

**CHAPTER - I**

**TRADE OF BOMBAY**

Bombay was in possession of the Portuguese until 1661. The English East India Company, which had opened its commerce with Western India since 1612, was in need of some strong foothold of its own on West coast of India. In 1662, Bombay was given to King Charles-II of England as dowry for marrying a Portuguese Princess. In 1668, it was transferred to the English East India Company by Charles-II at an annual rent of £10.<sup>1</sup>

In the West Coast of India, Bombay was an important trade centre and a port. It had trade relations with Europe, Africa and Asia. Several ships from all parts of the world annually visited Bombay.

According to Forbes, it was one of the finest harbours in the world, both from the political and commercial point of view and it was accessible at all seasons.<sup>2</sup> Forbes explains the commerce of Bombay in the following words,

*Bombay was then one of the first marts in India and employed a great number of vessels in its extensive commerce. Bussorah, Muscat, Ormuz and other ports in the Persian Gulf furnished its merchants with pearls, raw-silk, Carmania wool, dates, dried fruits, rose-water, ottar of roses and several other productions. Arabia supplied them with coffee, gold, drugs and honey. A number of ships annually freighted with cotton and bullion to China, returned laden with tea, sugar, porcelein, wrought silk, nankeens and a variety of useful and ornamental articles. From Java, Malacca, Sumatra and the eastern islands, they brought spices,*

ambergris, perfumes, arrack and sugar; the cargoes from Madagascar, the Comorro isles, Mozambiques and other ports on the eastern coast of Africa, consisted chiefly of ivory, slaves and drugs; while the different parts of India produce cotton, silk, muslin, pearls, diamonds, and every precious gem; together with ivory, sandalwood, pepper, cassia, cinnamon and other luxuries. This valuable commerce was carried on by vessels belonging to the European and native merchants settled at Bombay; totally independent of and unconnected with the trade of the East India Company. The exports consisted of English Woollen-cloths of every description; with copper, iron, lead and other European staples, purchased at the Company's sales by the native merchants, both at Bombay, and from the continent. A great deal of cotton, imported in boats from Surat, Baroche, Ahmood, and Jamboseer, was shipped in large vessels at Bombay for Madras, Bengal and China. The Portuguese from Goa, Daman and Europe carried on a trifling trade with Bombay; but the French, Dutch and Danish ships seldom touched there; the American intercourse with India was then in its infancy".<sup>3</sup>

Due to its geographical situation, Bombay commanded the commerce of Gulf of Persia and Arabia and northern parts of India. The trade, however, was only transit. The island of Bombay could not furnish from its own products any considerable articles for exportation. It was merely an emporium for the reception of articles produced in other countries. It was a port of resort to the merchants and hence, all sorts of Asiatic and European commodities could be procured there.<sup>4</sup>

The various commodities were imported and exported from Bombay.

### EXPORT COMMODITIES

**Cotton Goods.** Cotton was an important commodity of trade in 18th century. Cotton trade with China increased rapidly in the last quarter of the 18th century. A number of ships carried cotton to China every year. It is interesting to note that this valuable cotton trade with China was carried on by the European and Indian merchants also, who were not connected with the English East India Company.<sup>5</sup> Their share in this trade was greater than the Company's exports of cotton from Bombay to China. In 1760, the only big ships to Canton from Bombay belonged to the English Company, but in 1787, 40 privately owned ships carried 60,000 bales of cotton to China. In 1789, the Chief of Surat estimated that about 68,000 bales of cotton were exported from the northward but only 4,500 bales had gone on the Company's account in 1787, 1,448 bales in 1793 and 2,000 bales in 1796. The rest was the property of private merchants.<sup>6</sup>

Cotton from Western India, which was exported from Bombay, was generally called as Surat Cotton. Of the Surat Cottons, the Ahmood was the best, the fibre was very fine but not of long staple. Milburn states that because of the China trade, price of Surat cotton had risen to 180 rupees from 125 rupees per khandi of 7 cwt. (hundred weight).<sup>7</sup>

Bombay's cotton trade with China brought much money into the City.<sup>8</sup> The cotton trade of Bombay with China needed large vessels to withstand the long voyages and to handle the bulky cargo. This led to shifting of the shipping centre from Surat to Bombay, where large vessels were built. The cotton trade relation of Bombay with China made the ships of Bombay to sail to China which formerly sailed to Persian Gulf and Red Sea. The trade relations also resulted in the shift of cotton trade centre from Surat to Bombay.<sup>9</sup>

Raw cotton was also exported to England from Bombay. With the prohibition of import of printed calicoes in England, the import of Indian cotton yarn of the finest sort was for some time stimulated. The reason was that the British weavers were adopting the methods of Indian weavers and imitating several Indian cotton fabrics.<sup>10</sup>

**Piece Goods** Piece goods were manufactured of various dimensions and qualities at Broach, Jambusar, Ahmedabad and other places in Gujarat. They were usually denominated Surat piece goods and exported from thence and Bombay to Europe, the Arabian and Persian Gulfs, the Malay coast and various other parts of India. They were, in general, coarse coloured goods. In the 18th century, for some period, these piece goods of Western India were prohibited for home consumption in Great Britain.<sup>11</sup>

The import duties on Indian piece goods were raised in England until 1787 and hence, the Indian piece goods

were diverted to rest of Europe, Africa, America and West Indies. Simultaneously, the abolition of slavery in the West also brought about a sudden decline of demand in guinea stuffs or slave cloths in West Africa and Brazil from Surat, Bengal and Coromandel.<sup>12</sup>

Milburn writes,

*The demand for Surat piece goods has much decreased in Europe, in consequence of the improved state of the British manufactures, which have materially interfered with them; and from the abolition of the slave trade, the demand for the African market is much reduced. Considerable quantities of Surat piece goods were sent to Europe by the French and Dutch also. In 1791, the French Company sold 65,025 pieces, the sale amount of which was £45,678 ls. 6d.*<sup>13</sup>

The demand of Indian piecegoods had much declined in England in the last quarter of the 18th century. In 1796-97, the value of Indian calicoes from India imported into England was £27,76,082 or one-third of the whole volume of the imports from India. In the sixteen years between 1793-94 and 1809-10, the imports of Indian piece goods amounted to £26,171,125. In 1799, the import duties were raised in England amounting to £67-10-0 per cent on "plain white calicoes".<sup>14</sup>

The above figures show that there was not much demand for Indian calicoes in England. Besides, the competition between British linens and Indian calicoes, Indian calicoes deteriorated in quality and came to be less esteemed in England.

The following were the types of cotton textiles exported from Bombay.<sup>15</sup>

Sr. No.	Type of Cloth	Place of Production	Description and Consumption
1.	Bombay Stuffs	Bombay	Plain white, medium quality, domestic use and block printing in England.
2.	Bejutapaut	Gujarat	Striped and checks, medium quality. West Africa trade.
3.	Sallowes	Deccan	Plain white, medium quality, domestic use and re-export trade.
4.	Chintz	Gujarat and the Deccan, Ahmedabad, Broach, Sironj	Block printed, coarse to fine quality. Domestic, West African and Colonial trade.
5.	Guinea Stuff	Gujarat and Western Coast of India; later imitated in Surat.	Plain dyed, checks and striped, Coarse quality. West African and colonial trade.
6.	Long Cloth	Malbar Coast	Plain white and dyed, medium quality. Block printing in England and re-export trade.
7.	Lemanees	Gujarat	Striped, Fine quality, domestic use.
8.	Negapaut	Gujarat	Striped, medium quality, West Africa trade.

Sr. No.	Type of Cloth	Place of Production	Description and Consumption
9.	Sallampores	Malbar Coast	Plain white and dyed, medium quality. Block printing in England and re-export trade.
10.	Tapseil	Gujarat	Striped, medium quality, West Africa trade.

**Pepper.** The raising of the price of pepper in Europe by the Dutch in 1600, at one sweep from 3 shilling a pound to 6 or 8s, by taking advantage of their monopoly in spice trade, was an immediate cause of the official recognition of the English East India Company and the granting of its Charter.<sup>16</sup> In India, in those days, Malbar and Karnataka were famous for pepper.

The English Company had taken keen interest in pepper trade. Most of the pepper was brought from Malbar and Karnataka to Bombay. Karwar was an important centre for pepper. From Karnataka (Codoly hill), pepper was sent to Karwar.

The Malbar pepper was esteemed the best; next to that of West Coast of Sumatra.<sup>17</sup> Karwar factory records contain many documents and letters which throw light on the pepper trade -

*Merchants (local merchants) to procure upwards of one thousand candy of pepper and have promised to pay them before the pepper goes from Karwar to Bombay.*<sup>18</sup>

Pepper produced in Canara region was collected by



the factory of Karwar. This factory was mainly started by the English East India Company for collecting pepper. Pepper was collected from Honavar and Sondha region. It seems that the English East India Company in the 18th century did not get much profit from pepper trade. However, without the use of pepper as ballast cargo, it was difficult to stabilise the ships during their arduous homeward voyage.<sup>19</sup>

In mid-18th century (in 1754), the Court of Directors of the English East India Company thought it fit to remind the Bombay Council that although the Company actually lost money by importing pepper from Malbar coast, yet it must rely on the Council's best judgment to purchase the necessary quantities on the cheapest terms possible, as shipping from Western India could not be got home without pepper.<sup>20</sup>

Malabar pepper which was sent from Bombay to England had not much demand. In 1750's and 1760's, Malbar pepper was sold at lower price than the Indonesian pepper. In the 18th century, the price of Malbar pepper was higher than the price of Sumatran pepper. There was a suspicion that the factories on the west coast of India benefitted the private trade of the Company's servants than its own pepper trade.<sup>21</sup>

Following is the Table showing export of black pepper from Bombay in the 18th century.<sup>22</sup>

## Export of Black Pepper from Bombay

Year	Quantity (lbs.)	Year	Quantity (lbs.)
1701	13,19,995	1733	19,37,498
1702	1,30,950	1734	15,44,988
1703	13,24,031	1735	17,34,199
1704	6,42,624	1736	8,39,540
1705	1,79,400	1737	19,80,650
1706	5,54,013	1738	13,80,866
1707	5,39,141	1739	12,73,433
1708	4,66,527	1740	3,76,332
1709	3,92,449	1741	11,95,297
1710	5,73,513	1742	27,22,097
1711	6,75,472	1743	18,47,726
1712	4,13,002	1744	18,51,727
1713	11,97,032	1745	24,73,431
1714	9,02,572	1746	14,61,017
1715	7,75,788	1747	4,72,024
1716	11,83,400	1749	28,77,939
1717	8,74,935	1750	13,71,571
1718	5,98,735	1751	5,19,665
1719	28,82,008	1752	15,39,828
1720	19,63,139	1753	12,01,237
1722	8,42,528	1754	11,88,288
1723	5,06,837	1755	21,79,820
1724	10,07,443	1756	14,04,300
1725	9,99,269	1757	17,89,195
1726	17,48,181	1758	14,53,685
1727	11,44,112	1759	12,67,268
1728	4,88,510	1760	6,57,255
1729	5,14,699	1770-79	1,86,01,648
1730	5,36,549	1780-89	1,75,79,468
1731	12,83,360	1790-99	3,27,21,024
1732	9,40,959		

Besides these important commodities, the other articles which were exported from Bombay to various parts of the world were sugar, jaggery, raw-silk, grains, seeds, gunnies, coconuts, cardamums, dates, elephant tusks, sandal and sapanwood, cochineal, cornelians, china-ware, glass-ware, liquors, metals, quicksilver, tea, tutenague, vermilion, woollens, etc.<sup>23</sup>

The following is an account of the prime cost of goods exported from Bombay to Europe by the Company together with the commercial charges thereon from the year 1792 to 1800.<sup>24</sup>

Company's Exports to Europe.

Years	Prime Cost (Rupees)	Charges (Rupees)	Total (Rupees)
1792-3	8,63,869	99,000	9,62,869
1793-4	17,51,637	89,029	18,40,666
1794-5	13,09,355	1,42,504	14,51,859
1795-6	15,29,437	1,62,388	16,91,825
1796-7	10,27,304	75,687	11,02,991
1797-8	30,93,125	1,28,178	32,21,303
1798-9	10,88,111	1,23,531	12,11,642
1799-0	22,51,940	94,748	23,46,688
1800-1	-	1,05,419	1,05,419

### COMMODITIES OF IMPORT

**Rice.** Among the agricultural produce, the major commodities of export and import were rice, wheat and spices from Bombay. These food grains, especially rice, were collected at Bombay from Bengal and Karnataka.

Karwar factory used to send rice regularly to Bombay. This factory collected rice from Karnataka. Mangalore was an important centre which supplied rice to Karwar factory. In Karwar factory records, we come across many references about the rice trade, "... your Honr. & ca. will be pleased to let us have 7000 Bales of Bassalore rice provided for Bombay for our store ..."<sup>25</sup> Rice sent to Bombay from Karwar normally came from Basrur and Mangalore.<sup>26</sup>

Rice was also imported at Bombay from Bengal. In June, 1790, Bengal sent 9719 bags of rice to Bombay. In those days, there was a great demand for Basrur rice.

Rice was sent from Bombay to different parts of Western India. The following Table shows the arrival of rice in Bombay in June, 1790.<sup>27</sup>

Name of Vessel which brought rice	Gross Weight			Net Weight			Gross bags of rice
	Cwt	qr	lb	Cwt	qr	lb	
Snow Brahan	3294	-	10	3298	3	23	2252
Snow Britania	3046	-	-	4267	-	3	3046
Grab Aydeross	1704	3	20	1747	-	20	1200
Jane	-	-	-	13744	2	23	3221

Besides rice, other foodgrains such as wheat, natcheny, gram, etc. were imported in Bombay.

Following is the table which shows import of food grains at Bombay from 1773 to 1780.<sup>28</sup>

Abstract from Sundry Grain imported at Bombay Custom House  
from 1st August, 1773, to 31st July, 1780.

	1774		1775		1776		1777		1778		1779		1780	
	Candy	Pa	Candy	Pa	Candy	Pa	Candy	Pa	Candy	Pa	Candy	Pa	Candy	Pa
Wheat	3466	0	1804	2	2869	0	2774	5	4167	4	8032	3	1879	5
Doll	1666	2	792	5	926	0	698	0	1571	0	2016	2	626	2
Mung	282	4	492	0	541	0	757	5	1289	3	663	1	579	3
Bazery	818	4	2089	5	340	2	567	5	964	2	923	7	461	4
Gram	1359	2	1334	0	4530	5	2460	5	3213	4	2517	2	1500	1
Orud	612	0	427	2	302	5	539	2	1041	2	572	1	432	3
Macoy	-	-	7	2	23	2	15	0	20	5	16	1	-	-
Masoor	-	-	18	5	-	-	-	-	-	-	54	3	180	7
Nanvey	-	-	-	-	-	-	-	-	-	-	13	1	-	-
Chowla	33	2	68	0	37	0	26	0	59	5	23	6	27	4
Nagly	414	0	320	0	445	0	166	0	18	0	280	3	615	4
Gover	2	0	-	-	-	-	-	-	-	-	-	-	-	-
Jouar	39	0	0	5	145	2	77	2	42	0	62	6	65	0
Wall	90	2	23	0	70	0	72	5	-	-	120	2	123	5
Turry	290	4	60	0	303	5	160	0	248	1	336	7	274	1
Watona	21	2	24	5	36	2	31	0	73	5	182	1	240	4
Mutt	318	0	234	0	21	0	55	5	145	1	233	4	136	1
Barley	4	0	2	1	5	3	7	1	0	4	6	1	0	3

(Candy or Khandi and Pa = Pice. These were Bombay great weights).

**Wheat.** Wheat was exported and imported at Bombay.

Following is an abstract of wheat imported and exported from 1st August, 1776, to the 31st July, 1781.<sup>29</sup>

Period				Imports (Candys)	Exports (Candys)
From 1st August, 1776 to 31st July, 1777				2744	1153
"-	1777 to	"-	1778	4167	870
"1	1778 to	"-	1779	8032	1859
"-	1779 to	"-	1780	1879	390
"-	1780 to	"-	1781	6392	2814

Besides these foodgrains, a number of commodities were imported at Bombay from Europe and other countries. A considerable part of import from Europe consisted of woollens or broad cloth.<sup>30</sup> Of the broad cloths, various sorts of imported cloths were red, red-white, yellow, mazarine-blue, grass-green, emerald-green, aurora popinjay, French-yellow, French-green, Aurora, scarlet, telemot, scarlet-fine, yellow-fine, black, scarlet superfine, mazarine-blue superfine, yellow-superfine, emerald-green superfine, grass-green superfine, whitened superfine.

Of the British manufactures, the following types of cloth were imported at Bombay. Those where:

Red long ells	Cassimere cloth	Horse cloth
Scarlet ditto	Salisbury flannels	Plush
Emerald green ditto	Embossed ditto	Mock Cassimere
Mazarine blue ditto	Ditto cloth	Saddle cloth
Black ditto	Ditto, long ells	Double ccloured cloth
Yellow ditto	Shalloons	Europe shawls

The broad cloth or woollen cloth had not much demand in India. Though the Directors of East India Company insisted upon selling these commodities in India, the merchants in India were unwilling to purchase these cloths. Sometimes, the stock of these commodities remained unsold for a year's time. In 1733, the English merchants at Bombay complained that Company's woollen goods could not be sold at the usual price and hence, they decided to sell them at the following prices:<sup>31</sup>

	<u>Rs.</u>	<u>Quarters</u>
Scarlet Cloth	4	0 per yard
Aurora Cloth	3	6 per yard
Reds and greens	2	6 per yard
Perpets Scarlet	27	2 per piece
Reds and Greens	17	2 per piece

The trade in broad cloth or woollens had generally been carried on at a loss. In some years, upwards of 20% loss had been incurred and in very few instances had any profit been derived.<sup>32</sup>

Another imports of Bombay were metals. Iron was sold to the merchants by auction. Iron was put into lots and then sold per lot. In the year 1733, iron was put up in four lots. These lots were purchased by three merchants, one lot of iron was purchased at 76 rupees per khandi and two lots were purchased at 76 and half rupees per khandi and the fourth lot was purchased at 76 rupees and 3 quarters. Steel was also sold in similar manner. One lot of steel was sold at 9 rupees 7 annas per maund and other lot was sold at 10 rupees and 8 annas. Copper was another metal

sold by the English Company at Bombay. It was sold at 18 rupees and 11 annas per maund. Lead was another import of Bombay. Its price was 7 rupees and 2 quarter per Poona maund in 1733. The English of Bombay took care that lead should not fall in the hands of Marathas. In 1733, some merchants of Bombay requested the Bombay Government to give them permission to export lead to the Ghat country of Maharashtra, but Bombay Government denied this permission.<sup>33</sup>

Besides these articles, various other commodities were imported at Bombay from various places of the world. These articles were books, beads, cutlery, cochineal, cornealians, coral, China-ware, drugs and dyes, dates, looking-glasses, hosiery, liquors, naval-stores, perfumery, quick silver, raw silk, sugar candy and jaggery, timber, tea, guns, pistols, gunpowder, glassware, etc.<sup>34</sup>

The total imports of Bombay in 1708 were valued at £ 493,725 and the average imports of Bombay from 1708 to 1728 were estimated at £ 758,042.<sup>35</sup>

#### Company's Imports from Europe.

Following is an account showing the invoice amount of all goods, stores and bullion imported into Bombay by the East India Company from 1792-3 to 1799-1800 inclusive; likewise an account of the sums received at Bombay for sale of import goods and stores during the same period; also the quantity remaining in the warehouses at the end of each year.<sup>36</sup>



Years	Amount Imported			Sums received from sale	Invoice amount of goods on hand
	Goods & Stores	Bullion	Total		
	£	£	£	£	£
1792-3	1,44,762	-	1,44,762	1,09,365	52,467
1793-4	1,38,866	-	1,38,866	1,25,092	84,322
1794-5	60,162	-	60,162	1,12,099	84,958
1795-6	2,26,374	-	2,26,374	91,103	57,903
1796-7	2,16,834	-	2,16,834	94,445	1,26,115
1797-8	2,56,377	42,047	2,98,424	2,42,930	17,960
1798-9	2,91,294	5,04,564	7,95,858	1,86,493	1,60,262
1799-1800	2,03,881	1,00,697	3,04,578	2,56,444	1,83,104

In the 18th century, Bombay emerged as an international commercial centre. It had trade relations with various countries. Bombay traded with England and other European countries. In India, it had trade with Gujarat, Surat, Canara and Malbar coasts, the coast of Coromandel and Bengal. It had trade relations with the Gulf of Arabia, the Gulf of Persia, Batavia and China.

**Bombay's Trade with Maharashtra.** Bombay was situated close to the region of Maharashtra and hence, it had trade with the territories of Maharashtra under the Peshwas.

High grade sugar, comfit, condiments and spices were imported from other countries at Bombay and supplied to various markets of Maharashtra.<sup>37</sup>

Among the commodities transported from Gujarat to Maharashtra were cotton cloths and foodgrains. Pepper, sugar and a few other articles were transported to Gujarat by the English traders.<sup>38</sup>

The finished products of iron, copper, brass, etc. were brought to Bombay and from there, they were sent to various places in Western India.<sup>39</sup> European traders pocketed large profits from these transactions.

The importance of Surat as a seaport had at this time considerably declined. Superseded though it was by Bombay seaport, Surat had trade relation<sup>40</sup> with Khandesh, Berar and Nasik.

Maharashtra region transported to Bombay port commodities such as spices,<sup>(2)</sup> silk, liquor, tobacco and 'bhang'. Bombay seaport received merchandise from Maharashtra to the tune of Rs.4,84,835 in 1773-74 and during the twelve years period, the trade had doubled up.<sup>41</sup>

Maharashtra imported various commodities from West Asian and Central Asian countries such as Iran, Iraq and Afghanistan. The imported commodities included comfits, spices,<sup>(2)</sup> sugar and tobacco. Tobacco was imported from Baghdad, though Gujarat produced a great deal of low grade tobacco which was not much in demand in Maratha region, as the Maratha Sardars were the only tobacco consumers in the region at that time. Comfits were imported from Afghanistan. Silk was brought from China, the main silk production centre.<sup>42</sup> These articles were brought at Bombay first and then transported to Maratha region. The commodities imported from Europe included various metals, candles, knives, ivory and cloth. In 1715, Chhatrapati Shahu had placed a demand

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from the book

through Kanhoji Angre, for fine England made swords and knives, ivory, candles, tobacco from Surat and Baghdad, musk, gun powder, etc. These articles were required for the ceremony of the wedding of Rajasbai, Shahu's niece and Shirke's daughter, who was to be married to Mudhoji Naik-Nimbalkar of Phaltan.<sup>43</sup>

The East India Company had tried to avoid confrontation with the Peshwas, the rulers of Maratha Empire, as the Marathas had established their dominance over the Mughal Emperors. The first war between the English and the Marathas had a great impact on trade and commerce of the region. Bombay trade centre transported various articles to the Maratha region. The Maratha region primarily transported provisions to Bombay.

**Bank in Bombay:** Surat came to suffer as a commercial centre from the city's misgovernment and silting up of its river. Gradually, the Bombay Marine established some protection against pirates for vessels carrying English passes. The Parsis began to invest their capital with the English rather than with the Dutch, whose naval power had decreased.<sup>44</sup> Merchants began to move from the mainland to Bombay in search of greater security for their business. In 1728, the Mayor's Court had been created to enforce commercial law. A Bank was also founded at Bombay.<sup>45</sup>

In factory records, we find the reference about the Bank. The letter dated 20th June, 1720, states,<sup>46</sup>

*As the setting a Bank on this island will indisputably be for the mutual benefits and advantage*

*both of the Right Hon. Company and the inhabitants, by the increase of the trade and revenues thereof and our Hon. Masters, having been pleased to encourage this proposal .... The president move that Mess. Brown and Philips be appointed for his assistance in that affair, and that they prepare a scheme for the more regular carrying on the same, to be laid down before the Board of their approbation, which is approved and agreed to.*

The first English Bank, 'The Bank of Bombay' had been established on the island of Bombay in 1720. It, however, did not survive for a long time.

**Agency Houses** In the 18th century, the risk of trade were of Bombay.

considerable in Bombay. Poor market information, heavy overhead costs and losses at sea were the important risks in the trade. So the individual efforts in this field had not much scope. Naturally, the agency houses or firms played important role in trade and commerce at Bombay. By the 1780's, migration of Parsi businessmen to Bombay had occurred on such a scale that the centre of trade had swung there from Surat and with the influx of capital development of Bombay's agency and mercantile business was established in Bombay. There were five European houses of agency, viz. Bruce, Fawcett & Co., Forbes & Co., Shotton & Co., John Leckie and S. Beaufort. The agency business did not give a large return; but all these firms indulged in mercantile transactions on their own account which proved extremely lucrative, particularly where the firms were themselves the owners of ships.<sup>47</sup>

Bombay's trade grew and commercial organization

became more complex. Naturally, the civil servants of the Company used to keep their amount in agency houses at 6 per cent interest and let the agent with his specialised knowledge of market, invest it at his discretion. Business ceased to be a matter of picking up commissions and profits from a wide variety of small enterprises; instead, it demanded skill, knowledge, wide contacts throughout the commercial world of Asia and a large capital.<sup>48</sup>

The power of these agency houses increased markedly from the 1780's when a 'commercial revolution' gave Western India a key position in Asian and European trade. The agency houses of Bombay built the ships and invested capital for China trade which was to be the foundation of Bombay's greatness.<sup>49</sup>

In this way, Bombay agency houses built their prosperity, and wealth gave them political power, both in London and in the Government of Bombay. These agency houses also worked as bankers for the Bombay Government. Without the support given by the agency houses of Forbes and of Bruce, Fawcett and Company between 1802 and 1804, Bombay could not have kept an army in the field during the Maratha Wars.<sup>50</sup>

**Customs.** It was the desire of the English East India Company to develop trade of Bombay and hence, it encouraged the merchants by reducing and abolishing custom duties from time to time. In 1715, rate of customs was 3 per cent and for general benefit of the island, all duties upon butter, oil, rice,

paddy and wheat were taken off. In 1717, a consulage duty of 2 per cent was imposed on all the goods imported in Bombay from Madras and on all other ships under the Company's protection trading in Bombay. In 1720, it was decided that all goods belonging to persons living under the protection of the Company, which had paid the duties at Bombay, be exported custom-free to Surat or any other ports at which the Company enjoyed privileges, and the goods exported from Surat and other Mughal ports which had paid 2 per cent duty on export should be allowed to set off the payment against the charges levied in Bombay. The customs dues of 1 rupee a ton on all shipping entering the harbour, which were abolished for a time, were re-levied in 1720.

In 1737, the goods imported and sold at Bombay paid 3 per cent customs, unless they had paid duties at Surat or Cambay. The import duties on other articles were as follows:-

Indian tobacco - 9 per cent; horses - 9 per cent;  
 soap - 9 per cent; opium - 9 per cent; country iron -  
 9 per cent.

Timber, grains, jewels and plates could be imported duty-free. A special export duty was levied on certain articles such as:

Timber - 5 per cent; grain - 5 per cent; salt - 20 per cent;  
 cocoanuts - 9 per cent; cloth made in Bombay -  
 2 and half per cent; corn and fish - 9 per cent.

Additional duty of half per cent was collected on all goods imported for building a new custom house.

All the goods weighed and measured at custom houses paid one-fourth per cent of their value over and above the customs contribution.

In 1744, the customs rate at Bombay were as follows:-

1. All merchandise imported by the Europeans with certain exceptions, paid 4 and half per cent, of which 1 per cent was allocated to town ditch and half per cent to new custom house;
2. Goods imported by native merchants in three masted vessels paid four and half per cent, but when imported in smaller vessels, paid additional 2 per cent towards the cost of the town walls;
3. Grain and timber exported by native merchants paid a duty of 5 per cent.

From what date the duties charged for the town ditch or walls were abolished is not known. In 1752, a special 1 per cent duty ad-valorem was levied in addition on all the goods imported and exported at Bombay.

In mid-18th century, some merchants used to buy cotton at Jambusar. They did not pay the customs on cotton at Surat but they sent it to Bombay for exportation. In order to prevent this, the Government ordered in 1765, that all the goods coming from northward should pay the usual duties, unless they could produce a certificate of their having paid them at Surat and

that the duty on cotton be levied agreeably to its valuation there. The Government of Bombay also made it a rule to levy customs on all goods imported and remaining unsold on 31st July every year at the market price the respective goods might bear at that time.

The customs collections at Bombay during the nineteen years ending 1778-9 fluctuated between Rs.1,57,000 (in 1761-62) and Rs.3,25,000 (in 1777-78) and averaged about Rs.2,01,000 in the first ten years and about Rs.2,84,000 in the last nine.

The first Custom Regulation (Regulation VI of 1799) was passed in 1799. Under this Regulation, an import duty of 2 and half per cent was levied on manifest prices with an established advance, grain was exempted from duty and export duties were withdrawn. Duty was also collected on imported tobacco and arrack.<sup>51</sup>

**Coins.** Commercial accounts were kept at Bombay in rupees and its quarters. Mohur was the gold coin of the Mughals. While comparing the rupee with the British coinage, the Bombay rupee was estimated at 2s.6d. sterling. Rupee was a silver coin. The usual denominations of the rupee were halves, quarters, eights and sixteenths. The following is the list of the current coins at Bombay:-

3.1/8 fuddeas or pice	=	1 anna
12.1/2 pice or 4 annas	=	1 quarter rupee
25 pice or 8 annas	=	1/2 rupee



50 pice or 16 annas	=	1 rupee
5 rupees	=	1 paunchea
3 pauncheas or 15 rupees	=	1 gold mohur

A rupee coined at Bombay was same as was coined at Surat under the Mughal government. It weighed 178.314 grains. In the year 1800, the weight of Surat and Bombay rupee was slightly increased. In 1800, the silver rupee of Bombay and Surat weighed 179 grains.<sup>52</sup>

*What was the weight of the gold mohur in the year 1800?*

**Bombay - The Ship Building Centre.** Until 1735, Bombay was handicapped by the

lack of timber and expert craftsmen, when Lowji Nasarwanji was sent from Surat to open trade in teak with the Bhills and other jungle-tribes, most of Bassein.<sup>53</sup> Lowji Nasarwanji was at Surat in 1710 and was already educated as ship-wright and had taken employment in the East India Company's dockyard built during the early establishment of the Company there. By 1735, Dhanji-bhai was master builder at Surat. Dudley, the master attendant of Bombay, was sent to Surat, who built up a ship called "Queen",<sup>54</sup> for the Company in 1735, where Lowji was employed as a foreman ship-wright.

Lowji arrived in Bombay and built ships as strong and well furnished as any that the ship building yards of Europe could produce. The largest of the ships that were built for Company's service was the 'Ganges', a frigate of 2289 tons. He retired in 1723 when the Company gave him high pension and showered many favours,

including those of royalty and immense ground at Parell, yielding Rs.6,000.<sup>55</sup>

Wadias undertook shipbuilding not only on part of East India Company but Admiralty itself. Bombay saw in Wadias a succession of master-builders such as no other part of India has ever known. The family seemed to have a genius for the art of building ships and that too, of a most durable type, many of which even survived 100 years.<sup>56</sup>

Jamshetji Bomaji was the first to be entrusted by the Lords of Admiralty with the building of warships in India. Under his supervision, 16 warships and 40 large ships were designed and built. He received testimonials from H.M.Mary, Lord of Admiralty, and the Court of Directors and from every Admiral and Commander-in-Council in India.<sup>57</sup> There were numerous offers from other people to the Admiralty for building line-of-battle ships, but Admiral Sir Thomas Trowbridge had a poor opinion of the people who had to perform the work and of the Pegu teak with which ships were constructed in Bengal. He strongly recommended to the Lords to entrust the work to be done at Bombay under Jamshetji, without any European aid or direction. The Company sent Jahangir Naoroji and Hirjibhai Merwanji to England to make themselves acquainted with the changes and improvements in the art of shipping.<sup>58</sup> Kolis referred as 'Mazagaon boys' were trained as craftsmen and sawyers and in 1757, were ordered to be apprenticed as craftsmen in the small dock there and to be sent to Marine Superintendent; but they deserted as often as

they could and saved much trouble and finally in 1765, had to be replaced by slave boys from Madagascar.<sup>59</sup>

Ships built in Bombay were not only as strong but as handsome and well furnished as ships built in any part of Europe. The timber and plank of which they were built so far exceeded any in Europe for durability, that it was usual for ships to last fifty or sixty years. As a proof of this, the ship called 'Bombay', a grab of 24 guns, was in good condition for more than 60 years. This timber and plank was peculiar in India only and the best kind of timber grew to North of Bombay. It was called Teak and lasted even in a bad climate for a longer period.<sup>60</sup>

The following statement shows the number of ships built at Bombay between 1736 and 1795.<sup>61</sup>

**Bombay Ships : 1736-1795**

In ten years ending	Number of ships built
1745	7
1755	10
1765	2
1775	17
1785	14
1795	22

We find in 1780, with these activities, with the increased numbers, improved discipline, the Bombay Marine became a little navy, although it did not assume that name.

Bombay did remarkable work in the field of trade and commerce in the 18th century, as it does now-a-days. Right from

1675 A.D., various goods were imported and exported on a large scale from this centre. The importance of Surat had dwindled and place of Surat was taken by Bombay. Rice was transported from Bengal and Karnataka provinces to this place. Cotton and cloth materials were transported from Gujarat to Bombay and then those were exported to European countries and China. Pepper was brought from Karwar and then, it was exported to Europe. Goods like timber and silk materials were brought to Bombay from Maharashtra. Further, food grains and various metals were transported in Maharashtra. In those days, land transport was less important because, there were many dangers in such transport. Hence, the goods were transported by sea route. This led to the setting up of a ship building centre at Bombay in the 18th century. Many traders from different countries came to Bombay and traded in this city. Thus, Bombay had become an important trade centre in the 18th century.

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