UNIT 21 INLAND AND MARITIME TRADE

Structure

21.1 INTRODUCTION

The proposition that the medieval Indian economy was predominantly agrarian in character hardly needs any emphasis. Though the absence of census and similar data for the period makes it impossible to assign precise values to the sectoral origin of output and the occupational distribution of the work force, there can be very little doubt that the agricultural sector accounted for an overwhelming proportion of both the total output and the total employment in the economy. By the same token, the bulk of the state revenue was also provided by this very sector in the form of land revenue. Each of the other two sectors viz. the non-agricultural sector producing mainly handicraft goods and the services sector, including the trade sector, was comparatively much smaller in size though obviously no precise estimates of the respective sizes are possible.

When one looks at the structure of the economy in these broad terms, the trade sector in medieval India was undoubtedly a comparatively small sector. It generated a comparatively small proportion of total income and provided a comparatively small proportion of total employment. But it is important to realize that these proportions may be a grossly inadequate measure of the role that trade and exchange are likely to have played in the working of an economy such as that of medieval India. According to circumstances, the role of trade and exchange can vary a great deal as between economies and the size of the trade sector is not necessarily a reliable indicator of its importance in the overall working of the economy. Trade in medieval India at the local, inter-regional as well as the international level performed certain very crucial functions which had far-reaching implications for all sections of the community including peasants and artisans.

It is quite true that the bulk of the population in medieval India lived in villages whose needs for goods and services were satisfied largely through production for use. But at the same time, it must be recognized that there was an impressive and large scale exchange of goods at various levels. To take into account one important factor, on an average between 40 to 50% of the gross agricultural produce in Mughal India was collected as land revenue paid in or eventually converted into cash. This extremely high proportion of marketed to total agricultural output naturally involved a great deal of exchange and trading activity notwithstanding the fact that the agricultural sector's own demand for the products of the non-agricultural sector was minimal. The towns were dependent on the villages for the supply of not only primary products but also a large part of the manufactured goods they consumed. Even for industries based in the urban areas, a large part of the raw materials originated in the country-side.

21.2 INTRA-REGIONAL TRADE

A large volume of internal trade in items such as foodgrains, other agricultural produce such as cotton, other raw materials and finished manufactured goods across the length and breadth of the country contributed a good deal to the growth of productivity in both the agrarian and the non-agrarian sectors. The achievement of an extra-ordinarily high degree of market dependence is suggested by bits of evidence like the poor peasants of the rice-growing riverine systems of southeastern India consuming not the expensive paddy crops which they produced, but millets and dry grains from the interior. Foodgrains, raw materials and finished products travelled long distances for eventual consumption in production centres and markets providing the highest return. Bengal was known to be the 'granary' of the subcontinent and provided large quantities of items such as rice, sugar and oil to many parts of the country besides neighbouring countries such as Sri Lanka and the Maldive Islands. The cotton textile industry of the Coromandel coast depended for a large part of its raw material on Maharashtra and Berar. In Bengal, while the finest Dhaka muslins were woven from high-grade cotton grown in the vicinity of Dhaka itself, the bulk of the cotton used in the extensive cotton textile industry in the province was imported from areas such as Gujarat. The important silk textile industry in Gujarat, in return, obtained the bulk of its supply of high-grade raw silk from Bengal. The large volume of trade between the east and the west coasts was done via the heartland of the Mughal empire. Luxury silks and muslins were a staple item in the cargo sent from Bengal to Agra for use by the Mughal aristocracy. Some of these goods were re-exported from Delhi and Agra to the west coast along with indigo from Bayana and clothes produced in Hindustan. They were exchanged, among other goods, for Gujarati silk textiles and luxury items from the Middle East. The trading communities in north India included Punjabi Khatris and the Rajasthanis, but perhaps the most dominant group was that of the Gujarati merchants who controlled the great cross-country trade route from Surat to Murshidabad. Indeed, on the basis of their excellent market information and large capital resources, many of these Gujarati merchants had settled down in various parts of the country including Bengal, several branches of whose trade, both by land and water, they eventually came to dominate.

There were also significant overland trading links with Persia and Central Asia via the northwest. The route to Persia stretched from Agra to Lahore to Qandahar on to Isfahan – the central market of Persia (see Map on page 8). The volume and value of the trade on this route seems to have been reasonably large with 20,000-21,000 camel loads travelling each year from Lahore to Isfahan in the early part of the seventeenth century with all kinds of relatively high-value goods manufactured or grown in the north Indian plains. Ordinarily, overland transportation, particularly when it also involves a certain amount of protection cost payable to the tribes through whose jurisdictions the caravans would have to pass, is more expensive than transportation by sea. But in the case of the Indo-Persian trade, the Dutch East India Company factors at Agra maintained that the land route between Agra and Isfahan via Lahore and Qandahar cost less per unit of goods transported than the land-cum-sea route which would involve the transportation of the goods from Agra to Surat by land, on to Bandar Abbas by sea and finally from Bandar Abbas to Isfahan by land.

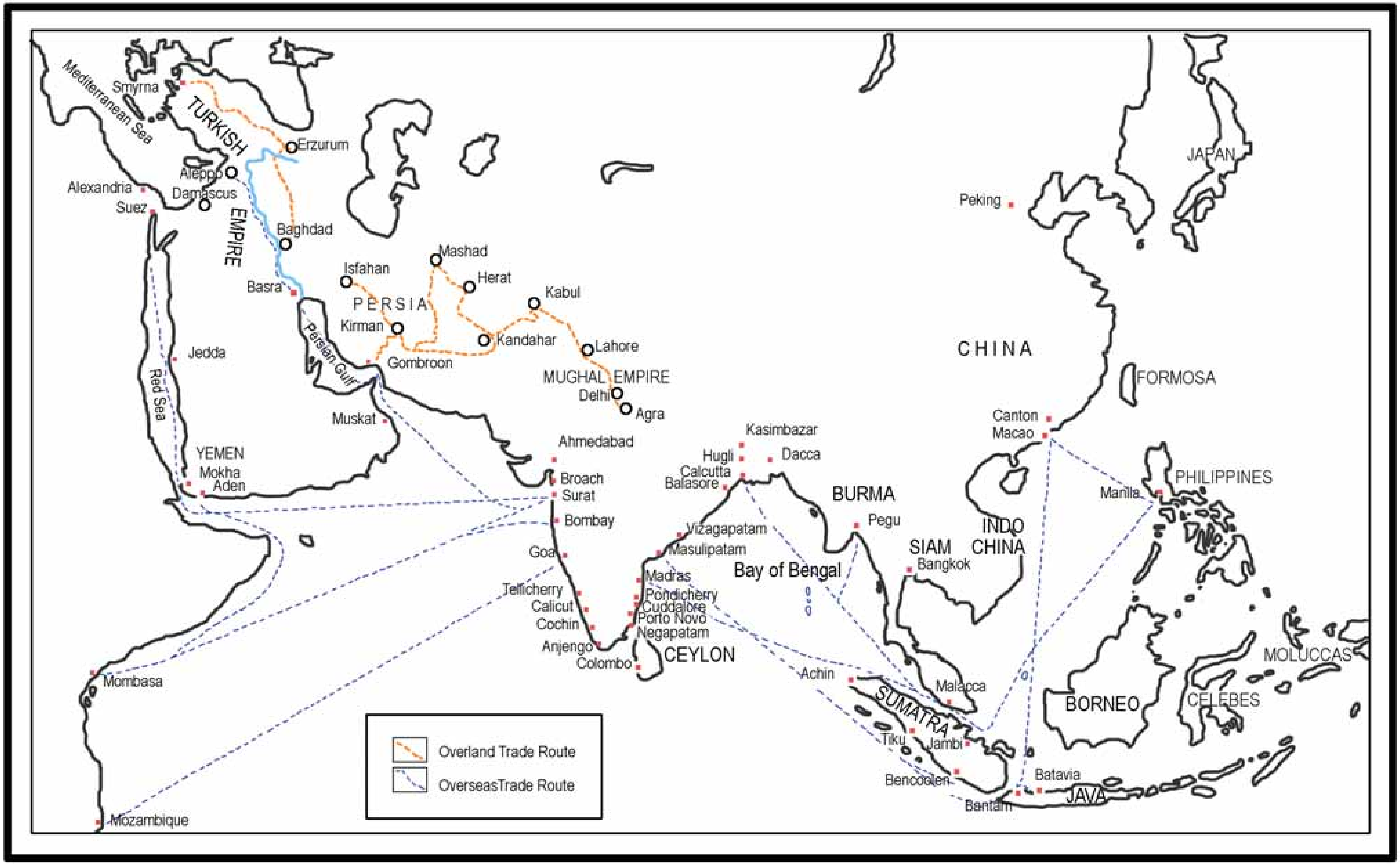
The route connecting the Mughal heartland with central Asia also started at Agra and continued on to Lahore and Peshawar reaching Kabul via the Khyber Pass. It then continued on to a chain of Indian trading settlements which stretched far up into central Asia to Astrakhan and Lake Balkh. This was a significant trade which took Indian spices, textiles and other goods up to Bokhara and beyond in search of gold and silver, horses, silks and Chinese porcelain. The scale of this traffic may be judged by the effect of a single accidental fire in Peshawar fort in 1586. The disaster destroyed 1,000 camel-loads of goods belonging to the merchants who had sheltered there when the route was temporarily obstructed. As long as the chiefs of the Afghan and other tribes were given their usual cut, the caravan trade on this route ordinarily moved quite smoothly.

21.3 SEABORNE AND COASTAL TRADE

In addition to a fairly impressive amount of internal trade and a certain amount of external trade by land, the medieval Indian economy was characterized by a large scale coastal and high seas trade carried on from its extensive coast line. On the eve of the arrival of the Europeans into the Asian Seas at the beginning of the sixteenth century, maritime trade from India was an important constituent of the Indian Ocean trade, alternatively referred to as Asian trade. Traditionally, the great arc of Asian trade included the Persian Gulf and the Red Sea in the northwest and Japan in the northeast. The principal natural divisions of this huge area were the Arabian Sea, the Bay of Bengal and the South China Sea. Within each of these zones, there were important blocks of ports across which a large amount of trade had traditionally been carried on. The western or the Arabian Sea zone included ports in the Persian Gulf, the Red Sea, those on the East African coast and on the west coast of India. The Bay of Bengal network included ports in Sri Lanka, the Coromandel coast, Bengal, Burma, Thailand, Malaya and Acheh in Sumatra. Ports such as Canton and Zaiton in the South China Sea had extensive contacts both with the Indonesian ports as well as with ports in the straits of Malacca (see Map on page 8).

India played a central role in this structure of Asian trade. In part, this indeed was a function of the midway location of the subcontinent between west Asia on the one hand and southeast and east Asia on the other. But perhaps even more important was the subcontinent's capacity to put on the market a wide range of tradable goods at highly competitive prices. These included agricultural goods, both food items such as rice, sugar and oil as well as raw materials such as cotton and indigo. While the bulk of the trade in these goods was coastal, the high-seas trade component was by no means insignificant. The real strength of the subcontinent, however, lay in the provision of large quantities of manufactured goods, the most important amongst which was textiles of various kinds. While these included high value varieties such as the legendary Dhaka muslins and the Gujarat silk embroideries, the really important component for the Asian market was the coarse cotton varieties manufactured primarily on the Coromandel coast and in Gujarat. There was a large scale demand for these varieties both in the eastern markets of Indonesia, Malaya, Thailand and Burma as well as in the markets of the Red Sea, the Persian Gulf and East Africa. While it is impossible to determine precisely what proportion of total domestic demand for mass consumption textiles in these societies was met by imports from India, the available evidence would seem to point in the direction of this not being altogether insignificant. India's capacity to manufacture these textiles in large quantities and to put them on the market at highly competitive terms made it in some sense the 'industrial' hub of the region surrounded by west Asia on one side and southeast Asia on the other.

This circumstance also determined to a large extent the nature of India's demand for imports from the rest of Asia. This demand consisted essentially either of consumption goods which were not produced domestically for soil, climatic or other reasons, or of minerals and metals of various kinds whose domestic supply was either nil or substantially below the total demand. In the first category were items such as fine spices like cloves, nutmeg and mace from Indonesia, and horses and rosewater from west Asia. The second



Indian Ocean in the 17th and 18th Centuries (After K.N. Chaudhuri,
***Trade and Civilization in the Indian Ocean: An Economic History from the Rise of Islam to 1750*, Delhi, OUP, 1985, p. 96)**

category included rubies and other precious stones from Burma, as well as metals – both precious and non-precious. By far the most important non-precious metal imported was tin from Malaya. Precious metals, mainly silver, were imported overwhelmingly from west Asia. It was for this reason that, from the sixteenth century onward, the port of Mocha was repeatedly referred to as the 'treasure-chest' of the Mughal empire. It is really immaterial for our purposes whether the imported precious metals are treated as a commodity import or as a means of settling the adverse balance of trade that the concerned trading partner of the subcontinent had with it. The important point to emphasize is that by virtue of her relatively more advanced structure of manufacturing production and her capacity to provide large quantities of basic manufactured consumption goods such as inexpensive cotton textiles at highly competitive terms, India significantly enhanced the basis of trade in the Asian continent. She not only provided the textiles and, on a more modest scale, the foodgrains and the provisions in great demand in the neighbouring societies but also provided an important outlet for their specialized agricultural, mineral and other products. Trade satisfied different kinds of consumption needs for India as compared with her numerous trading partners in the Indian Ocean region. This by itself provided an excellent basis for a significant and growing level of trade. It is really in this sense that the critically important role of India in the structure of early modern Asian trade needs to be assessed.

21.4 INDIA AND THE ASIAN TRADE

The key position of India in the structure of Asian trade was also reflected in the important role of the Gujarati and other Indian trading groups in the actual conduct of this trade. This role, if anything, was strengthened in the course of the fifteenth century which witnessed the fragmentation of Asian trade into well-defined segments. Increasingly, the participation of the Arab merchants became confined to the trade between west Asia and the west coast of India. This left the trade between the west and the east coasts of India on the one hand, and the eastern Indian Ocean region on the other, almost exclusively in the hands of Indians – the Gujaratis more than anyone else, but also the Chettis, the Chulias and other groups from the Coromandel coast, besides the Oriyas and the Bengalis. The participation of the Chinese merchants was now restricted by and large to controlling the trade between China and Malacca, while the Indonesian and the Malay merchants hardly seem to have ventured beyond the inter-island and the port-to-port trade in the Malay-Indonesian region. In sum, Indian merchants from different regions of the country constituted an important trading group operating in the Ocean.

From the vantage point of India, the two principal segments of maritime Asian trade were the western Indian Ocean and the Bay of Bengal. In the west, the link through the Red Sea and the Persian Gulf extended overland to the southern coast of the Mediterranean. The Bay of Bengal littoral extended through the straits of Malacca to the South China Sea going all the way to Japan. In the west, the area of operation of the Indian merchants stopped at the Red Sea and the Persian Gulf ports, while in the east it extended as far as Malacca. While there were clear-cut and by and large autonomous areas of operation and linkage in each of these two broad segments and there is a certain amount of merit in analysing each of these separately, it must be recognized that there was a considerable amount of interdependence and interaction across the two segments and that neither of the two should be regarded as a fully autonomous and self-contained system. One only needs to refer to the large volume of direct trade between Gujarat and Indonesia to realize the significance of this caution. This was equally true at the level of coastal trade as well, and one only has to remind oneself of the regular trade links in the fifteenth century between the ports of Bengal on the one hand and those of the west coast – in both Malabar and Gujarat – on the other.

In both the Arabian Sea and the Bay of Bengal, a considerable amount of trade was carried on both on the high-seas as well as on the coastal trade circuits. The coastal circuits were often dominated by trade in agricultural products such as foodgrains and other bulk goods, and were usually characterized by the use of relatively small craft which would ordinarily not be usable on the high-seas runs. Also, in comparison to the high-seas connections, the role of the monsoon winds was comparatively limited in determining the rhythm of trade on the coastal circuits.

21.5 THE WEST COAST

The west coast of India could conveniently be conceived of as consisting of four distinct segments divided roughly at the ports of Chaul, Karwar and Cannanore. To the north of Chaul lay the Gujarat coast; from Chaul to Karwar was the Konkan coast; south of Karwar to Mount Eli immediately to the north of the port of Cannanore was the Kanara coast; and to its south the Malabar coast. During the fifteenth century, the ports of Cambay in Gujarat and Calicut in Malabar were the two major international ports on the west coast of India, and between them they handled a considerable amount of re-export trade. Gujarat was a major trading area in the subcontinent and the Gujaratis – mostly Muslims but also including Hindu traders – had traditionally been a dominant group amongst the Indian mercantile communities. The most important of the new ports to emerge during the fifteenth century was Malacca, to which the Gujarati merchants shifted their trade from the Javanese and the Sumatran ports on which they had concentrated until then in their eastern trade. The growth of Malacca continued in the second half of the fifteenth century, and so did the Gujarati share in the trade of the port. The goods that the Malacca-bound ships leaving Cambay carried were, in part, coloured woollen clothes and glassware from the Mediterranean, and items such as rosewater, opium, indigo and silver from west Asia. But a large part of the cargo would seem to have consisted of textiles manufactured in Gujarat – mainly of coarse cotton, though more expensive varieties including those manufactured from fine-quality cotton and silk also seem to have figured in the list. The cargo obtained in exchange at Malacca included Chinese goods such as silk and porcelain, Indonesian spices such as pepper, cloves, nutmeg and mace, besides woods and aromatics, and precious and non-precious metals such as Malayan tin. In addition to Malacca, the Gujarati ships from Cambay called at ports such as Acheh, Kedah, Tenasserim/Mergui and Pegu. The goods carried to these ports were broadly similar to those carried to Malacca: the goods brought back were largely of local origin, rather than cosmopolitan as in the case of Malacca.

There was also a large amount of coastal trade carried on between Cambay and other smaller ports of Gujarat on the one hand, and ports on the Konkan, Kanara and the Malabar coasts to the south, and those in Bengal, on the other. The principal commodity procured in the Konkan ports of Chaul and Dabhol was textiles, while the main item procured in Kanara and Malabar was pepper. A certain amount of rice was also procured in Kanara. At Calicut, limited quantities of Chinese and Indonesian goods were also picked up. Bengal provided foodgrains and provisions such as sugar, butter and oil in addition, of course, to textiles of different varieties.

A part of the large conglomerate of goods brought to Cambay was obviously destined for consumption in Gujarat, as well as the large north Indian hinterland supplied by it. But a good proportion would seem to have been re-exported mainly to west Asia, the most important ports in the region at this time being Aden and Jeddah. The other important constituent of the cargo to west Asia was textiles manufactured in Gujarat. These were predominantly those manufactured from coarse cotton and intended for mass consumption, though superior varieties manufactured from fine cotton and silk also figured in the list. The route from Cambay to Aden would seem to have been dominated by the Arab, Persian and other west Asian merchants, though the Gujarati merchants also operated on this route in an important way.

21.6 THE EAST COAST

The two principal trading regions on the east coast of India were the Coromandel coast and Bengal. The Coromandel coast is conventionally defined as including the stretch between Point Godavari and the island of Manar, south of which lies the Fishery coast. To the north of Point Godavari is the Gingelly coast which is sometimes also included in the Coromandel coast. For our purposes, Bengal would be defined as including the Orissa ports of Pipli and Balasore. There was a fair amount of coastal trade between the ports of the two regions, dominated, it would seem, by the merchants of Bengal. At the beginning of the sixteenth century, the principal Coromandel port was Pulicat linked via Tirupati and Penukonda to the imperial city of Vijayanagar to the northwest. In Bengal, by far the most important port was Chittagong which was linked to the capital city of Gaur. Satgaon was next in importance until about 1580 when, due to the silting up of the waterway on which it was situated, it was succeeded by Hugli. Pipli and Balasore in Orissa were the other important ports in the region.

The high-seas trade from Pulicat was basically in two directions: to Mergui and the ports of the Irrawaddy delta in southern Burma on the one hand, and to Malacca and ports further east in the archipelago on the other. While the trade with Mergui was marginal, that with Pegu and lower Burma, in particular the ports of Martaban and Cosmin, was more substantial. The principal exports from Pulicat consisted of textiles produced all over the Coromandel coast and red yarn from the Krishna delta. The imports into Coromandel included items such as gold, rubies, timber, tin, ivory and copper. The link to Malacca was perhaps even more important. Until its capture by the Portuguese in 1511, the annual traffic to the port from Coromandel usually consisted of one large ship and as many as five smaller ships. The principal items imported into Pulicat included Indonesian spices, various kinds of wood, Chinese silk and other goods, gold and non-precious metals such as tin, copper, quicksilver and vermilion. A major trading group at Pulicat was that of Muslims, a few of Arab origin, but mainly members of the Muslim communities of coastal southeastern India, known as Chulias in parts of southeast Asia and as Marakkayars in Coromandel. The trading community also included Telugu-speaking Chettis of the Balija and Komatti communities as well as Armenians. At the Malacca end, the mercantile community consisted largely of the so-called *keling* merchants of Tamil and Telugu origin led by people like Nina Chatu and Nina Suryadev. The Sultan of Malacca himself is also known to have participated in this branch of commerce. There was regular trade between Bengal and Coromandel based on the import into ports such as Masulipatnam of rice, gram, wheat, long pepper, opium, clarified butter and Bihar saltpetre by an annual coastal fleet from Bengal. While the ships from Bengal usually returned from north Coromandel itself, those from the Gingelly coast went further south to supply central Coromandel as far as Pulicat and São Tomé. The Coromandel cargo carried back to Bengal was raw cotton, tobacco, iron and crucible steel, and some textiles, but the profit seems to have been made largely on the outward journey.

As far as Bengal was concerned, in addition to the coastal trade with southeastern India, the major commercial links extended to the eastern littoral of the Bay of Bengal and Malacca, to Sri Lanka, the Maldives and Malabar, and finally to the Gujarat, the Red

Sea and the Persian Gulf complex. The eastward trade was dominated by the trade to Malacca. The exports from Bengal included textiles, rice, sugar and conserves, while the imports were a varied lot. These included Borneo camphor, Moluccan spices, pepper, sandalwood, Chinese porcelain and silk, precious metals – perhaps mainly silver – as well as base metals such as copper, tin, lead and mercury. The connection with Burma was mainly through the ports at Martaban, Dagon and Cosmin.

The exports to Sri Lanka, the Maldives and the Malabar coast were again mainly textiles and foodstuffs, including large quantities of rice. Indeed, besides Kanara, Bengal was the principal rice surplus area in the entire region and areas such as the Maldives depended mainly on Bengal for their rice requirements. The principal items brought back by the Bengal vessels were cinnamon and areca from Sri Lanka, cauris (used extensively in Bengal both for ornamental purposes as well as in the form of low denomination currency) from the Maldives, and pepper, of which again Bengal was an important consumer, from Malabar. The trade to Gujarat was carried on primarily through Cambay, while the trips to Mocha in the Red Sea were often made after a stopover at the Maldives. The principal goods carried were textiles, sugar and long pepper, while the principal item brought back from Mocha was silver.

The accounts of Portuguese travellers Tome Pires (1512-1515) and Duarte Barbosa (*c.* 1518) also enable one to decipher the principal components of the mercantile community operating from Bengal. The indigenous merchants of Bengal are described as ‘merchants with great fortunes’ and were an important constituent of the trading community. But a large part of the trade would seem to have been controlled either by merchants based at the partner ports or by foreign merchant groups settled in the Bengal ports. Thus the trade with Malacca was dominated by the *keling* merchants settled there. The pepper trade with Pasai and Pidie was carried on by Persian merchants settled at the port of Chittagong. This last-mentioned group would seem also to have dominated the trade to the middle and the western Indian Ocean ports, though the traders on these routes also included Turks, Arabs, Rumis, Abyssinians and merchants from Chaul, Dabhol and Goa.

The essentials of the Indian maritime trading network as outlined above remained by and large unchanged over the course of the sixteenth, the seventeenth and the eighteenth centuries. The arrival of the Portuguese into the Asian Seas at the beginning of the sixteenth century did indeed introduce some elements of change in the functioning of this network but it is important not to over-emphasize the nature or the magnitude of such changes. It is, for example, simply not true to claim that on the strength of the superior fighting power of their vessels operating in the Asian Seas, the Portuguese were able to dominate the Indian Ocean trade at the cost of Indian and other Asian trading groups. Devices such as the *cartaz* system which obliged Indian ships operating on specific routes to seek prior permission of the Portuguese and paying customs duties at the ports controlled by the latter were at best minor irritants involving a small additional cost from the point of view of the Indian maritime merchants and nothing more. More direct intervention by the *Estado da India* (lit. State of India; functioned on behalf of the Portuguese Crown) through devices such as the concession system on a reserved route basis again did indeed cause a certain amount of dislocation and inconvenience to say the merchants operating from a Coromandel port such as Pulicat. But the response of the Indian merchants was to create an alternative network of ports in the Bay of Bengal and avoid the Portuguese controlled ports. It would seem to be almost certainly the case that the overall implications of the Portuguese practices and policies for the fortunes of the Indian maritime merchants were practically nil.

With the arrival of the English and the Dutch on the scene at the beginning of the seventeenth century, the overall situation did not undergo any fundamental change. Though both these Companies formally took over the *cartaz* system, it was never enforced with any vigour by either. Of the two, only the Dutch East India Company engaged in intra-Asian trade and was concerned about competition from Indian merchants operating on the same routes, but there was very little the Company could do about it. The Europeans had no option but to participate in the maritime trade from India as simply another group of merchants doing business in the region.

This situation was eventually altered to a certain extent in the second half of the eighteenth century when the English East India Company wrested *diwani* rights (right to collect revenues on behalf of the Mughal emperor) in the Bengal *subah* (province) in 1765 from the Mughal emperor. The employees of the Company engaged in trade on their private account took full advantage of the political power now available to the Company. This power was often used to create unauthorised monopolies of various kinds, particularly in highly profitable items of trade such as opium. The trade of the rival Indian merchants was also sought to be hindered in a variety of other ways. It is, however, a great tribute to the basic strength and the resilience of the Indian maritime merchant that he steadfastly refused to be overwhelmed by the fair and unfair competition provided by the English private traders. If the trade with China where opium figured in a big way now became unviable for the Indian merchant, he sought new markets in South-East Asia and by and large made up for the loss of the China market. The point is that while it was indeed the case that the newly found power of the English created problems for the Indian maritime merchant, he displayed sufficient flexibility to be able to stay in business.

21.7 HISTORIOGRAPHY OF ASIAN TRADE

In order to put our discussion in perspective, it might be useful to refer briefly to some key concepts that have emerged in the historiography on Asian trade over the last three quarters of a century or so. The pioneer in the field was a Dutch sociologist-historian Jacob van Leur who argued that the Asian merchant was no more than a pedlar and that the trade was overwhemingly in luxuries. The role of the merchant was confined to hawking his wares from market to market and the only change in the trade was the waxing and waning in its volume. Van Leur was clearly wrong in maintaining that trade in luxury goods was a principal characteristic feature of Asian trade. We now know on the basis of detailed research that it was indeed the trade in ordinary goods – the most important component of which was Indian textiles of everyday wear – that dominated the Asian trade. But Van Leur’s pedlar hypothesis found a strong supporter in Niels Steensgaard, a Danish historian who further refined the hypothesis and developed it almost into a theory. Steensgaard argued that the pedlar of the Indian Ocean operated in a world of non-transparent markets and did not enjoy the protection of buffers such as intermediaries and stocks against possibly large price fluctuations. An Indian historian, the late Ashin Das Gupta argued that the concept of pedlar was not necessarily in conflict with the fact that in addition to the predominance of small merchants who travelled the maritime routes in the Indian Ocean with their bundle or two of coarse cloths, wealthy ship-owning merchants such as Mulla Abdul Ghafur also participated in the Indian Ocean trade in an important way. He agreed with Steensgaard that the markets in the Indian Ocean were small, easily glutted and exceptionally erratic. Das Gupta wrote, “Price was fixed by matching demand and supply, only no one could tell the state of demand and supply much beforehand. This meant that even the large operators were the victims of the eccentricities of the market. If insecurity be accepted as the real hall-mark of peddling trade, then the Indian Ocean market in the early 18th century was a pedlar’s market”.

Another concept that Niels Steensgaard developed in the context of the growing European participation in the Indian Ocean trade in the sixteenth and the seventeenth centuries was that of Asiatic Trade Revolution. Steensgaard argued that the Portuguese European-Asian trading network, using the newly discovered all-water route via the Cape of Good Hope on an exclusive basis, was essentially a redistributive enterprise which basically meant that the Portuguese state used its monopoly power over the route to force the Portuguese merchants to share their profits with it and by and large acted as a parasite. This situation, according to Steensgaard, changed radically from the beginning of the seventeenth century onward with the establishment of the Dutch and the English East India Companies. He drew a sharp contrast between the seigneurial and redistributive nature of the Protuguese enterprise on the one hand and the rational and productivity – maximizing policies of the Companies on the other. Thus, “the Portuguese pepper monopoly was not a business but a custom-house.” On the other hand, the success of the Companies was not based upon government monopolies or the use of violence but on their ability to compete in the market. For by adopting specific policies in relation to stocks, pricing and the mode of disposal of their goods, the Companies made impressive gains in the transparency and the predictability of the markets in which they operated.

In his writings, Om Prakash has argued that recent work in the field would seem to suggest that while certain key elements in Steensgaard’s formulation continue to be valid, the overall characterisation of a redistributive enterprise for the entire Portuguese trading operations both between Europe and Asia as well as those within Asia is in need of revision. This is partly because the Companies were not quite as devoid of the use of monopoly and violence as Steensgaard’s model in a pure form would seem to imply. More importantly, we now know that the Portuguese enterprise was indeed very much more than a simple Euro-Asian trade in pepper, the commodity mainly responsible for the characterisation of the trade as redistributive in nature. From about the last quarter of the sixteenth century onward, pepper increasingly lost ground to other goods in Portuguese Euro-Asian trade. Also, in addition to the Euro-Asian trade, there was a considerable amount of trade the Portuguese private traders carried on within Asia in respect of which too the redistributive characterisation will really not apply. The manner in which the trade was carried on was in its essentials not very different from the way the northern European corporate groups and private traders carried on their trade.

Om Prakash has also suggested in his work that in the context of the European trading operations in the Indian Ocean, there indeed was an Asian Trade Revolution taking place from the seventeenth century onward but of a kind very different from that suggested by Steensgaard. This Asian Trade Revolution consisted partly in the phenomenal expansion in the volume and value of Euro-Asian trade and partly in a major diversification in the composition and the origin of the Asian cargo entering this trade. Initially, both the Dutch and the English concentrated on the procurement of pepper and other spices which, as in the sixteenth century, continued to account for an overwheming proportion of the total Asian imports into Europe. But unlike, and indeed mainly because of, the Portuguese, the Dutch and the English procured their pepper in Indonesia rather than on the southwest coast of India. The result was a marked shift in the Asian loci of the Euro-Asian seaborne trade from India to the Indonesian archipelago. This was the Asian counterpart of the shift of the European loci of this trade from Lisbon to Amsterdam and London. It was nearly three quarters of a century before the Asian loci shifted back to India in response to the change in European fashions assigning an increasingly important role to textiles and raw silk in the Asian imports into Europe. It was only in the second half of the eighteenth century that the growing role of Chinese tea again deflected somewhat from the central importance of India in Euro-Asian trade.

21.8 SUMMARY

To conclude, India possessed an extensive network of inland and maritime trade during the medieval period of her history. This network was strong enough and efficient enough to successfully face the competition provided by the European corporate groups as well as private traders and retain its identity in all its essentials. Even the assumption of political power by the English East India Company in the latter half of the eighteenth century was unable to damage this network in more than a marginal way.

21.9 EXERCISES

1) Discuss the importance of Agra as an important entrepôrt in the 17th century.

2) Critically examine India's trade during the 16-17th centuries vis-à-vis Asian trade.

3) Analyse the nature of coastal trade in the 16-17th centuries.

4) Analyse the trading activities of the Gujarati and Bengali merchants during the 16-17th centuries.

5) Give a historiographical assessment of the Oceanic trade. Evaluate Van Leur's hypothesis of 'peddling trade'.

21.10 SUGGESTED READINGS

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