

The Dutch East India Company, the Indian Merchants and the European Rivals on the Western Coast in the 17th Century

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Abstract

The Western Coast of India witnessed the arrival of European Trading Companies at the beginning of 16th Century. By Seventeenth Century the Portuguese, the Dutch and the English already had established their trading companies at Western Coast and most importantly at Surat. The European commercial enterprises were supported by their native countries. In the name of free trade they started monopolizing the trade. They also got license and preferential treatment not only by bribing or giving gifts to local rulers and officials but also by the use of force. This led the start of monopolistic trade in the western coast. The arrival of Dutch East India company also had to face stiff competition from their English counterparts. The Indian Merchants because of their multiple role and their specialized training excelled in their operations. Not only they acted as intermediaries for these European companies but they were also appointed as agents of these companies at different ports. However, the Dutch confined themselves to the Coromandel region and the English became dominant in west Coast.

Keywords: West Coast, textile, Portuguese, English, Merchant community.

Introduction

The appearance of the joint stock trading company at the onset of the 17th century was the result of European economic change and growth. To a significant degree, all the trading companies were similar; associations of merchant capital for securing profit through trade. The institutional framework of the companies and the orientation of the individuals who constituted the governing bodies and who represented the company as the factors were dissimilar, reflecting the economic, social and political environment of the country in which they were established. Therefore, the trading companies of the 17th century cannot be discussed in terms of one system, but rather as particular variations of system. Furthermore, the trading company was not the only vehicle for European Expansion as exemplified by the Portuguese. The Estado da India was established not as a base for the profitable trade but as the nucleus for the expanding revenue producing sphere of influence and for the export of Catholicism. The individual characters of the Vereenigde Oost-Indische Compagnie, the English East India Company and the Portuguese Estado da India were manifested in the Asian setting.

All of the competing European countries held different conceptions of the economic role of the state. The Dutch attitude was that the government, with minimum power, would derive benefit from the economic activities of the merchant community. The state as a stockholder in the commercial enterprises of the merchants implied that whatever was profitable for the merchants would derive benefit from the economic activities of the merchant community. The state as a stockholder in the

commercial enterprises of the merchants would also profit the state. In the United provinces with real political power decentralized and wielded by the individual provinces which were, in turn, controlled by the merchants; it is not surprising that the national good was perceived in the terms of what was good for the merchants and commerce. Without a ceremonial or symbolic head of state, lacking identification with a political entity beyond that of their particular provinces, with political control on all levels being held by the burgher oligarchies; the Dutch merchants did not have to adjust their commercial activities to conform to political policies developed by a government or by individual who were disinterested in commercial activities. In the United Provinces of the early 17th century, there were no institutions or societal groups that could balance, and therefore limit, the political-economic power of the burgher merchants. Consequently, there is very limited evidence of the state-General playing a non-supportive role in relationship to the V.O.C. and in the cases where such a posture can be discerned, the disagreement usually focused on the activities of the company's merchants in Asia; activities which had not been approved by the bewindhebbers or the Heeren XVII. The English conception of the economic role of the state can best be described as that of a partner, with the government supplying the legal base upon which the merchants could establish their trading companies and which would protect their trading interests. The formal separation between the Crown as a political institution and the E.I.C. as an economic institution should not be interpreted to mean that the Crown or the concepts of national allegiance did not affect the policies of the court of committees. In England, the power of the commercial groups was effectively balanced by the political institutions thus necessitating mutual accommodation.

The Portuguese were unlike the Dutch or the English. For them Economic policy and economic activity were functions of the state pursued solely in the interests of dynastic power and fiscal needs. The state was both the initiator and the direct beneficiary of economic activity, the inheritor of all acquired territories, and the responsible party for all the accompanying political involvements.

The lack of de-jure independence of the V.O.C. from the state-General or its close relationship to the V.O.C. does not increase its commonality with the Estado da India¹ was an extension of a political state while, in the case of the Dutch, the states-General was becoming increasingly an extension of the economic orientation of the burgher-merchants. Rather than the superimposition of national-political considerations on the V.O.C., the burgher-merchants aspirations which had, since the later part of the 16th century been central to the formation of the United Provinces and its ensuing policies, and which had been specifically institutionalized in the V.O.C., increasingly commercialized the politics of the United Provinces.

The differences between the Portuguese and their competitors can be seen in the types of personnel each sent to Asia and in their policies regarding territorial acquisition. The Portuguese sent nobles and government officials who were to provide administrative expertise for the governing of a territorial rather than an economic empire. The Dutch, on the other hand, interested primarily in trade and the profits it could produce, sent merchants to Asia.

The V.O.C. chose individuals that had experience in and a knowledge of European commerce, markets and trade, albeit unfamiliar with the specifics of conducting trade within the Asian context. In the later years, the V.O.C. would capitalize on previous Asian experience of its merchants by transferring knowledgeable factors to various factories within Asia, by reassigning others to Asia whose initial contract with the company had expired and promoting capable employees to positions of increasing responsibility. Although the Dutch were to acquire territory in Asia it was considered last resort to protect their economic interests; it was not in fulfillment of a company or governmental goal.

The English, like the Dutch, interested only in profitable trade sent merchants to Asia with the two exceptions being Sir Thomas Roe and Dodman Cotton who held ambassadorial posts in Mughal India and in Persia, respectively, under the auspices of the E.I.C. Again, similarly to the Dutch, the E.I.C. did not seek to acquire any more territory than what was considered essential for the pursuance of their commercial objectives.

The heterogeneity of institutional forms of European expansion into Asia and of Asia itself, prohibits aggregative analysis. In order to discern the nature of and the effects of European activities in Asia, during the 17th century, or any other time, it is necessary to particularize the area of inquiry in the hope of clarifying one segment of the larger picture.

The choice of Surat and Western India as the Asian focus of this study was based on the importance of this area in the Asian and Mughal economic milieu, an importance neither determined by nor dependent on Europeans or European trade. In addition, Surat and Western India, was a meeting ground, during the early 17th century for Dutch, the English and the Portuguese. Thus, it affords an opportunity to examine intra-European difference within a given environment that was alien to all three European entities.

Pearson² in his study of the Portuguese in Western India between 1500 and 1600 analyzed the formulation and subsequent development of their revenue system and the structure of the attitudes of the commercial and political elites of Gujarat that allowed for the creation and continuation of this system. For the establishment of the Dutch and the English trading systems in western India no comparable studies exist. Terpstra and Rawlinson³ describe the beginnings of the Dutch and the English in western India respectively but do not attempt any analysis of the data collected. Both however are valuable as introductions to the subject.

Meilink-Roelofs, Glamann,⁴ and Raychaudhuri⁵ have all made significant contributions to the study of Dutch commercial operations in Asia, dealing with Western India only tangentially Raychaudhuri and Glamann focus on the last half of the 17th century and on the 18th century, Placing emphasis not on the initial development phase of the Dutch merchants-capital operation in Asia, but rather on a later period when the patterns and impact of these activities were more discernible. Doubtlessly, the greater availability of systematic and relevant economic data determined, at least in part, the time frame of these studies.

Similarly, Ashin Das Gupta's important discussion of the indigenous merchants community in Surat Concentrates on the composition of and the activities of this community between c.1700 and 1750; approximately a century after the establishment of regular commercial relations with European merchants and companies.

The purpose of this study is to describe and analyze the characteristics and consequences of the Dutch presence in Surat and Western India during the first third of the 17th century. This was the initial and formative phase during which the substructure of future Dutch attitudes, activities and achievements was laid. Within this time frame Dutch commercial activities in Surat and Western India were regularized; having obtained permission from the political authorities and acceptance by the commercial establishment. Additionally, the Dutch merchants were undergoing a change in self-perception ; from merchants adventurer to company servant. Similarly, the company was in the process of integrating its regional factories into a unified entity with the administration center for its Asian operations in Batavia.

The Dutch were interested in establishing commercial operations in Western India due to the availability of desired commodities at prices that the Dutch found attractive. Less obvious is the rationale behind the acceptance of the Dutch by the commercial communities of Western India and Surat and the ramifications of this accommodation.

A comparison of the Dutch experience in Western India with those on the Coromandel coast will enable the reader to gain insights into the particular characteristics of the commercial operations and structures of Western India, a clearer view of the diversity that existed within the V.O.C., and an appreciation for the interplay of economic and non-economic variable in the commercial relationships between the Dutch merchants-traders and their Asian colleagues.

In Coromandel, the Dutch had to reconcile their commercial ambitions with the interests of the kingdoms of Golconda and Vijayanagar and the Portuguese in southern Coromandel. The important difference between western India and the Coromandel as contexts for Dutch operations are as follows: the positive interest of the king of Golconda and Vijayanagar in overseas trade, the direct involvement of many local officials in the commercial function, and the fragmentation of the merchant community in northern Coromandel and its lack of identifiable leadership.

The Dutch: Penetration of their roots in western India

Even today the economy of south and Southeast Asia is largely dependent on the arrival of the monsoon winds, and the amount of rain they bring with them. These monsoons were and to a large extent are, the governing factor controlling shipping in the surrounding seas. They largely determined when a particular route could be sailed, when a market would be high or low, and when a punitive naval expedition could be undertaken. Around 1500 there were in Asia a number of well-defined "international" routes, the most important of which were from China and Indonesia to Malacca; from Malacca to Gujarat; from Gujarat to the Red Sea; from Gujarat to Malabar and intermediate ports on the western coast; from Aden to Hurmuz; from East Africa to Gujarat; from Gujarat to Hurmuz. Various feeder routes linked areas such as Ceylon, Bengal, Siam, and Coromandel to the great centres of Malacca, Calicut, Cambay, Hurmuz and the Red-Sea.

The Dutch East India Company through a number of years undoubtedly was the greatest trading company of the world. Its activities can be considered from many different angles: Political, Financial, Naval, And Military and also from the historical point. The period selected the seventeenth century in the Western Coast includes the expansive phase of the Dutch company as well as the culmination of its power in that area. When we proceed to the beginning of the eighteenth century, the company appears as a giant, in its exterior a well-equipped and the rich business concern, the activities of which yield annual dividends in the Netherlands of normally 25-40 percent, during the years from 1700 to the middle of 1730s. It looks like golden age. The knowledge of the legal and administrative structure of the company is a necessary basis of the description of their trade. The period of study witnessed many conflicts among the European powerhouse. On the hand the Portuguese east India Company had the monopoly over various commodities and the trading activities and on the other the English East India Company was eyeing for the dominance in this particular area during this period. The Dutch had faced the tough competition from both these trading companies. Various scholar such as Glamann Kristof⁶, Ashin Das Gupta⁷, C.R.Boxer⁸, Om Prakash, SinnappahArasaratnam⁹, NeilsSteensgaard, and Maurice Aymard through their studies have tried to ascertain the impact, nature and the working of the Dutch East India Company in the Seventeenth century. This Paper also tries to look into same way about the Dutch.

The Dutch contact with Gujarat and western India can be divided into three distinct periods: First, the voyages of the voorcompagnieen and the early abortive attempts of the V.O.C. ; secondly, the establishment of a somewhat permanent trading factory in Surat ; and thirdly, the expansion of the V.O.C. into the trading centres of northwest India.

The Dutch went to Gujarat for the same reason that they went to the Coromandel Coast¹⁰. As they sought to exclude other Europeans and the Asian merchants-traders from the spice trade, it became essential to have direct access to the cloth and foodstuffs desired by the spice producers. Consequently, the Dutch intensified their efforts to obtain sufficient supplies of cloth, increasing the amount of capital and numbers of merchants sent to Gujarat and to the Coast.

As was their experience on the Coast, the Dutch in western India had to contend with the still pernicious maritime power of the Portuguese but, unlike the Coromandel Coast or the spice Islands, they also had to contend with vigorous competition from the English and a strong centralized territorial government.

In 1601, the Middelburg Company, one of the voor-compagnieen sent four ships to the East under the command of Admiral Hendrick ten Haeff which arrived in the harbour of Atchin ; a port frequented by many ships from Gujarat, Arabia and China. From this contact with the Gujarati merchants, the Dutch decided to explore the commercial potential of northwest India sending two merchants.

Reportedly, the Dutch merchants were welcome in Surat and were given a house from which to conduct their trade. The two ships that had brought de Wolff and Later returned to the Zeeland factory at Atchin with cargoes of Gujarati goods and a report that commodities suitable for trade were to be found in abundance in Gujarat , especially high quality indigo. While the two merchants remained in Surat, trading on behalf of the Middelburg company, "some Malabars". Suggested to them that the Dutch established trading relations with Calicut, offering the Dutch relative freedom from Portuguese harassment plus permission to build a fortified factory. In response to this Invitation, de Wolff and Later proceeded towards Calicut in April 1603. Enroute they were intercepted by the Portuguese, taken to Goa and Hanged.

The first entry into Gujarat was limited and Unimportant in itself, but it had shown that the commodities desired by the Dutch were available in Gujarat and that their procurement would be difficult due to the presence of the Portuguese.

In 1602, the voor-compagnieen ceased to exist with formation of the V.O.C. The time of fragmented ventures to the East had been replaced by an increasingly well-orchestrated effort to extract the maximum profits from the Asian trade. The beginnings of the V.O.C.'s activities in Surat are a matter of controversy. The scanty evidence that exists regarding the arrival of the Company in Gujarat, suggested that two attempts were made between 1603 and 1607 to establish trade with this area.

In 1603, the V.O.C. assembled a fleet of fifteen vessels under the command of Admiral Stephen van der Hagen. The fleet carried a total of f.99,300 in merchandise and another f.73,6000 in rials.

The hoped for trade and subsequent profits did not materialize from this early effort of the V.O.C. due to the inability of the Dutch to counter-balance the Portuguese presence in Western India and in Gulf of Cambay ; a presence that cast a shadow on Dutch prospects for peaceful trade in Gujarat. Portuguese control of Div, Dabul, Daman and Goa, plus a sizeable navy enable them to impose a tax on all non-Portuguese vessels sailing from the ports of Western India,through the issuance of Cartazas or passes. Gujarati merchants and Mughal official alike were obliged to acquiesce to Portuguese demands to insure the safe passage of their merchants and pilgrim vessels. The appearance of the Dutch in Western India was not welcomed by the Portuguese; not only were the two countries political enemies but the strength of the Dutch navy and economy posed a real threat to continued Portuguese dominance of the waters of Western India.As expected, the Portuguese sought to discourage the Dutch from sending merchants and ships to Gujarat. MichielBotielle, their representative in Surat, accused the Dutch, in the person of David van Deynsen, of Possessing ivory that had been stolen from the saint Anthony and demand compensation. The Governor of Surat, Mirza Nuridind Mohamed, referred the dispute to the Khan Khanan and provided van Deynsen with an

escort for his journey to Burhanpur where he would present himself and evidence to counter the Portuguese allegations to the Khan Khanan. Until the trade with Gujarat was perceived as being essential to the attainment of the company's goal in the spice islands, the directors of the V.O.C. were unwilling to divert men and ships in sufficient numbers of effectively challenge Portuguese supremacy in the Gulf of Cambay that would, in turn, allow the Gujarati merchants and Mughal officials to less beholden to the Portuguese. Dutch assumed that the Mughals were unhappy about having to purchase cartazas from the Portuguese; while , in fact the merchants and the officials had accommodated themselves to their demands.

The six-year interval between 1607 and 1614 was important for the V.O.C. in Asia : Although inactive in western India, it had become firmly established on the Coromandel Coast and in Spice Islands. As yet unaccomplished was the monopoly of the spice trade which the directors considered essential for the realization of the Company's profit-making ambitions. As the Company pushed toward this goal, it began to realize the need for Gujarati cloth; renewing its interest in the establishment of long-term trading contact with Gujarat. Jan Pietersz Coen recognition this need, suggested to van Berchem that he send merchants from the Coromandel factories to Surat; but, due to lack of funds, no action was taken. One year later, in 1615, Hans de Haze, Governor of the Coromandel factories instructed Pieter Gillis van Ravesteyn and Heindrich Adriaens to go to Surat. Their mission was twofold: to reclaim the Company's goods that remained in Gujarat after the death of David van Deynsen, and more importantly, to gather detailed information on the commercial and non-commercial environment in Gujarat. Previous to the departure of the Dutch merchants, Khwaja Hasan Ali, Shahbandar of Surat invited the Dutch to reopen their commercial relations with Gujarat. The Dutch were promised special trading privileges in return for Supplying ships to aid the Governor of Surat in his disagreement with the Portuguese.

The Dutch factory at Surat

In the 17th century Gujarat was a famous province for textile industry. Its cotton cloth was famous throughout the world. It produced plenty of Indigo. The great trade centre was the city of Surat. Wolff and Lafer saw the possibilities of carrying on a good trade from Surat in Cotton cloths and Indigo. But their work came to a tragic end. When they visited the Malabar Coast in April 1603 to explore the prospects in pepper trade, they were handed over to the Portuguese, carried to Goa and were excuted there. The Dutch began to take a keen interest in Surat after the mission of Van Ravesteyn. The Dutch factory at Achin was closed in 1616 and with its closure their market for buying Gujarat cotton goods was also closed. Coen, the director-general of the Dutch East India Company decided that the direct trade relations with Surat must be established. With this object he deputed Van Broecke to conduct the necessary negotiations for the establishment of a Dutch factory. The growing prestige of the Dutch in Eastern waters in the light of their brilliant successes against the Portuguese helped them to get from the authorities of Surat reasonable terms to settle and establish their factory. These terms were confirmed by the emperor Jahangir in due course and a Dutch factory was established at Surat in the year 1618. In 1621 Van Den Broecke was appointed the resident director of the factory on a salary of 180 florins per month with a council to assist him in all matters of commerce. This success and prosperity of the Dutch trade continued throughout the 17th century. During the second half of the 17th century, the Dutch carried on a prosperous and profitable trade at Surat. The usual practice of the Dutch, when their ships arrived at Surat, was to give a public notice of its cargo, by affixing the particulars of the varieties and quantities of the commodities in the local languages upon their factory gate, mentioning the date on which the goods were to be sold.

The Dutch had to face a stiff trade competition from other European nations particularly of the English at Surat. One natural result of this competition was the increase in the prices of these commodities, chiefly of Calicoes, were greatly enhanced due to the competition. The competition not only increased the prices of the Indian commodities exported to Europe from Surat, but also lowered the prices of the commodities imported at Surat from Europe. But this was not so in the case of spices. The Dutch, being in control of the spices producing countries viz., spice-islands and Ceylon, could fix the prices and sell it at high rates in Surat as it clear from a letter dated 1 January 1666 from the English president and Council at Surat to the Company. The Dutch at Surat had plenty of Cinnamon, but, under orders from Batavia, were holding up the price to 75 rupees per maund. The trade of the Dutch at Surat was at height of its prosperity during the second half of the 17th century.

By 1625, the official policies of the V.O.C. reflected a greater understanding of the vulnerable and tenuous position of its factories in western India and the need to accommodate rather than annihilate the Gujarati merchants and traders.

The Dutch and the European Rivals

In Western India, numerous groups both European and non-European, operated in the commercial arena, each hoping to profit directly or indirectly from the trade in Gujarati commodities. The absence of any one dominant group created a situation where the Europeans, especially, competed with one another for ascendancy, using political, military or economic means to achieve their goals. The rivalries between the Europeans directly benefitted the Mughal authorities, the indigenous middlemen, and the producers of the desired commodities. On the other hand, the Gujarati traders would reap a negative harvest; from the European presence, they would increasingly be in direct commercial competition with the English and the Dutch in the Persian Gulf and the Red Sea, as well as being vulnerable to the militant application of European maritime power. In the initial period of Dutch activity in western India, the V.O.C. could only have been perceived in terms of a future source of competition for either the Portuguese, the English, or The Asian traders. The actual presence of the V.O.C. did not pose an immediate threat to any of the groups functioning in the area, due to the company's limited commitment of personnel, ships and capital to the trade of Gujarat and Western India.

The response of the Portuguese to the first feeble attempts of the V.O.C. to establish trade with Gujarat and northwest India was disproportional to the Dutch presence in western India. However, the Portuguese were aware of the strength of the Dutch economy in Europe, and the transference of this economic power into the Asian milieu as the Dutch began to dominate the spice trade and to establish themselves on the Coromandel Coast¹¹. The Portuguese hoped to destroy the position of the Dutch in the Moluccas by prohibiting them from obtaining the necessary cloth from either Gujarat or Coromandel. In addition, the Portuguese sought to preserve their dominance of the India's western coastal waters. The maintenance of the Portuguese establishment in Asia for through the issuance of safe conduct passes or cartazas to non-European vessels substantial revenues were realized which financed the Portuguese presence.

Before 1609, Portuguese attempts to eliminate the Dutch from western India were overt and direct as exemplified by the killing of de Wolff and Lafer and the death of David van Deynsen which was either done by the Portuguese themselves or at least by agents of the Portuguese. After 1609, the methods employed by the Portuguese, in their attempts to rid themselves of the Dutch presence in Western India, became increasingly indirect; pressuring the indigenous authorities, by threat of force

coupled with diplomatic negotiations, to refuse the Dutch permission to trade within the Mughal Empire.

In 1609, the Netherlands and the King of Spain- Portugal signed a truce, suspecting hostilities between the signatories both in Europe and Asia. Even the legal fiction of the truce was short-lived in the Asian context as secret orders were sent by Philip III to his subjects in Asia urging them to continue in their efforts to destroy, or least to hinder, Dutch commercial activity in Asia. Although Philip III in his secret communiqué had authorize the Portuguese in Asia to use all the available means to outdo the Dutch, the form of the Dutch presence in western India plus the existence of functioning indigenous government determined the form of their anti-Dutch activities.

In 1614, the reappearance of the V.O.C. merchants in Western India was not accompanied by a concomitant appearance of the Dutch fleet. Between 1614 and 1619, only four V.O.C. ships were sent to western India and two were destroyed by natural forces. The absence of Dutch ships in the Coastal waters of western India prohibited the Portuguese from directly using the ships as instruments to thwart Dutch aspirations in Gujarat. Consequently, The Portuguese attempted to negotiate the Dutch out of Western India using the threat of force to gain leverage in their bargaining with the Mughal authorities.¹²

Until 1619, the conflict between the newly-arrived Dutch and the well-established Portuguese was an unequal one, for unlike the situation on the Coromandel Coast, The Portuguese continued to be potent force. Portuguese priest located in all the major cities of Gujarat and in Agra functioned as ambassadors, recruiting allies from the ranks of Mughal officialdom. The Political influence of the Portuguese emanated from their maritime superiority in both its negative and positive aspects. On the negative side, the Mughal official were beholden to the Portuguese for the security of their trading and pilgrim ships. In addition, the Portuguese had demonstrated that they were capable of destroying or damaging the port cities of the Mughals.

On the other hand, the commercial activities of the Portuguese contributed to the custom revenues, especially of Cambay¹³. The indigenous producers looked favourably upon the Portuguese for, unlike the English or the Dutch, they were large volume purchases being less concerned with the size of their profit margins. Doubtless, the Portuguese were able to sustain themselves with a relatively small profit margin because of the additional revenues accruing through the sale of Cartazas. The Portuguese, By virtue of their commercial experience in western India, were in a position to act as middleman for the V.O.C. Assuming this function, the costs of the Dutch company would have been substantially reduced; cooperation nullifying the need for defensive and offensive armaments and limiting the increases in commodity prices that were due to inter-European competition. The inability of Dutch and Portuguese to cooperate was rooted in European political relations, the same animosities that had closed Lisbon to the Dutch forcing them into the Asian milieu.

By 1620, the resources and vigor of the Estado Da India were noticeably diminished, as exemplified by their loss of Gambroon in 1614. The loss of Hurmuz further weakened the Portuguese in the western quarters. Their weakness were publicized and they lost substantial revenues from duties levied on merchants participating in the seaborne and overland trade with Persia. More importantly, to the future of the European-Asian trade, the Portuguese loss of Hurmuz marks the ascendancy of the company trade over the redistributive enterprises exemplified by the Estado da India and the Peddling trade. The Dutch, however, were to be the principal long-term beneficiaries of the fore mentioned shifts in structure of Asian trade and would benefit in the short term from the further decline of the power of the Estado da India. Portuguese weakness, a condition exacerbated by the continual harassment of the Portuguese fleets by the fleet of Defense during November and December of 1624 and in the early months of 1625. Indication of the changing position of the Dutch vis

a vis the Portuguese can be seen in the V.O.C.'S increasing tendency to establish trading relations with areas without regard to proximity of centres of Portuguese power.

The lack of Dutch interest in coming to aid of the English or in avenging the loss of their ally's ships or crewmen caused deep resentment in the English, who were more vociferous in their condemnation of the Dutch in action than they were of the acts perpetrated by the Portuguese. The decline in Portuguese power and the disappearance of a significant common enemy, created a situation where the Anglo-Dutch rivalry would become the predominant source of intra-European conflict in Asia.

The similar goals and potentialities of the Dutch and the English would create an atmosphere, in Europe and Asia, of convert animosity based on commercial competition. In 1610, Holland proposed that V.O.C. and the E.I.C. unite; combining their monies, men and ships to wrest control of the Asian trade from the Portuguese. The Dutch hoped that such a plan would not only eliminate the English as commercial competitors but that the English would also help defray the costs of the expensive anti-Portuguese campaign. Not only was the absolute cost of maintaining a military presence in Asia greater than V.O.C. wanted to pay, but the Company's profits show a dramatic downward trend between 1606-1609, thereby increasing even the relative cost. The English saw little advantage in this proposal for themselves, fearing that at worst the E.I.C. would be swallowed by the wealthier V.O.C. and the at least much of the power and the profits would remain in Dutch hands. In 1614, when Coen and the V.O.C. began a concerted effort to establish direct trade with Western India, The Red Sea and the Persian Gulf ports, the E.I.C. was already based there, maintaining small but visible trading establishment. Clearly, the E.I.C. was in sufficiently strong position in western India to at least forestall the establishment of the V.O.C.,¹⁴ which they correctly perceived as an aggressive competitor. However, the official policy of the home government forbade the company's representatives from engaging in hostile actions against the Dutch, This official state policy took no notice of possible negative effects on the localized commercial interests of the English company. By 1618. The presence of the Dutch in western India began to be felt in the buyers's market as evidenced by an increase in the prices of cloth and indigo. Although there were feelings of hostility harbored by both the Dutch and the English; Roe and van Ravsteyn concluded that cooperation between the two companies would be mutually beneficial. In fact there were numerous instances where the Dutch and the English did cooperate in matters not directly related to commerce.

The treaty signed between the E.I.C. and the V.O.C. was the pivot of Anglo-Dutch relations. The first two articles of the treaty called for forgiveness by both signatories, of past differences and declares that the Dutch and the English should "live and converse as trusted friends, neighbors and allies;" both obviously expressions of wishful thinking rather than a feasible guide for future action. The important operational parts of the treaty stipulated that one-third of the Molucca trade would be reserved for the English. In return, the English were to join the Dutch in defensive actions against the Portuguese, for which purpose a fleet of Defense was established, that was to be governed by the joint membership council of Defense.

The English soon realized that the V.O.C. was deriving the greatest benefit from the greatest benefit from the Treaty. By sharing the expenses that had previously been paid by the V.O.C.¹⁵ alone the E.I.C. was ,in fact, releasing additional Dutch funds for trading purposes and Simultaneously increasing their costs without a concomitant increase in trade that could be ascribed to the provision of the Treaty. Additionally, the English perceived that the Fleet of Defense had been established primarily to defend the spice trade against the Portuguese and the V.O.C., continued to dominate this trade. In Western India, where the companies were on a more equal footing than in the Coromandel or the Moluccas, there was little hostility. However, the representatives of both the V.O.C. and the E.I.C. were suspicious of one another's motives and actions, which, in certain instances, were

depended on the attitudes of the local officials, there were attempts by each, to discredit the other in hope of achieving an especially privileged position.

In the eight years of van den Broecke's directorship, his attempts to gain for the V.O.C. a preferred status would alienate the English although never to the point of causing a complete break in their relations. A low point in Anglo-Dutch relations occurred in 1624 when van den Broecke decided to place Dutch factors on Board Gujarati vessels destined for Mocha, in order to forestall any further confiscations by the English. The English attitude towards the Dutch can best be gleaned from a letter of protest sent by the English to the Dutch.

The Portuguese threat, more than the formal Treaty, would keep the Anglo-Dutch alliance alive in Western India, but even in their initial mutual need for protection, suspicion would mar the cooperatives effort. In 1626, English hostility towards the Dutch because of the Amboina incident led to the cancellation of English participation in the fleet of Defense when it was learned that Herman van Speuit, had been designated as Commander of the fleet. Thomas Kerridge's vociferous condemnation of van Speult in the presence of the Dutch factors quickly led to an argument that degenerated into a fight. Until this incident there had been a genuine attempt to present at least the semblance of united front to the Mughal officials.

Even though the formal scheme for Anglo-Dutch cooperation proved unworkable in the Asian context, there continued to be ad hoc cooperative efforts. As the V.O.C.'s economic power grew in Western India, the English factors increasingly looked upon the Dutch with suspicion. The political and social relations existing between the Dutch and the English, seemingly curious and inconsistent, were based on the continuing competition of two profit-oriented entities for commercial within an alien environment that was, on occasion, more threatening than the inter-Company commercial rivalry.

The Dutch and the Indian Mercantile communities

The companies at Surat benefitted a lot from the presence of wealthy creditors. The interest rates at Surat fluctuated approximately from about 10-16 percently yearly for the East India companies to 24-38 percent for small caravan traders. R. J. Barendse points out that the VOC used to send money lent at Surat, in bar, to Chisura since it would be far more expensive to borrow it at Hugly. The Dutch trade in Surat from 1667 onwards can be termed as "goods for bullion." The cash was sent to Hugly to finance the exchange of "bullion with goods." So the Banyas acted as Bankers to the Dutch Company.¹⁶ Ashin Dasgupta has pointed out in his work that there many small peddlers mainly conducted the trade of Gujarat.¹⁷ From about 1690 onwards we come to know that there was long list of Indian merchant who were trading from Surat to Persia. Around 200 to 300 merchants would depart from Surat to Persia. The Hindu merchant dominated this trade.

The Portuguese documents provides us with lot of information about Banyas in Gujarat. They were a very large trading community and they comprised of about 30,000 persons in the territory of the Estado da India alone. They ranged from merchant prices to mendicants. There were many Bania Peddlers who were the foot soldiers of the big merchants. R. J. Barendse in his work points out that in Diu there a smaller group of Banya community and they had a "captain" as stated by the Portuguese document as a head. They even had a "attorney" who acted as a spokesman for the Banya Nation. There were more a makeshift body for negotiation with the Portuguese than a caste assembly, though as jain and even Muslim traders were also a part of this.¹⁸ R. J. Barendse work points out that there was rivalry between the Banyafamily. As a mark of competition who would take the goods from the VOC.

Surat's great merchants might be termed by Bayly "portfolio capitalists." The term portfolio means that the merchant spread their investment over a wide range of pursuits and partners, a form of sharing profit and of spreading risks, which was, for reasons we appraised already, as common among princes as it was among peddlers. This means spreading risks over wide array of commercial pursuits. There were many big example for this which we get. Narain Das who invested in many different branches of trade turned towards the VOC for help. For recovering funds still due from various merchants. Capitalist could be used for the merchants of Surat, Because their price control policy affected the price of the product. The scale of transaction, procurements by merchants dealing with funds could affect the price of commodities to a large extent. The question about which we talk here is that whether investment in land are strictly speaking was a productive investment. There is evidence where in 17th century the merchants of Surat were acting as a collectors of land revenues. For example the assistant broker of the VOC, Balav Das acted as revenue collector of a given place. The term capitalist would be more apt when talked in terms of sophisticated institutions for credit and insurance, rational bookkeeping, or ways to manipulate the market. There were many strategy used for this work. They had used many monopolistic strategy to control the market. Such practices is found in key sectors with high profits and fairly predictable demand: most notably in banking, imperial finances and trade with the court in commerce in metals, grain and shipping and in deals with the companies. The Banya merchants were quite worthy of doing this and used these policies whenever needed. Banya were the most prominent among a series of great Gujaratis. Sanjay Subramanyam and C. A. Bayly that in the case of Gujarat, there is clear evidence from the seventeenth century onwards of the complex and integrated mercantile system dominated by very large Vaishya. H. W. Van Santen's Leiden dissertation provided rare and intriguing glimpse of this 'underside' of the Mughal economy. He reveals a highly developed hundi network already in the 1630's and 1640's which was serviced by Surat and Agra firms remitting large sums across the country.¹⁹

These merchant capitalist were also responsible for the running of the revenue farms and other enterprises controlled by large portfolios capitalist and the state. The pooling in of resources was also a way to carry on trade so that the risk involved would be divided. Such partnerships were extensive when trying to link firms in India to the Banya firms operating in the Persian Gulf, Yemen, East Africa, Central Asia and may be Southeast Asia.²⁰ Credit capital was quite extensive. For example the Banya's of Diu not only dealt with their own capital but also capital provided by the retired men and widows as well. Most trade in Surat was conducted on credit to partly insure against unforeseen loss. The appointment as brokers of European companies was always welcomed. Abbe Carre speaks about the well-established Indian merchant at Surat, Popularly known as Samson, who served as a broker to the French company. There was affair indication by these way that profession of the broker had risen in the high esteem, especially if the client was a powerful European company.

Another significant development which A. J. Qaisar points out in his work is that, the substantial development of the market was a degree of specialization in the broker's function, that is, some brokers specialized in dealings in a particular lines of business commodity.²¹ The broker performed a variety of functions besides the primary job of procuring goods at cheaper rates for the clients and arranging sale of the clients goods at a higher rates. There are instances, when brokers have taken personal risks for the clients. There are instances where many had independent trading activities of their own which bring them immense profit.

The knowledge of the brokers about the everything like the departure of the ships, articles which will be salable in the following year. They direct communication with the artisans and merchants. So, the brokers could easily exploit their clients and take advantage of their situation for their own gain. In the English company some of the brokers had become so influential that, they even meddled in the

internal administration of the English company. For example Bhagwan Das was responsible for removal of at least three English factors. The relationship between the EIC and the brokers were not always bad. A. J. Qaisar is of the view that merchant capital had not exercised much influence on the organization of production. He cites various reasons for it.²² Ashin Dasgupta points out in his work that the decline of Mughals had effected on the imperial trading and monetary order of Surat. The death of Aurangzeb dislocated Surat from the larger commercial hinterland of Hindustan, where breakdown and communication and commercial transactions became very risky.²³

Maratha on various trade centers like Ahmedabad, Baruch, Baroda and Vadnagar through constant demand for Chauth and Sardeshmukhi. This all created profound insecurity in the minds of the trading proper lace. This led to the formation of the new order in the West Coast, where the English East India Company had down support from the local merchants. With the trading experiences, a group of Samya traders though it advantageous to join hands with Surat council. Baniyas played a major role to the British in trading. The Baniyas also preferred to be under the safety net, by using their carriage for the transportation of goods to gulf and Bengal. The policy of cooperation and collaboration of the Baniyas made the EIC more benefited and earned them good repute as financiers and bankers of the Bankrupt Bombay Government. The growth of Colonial power, both politically and economically in Western India had to rely upon the indigenous capital of the Gujrati Banyas who had extensive hundi network. The exchange of support between Gujrati Banyas and outside were complimentary and interdependent on each other. The world of trade that the Banya was master of began with the village. The Indo-Persian name buckle for him suggests a popular picture of the Banyas as grain merchant. The village Banya later to be a familiar figure in official British writing bought grains from the peasants as well as from the state. These is fairly well brought out in S.P Gupta's analysis of agrarian trade in Eastern Rajasthan, on the basis of relatively richen 16th and 17th century documentation we have for the areas. He was also the local money lander (Mahajan, Bohra) and advanced loans to peasants at 1.5 to 2% per month. One of the village accounts of the late 17th century shows a mahajan receiving the repayment of the loan of Rs 80 from the village as a whole. The original loan had been taken to meet the land tax. Money was also advanced to the land holders. One of the records sights that an earlier group of Muslims honors of a village near Samsabad had mortgaged their rights with the baqqal of a neighboring village.

In the towns, the Banyas could be found hawking cloth, cowries or even salt. A characteristics of Banya shop keeper was that he use to often give credit to poor clients. Shop keepers are naturally to be distinguished from proper merchants. The shop keeper were the true peddlers. Tapan Ray Chaudhuri compares the Banya jewelers to the Armenian Hovhannes, Steensgaard's typical peddlers of the Asian markets. Banarasi Das was sent by his father from Jaunpur in 1610 to Agra with Jewels, ghee, oil and cloth all worth rupees 200. On the way he gradually sold them. Such peddlers stood the larger Banya merchants, respectfully styled sahs. Through advances they committed artisans as well as peddlers to work in their interest. The system of advances to the artisans, binding them to work on orders of the merchant and sell at his price, was an established system and has been discussed often though as yet mainly from information in the commercial records of the European companies.

Among the Banya merchants, a process specialization led to two distinct lines of commercial activities, those of brokers (Dallals) and Shroffs (sarrafs, bankers and money changers). K.N Chaudhuri notes that the institution of conducting business through brokers was unknown in South India, but else where it was all pervasive and the Banyas dominated the profession. Thevenot states that ' everyone hath his Banian in the Indies' as a broker and that sum of the brokers grew into richest

merchants in India.²⁴The Hindus acted as brokers to all the Muslims merchants, The European companies to invariably had to make use of these services.

The influence of the Gujarati Bania community of Western India as elsewhere at the turn of the eighteenth century derived from the variety of commercial functions they performed, and their control of the money market and credit structure.²⁵ The sustained and almost uninterrupted expansion of maritime Gujarat's overseas trade in the sixteenth, seventeenth and early eighteenth centuries had generated both a substantial volume of circulating specie in the region as it had a wide range of profit opportunities for interrelated mercantile activities of brokerage and retail trading. The Banias, with their long trading lineage, had been adept at exploiting the situation, and very soon virtually monopolized the lucrative business of brokerage and banking. Controlling the supply trade at crucial intermediary levels from the primary production areas to the principal distribution centres inland and on the coast they accounted for a sizeable and probably the most influential section of Mughal Gujarat's commercial population. Of greater import was their impressive access to ready credit and their control over the local money market. The idiosyncracies of the Mughal currency practices and procedure which placed an over-high premium on the regional coin, i.e. a coin issued by the immediate ruling authorities (and recognized as intrinsically superior in terms of silver content to older coins issued in previous years and rendered inferior by wear and tear), and the influx of bullion and foreign coins necessitated the existence and availability of banking and exchange services. Essentially these revolved around the business of testing, changing and assaying old and foreign coins or bullion on payment of a discount or Batta as it was known, and commission charges for the services rendered. In theory, the official Mughal Mint authorities were expected to do the needful for all importers of bullion, foreign and used coins free of charge, but the inevitable delay at the mints during the peak season compelled them to take resort to local and informal banking and exchange facilities offered by the Baniashroffs (sarraffs). The latter, traditionally associated with usury and in some cases deposit banking, had acquired an easy and quick familiarity with conversion procedures and assaying practices, and in course of time had arrogated to themselves the exclusive right to assay and change money. Drawing dividends from trade and brokerage and sometimes administrative service, they deployed it in buying substantial stocks of bullion imports coming into the port cities-Surat in particular in the seventeenth century-and thereby controlling the money market in terms of both supply of capital and of exchange and discount rates.²⁶

The Baniashroffs who operated the money market and credit system of Western India appear to have been of different and distinct but necessarily interrelated categories. At the apex of the system stood influential banking houses like those of VirjiVora and ShatidasJhaveri, based at Surat and Ahmedabad, the two great financial capitals of Western India in the seventeenth and early eighteenth centuries, and who dominated the bullion bazar by their extensive speculations, purchases and loan transactions. They had their network of constituents and agents entrusted with their business all along the Hundi network. Below them stood intermediary bankers whose operations were relatively smaller in scale and scope but none the less important. Hundis for medium sized sums could be brought through their contacts; in fact even the principal bankers negotiated with them often for both Hundis and deposits.

The inter-links between the two broad tiers of the credit system remained strong and operative even during the later half of the eighteenth century when the leading shroffs relied on the deposits and Hundis of their smaller brethren. On the lower rungs of the hierarchy were the small-time usurers and moneylenders who lent inconsiderable sums against security of jewels and property. To sum up, the indigenous credit and banking system of Western India was marked by a degree of specialization and sophistication and had evolved in response to contemporary requirements of trade and

commerce. The system serviced and sustained efficiently Surat city's expanding commerce, facilitating transactions of individual merchants and trading Companies alike.

The Sarrafs or Shroffs were practically all Hindus and in large part Banyas. The Sarrafs were money changers, dealers in bills of exchange, deposit receivers and insurers. Tavernier pointed out that a village must be very small if it did not have a money changer 'cheraf', who acts as banker to remittances of money and issues letter of exchange.²⁷ The very specialized profession of Sarrafs led to a separation between them and other Banya merchants. When in the 1650's the English had a dispute with the Sarrafs of Surat over the payment of insurance on the ship supply, a committee of four Banyas appointed by the Governor supported the English case. But the Sarrafs refused to accept the decision. A sharper cleavage occurred in 1715 at Ahmadabad where matters came nearly to armed conflict between the merchants laid by nagarseth ('town merchant') Kapur Chand Bansali and the Sarrafs (then at Delhi), over the issues of an increase in a deduction called anth that was made when cashing bills. We thus have an example where divergent professional interests could divide Banya caste vertically.

A second form of organization was the sure partnership firm, where kinship was not involved. We have discussed how they had made partnership with each other. But it is not clear that if they further elaborated this like joint-stock companies of the Europeans. But Arasartnam has suggested that the long-held view that joint-stock company was alien to Indian commercial practice ought to be revised in the light of our knowledge that "partnership trading" existed in India.²⁸ But we know that the public raising of capital raising of capital stock and predetermined constitution of the firm that went with the joint-stock was totally absent. As he pointed out that the joint stock companies of the kind which was promoted by the Dutch and English in South India in their own interest could not be formed elsewhere in India because of the greater dependence of the merchants in the Banya zone.

The merchant had his warehouse called the kothi which occurred in the document by Banarasidas. They had gumashtas or agents to manage his factories or dukans. The merchants had factors placed at great distances inland. There records that wealthy Banyas maintained agents in many places. Banya merchant of the port similarly had factors overseas."Banian merchants" of Surat maintained factors at Gambroon in the Persian Gulf. In the Red sea, the Banyas factors were probably even more numerous. All the Hindu superstition about not crossing the seas were not believed by them as there was profit involved in it. The trade in India was very greatly assisted by them system of brokers' services, mainly supplied by the Banyas. The brokers performed all kinds of services for the merchants, from arranging the sale and purchase of goods to securing finance. Thevenot praises them a lot. Bills of exchange could be drawn on Surat from (besides Agra) Lahore, Ahmadabad, Sironj, Burhanpur, Golconda, Bijapur and other cities. The same India brokers, merchants and agents traded for with both the English and the Dutch. There were in Surat a few principal merchants, most notably VirjiVora. As the power of the native merchants increased, with their influence extending throughout India, the Dutch relied increasingly on the use of brokers to obtain their desired commodities. As the V.O.C. increased its shipment of cash to Surat, it became increasingly necessary to use "hundis"

or "screets" as bills of exchange for the transference of money, particularly during times of political upheaval which made the transportation of currency very risky.

The origin of the commodities and capital that the Dutch sent to Western India for the years 1632-33 reflects the increasing integration of the Dutch operating in Western India into the intra-Asian trading system of the V.O.C. The commodities include spices from the Indonesian archipelago and copper and camphor from Japan. The increasing magnitude of Dutch investment in western India was not matched by proportional price increases indicating that supplies of commodities were generally

sufficient to satisfy the growing demand. However, the full impact on production of this increased investment was somewhat diluted by a gradual but constant price rise. Additionally, the evidence suggests that part of the increased Dutch investment was diverted from the purchase of commodities by an increase in the fees paid of the agents and the brokers. The average per annum investment of the V.O.C. in western India between 1629 and 1633 was f.13.851.560. a substantial increase over the f. 2,000,000 invested between 1607 and 1628. Although it is impossible to determine the exact contribution that Dutch commercial investment made to the customs revenues of Surat, these revenues show an increase totaling Rs. 2,50,000 per annum by 1644 or one-tenth of the total revenue collected from the sea trade using Gujarat ports. The Banyas played a versatile role as merchants, bankers, shroffs and brokers in various fields of profit. As they were quite efficient and had all the necessary knowledge in this field.

Commodities of Trade

Travelers have given the account of trading activities in Gujarat. Travelers such as Thevenot²⁹, Mandelslo³⁰, Francois Martin³¹ and J Ovingtan³² in particular have given the account about trade and mercantile world in the western coast. Thevenot says that Gujarat is the pleasant province of Indostan, though it be not the largest. The most considerable part according to Thevenot of Guajrat is towards sea, on which the towns of Surat and Cambay stand whose ports are the best of all Mogulistan. He also talks about the presence of Dutch in Gujarat and also talks about indigo trade. He says, "There are great many Pagods in those quarters, and from Serquenich comes all the Indigo which is sold at Ahemadabad." He also gives the list of commodities that are most traded in at Ahemadabad, are satin, velvets, taffeta's and Tapestries with gold, silk and woolen grounds: cotton-clothes are sold there also; but they come from Lahore and Delhi: they export from thence great quantities of Indigo, dried and preserved ginger, sugar, cumin, lac, mirabolans, tamarins, opium, saltpeter and honey. The chief trade of the Dutch at Ahmedabad consists in schites, which are painted clothes; but they are nothing near so fine as those of Masulipatanam and St. Thomas. Apart from this, he gives information about Surat and its fortification and describes about the merchants class in Surat. He further gives information about commodities being sold. He says "At Surrat, are sold all sorts of stuffs and cotton clothes that are made in the Indies, all the commodities of Europe, nay and of China also, as porcelaine, cabinets and coffers adorned with torqueses, agats, cornelians, ivory and other sorts of embellishment. There are diamonds, rubies, pearls and all other precious stones which are found in the east to be sold there also: Musk, Amber, Myrrh, Incense, Manna. Sal-armoniac, quick silver, lac, indigo, the root roenas for dyeing red, and all sorts of spices and fruits which are got in the Indies and other countries of the Levant, go off here in great plenty and in general all the Dorgues that foreign Merchants buy up to transport into all parts of the World." Pelsaert as mentioned in the previous pages also talks about trade in Gujarat with Particular reference to that of Ahemadabad and Cambay. He says that Ahemadabad is the capital of Gujarat, and receives annually from Agra large quantities of Goods for example much Patna silk so that there is here little trade in Chineses silk manufactures. He says that carpet were also woven there with the an intermixture of Silk and gold thread; while the exports include spikenard, tzierila, asafetida, pipel and numerous such drugs, besides Bengal cassas (muslins), mals (malma) and clothing for Hindu women from Bengal and the eastern provinces. About Cambay³³, he says that trade is however, nearly or almost at end. He also mentions that towards the end of 1620's the well-known Pieter van den Broecke arrived at Surat as director of what were called the western quarters, comprising north and west India, Persia and Arabia. He says that the primary aim object of this extension was to obtain supply of cotton goods from Gujarat, the

establishment of a factory at Agra was necessitate by two important considerations. In the first place no European merchants in India could afford to neglect the indigo trade and the best indigo was grown in vicinity of Agra. In the second place, the Dutch at this time relied mainly on sales of spices to finance their purchases and Agra or rather the Mogul Court was the most extensive spice market in India.

Apart from this, among the piece goods we should further more mention bethilles, which were fine muslin clothes and the white and black baftas the best of which came from Broach in Gujarat. The considerable distance in time between demand and supply gave the East India trade its special character. The farther away the factories were from Batavia. The most effective was the time factor. Distance from Batavia.³⁴

The company's sale of Sugar at the Asiatic Factories, 1680-1709.

All Values in Pounds	Batavian Poedar	Batavian Kandij	Bengali Poedar	Bengali Kandij
Japan	20,603,675	2,608,501	-	-
Persia	24,139,183	4,542,722	5,407,558	34,775
Surat & Mocha	6,282,486	837,065	146,117	8,405
Malabar	217,403	27,583	25,407	-
Coromandel	483,823	56,476	85,206	-

But the sales in Sugar increased in the year 1713-1735 as compared to that of 1680-1709. The expectation from The Asiatic market during the new state of things appeared from the governor general Mossels reflections on the cultivation of Sugar and the trade dated 31st Dec, 1750. Mossel sketched the following annual exports figures for Poedar:

Japan	1.8 million pounds
Surat	3.6 million pounds
Persia	1.6 million pounds
Malabar	1.0 million pounds

During the nine year, 1751-1759, 26.3 million pounds were sent to Surat, which according to plan was 6 million pounds less. The Japanese copper was the other commodity. Which was prominent in the Surat market. The sale of Japanese copper was promoted because the price here was higher than that of in the Netherland. The price of Japanese copper were increasing from the beginning of 1650's down to the beginning of the 1670's and the level calculated from the official rated of the conversion. In Surat it is further more seen that only cloves yielded a greater profit to the company than copper from out of a selection of commodities including 40 different items.³⁵

The years 1703-1706 were particularly poor as the sales of copper completely failed in Bengal in 1703-1705 and in Surat in 1705-1706, while the market was low on the Coromandel Coast. A fundamental change occurred in the first decade of 18th century, was the Bengal became the chief area also in the copper trade 27% of the company sales of copper was during the 25 years of the century took place in Bengal in Bengal, While the Coromandel Coast which previously had been the main customer only received 26% Surat got 24%, Ceylon 12% and the Malabar Coast 8%. During the period of Study (17th century) coffee was universally known in all Mohamaddan countries and was found the multitude of the Commodities which circulated in the Indian- Persian-Arabian Maritime trade, in which mocha was an important station. The Dutch company was involved in this trade and also dealt in coffee, e.g., in Persia and Surat and elsewhere. The trade to Arabia, and North West India

belong under the head office in Surat. The places where the company bought the coffee dependent on opportunities and money. The price of coffee rose mainly at the autumn sales in 1693, 1694 and 1695. The figures in 1695 states that a trebling of the 1693 level and explain the violent increase of the order of coffee. The supplies however continued being modest as compared with the orders. In July 1698 complains of this were made in severe terms: because of falling purchases in Surat and the Malabar Coast the Company had missed the great profits from the unique boom in Europe were much money had been earned by trade in coffee.

In the east the company as it proved impossible to secure sufficient of coffee by purchases from Moorish merchants in Surat and elsewhere, had resumed the earlier traffic to Mocha. As in so many places in the Asiatic trade it was the monsoon that indicate the rhythm in the trade oh mocha. When their trade to mocha was resumed, the factory at Surat because of the piracy rampant in the water around Socotra and in the Cambay gulf by the prince of Gujarat and the great mogul was forced to establish a convoy service from mocha to surat and from there to Cylone, where it was finally transshipped to the homeward bound vessels. The demands from Netherland were growing day to day in the letter dated 1713, they asked for one million pounds of coffee from mocha, Surat and the other places or as much as can be held in "coffee ships". Dutch contended themselves with proposing direct trade from Netherland to Surat/ Persia in which way it would be possible to save a whole years, was the country trade might be kept going by having a sloop trade from Batavia to Surat and Persia.

Freights, risk and cost in Surat were entered into the balance, the total result was a deficit of about 37 thousand FL or 9.5 % of the Batavian invoice value of the sugar placed in Surat. The Dutch export drive in the Surat area in Persia for the products of the new Javanese sugar plantation contributed to cutting the old connections between Bengal and Surat based on Bengal sugar , raw silk and Surat cotton. The Dutch gained from the Asiatic sugar trade from the 1750s:

Year	Profit	Commodity
1757-58	52	Powdered sugar
1757-58	80.5	White candy

(source: Glamann Kristof, Dutch Asiatic Trade)

The hypothesis of a distinct decline in value of the company's trade over the period 1680-1740 would, however, go through fully in the case of Gujarat. During the last two decades of the seventeenth century, the average annual value of exports from the region went down to fall under a million florins, though in late 1690s it stood at a respectable f.l.23 million³⁶. The transportation of the goods from Agra to Surat, for example, was increasingly becoming more hazardous, so much so that in 1716 the company was obliged to close its factory at Agra³⁷.Commodity-wise, the last two decades of the seventeenth century in fact witnessed an increased in the export of both indigo and textiles from Gujarat. As far as textile is concerned, Gujarat had its share in the fast growing market of Indian textiles. While cotton textile continued to dominate the textile exports from Guajarat, silk piece goods, as well as those made from a mixture of silk and cotton yarn, also began to figure in the exports from this point on.

Conclusion

The area of Dutch interest in South Asia was the Coromandel Coast. Only later and with less enthusiasm, did the Dutch seriously attempted to establish themselves in Western India. Although the basis of the Dutch presence in western India and in Coromandel was the same, profit through trade, their experience in each of these areas varied due to the particular environment of each area and to the characteristics of the Dutch presence itself.

Within two years of the first Dutch contact with Coromandel the basis of their commercial position was established; the “Dutch were exempted from the chhapdalali, i.e., stamp duty on cloth. . . . [which] had to be paid by all other traders including the king’s subjects.” In Raychaudhuri’s opinion this was “invidious trade-privilege, giving a foreign monopolistic company an obvious advantage in competition even with local merchants.....” In Western India the Dutch had the difficulties in even obtaining official permission to trade and had difficulties in even obtaining official permission to trade and in securing the same privileges and considerations accorded the other merchant traders operating in Western India, not to mention extraordinary rights. It was not until 1617, approximately fourteen years after the first Dutch merchants arrived at Surat, that they were granted the necessary farman by the Mughals.

Additionally, both the Gujarati merchants and the Dutch were imperfect representatives of their respective cultural orthodoxies. The Gujarati commercial elite was composed of Ismaili Bohras, banyas and the parsis, none of which were representative of either the Mughal-Sunni nor the Hindu-Brahmanical systems. Even though these sub-cultures may have established their own orthodoxies. The Dutch were not adherents to the political and economic ideologies and the systems that characterized Europe and England in the 17th century. The similar position that each held with respect to their own cultural systems and the theory that marginal groups are prone to accept new elements, might in fact be fundamental explanation for the special relations that existed between the Dutch and the Gujarati merchants.

End Notes

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