

C H A P T E R   S I X

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The English East India Company started its trade in India in the early part of the 17th century. In the first quarter of the 17th century they carried on trade in the territories of the Mughal Empire. They opened a factory at Surat in the year 1612 and conducted commerce with the various industrial towns of Mughal Empire such as Sarkhej, Bayana, Agra etc. In this period their commercial activities were concentrated in Western India. Slowly they turned their attention to other regions of India also for tapping the production of those areas. The Company's trade mainly consisted of the textile products. Naturally, the region of Coromandel which was the textile producing region attracted these merchants. Prior to the English, the Dutch merchants had already established good trade on the Coromandel coast. The English also followed the Dutch soon in this region.

The English established their settlement at Masulipatam in the year 1613. Masulipatam was the chief sea port of Golconda kingdom. It was famous for the piece goods produced in Coromandel region. Chintz of Masulipatam had much demand in Europe. By securing various grants and concessions from the Qutbshahi Government, they secured their position at Masulipatam, in spite of the Dutch opposition to the English trade. However, in the subsequent period, they had to face

the competition and rivalry of the Dutch merchants at Masulipatam. Their good relationships with the local merchants and Golconda officials facilitated the continuity of the English trade at Masulipatam.

The English Company was striving hard to develop their trade on the Coromandel Coast as much as possible. But they could not achieve much success in this direction. It was because on the one hand the Dutch had firmly established themselves in the Coromandel trade before the arrival of the English and on the other the English Company faced difficulties in raising funds for the investment in the Coromandel goods in the early period of their commerce. They were not well supplied with money needed for purchasing the Coromandel goods. On the contrary the Dutch were far better placed in this matter than the English. A contemporary document throws a considerable light on the financial condition of the Dutch and the English at Masulipatam in 1622 -

The Dutch in their glory laugh in their sleeves at our present miseries, and much disparaged the efficiency of Mr. Duke, which is table-talk among them, and of our small means at present at Masulipatam, as also in this place, which is very true, and not in a tenth part comparable to theirs, which is much noted among these people.

Ten years later, similar views were being expressed from a much wider area and to borrow Mr Fosters summery on the records of 1630-33 -<sup>1</sup>

We find the English merchants complaining of the competition of the Dutch, whose skill and prudence, backed by immense resources, had given them an indisputable supremacy in the Eastern trade.

In the latter half of the 17th century the English tried to follow the Dutch pattern of trade in order to develop their trade. Though they succeeded in their efforts in this direction in the later years of the 17th century, the English East India Company could not approach administrative or economic efficiency achieved by the Dutch Company in Indian trade. The English trade at Masulipatam continued throughout the 17th century. Masulipatam was well connected with the interior production centres like Palakollu, Elluru and the English merchants could tap the textiles in the region around Masulipatam. The rivalry between the Dutch and the English continued until 1644. In that year friendly Anglo-Dutch treaty was concluded in Europe and in the later years there was not much tension between them which helped the growth of the English trade.

Though they had trading facilities at Masulipatam, the English were in great need of some strong foothold on the Coromandel. They got such opportunity in the year 1639, when the local ruler of Madras showed his willingness to allow the English trade in his territory. They received the grant of Madras in August 1639 from Damarla Venkatappa. The English started their trade at Madras from 1641. It became the Company's headquarters on the Coromandel coast in 1653 and all the factories on the Coromandel coast were made subordinate to it. As Madras became the presidency of the Company's trade on the east coast of India,

it facilitated the growth of trade in the second half of the 17th century.

The Company's trade on Coromandel coast mainly consisted of the piecegoods. There were a number of weaving centres in the Coromandel region and the textiles produced there were collected at Madras and sent to western Europe and other places. Trade was conducted in several other commodities also. Indian calicoes, especially the textiles produced in the Coromandel region were much in demand in England and Western European countries. But the English merchants faced the scarcity of funds for investments. In the 1670's the complaints were made that, they had no sufficient funds to purchase the goods. Because of the same reason, the Madras merchants could not continue their trading activities at newly established settlements at Tanjore and Madras.

Another notable feature of the English trade in the Coromandel region was that many of the Company's servants were engaged in the private trade which caused considerable damage to the Company's trade. Until 1674 the Directors of the Company in England had prohibited its servants to carry on private trade in commodities like textile and pepper. But after 1674 this prohibition was cancelled and all the merchants of the Company in east were allowed to trade in all products of Coromandel with certain restrictions.

There was much competition for trade among the merchants of different nations. The Dutch were the main competitors

of the English in this trade. The Company faced competition from the Indian merchants also. The Indian merchants successfully competed with the European Companies in Coromandel trade. There was rivalry between Company's merchants of Bengal and the merchants of Madras. The Indian merchants took advantage of this rivalry between the Company's merchants of Madras and Bengal. Because of all these factors the trade of the Company especially with Surat and other places westwards was not much profitable. Efforts were made to increase the volume of trade after 1678 and during the period of next ten years volume of trade increased rapidly. During this period investment was constantly above 100,000 £. It reached 209,000 £ in 1683, and 318,000 £ in 1684. During this period Coromandel provided about 35 per cent to 40 per cent of the total volume of the returns to Europe. This was possible because, the Company gave up earlier pattern of trade and they began purchasing all such commodities which were available in the Coromandel markets and which could be sold at other places. The exports of the Company from Madras reached peak in the year 1684. However, during the remaining period of the 17th century the volume of export trade dropped again considerably.<sup>2</sup>

In the last quarter of the 17th century, there was continuous warfare between the Mughals and the rulers of South India. The whole Deccan and South India were disturbed by the warfare between the Mughals and the Kingdom of Golconda, Bijapur and the Marathas. We have numerous references in contemporary records throwing light on insecure conditions in South India during this period which were very

much harmful to commercial activities. Traders moved from one place to another and the weavers engaged in textile production migrated from one place to another. Consequently, the export trade of the Company dropped sharply in 1680's and 1690's.

The import trade of the Company consisted of woollen cloth known as broad cloth and metals like steel, tin, copper, lead etc. Like in other parts of India the import goods had not much demand in the Coromandel region. It seems that the Company's merchants were unhappy about this because it created unfavourable trade balance. The Company's merchants had to pay in bullion for purchasing the Coromandel commodities. They made constant efforts to change this situation. Efforts were made to increase the sale of these commodities such as broad cloth, lead, tin, iron, etc. In spite of their constant efforts they did not gain much success in this direction. In 1687 the cost price of half pack of broad cloth which was produced in England was 22 and a half pagodas, but the merchants of Cuddalore were able to sell it at 12 pagodas only.<sup>3</sup> It means that they had to suffer great losses in these transactions. Naturally, the Indian merchants who sold broad cloth in the Indian markets hesitated to purchase it from the Company. Broad cloth some times remained unsold and it was returned to the Company.

While comparing the economic conditions of this region with that of other regions of India, it can be said that it was a low cost area. The prices of foodgrains were low and consequently the

wages were also low. The low wages were again reflected in the prices of manufactured goods. The prices of Coromandel commodities were comparatively lower than those in the other parts of India. When there was scarcity of foodgrains because of famine or warfare, the Company transported foodgrains from the surplus production area to deficit production area and distributed among the weaving population in order to ensure the supply of the textiles.

Since the beginning of the English trade in the Coromandel region, the various local nayaks and Qutbshahi government were favourable for their trade in their respective territories. Many of the rulers were interested in the Company's commerce because it was good source of revenue. Customs revenue contributed considerably to the revenue of the state. Much of the Coromandel region was under the control of the Qutbshahi Kingdom during the 17th century. Some of the provincial Governors of the Qutbshahi kingdom like Mir Jumla were involved in commercial activities. Thus the rulers encouraged trade and the Company's authorities took advantage of it by obtaining concessions and privileges from the Government from time to time. Generally the Company's merchants maintained cordial relations with the nobles and eminent merchants. It does not mean that they did not face any problem from the rulers at all. Sometimes the local officers demanded presents from the merchants and if they failed to satisfy their demands, the officials harassed them in one way or the other.

Along with the two major commercial centres of

Masulipatam and Madras, the other subordinate factories also contributed to the Company's trade in Coromandel. These centres were Petapoli, Armagon, Madapollam, Cuddalore and Porto Novo. These factories collected the goods in the adjacent hinterland and sent these goods to Madras. The merchants of these factories travelled inside the country and collected information about the availability of various commodities. They engaged the weavers in the production of textiles required for the next season. For this they gave advance money to the weavers and mediators in order to ensure the supply of the required goods.

The merchants of the Company had to maintain good relations not only with the rulers but also with the Indian merchants. The Indian merchants worked as the mediators between the local merchants and the Company. They purchased the goods of the Company in large quantity and then distributed them among numerous Indian merchants. The Company's imports like broad cloth and other commodities were sold by these merchants. Not only this but they supplied textiles and other goods to the Company. Some of the merchants had great influence with the native governments. They obtained many concessions and privileges for the Company. When there was tension between the Company and the local officers, they helped to solve problems of the Company. In the year 1676 Lingappa, Governor of Poonamalle had blocked Madras. At that time Viranna, the eminent merchant of Madras helped to break the blockade and brought supplies to the city.<sup>4</sup> It would not be wrong to say that the English merchants were in some ways dependent on these merchants. Some merchants were involved even in private trade of the

Company's servants. The Company had created an office of Chief merchant. He supplied the commodities required by the Company and helped the Company in selling its imports. The chief merchant was the sole agent for the supply of textiles every year as well as other export commodities required. He had first call on the European imports. So he tended to be a monopolist both in the export and import trade. He would then sublet the contracts to small merchants on terms favourable to them and retailed imported goods in small lots at suitable moments.

Another notable development during this period was the formation of the joint stocks of Indian merchants. In Madras the Company took initiative in the formation of joint stocks of the Indian merchants. They took interest in the creation of these organizations of merchants because the single merchant could not raise the required funds to deal the business of the Company such as purchasing their imports like broad cloth, tin, lead etc. and to supply large quantities of textile goods needed by the Company.

The English East India Company which started its trade in Western India, gradually developed its trade on the east coast of India. In Madras the English started their autonomous administration though it was limited to a small region. From here later on they extended their commercial power and political power in Bengal in the next century. While trading in India, they gained considerable knowledge about the conditions of the people and geography of India. This commercial power of the 17th century transformed into a political power of India

in the 18th century.

#### NOTES AND REFERENCES

- 1 Moreland, W.W. - From Akbar to Aurangzeb, pp. 104-5.
- 2 Chaudhuri, K.N. - The Trading World of Asia and the English East India Company (1660-1670), pp.
- 3 Arasaratnam, S. - M.C.C.C.C. (1650-1740), p. 156.
- 4 Foster, W. - English Factories in India (1661-1664), p. 389..