agricultural production, the consuming classes, standard of life, wealth of India, commerce, the development of Dutch and English commerce in India, changes in the foreign commerce of India, establishment of new markets in Western Europe, course of Indian markets, production and consumption, famine, administration and the system of taxation - themes practically never undertaken before, though some of his conclusions were to be questioned and revised later on.