UNIT 24 OCEANIC TRADE

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24.1 INTRODUCTION

In this Unit an attempt has been made to give you a brief account of the Oceanic Trade in the medieval world. Our discussion includes the period from around the seventh century to the mid-eighteenth century, coinciding with the advent of Islam in Arabia to the British conquest of Bengal. To begin with, the most important development in the trading world was the rise of Islam towards the beginning of the seventh century. The discussion ends around 1757 when a momentous development occurred – the British conquest of Bengal which completely changed the main trends of the oceanic trade which prevailed earlier. First we will make an analysis of the impact of the rise of Islam and its impact on oceanic trade not only in the Indian Ocean but also in the Mediterranean. During this period the Muslims dominated the oceanic trade which continued for more than three centuries. We will trace the trade of medieval Europe in the next section, with an emphasis on the role of the Mediterranean in this trade. Here we will also focus on the commodities involved in the export and import trade of medieval Europe. India's maritime trade in the early medieval period, when the emphasis was more on the trade in the eastern archipelago rather than towards the west, has also been analysed.

Advent of the Portuguese in the Indian Ocean has been examined in a separate section. It shows that the Portuguese, though able to make minor changes in the Indian Ocean trade, ultimately failed to bring about any radical alteration in the structure, direction and organisation of trade in this region. It appears that the Portuguese presence in the Indian Ocean, though spectacular and significant, had no dominating influence in the region. The coming of the European Companies, especially the Dutch and the English in the trading world of the Indian Ocean was an important event. The role played by them in

India's overseas trade is also touched upon. It would be evident that these Companies were involved in the export trade of three commodities mainly – textiles, raw silk and saltpetre – for which there was great demand in Europe. Since Bengal was the main producer of these commodities, naturally it became the main centre of Asiatic trade of these two major Companies. One important point to be kept in view is that the Europeans had to bring in bullion/silver and cash to pay for their exports as the balance of trade was heavily in favour of India/Bengal. The last section deals with the overseas trade of the Indian merchants, which passed through some directional changes in the course of period discussed here. To begin with, the Indian merchants dominated the trade in the eastern archipelago but later were forced to abandon it and concentrate on the westerly trade. But here they had to face the challenge from the English Company and its servants from around the early eighteenth century. This along with the decline of the Mughal, Persian and Ottoman empires, followed by the decline of the great Mughal port of Surat in the early eighteenth century, sounded the death-knell of the overseas trade of the Indian merchants. In particular this affected the maritime traders of Gujarat, who were the most dominant and active participants in oceanic trade from the sixteenth to the mid eighteenth centuries.

24.2 RISE OF ISLAM AND THE OCEANIC TRADE

In the medieval world, the rise of Islam was one of the most important developments that had a great impact on oceanic trade. For many centuries, Arab and Muslim merchants played an important role in the development of the vast commercial network. In fact, well before the arrival of the Europeans, the coastal regions of the Indian Ocean between east Africa and the China Sea constituted a zone of intense commercial exchanges, mainly controlled by Muslim seamen and merchants. From the middle of the 7th century to the end of the 15th, the general direction and structure of the Indian Ocean trade are remarkably clear. There was a long line of transcontinental traffic, going all the way from south China to the eastern Mediterranean. The second typology of Indian Ocean trade incorporated shorter voyages and distances.

It seems that up to the beginning of the 10th century or even later, Arab ships and merchants had sailed all the way to China and back, calling at the intermediate ports. As a matter of fact, the commercial expansion of Muslim merchants and traders across the Indian Ocean to south Asia and China is historically recorded from as early as the 8th century. Again, Arab achievements made it possible to unite the two arteries of long-distance trade known in antiquity between the Indian Ocean and the Mediterranean. The twin channels of the transcontinental trade of Asia constituted of the seaborne traffic through the Red Sea and the combined sea, river, and overland journey across the Persian Gulf, Iraq and the Syrian Desert. Both these were brought under the political control of single authorities, at first that of the Umayyad Caliphs and later that of the Abbasids. Even the Mediterranean, divided as it was between a Christian north and a Muslim south, eventually recovered much of its economic unity through the activity of merchants and traders.

The medieval trade of Asia was founded on four great products of eastern civilization – silk, porcelain, sandalwood and black pepper which were exchanged for incense, thoroughbred horses, ivory, cotton textiles, and metal goods. So far as the trade with China is concerned, the Persian Gulf ships were already sailing to Canton in the late 7th and early 8th centuries to buy, among other things, the silk textiles of China. The lands of the Arabs were regarded in China as the greatest store of precious and varied goods. Java and Sumatra came next. The two areas formed the ancient crossroads of intercontinental trade. As a source of gem stones, pearls, incense, perfume, sandalwood and spices, the three regions – southern Arabia, the Persian Gulf and southeast Asia – remained for more than a millenium the cornerstones of pre-modern long-distance exchange in luxury objects.

After the Mongol conquest of China in 1280, the empire's maritime connections seem to have been strengthened rather than weakened. As we know from Marco Polo(1298) and Ibn Battuta(d.1377), the two city ports of Hangchow and Zaiton flourished during the period. Zaiton was crowded with ocean-going ships. For every ship laden with pepper which might be sent for transshipment to Alexandria and the Christian lands, one hundred came to Zaiton. When Ibn Battuta visited the city in A.D. 1343-4, it seemed to him to be the greatest port in the world, its commercial traffic exceeding that of Alexandria, and Quilon and Calicut on the Malabar coast.

However, there occurred important changes in the direction of Indian Ocean trade from the end of the 10th century to the middle of the 15th. The decline of the Abbasid Caliphate and the rise of the Fatimids in Egypt shifted the routing of long-distance trade away from Baghdad and Damascus to Aden and Fustat. In India, the Turkish Sultans of Delhi conquered Gujarat in A.D. 1303-4, and its maritime towns were now within the reach of Islamic social and political influence. At about the same time, the trading ports and coastal kingdoms of the Indonesian archipelago began to accept the Islamic faith and the process of conversion continued for the next three centuries. These new developments in the Indian Ocean ran parallel to the developments taking place in the Christian half of the Mediterranean. The expulsion of the Moorish rulers from Spain and the rise of Venice and Genoa to commercial supremacy signified the symbolic beginnings of a re-alignment in the structure of world economy. At the same time, the shifting of the seat of power by the Fatimids to old Cairo, the economic importance of Alexandria as the terminus of transcontinental trade became even greater. Under the Ayyubid rulers of Egypt (1170-1260), followed by the Mamluks (1260-1517), the strong economic position of Cairo was maintained with intensive development of the Red Sea ports.

However, in China, the economic policies of the Ming dynasty (1368-1644) produced contradictory effects on maritime trade. The third Ming emperor, Yung –lo (1402-24), tried a new experiment in China's economic relations with the trading nations of the Indian Ocean. It took the form of a hugely ambitious series of seaborne expeditions between 1404 and 1433 but these were finally abandoned in 1433 and the future Ming emperors were determined to close China's sea-coasts to foreign visitors. They placed an embargo on the trade of Chinese merchants to overseas destinations. Ming overseas commerce, however, continued in several forms, especially through smuggling voyages to the Philippines, Tongking and Malacca.

24.3 TRADE IN MEDIEVAL EUROPE

The spread of Islam into the basin of the Mediterranean in the 7th century closed that sea to the Christians of the West but not to all the Christians. The south Italian towns such as Naples and Bari in the east continued to recognise the Emperor at Constantinople, and so also did Venice, which at the head of the Adriatic, never had anything seriously to fear from the Saracen expansion. Venice, already a great maritime power, by 1100, established her hegemony on the whole of the east coast of that sea, which she considered her domain and which remained hers for centuries. In fact, continental Europe witnessed two great commercial movements which appeared on its borders in the early medieval period, the one in the western Mediterranean and the Adriatic, the other in the Baltic and the North Sea. The latter was dominated by the Scandinavians whose maritime exploits were not directed only to the west. While the Danes and the Norwegians threw themselves on the Carolingian Empire, England, Scotland and Ireland, and their neighbours, the Swedes, turned to Russia. Another important development was the end of Mediterranean domination by Muslims after the Crusades. Now the whole of the Mediterranean was reopened to western navigation. The most lasting and essential result of the Crusades was to give the Italian towns, and in a lesser degree, those of Provence and Catalonia, the mastery of the Mediterranean.

The trade of northern Europe was not greatly concerned with oriental and Mediterranean commodities. At various times, between the 6th and the 10th centuries, traders and warriors brought goods from the extreme north of Europe to Byzantium and reimported Byzantine goods into northern Europe. In later centuries, Italian merchants frequently sailed into the harbours of England and Flanders, bringing with them all the infinite variety of Levantine and oriental products. Still more regularly Italian merchants and the men of the North, Germans, Flemings, English and French, mingled in the great international marts of Central and Northern Europe. Different centres rose to prominence through out the medieval period. Champagne during the 12th and 13th centuries, in Bruges in the 14th and the early 15th centuries, Genoa, Antwerp in the 15^{th,} century. These merchants from all over Europe exchanged the Italian and Italian-borne products for other goods.

The main currents of trade across northern Europe and between northern Europe and other countries flowed with products of northern hemisphere, cruder, bulkier and altogether more indispensable than the luxuries and the fineries. Even in the South, food-stuffs or raw materials also entered into the trade of the Mediterranean region. What gave the southern trade its peculiar character was not the trade in the bulky essentials, but those luxury trades which were associated with it. By contrast, the trade of northern Europe was almost exclusively devoted to the necessities of life.

Medieval commerce developed in Europe because of the impetus generated by long-distance trade. Spices were the first objects of this trade. They created the wealth of not only Venice but of all the great ports of the western Mediterranean. Syria, to which quantities were brought by caravans coming from Arabia, India and Southeast Asia, was the principal destination of European ships. However, from the beginning of the 13th century, imports into Europe consisted of rice, oranges, apricots, figs, raisins, perfumes, medicaments and dyestuffs. To these was added cotton also. Raw silk was also imported from the end of the 12th century. In return for all these imports, the Italians supplied the ports of the Levant with timber and arms, Venice, for at least a certain time, with slaves. But woollen goods soon became the chief export, at first fustians woven in Italy, then, from the second half of the 12th century, cloths from Flanders and northern France. English shipping, however, did not advance with her wool exports. These were carried chiefly by continental ships and by the 13th century had become almost the monopoly of the Teutonic Hans. Thus, if we consider the articles which fed the international or oceanic trade in the middle ages, it will be apparent that industrial products were fewer by far than agricultural and food commodities – spices, wine, corn, salt, fish and wools. Only cloth, first of the Low countries and later that of Florence, gave rise to a large export trade.

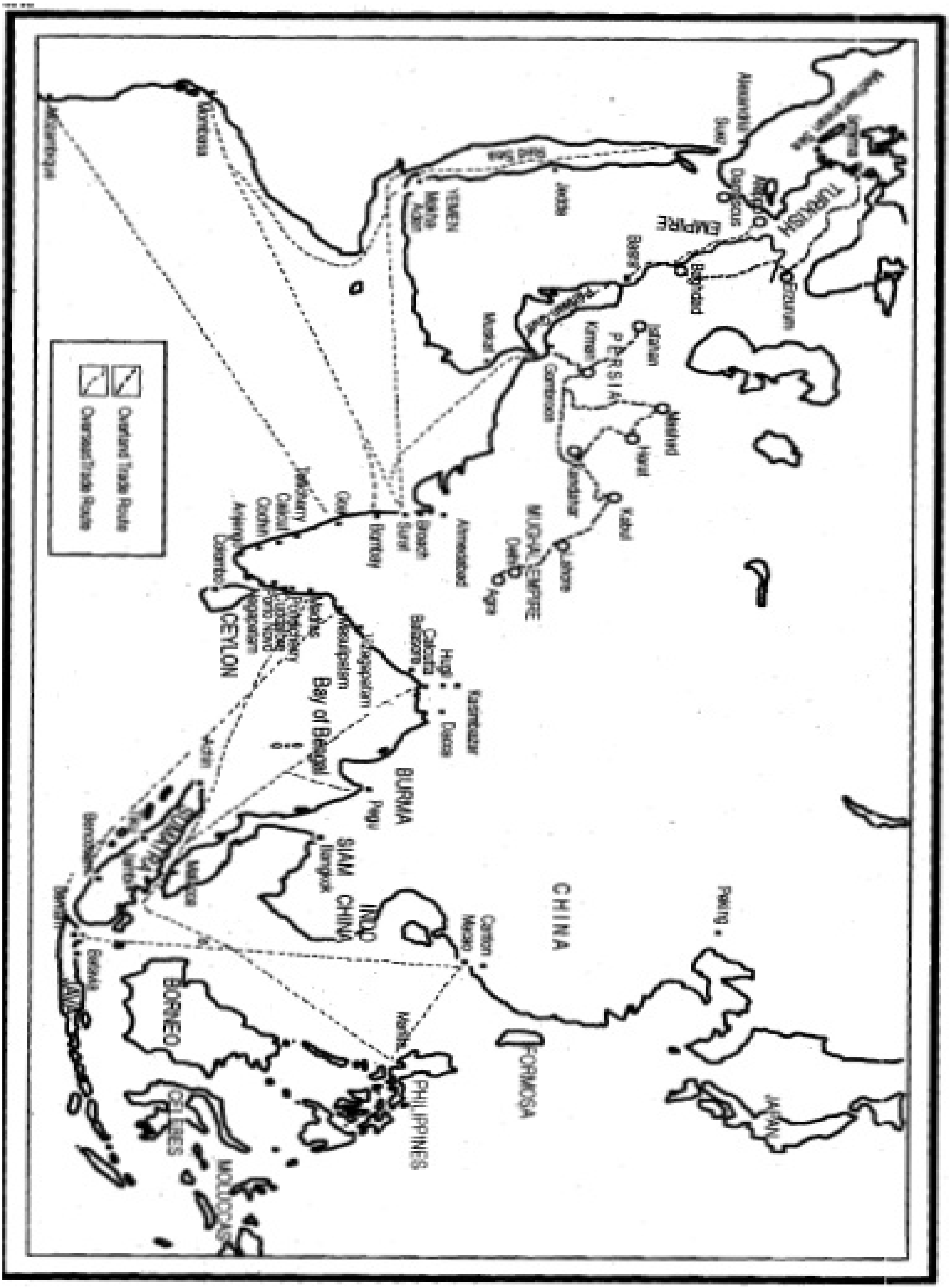
24.4 INDIA'S MARITIME TRADE

So far as India's maritime trade in the medieval period is concerned, it was characterised by both continuity and change. As in earlier times, drugs, spices, the teak-wood of Malabar, precious stones, and a great variety of exotic luxuries passed westwards. What the Indian markets could absorb in exchange for its exports was largely limited to strategic war-animals, spices and medicaments, rarities, toys and exotic textiles. Significant developments occurred in the pattern of trade in early medieval period in the expansion of maritime activity in the eastern waters of the Indian Ocean and the China Sea. The presence of Indian traders following the emergence of great civilized states in Southeast Asia under strong Indian and Buddhist influence in the earlier centuries led to an expansion of the textile trade towards these growing markets. So far as the trade between India and Indonesia is concerned, spices and raw materials of Indonesia were an important part of Indian Ocean trade. The trade of these settlements in Indonesia and Malay Peninsula was largely in the hands of Muslim merchants of the Indian Ocean. It was mainly from Gujarat that Muslims came to settle on the Indonesian littoral. There was a considerable export of cloth from Bengal to the Indonesian markets. There is also evidence to Indian trade with the Horn of Africa and that the communities of the Arab peninsula who were heavily dependent on Indian imports. However, a large portion of the westerly trade was to more distant markets, particularly to Cairo, and to Old and New Hormuz for redistribution to more distant overland markets in Iran, the West, Russia and Central Asia.

24.5 PORTUGUESE TRADE IN THE INDIAN OCEAN

Apart from the trade in spices, luxuries and novelties, a number of staple commodities were also traded for the very survival of the communities on the Indian Ocean littoral. Of the staple commodities produced in India, teak-wood with its superior virtues for ship-building was exported for ships plying in the Persian Gulf and the Arabian Sea. The exports from coastal areas of India of surplus grains – mainly rice – provided a staple food for communities in the Persian Gulf, in south Arabia, and in the Maldive islands as also those in several other parts of the Malay Peninsula. Gujarat, Coromandel and Bengal exported cotton cloth and staple food grains. As regards the main imports to India from the westerly direction, it appears that on the south side of the Persian Gulf and along the coast of the Hadramawt, almost every port of consequence seems to have been engaged in exporting horses to India.

The discovery of direct maritime route to Asia round the Cape of Good Hope


Overland Trade Route
Overseas Trade Route
TURKISH EMPIRE
PERSIA
MUGHAL EMPIRE
CEYLON
Bay of Bengal
BURMA
SIAM
INDO CHINA
CHINA
FORMOSA
JAPAN
PHILIPPINES
BORNEO
CELEBES
MOLUCCAS

by the Portuguese under Vasco da Gama in 1498 marked the beginning of a new era in the history of Euro-Asian trade. The general purpose of the Portuguese was two-fold: i) to try and monopolise the supply of spices to Europe, and ii) to control and tax Asian trade by force. Two essential conditions were necessary for the success of the Portuguese plan: first, a clear and absolute naval superiority over Asian shipping and secondly, the establishment of a few key outposts which would act as strategic bases for the naval fleets with men left in charge of trading operations.

24.5.1 Portuguese Consolidation in Indian Ocean

However, it was not until the capture of Goa from the Bijapur Sultan by Albuquerque in 1510 that the foundation of the future Portuguese maritime empire in the Indian Ocean region was truly laid. This was followed by the foundation of Goa as the chief administrative seat of the Portuguese in the East and soon followed by the occupation of Malacca (1511) which was extremely important as an entreport in Southeast Asia and which controlled the sea-routes in the area. In 1515 the important port of Hormuz at the mouth of the Persian Gulf was conquered and this virtually completed the Portuguese plan of establishing forts in key areas for controlling trade in the Indian Ocean. The Portuguese did not stop at that. They erected a number of other forts across the Indian Ocean littoral, several in east Africa, in the Moluccas, and on the Konkan and Malabar coasts in India. And ultimately they finished up with a string of some fifty forts and fortified areas across the Indian Ocean, and a total fleet of hundred ships of various sizes in the area. The principal item sought by the Portuguese Crown in Asia was no doubt spices but overwhelmingly pepper. Indeed, pepper was the *raison d'être* of the Portuguese-Asian trade in the beginning, accounting for in the first two decades of the 16th century as much as 95 per cent of the total Asian cargo in physical and 85 per cent in value terms. Pepper for the most part came from Malabar in India and spices – cloves and nutmeg – came mainly from the Moluccas and cinnamon form Sri Lanka.

24.5.2 *Cartaz* and *Qafila*

Throughout the 16th century, an important aspect of the Portuguese involvement was the attempt to control and tax the trade carried on by Asian merchants in the Indian Ocean. It was here in their *cartaz*-armada-*qafila* system that the Portuguese produced their greatest impact on Asian trade. The main instrument used for this was the *cartaz* or passport backed by armadas. The near-absence or the inferiority of the naval power of the Asian states greatly helped the policies of the *Estado da India* (lit. State of India; functional on behalf of Portuguese crown). Under the *cartaz* system, every Asian ship was required to take a *cartaz* from the Portuguese. It authorised the vessel to embark on a specified trip. The ports of call were also specified and generally included a visit to a Portuguese-controlled port to pay duties before proceeding to its destination. If a ship was found without a *cartaz*, it was automatically confiscated and its crew immediately killed or sent to the galleys. Again, if a ship, even with a *cartaz*, violated the conditions laid down in it, it was liable to confiscation. The fee charged for a *cartaz* was, however, very small.

In the second half of the 16th century, the Portuguese introduced the so-called *qafila* or caravan system in the western coast of India. The main purpose of this was to ensure that the ships carrying *cartazes* were not able to evade calling at the Portuguese-controlled ports and pay customs duties on their goods as also to obviate the risk of attacks by Malabari pirates on these ships. Under this system, the ships operating between the specified points were required to sail in a group escorted by a Portuguese fleet. But many Indian traders were reluctant to join the *qafilas* and call at Goa to pay customs duties there and engage in virtually forced trade. Hence the Portuguese escort fleet had to perform two functions: to guard the merchant ships against pirates and to ensure that none of them slipped to trade outside the Portuguese system.

The principal item exported by the Portuguese to Europe was spices – overwhelmingly pepper, though some other varieties were also exported in the early 16th century. The Portuguese occupation of Malacca (1511) notwithstanding, they procured the bulk of the pepper from the Malabar region (later on from Kanara as well) on the southwest coast of India. Thus India became the main theatre of their trading activities in Asia. It was only in the context of the intra-Asian trade that other parts of Asia, including China and Japan, became quantitatively significant. The Portuguese also attempted at the monopoly of horse trade. Before their arrival, there was an important trade in horses largely in the hands of Arab merchants. These horses were imported from the Persian Gulf region as Arabia and Persia produced best horses.

24.5.3 Indian Maritime Trade in the Fifteenth Century

At this point it is pertinent to consider how did the Portuguese presence affect Indian overseas trade in the 16th century? For such an analysis, it is well to have a glimpse of the Indian maritime trade in the 15th century. Genevieve Bouchon and Denys Lombard have shown that there was a “prodigious” movement in the Indian Ocean during the 15th century before the arrival of the Portuguese. The early years of the 15th century saw, what can be called, the “last flowering” of the Chinese presence in the Indian Ocean. In fact, Simon Digby has pointed out the importance of the Chinese factor in the Indian Ocean in the three hundred years before the arrival of the Portuguese, though they withdrew from the western routes in the 1430s. But Malacca continued to be the meeting place of the Chinese, Indian and Malay traders. Again, during the century, the Arabs were probably losing in the west while the withdrawal of the Chinese left an important vacuum in the east. It was mainly the Gujaratis who filled in the vacuum thus created. Indeed, the 15th century witnessed a significant expansion of Gujarati overseas trade. It has been argued quite convincingly by Ashin Das Gupta that the real alteration in the Indian Ocean in the 16th century was brought about not so much by Portuguese presence as by the rise of three continental empires in the western Indian Ocean: the Mughal, the Safavid and the Ottoman. After the first violent overture, the Portuguese settled within this structure and were in a way “swallowed by it”.

Thus the picture of Indian overseas trade that emerges at the dawn of the 16th century can be portrayed as follows. Indian shipping, largely in the hands of the Gujarati Muslims, was engaged in trade mainly in the middle Indian Ocean, dominating the sea-routes between Cambay and Malacca. To the west, Indian ships made regular trips to the Red Sea and Persian Gulf ports but Arab ship owners dominated the carrying trade in the Arabian Sea. Chinese ships excluded all others from the waters between southern China and Malaya while Malay and Javanese vessels were dominant in the Indonesian waters. This loosely knit structure of Indian overseas trade remained almost intact in the next three hundred years.

Trade Routes and Commodities of Trade

When we look at the major trade routes in the Indian Ocean and the important commodities traded at the turn of the 16th century, we find that the longest and glamourous route was from Aden to Malacca via either Gujarat or Malabar where the goods entering the Red Sea included cottons, indigo, spices and drugs. The imports consisted of European woollens, silk and bullion. Most of the cloths and indigo came from Gujarat which took much of the bullion. Some of the pepper came from Malabar through Cochin and cinnamon from Sri Lanka. Malacca received cloths from India and bullion from the Red Sea in return for pepper, mace, nutmeg and cloves from eastern Indonesia, and silk and porcelain from China. Another major sea-route, dominated by the Gujaratis, brought slaves, ebony, ivory and gold from east Africa while cloths, beads and foodstuff were provided in return. Through another route from the Hadramawt and the Persian Gulf via Hormuz came horses, pearls, Persian silks and carpets. In the Bay of Bengal, Bengal provided cloths and provisions. Coromandel exported cloths and yarns. In the south, Sri Lanka produced precious stones and cinnamon, and to the east, Pegu supplied precious stones and metals in return for cloths. At the end of the 15th century, Indian traders with their large concentration in Malacca, their regular voyages to Sumatra and the strong connection they had with the Javanese port of Grise, maintained a strong presence in southeast Asia.

Of India's exports to the Indian Ocean markets, a few points are worth noting. First, of the textiles which was the major export of India throughout the period, the overwhelming majority was cheap and coarse piece-goods used for everyday wear and exported all over seaborne Asia. Secondly, staple food items like rice, wheat, pulses, oil, and ghee (clarified butter) were important components of India's exports and were in great demand in the Indian Ocean region. Bengal, Orissa and the Kanara coast were the major grain-surplus areas. They not only supplied the deficit pockets along the Indian coasts, like Malabar or on occasions Surat, but their supplies helped feed even cities like Malacca, Hormuz and Aden. It is interesting to note that these evidence actually refute a part of J. C. van Leur's thesis regarding the characterisation of the Indian Ocean trade in the early modern era.

Van Leur emphasised that Asian trade was characterised by exchange of luxury goods, small in bulk but high in value. This has been ably repudiated by Meilink-Roelofz, Ashin Das Gupta, M. N. Pearson, Sushil Chaudhury and Michel Morineau, among others. Luxuries were of course exchanged and there is little doubt that India's prime import was bullion, In fact, the crucial importance of west Asian market for Indian import of bullion can hardly be overstated. As for the exports are concerned one should remember that along with the luxury goods, many more mundane goods were also exchanged and actually the latter formed the bulk of the exports from India.

24.5.4 Affect of Portuguese Trade on Indian Overseas Trade

There is little doubt that the Portuguese control of the Indian overseas trade in Gujarat had some effects, resulting in as it did in the reorientation of Gujarat's maritime trade in the 16th century. As we have seen earlier, at the turn of the century Gujarati overseas trade stretched in two main directions: the Red Sea and Malacca. But in the next hundred years, the Red Sea became much more important than Southeast Asia. Thus one of the major changes in the Indian Ocean in the 16th century was the increasing dominance of the Gujaratis in the Red Sea area while their trade in southeast Asia was marked by a slide over the period. And the Portuguese contribution in these shifts can hardly be ignored.

In fact, the Portuguese were not able to bring about radical changes in routes, products or productive techniques at any level. They could do nothing except divert trade in some goods and force the Indian traders to pay extra customs duties. The Portuguese system, at most, manipulated but could not transform. The Portuguese control in most parts of India was much less evident than in Gujarat so that the powerful Chettiyar merchants of Coromandel were hardly affected at all. Even in Malabar where the Portuguese control was both tight and irksome, their control could often be circumvented.

Finally, one has to consider the general impact of the Portuguese presence in the Indian Ocean. To W. H. Moreland, the advent of the Portuguese ushered in a new era in the region. The first challenge to the above came from van Leur who emphasised that even in the 16th century, Asian maritime trade continued to be of vital importance. He argued that the Portuguese failed to control even the vital pepper and spice trade. Reiterating van Leur, Niels Steensgaard has shown that there was no dramatic increase in the volume of pepper and spice export by Oceanic route to Europe before the export of these commodities by the Dutch and English East India Companies in the early 17th century. Even C. R. Boxer admits that almost certainly more pepper was being carried by Gujarati ships from Acheh to the Red Sea at the end of the 16th century than was being taken by the Portuguese round the Cape to Lisbon. An estimate by L. F. Thomaz puts the Portuguese export of cloves to Europe over the whole of the 16th century at only one-tenth of the total production in Moluccas. What is of greater significance was that in terms of the total Asian spice trade – not just the small amount which went to the Red Sea and Europe – the role of the Portuguese was even limited. They were "irrelevant", as M. N. Pearson points out, for most of the time for most part of Asia over the huge amount of spice consumed in Asia. Hence, in the final analysis, the verdict of Ashin Das Gupta that "the European was not a particularly important person in Indian maritime trade till he began to effectively beat the natives. Spectacular, yes. Significant in his own way, certainly. The dominating presence, no." and that "there was no Vasco da Gama epoch in Indian maritime history that was inaugurated in 1500" is perhaps most appropriate.

24.6 EUROPEAN COMPANIES AND INDIAN OCEAN TRADE

Indian overseas trade in the 17th and first half of the 18th century underwent a considerable expansion compared to the position in the 16th century. It is to be noted that the importance of the Red Sea trade for the Indian maritime trade remained a significant feature of the Indian Ocean during this period, to be modified thereafter in favour of a renewed emphasis on China trade. India's foreign trade as a whole witnessed a tremendous growth in this period as a result of the tripartite participation of the Dutch, English and the French, besides the role played by the Indian maritime merchants. It was the vast market for spices in Europe and the high profit derived from it by the Portuguese that prompted the establishment of the English East India Company in 1600 and Dutch East India Company (Verenigde Oost-Indische Compagnie) in 1602. The French East India Company came into being later, only in 1664. But it was of importance only between 1725 and 1770. Among other European companies, the Ostend, Swedish and Danish companies began their trade only in the early 18th century and that too on a very modest scale. However, it was really the two giants, the Dutch and the English East India companies who, between themselves, accounted for an overwhelming proportion of this trade through the 17th and first half of the 18th centuries.

24.6.1 Commodities Exported from India

To begin with, both the Dutch and the English concentrated on the procurement of pepper and other spices which, as in the 16th century, continued to account for an overwhelming proportion of the exports from Asia. But unlike and mainly because of the Portuguese, they procured pepper from the Indonesian archipelago rather than from Malabar and Kanara. The result was a marked shift of the European trade from India to Indonesian archipelago and it was only after about three quarters of a century that India again became the main focus of the European trade. As the Companies were mainly interested in procuring pepper and spices from the so-called spice islands in the Indonesian archipelago, they went there to buy these commodities with silver obtained from the "new world". But to their utter surprise, they found that it was not silver but cheap, coarse Indian piece-goods which were in great demand in those islands. Hence they turned their attention to India for procuring these textiles so that they could buy spices in the Indonesian archipelago in exchange for Indian cloth. So the Companies turned mainly to the coast of Coromandel for procurement of cheap and coarse calicoes for exchange in the Indonesian archipelago. When the Coromandel trade became uncertain and expensive because of wars, famines and political instability in the region, the Companies turned their attention to Bengal.

They realised that trade in Bengal had certain advantages because it was not only the largest producer of cheap cotton piece-goods, but also of high quality, inexpensive raw silk and saltpetre for which there was great demand in Europe. So it was on these considerations that both the Dutch and the English established their factories or trading posts in Bengal in the early 1650s, incidentally both in Hughli, the premier port of Bengal in the 17th century. But it was not until the mid-70s that the Bengal trade assumed any significant importance in the Asiatic trade of either Company. It was from about the 1670s that there was a sudden expansion in the European export of Bengal raw silk, which received a further boost in the eighties because of the great demand for the commodity in Europe. However, it was the big boom in the export of Bengal textiles from around the early 1680s that revolutionised the pattern of the Asiatic trade of the European companies. From then onward, Bengal became the most dominant partner of the European trade from Asia which was mostly carried on by the Dutch and the English companies. But after the British victory at the battle of Plassey in 1757, it was a different story altogether. The English company, along with its servants, by virtue of its total control over Bengal polity and economy, became intent on wiping out all other European and Asian rivals from any worthwhile trade in the region.

By the beginning of the 18th century, Bengal supplied about 40 per cent of the average annual value of Asian commodities the Dutch company sent to Holland. And more than 50 per cent of the total value in textiles the Dutch exported from Asia was in the form of Bengal textiles. Thus in the early 18th century, Bengal became the most important theatre of the Dutch company not only in India but in the whole of Asia. Similar was the case with the English East India Company. The Bengal trade was often described by the English factors as 'the best flower of the Company's garden' or 'the choicest jewel'. However, the Companies were also active in their trade with other regions such as the Coromandel coast, Gujarat and Malabar. In the course of time, a gradual and distinct pattern of trade emerged. The Dutch largely replaced and took over the intra-Asian trade previously carried on by the Portuguese. But the promotion and development of direct Euro-Asian trade were undertaken both by the Dutch and the English companies with a vigour that was conspicuously lacking in the days when the Portuguese were the sole European traders in Asia.

Indeed, the 17th century was marked by a fundamental change in the character of the Euro-Asian trade. While the English were not involved in the intra-Asian trade, for the Dutch this was a very important component of their Asiatic trade for the greater part of the century. Cheap Indian calicoes from the Gujarat and Coromandel in the beginning, and then from Bengal, were essential for procuring pepper and spices from the Indonesian archipelago. Bengal raw silk was the principal item exported to Japan while opium, again from Bengal, figured prominently in the exports to the eastern archipelago.

As Bengal was the main supplier of textiles and silk, the two most important commodities exported to Europe, its share in the export of goods from Asia by the Dutch and the English rose to as much as 40 per cent at the beginning of the 18th century. It seems that in the second half of the 17th and the first two decades of the 18th century, the Dutch were ahead of the English in the export trade to Europe but the latter nearly caught up with the former at the close of the century. It was around the mid-1720s that the English went ahead of the Dutch and this trend continued till the mid-1740s when the Dutch trade picked up again to almost equal the English trade. The French emerged as a formidable rival of the English and the Dutch only from around the1730s, though for about three or four decades only.

So far as the commodity structure of the Indo-European trade is concerned, textiles, raw silk and saltpetre were the principal items exported by the Companies, besides a few minor items. Opium figured prominently in the Dutch export to Batavia. Of the other commodities exported from India, indigo was at first highly priced as a profitable article but was later supplanted by Bengal raw silk and saltpetre. However, textile was the most important item in the export list of all the European companies. The phenomenal increase in the textile export can only be explained satisfactorily by the revolutionary change in the consumer taste in the European society during the 1680s. The 'Indian craze' or 'Indienness' was well reflected in contemporary European, especially English, literature. That fashion rather than cheapness of Indian fabrics worked as the most active factor in the sudden and huge demand for Indian textiles in Europe is revealed in several pamphlets of the time.

24.6.2 Imports into India

As to the imports of the Companies into India, the main characteristic was that precious metals, mainly silver, were being exchanged for manufactures and primary goods exported from India. This "bullion for goods" character was the principal feature of the Indo-European trade in the 17th and first half of the 18th century. Though the Companies imported some other commodities like broad cloth and woollens, and a few minor items like non-precious metals, their volume and value was extremely limited. The amount of treasure imported by the Companies can be gauged from the fact that the proportion of precious metals to the total value of the goods imported into Bengal, works out to be 87.5 per cent. The pattern was not different in the case of the English company. While the average proportion of treasure in the total English imports into the East Indies as a whole came to about 75 per cent, this proportion in Bengal varied between 90 and 94 per cent in the first two decades of the eighteenth century. It does not seem that the position changed to any significant extent till the mid-18th century.

However, the influx of bullion stopped almost completely after the British conquest of Bengal in 1757 when the English company's investments were financed by the resources of Bengal. Most of the other European companies' investments shrank gradually and whatever was left was mostly financed by Company servants' as well as private British individuals' money for which they received bills of exchange in Europe. It should be noted here that the Europeans were not the only importers of bullion and, for that matter, not the largest at that. The Asian merchants whose exports from Bengal were much higher than those of the Europeans too had to bring in silver/cash to pay for their purchases.

24.7 OVERSEAS TRADE OF INDIAN MERCHANTS

So far as the overseas trade of the Indian merchants is concerned, the decline of the Portuguese sea power in the western Indian Ocean at the turn of the 17th century gave an initial fillip to Indian maritime trade. This resulted in an increase in the volume of trade to the Persian Gulf and southern Arabia. The Indian ships could avoid Hormuz in the Persian Gulf and sail direct to Gulf ports such as Basra or Bandar Abbas (Gombroon). Then with the loss of Hormuz by the Portuguese in 1622, the traffic to the Persian Gulf became completely free and the Gujaratis took full advantage of this freedom. The fall of Hormuz also facilitated the entry of the Dutch and the English companies into this trade. Their active involvement in the trade of the region contributed to the growth of commercial enterprise in the western Indian Ocean in the 17th century.

The Indian maritime trade was further rearranged in the 17th century by the emergence of the Dutch and the English companies in the Indian Ocean. The main feature of this rearrangement was the great emphasis on the west Asian trade at the expense of the trade in Southeast Asia which was the main characteristic of the Indian overseas trade in the previous century. Though the withdrawal of the Portuguese liberated trade in the western Indian Ocean, in case of the east, the picture was completely different. The Dutch followed in the footsteps of the Portuguese in imposing monopoly of spice trade but with greater efficiency and ruthlessness The Dutch monopoly was very real and almost effective by the middle of the 17th century. The result was that the Indian merchants felt the pressure keenly and thus the Gujaratis almost deserted the trade with Southeast Asia as was exemplified by the fact that not too many ships were making voyages to Sumatra after 1618. Again, the Dutch conquest of Malacca in 1641 and Macasser in the Celebes in 1669 led to a major dislocation of the Indian maritime trade with the Malay peninsula. But the Indian merchants, especially from the Coromandel, Gujarat and Bengal, tried to circumvent the Dutch attempts to control their trade by shifting their operations to Acheh which became a large market for Indian textiles as also an important procurement centre of pepper and tin because of the extensive trade carried on by the Acheh merchants with the ports of Sumatra and Malay archipelago.

However, from around 1660, the Indian merchants were issued passes liberally for Acheh and Malacca, and they made most of the opportunities at Acheh. But they never gave in to the Dutch demand of staying away from the Malayan ports. Kedah, which was a major provider of tin, though not a producer of the commodity, was frequented by merchants from the Coromandel. In the further north, Indian ships regularly visited Bangeri and Phuket in addition to Tenasserim and Pegu. But the Dutch conquest of Bantam in 1682 and the consequent exclusion of Indian shipping from the port resulted in the loss of the Java trade for the Indian, especially Coromandel, textiles. And in the process, the procurement of Chinese and Japanese goods, particularly copper, at Bantam suffered too. However, a part of this loss was made up by the increase in Indian shipping to such ports as Johor, Lama and Pankor. It appears that from around the close of the 17th century onward, there was a distinct decline in the trade of the Indian merchants with Malay archipelago.

Though the Dutch succeeded in keeping the Indian merchants out of a number of Malayan ports, for the rest of the region, the Indian merchants adjusted to the pressures generated by the Company by shifting their operations to other ports in the area rather than by reducing their trade. The near-abandonment of the trade to the Indonesian archipelago led to the emphasis paid by the Gujaratis on the Red Sea and Persian Gulf trade. Thus it is reasonable to hold that the later 17th century was the 'golden period' of Indian maritime trade as well as the trade in Indian textiles. Though the domination of the Red Sea and Persian Gulf trade by the Gujaratis was unaffected by the activities of the Companies, what was beginning to affect this was, however, the entry of the private English enterprise into this trade in the late 17th and early 18th century.

The English private traders consisted of two groups: the servants of the English East India Company and the so-called free merchants settled in India. Their trade was both to westward and eastward sectors of India's maritime trade. The trade in the westerly direction extended to the Red Sea and the Persian Gulf regions, besides the ports in the western coast of India. It is clear from the Dutch shipping lists that the expansion of the English private shipping was most probably at the expense of the Gujarati trade. While the number of ships visiting Bengal from Surat in the early 18th century was about fifty, it dwindled to a trickle by the 1730s. It has been estimated that the total number of Gujarati fleet in the late 17th century was well over a hundred, of which normally two belonged to the Mughals while the great Surat merchant, Mulla Abdul Goffur, alone owned seventeen. It was from around the 1760s that there was a substantive growth in the eastward trade at the expense of the trade to western Indian Ocean which was described as a 'commercial revolution' by Holden Furber.

In fact, even at the turn of the 18^{th} century, a large amount of money and bullion was still being imported into Surat, especially from the Red Sea area. A rough estimate puts the figure at round six million rupees from the Red Sea alone. So it is no wonder that the Mughals regarded Mocha as their "treasure chest". European trade at the time formed at most about one eighth of the total trade of Surat. But the Gujarati trade to the Red Sea and Persian Gulf began to dwindle from around the middle of the second decade of the 18^{th} century. The decline of the Mughal port of Surat and the near-disappearance of the great merchant marine of the Gujaratis based at that port, coming down from 112 ships in 1701 to a mere 20 in 1710, were undoubtedly the most important developments in the trade of the Indian Ocean during the period. The total turnover of Surat came down from Rs. 16 million in the late 17^{th} century to a mere Rs. 5 million around the mid-18^{th} century. To a large extent, the debacle of the Indian shipping may be ascribed to the simultaneous political collapse in India and Persia, which was accompanied by the crippling civil war in Yemen as from the second decade of the 18^{th} century.

Finally, while discussing Indian overseas trade in the 17^{th} and 18^{th} centuries, a pertinent question may be asked: what was the state of the Indian overland trade *vis-à-vis* the overseas trade, especially the European export trade from India? The qualitative as well as quantitative evidence we have now in our possession will negate the thesis that the Europeans were the major exporters from Bengal and as such they were the major importers of bullion into Bengal. It can be shown that the share of the Asian merchants even in the two most important European export commodities, namely textiles and raw silk, was much higher than that of the Europeans. If that was so, the claim that the Europeans were the major importers of bullion into Bengal hardly stands. As a matter of fact, it was not only the Europeans but even the Asian merchants had to bring in silver/cash for their purchases in Bengal. So if the Asians were the major exporters of Bengal commodities, naturally it was they, and not the Europeans, who were the major importers of bullion into Bengal. Though the above is mainly concerned with Bengal, it does not seem that the picture would have been different if the whole of India is taken into account.

24.8 SUMMARY

Oceanic Trade in medieval world gave rise to large scale interaction between the Europe and Asia. The trading activities greatly influenced the society, economy and polity in the two regions. After the rise of Islam in Arabian peninsula for almost three hundred years the maritime trade was dominated by Arab seamen and merchants. This trade was mainly responsible in uniting the two arteries of long distance trade between the Indian Ocean and Mediterranean.

From around 11^{th} century onwards the Europeans started to gradually replace Arabs as the dominant maritime traders. The early lead was taken by Italian merchants. Shortly, thereafter the Portuguese managed to emerge as the leaders in the overseas Trade. During this period India emerged as one of the important centres of maritime trade. Here again Portuguese were the first Europeans to establish their hold in the whole of Indian Ocean and India as the main centre for their trading activities in Asia. Indian merchants also played a crucial role and held substantial share in maritime trade from 15^{th} century onwards.

From the beginning of the 17^{th} century there was intense rivalry between the

Dutch and British to control the oceanic trade in Asia and Europe. The main commodities which were imported in Europe were spices and in particular pepper in the early phase. From 13^{th} century food items including rice and sundry fruits and raw silk became main items. In 16^{th} and 17^{th} centuries indigo, saltpeter, cotton and silk textiles and sugar dominated the exports to Europe. The Europeans brought mainly woollens, a few luxury items and mainly bullion. As far as India is concerned the balance of trade was in its favour. One significant point to be noted here is that the share of Asian merchants in Indian exports was much higher than the European trading companies.

24.9 EXERCISES

1) How did the rise of Islam affect the oceanic trade till the 10^{th} century?
2) What was the pattern of European trade between 11^{th} and 15^{th} centuries?
3) What was *Cartaz* and *Qafila* system started by the Portuguese?
4) Give a brief account of the India maritime trade in the 15^{th} century.
5) What was the impact of Portuguese on Indian overseas trade?
6) How did the British and Dutch companies influence trading activities in Indian Ocean?
7) Were Indian merchants able to compete with European companies in the 17^{th} century?