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THE EAST INDIA COMPANY
AND THE ECONOMY OF BENGAL
FROM 1704 TO 1740

Thesis submitted for the degree of Doctor of Philosophy
of the University of London

By

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June 1953

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THE EAST INDIA COMPANY AND THE ECONOMY OF BENGAL FROM 1704 to 1740.

Abstract

of the thesis for the degree of Ph.D. of the University of London.

Submitted by Sukumar Bhattacharyya.

In this thesis an attempt has been made to give a picture of the economic development in Bengal from 1704 to 1740 with special reference to the effect and influence of the East India Company. The year 1704 marks the advent of Murshid Kuli Khan to the helm of affairs in Bengal for all practical purposes. The establishment at the turn of the century, of the influence of the Company in Bengal, which was strengthened by the farman granted in 1717 by the Moghul Emperor Farrukhsiyar, brought into prominence a conflict of interests between the Company and other forces which were then dominant in the economy of Bengal.

The Fort William Consultations which flow from 1704 to 1740 without a break, reinforced by the factory records and letters and despatches which passed between the Directors of the Company in London and their agents in Calcutta help us to build up the story of the impact of the East India Company on Bengal.

The thesis divided into seven chapters.

Chapter I gives an account of the economy of Bengal at the turn of the century.

Chapter II traces the growth of the Company's influence in Bengal and its relations with the Government.

Chapter III deals with the position of other European traders in Bengal, especially the Ostend Company.

Chapter IV seeks to explain the system of currency and show how the increasing penetration of the Company led to a conflict of interests with the indigenous bankers and traders.

Chapter V deals with markets and trade with special reference to saltpetre, silk and cotton goods.

Chapter VI describes the general economic conditions, the state of art and industries and the extent of the contact of the East India Company with the people.

Chapter VII draws some conclusions.

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The Consultations referred to in this thesis are Bengal Public Consultations.

THE EAST INDIA COMPANY AND THE ECONOMY OF BENGAL

from

1704 to 1740

Chapter I

Introduction

Bengal at the turn of the century

At the end of the seventeenth and beginning of the eighteenth century, the mighty Moghul empire was in a process of disintegration. Although Aurangzib, the last of the Great Moghuls, had practically brought the whole of the Indian sub-continent under one sceptre, the forces of disruption had asserted themselves long before his death and had become too strong for him to crush. While the outlying areas in the south and in the west were taxing all the energy and resources of the wily Emperor, the eastern region comprising the rich provinces of Bengal, Bihar and Orissa was comparatively quiet. But the imperial authority in Bengal had been rudely shaken by the rebellion of Shobha Singh (1695-96),

a zamindar of Chandrakona in Midnapur, who captured Burdwan and was joined by Rahim Khan, the leader of the Afgans in Orissa (1).

The news of the rebellion led Aurangzib to dismiss the indolent Governor, Ibrahim Khan, and replace him by his grandson, Prince Muhammad Azimuddin, later entitled Azim-ush Shan. Though the imperial prestige was, to some extent, retrieved by Zabardast Khan, the son of Ibrahim Khan, even before the arrival of the Prince, the event showed the weakness and helplessness of the Moghul government against determined aggression, while at the same time it demonstrated the superiority of the armed strength of the Europeans who had settled in Bengal. For, in fact, the first rebuff to Sobha Singh was given by the Dutch of Chinsura. It was their military and naval power which arrested the progress of the rebel forces and compelled them to keep to the western bank of the Ganges (2). By 1698, Azim-ush Shan succeeded in destroying the strongholds of the rebels and re-asserting

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(1) "Riyazu-s-Salatin", Translated by Salam, p.229-31.
(2) "Riyazu-s-Salatin", p. 232.

the imperial power. The hands of the royal Subahdar of Bengal were strengthened by the appointment of Murshid Kuli Khan as the provincial Diwan in December 1700.

The new Diwan, who had already distinguished himself as an able finance officer in the Deccan, soon made his mark in Bengal. His abilities as a financier, his efficiency in the collection of revenue and the regularity with which he despatched it to the starving imperial exchequer made him a great favourite of the Emperor.

Murshid Kuli Khan was no respecter of persons. His strict supervision of the revenue administration touched the pocket even of the Prince Subahdar, who, like some of the most noted Governors of Bengal did not scruple to have recourse to private trade. The greedy and tactless Azim-ush Shan was not chastened even by the mild rebuke administered him by his grandfather. He became rather jealous of the Diwan who seemed to enjoy the confidence of the Emperor.

Apprehensive of the designs of the Subahdar, even of hostilities against him, Murshid Kuli Khan transferred his residence and also the Diwani from Dacca, the provincial capital, to the little town of Muksudabad on the bank of the Bhagirathi in 1704.

The ostensible ground for transfer was the central situation of the place, later known as Murshidabad, as compared with Dacca which was in the eastern part of the province (1). Along with the Diwan came Manickchand, the head of a rich banking family, whose successor Fatehchand was later honoured with the title of Jagat-Seth. A new chapter in the political and economic history of Bengal was about to open.

Murshid Kuli Khan's merits were rewarded with quick promotion, and even before his formal appointment as Subahdar, he became the defacto ruler of Bengal. By the death of Aurangzib, in 1707, the highly centralised Moghul empire lost its kernel, and the forces of disintegration were let loose. But Murshid Kuli Khan, as Diwan and later as Subahdar of Bengal, remained faithful to the Timurid occupants of the Imperial throne at Delhi in the midst of the turmoils and disturbances which were occurring elsewhere in India.

The rebellion of Shobha Singh was an event of more than passing interest. His initial success brought home to the imperial authorities the supreme necessity

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(1) "Riyazu-s-Salatin", pp. 250 - 51.

of creating strong barriers of defence and afforded an opportunity to the European traders in Bengal - the English, the French and the Dutch - to emphasize the importance of fortifying Calcutta, Chandernagore and Chinsura, the headquarters of the three trading communities in eastern India. The Moghuls now welcomed the establishment of fortified commercial settlements and permitted the building up of Fort William in Calcutta, Fort Orleans at Chandernagore and Fort Gustavas in Chinsura.

Events which were taking place in Europe were not without their significance in the history of this far off region. The English Revolution of 1688, as Disraeli later remarked in his novel "Sybil", gave England French wars and Dutch finance. The accession of the Dutchman, William, on the throne of England introduced some sort of mutual compromise and understanding in Anglo-Dutch relations, while the bitter wars that ensued between England and France had their repercussion in India.

The turn of the century witnessed a rivalry and animosity among the Englishmen themselves in relation to Indian trade, and the spectacle of two rival companies trying to ingratiate themselves in

official favour and to outbid each other in commerce with separate factory houses in Calcutta was certainly not an edifying episode in the history of the British enterprise in Bengal. Fortunately for them, the two Companies were, in 1702, amalgamated in the 'UNITED COMPANY OF MERCHANTS TRADING TO THE EAST INDIES', and thus by the time of Aurangzib's death the English East India Company which was destined to become the successor of the Great Moghuls had a united house, while the mighty fabric of the Moghul empire began to tumble in confusion.

The recognition of Fort William as the seat of a Presidency, in 1700, independent of Madras, removed all impediments in the way of the Calcutta Council in dealing with situations as they arose. Subsequent events were to prove that the small group of merchants who were entrusted with the organization of the youngest of the Company's Presidencies would pave the way for the foundation and development of the British empire in India. Their efficient and economic management of the factories in Calcutta, Kasimbazar, Balasore, Patna, Malda and Dacca, the confidence which they inspired among native merchants by their integrity and straight dealing and the sure market for the Bengal

textiles, silk and saltpetre provided by them created a profound impression on the mercantile classes who found they could repose implicit trust on the English in their business transactions.

The rich prospects of trade in Bengal and the comparative autonomy which the province enjoyed, because of its distance from Delhi, attracted foreign traders from many parts of the world. For Bengal was considered to be the store house where a resourceful trader was almost sure of making a fortune. Many were the goods which could be had here in abundance. Bernier, who visited India in the reign of Aurangzib, wrote that Bengal was superior to Egypt in resources and the productivity of her soil. 'Bengal produces rice in such abundance that it supplies not only the neighbouring but remote states ... Bengal abounds likewise in sugar with which it supplies the kingdom of Golkonda and Karnatic ... and Arabia and Mesopotamia ... and Persia ... There is in Bengal such a quantity of cotton and silks that the kingdom may be called the common store house for those two kinds of merchandise, not of Hindustan only, but of all neighbouring kingdoms, and even of Europe. ... The Dutch have sometimes seven or eight hundred natives employed in their silk factory

at Kasimbazar. The English and other merchants employ likewise a great number. ... Bengal is also the principal emporium for saltpetre. A prodigious quantity is imported from Patna. The rich exuberance of the country ... has given rise to a proverb in common use among the Portuguese, English and Dutch, that the kingdom of Bengal has a hundred gates open for entrance, but not one for departure' (1).

While the English, the Dutch and the French were anxious to enter Bengal through its 'hundred gates' of commerce, they were not unwelcome to the Moghul rulers. These Europeans, it was supposed, might counterbalance the Portuguese hold in the Bay of Bengal, which, even as early as in the reign of Shah Jahan, had dared challenge the might of the Great Moghul.

In trying to assess the economic position of Bengal before the rise of the British power, we should be on our guard not to place too much reliance on the writings of the early European travellers, who very often drew a rather rosy picture of the economic prosperity of the different regions of India. Struck

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(1) 'Travels in the Moghul Empire' by Francois Bernier, translated by Irving Brock and revised by V.A.Smith (1914), pp. 437 - 40.

by the richness and fertility of the Gangetic plains, the early Europeans were in ecstacy when they wrote about Bengal. The splendour and magnifecence of oriental courts gorgeously decorated with dazzling jewels and silk were apt to make a great impression on foreigners as typifying the wealth of the country, while they sometimes ignored the fact that the display of wealth in the court was not necessarily indicative of the prosperity of the people as a whole. The exceptional opportunities, which fortune hunters had, of enriching themselves and the quickness with which they rose to affluence in this area often influenced the foreign observers in forming an opinion about the real wealth of the country, which, in fact, they could hardly determine with certainty.

It is true that Bengal could boast of certain types of manufactured goods which were prized highly in different parts of the world. But the people, as a whole, were not industrialised. The manufactures of Bengal in the eighteenth century, as in earlier days, could be broadly placed under two heads. First, there were the village handicrafts, supplying the simple needs of the local population, in which there was little scope for variety and distinction. Secondly, there was another class of handicrafts, which supplied the needs of the wealthy and consisted of many varieties of fine works of cotton and silk, and of art and

painting. These works were to find an ever increasing demand in the markets of the Near East and Europe.

The expansion of Europe in the eighteenth century and the growth of wealth that poured into that continent created a demand for costly and luxurious clothes of Indian manufacture which were deemed to add greater distinction to their possessor. So the Indian exports to Europe at the turn of the century consisted, on the one hand, of raw products, such as saltpetre, rice, indigo, pepper, etc., which had always a certain market, and on the other, of silk and cotton textiles for which there grew up a demand as these products came to be known in Europe through the merchants trading in the East. But the scale of the trade was small.

Economically, apart from its dependence on importing of bullion, Bengal was self-sufficient. Side by side with the tillers of the soil pursuing age old methods of cultivation, there existed an industrial population graded from the village craftsman, supplying the simple utensils of the poor, to the highly specialised weavers and artificers manufacturing luxurious commodities which added brilliance and dignity to the court and equipped

the army and retainers of the King and of the nobility.

But varied as the occupation of the people was, the standard of life of the mass of the people was simple. The people were satisfied with bare necessities for existence. Along with the rich individuals, whose number was small, who clustered round the court and the darbar, and the rising commercial settlements of the Europeans, there lived the inert masses who had limited wants and who were little affected by the changes that were taking place at the administrative and commercial centres.

Any attempt at a study of the history of Bengal in its economic aspects in the eighteenth century must, of necessity, be concerned mainly with the activities of the European traders, who had, by this time, established their position almost as an essential adjunct to the state, particularly in relation to foreign commerce. From the days of the great Akbar, European settlements had been given facilities to carry on trade between India and the countries overseas. The earliest of them, the Portuguese, had, by this time, discredited themselves by their religious zeal and their harsh treatment of the native population of the country, while the Dutch,

who had, at one time, appeared to have the greatest commercial hold on the country, had found that the spices of the Indies could be disposed of much more quickly in the European market yielding an enormous gain, and consequently they began to concern themselves more with the rich and profitable trade of the islands of the Far East than the comparative drudgery of Indo-European commerce. The control and supervision exercised on the French East India Company by the Government of Louis XIV gave it little scope for initiative and independent action. The field, accordingly, was open to the English East India Company whose prospects in the Bengal trade were, at the beginning of the eighteenth century, brighter than those of any other power.

Since the reign of Shah Jahan, The English East India Company was permitted to trade freely in Bengal in return for a fixed annual peshkash (1) of Rs 3000 (2). Though the privilege, at first sight,

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(1) Peshkash: tax,tribute; lit.,what is first drawn; first fruits; fine,quit rent;a fine or present to the ruling power on receiving an appointment or assignment of revenue, or on the renewal of a grant or the like. Vide:- Wilson, 'Glossary', p. 415.

(2) Bruce, 'Annals',Vol.I,pp.463-4. See also W.Foster's article entitled 'Gabriel Boughton and the grant of trading privileges to the English in Bengal,' published in the 'Indian Antiquary',Vol.XL, 1911,and Foster, 'English Factories in India,1655-60',P.111,and Appendix,'Some Bengal Farmans', pp. 410 - 16.

seemed to place the English in a position of great advantage, the attitude of provincial Governors, which at times was positively hostile to the English traders, and the greed of local officers, who were anxious to enrich themselves at the expense of the foreigners, unacquainted with the laws and customs of the country, compelled the Company to spend large sums of money in deputations and presents to the Subahdar, Deputy Subahdars and a host of other officers and brought down considerably the margin of its profit.

In spite of the impediments put in their way and the competition of the European traders in Bengal, the English had firmly established themselves as a powerful trading body in Calcutta and had secured their position before the end of the seventeenth century. This was marked by the acquisition, in 1698, of the zamindari rights of the three villages of Sutanati, Kalikata and Govindpur with the permission of Azim-ush Shan, the then Subahdar of Bengal (1).

The power that was to be the successor of the the Moghuls in India had thus already risen in the eastern horizon and had established itself in Bengal before the new century dawned. Murshid Kuli Khan, who

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(1) British Museum Catalogue of Persian Mss., 1-3, Add. 24039, Fol. 39.

had presided over the finances of Bengal, practically since the beginning of the eighteenth century, was not favourably disposed to the English because of the loss that resulted to the treasury on account of the privileges, enjoyed by the East India Company, of trading in Bengal free of customs only on payment of Rs 3000 annually. The Company, however, held its own. The acquisition of the zamindari rights over Calcutta had given it a legal status which proved to be of great advantage as the century progressed.

Calcutta by its trading facilities began to attract the commercial and enterprising sections of the people from all over the province. The security and peace which this fortified settlement ensured induced many wealthy families to move permanently to the new city, which became the home of a new mercantile aristocracy. The interests of the trading and commercial elements in Bengal, Indian and British, were thus being closely inter-woven.

The first phase of the Anglo-Indian commercial relations, which began in Calcutta at the turn of the century, was so peaceful and so mutually beneficial that steadily, though imperceptibly, a profound change

was taking place in the economic life of the entire province, whose prosperity was being closely linked with the activities of the English merchants. In the course of half a century, in spite of occasional rifts, the economy of Bengal became so much dependent on the East India Company that the leading elements among the wealthy and mercantile classes in the province did not hesitate to throw in their lot with the English when they had ultimately to make their choice.

CHAPTER II

TRADE RELATIONS OF THE ENGLISH EAST INDIA COMPANY

Section 1

The Growth of the Company in Bengal

The earliest factory of the English East India Company for Bengal was established on 14 May 1633 at Hariharpur on the Mahānadi delta. From thence Ralph Cartwright, the leader of the party, accompanied by two other Englishmen, Edward Peterford and William Withall, proceeded 'further into the country of Bengalla' and reached Balasore towards the end of June 1633 (1). The factory at Hugli on the river bearing the same name was established in 1651. By 1658 another factory was opened at Kasimbazar, the emporium of silk trade. Next came the factories at Patna and Singiya which became the chief centres of saltpetre trade. In 1668 a new factory was opened at Dacca, then capital of Bengal and the principal market

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(1) William Bruton, "News from the East Indies or a Voyage to Bengalla", 1638, published in Hakluyt's 'Collection of Early Voyages, Travels and Discoveries' (1812), Vol. V, p. 55.

for cotton and cotton goods in the province. Two more factories at Rajmahal and Malda on the Ganges soon followed. By 1680 the annual investment of the Company in Bengal rose to £150,000 (1). The foundation of Calcutta by Job Charnock, in 1690, completed the process of factory settlement.

These achievements were not accomplished without friction with local authorities. In fact, from 1633 to 1717, when the English got their farman from the Moghul Emperor Farrukhsiyar, the history of the East India Company in Bengal was one of ups and downs. Disease and mortality among the Company's servants, opposition of the earlier European settlers, the Portuguese and the Dutch, the lukewarmness and even hostility of the Bengal Government made them shake their heads many a time, when they thought of the future of the 'Bengalla' trade. None the less, they held on. They saw brighter prospects for their future in the cleavages and ruptures that had ensued between the Moghuls and the Portuguese, in the growing absorption of the Dutch in the trade of the spice islands and in the warmth of friendly relations that grew up between some of their fellow countrymen and the highest personages of the Moghul empire, both at

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(1) Bruce, 'Annals', Vol.II, p.451.

the imperial amd provincial headquarters.

Circumstances favoured the English merchants. Though they were younger as traders in India than the Portuguese and the Dutch, from 1633 onwards, that is from the time of their earliest settlement in Bengal, they succeeded in securing farmans which enabled them to carry on their trade in the province on favourable terms. (1)

To trace the history of the development of English trade in Bengal, one has to go further back to the year 1615, when Sir Thomas Roe, the Ambassador of King James I of England in the Court of the Great Moghul, succeeded in obtaining from Jahangir a farman which permitted the English to reside in Surat and to travel freely into the interior of the country and to trade subject to a customs duty of 3½ per cent upon English imports and 2 per cent on 'rials of eight', that is,on bullion (2).

The imperial order, however, was of little effect in Bengal. The servants of the Company, who later tried to open up trade with this area found various obstacles put in their way by local officials who had to be won over by frequent presents. But to Sir Thomas

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(1) Foster, 'English Factories, 1655-60', Appendix, pp. 410 - 16.
(2) Bruce, 'Annals', Vol. I, p. 176 - 77.

Roe must belong the credit of laying down the policy which the Englishmen in India pursued at least during the formative period of the building up of their trade. 'Let this be received as a rule', said Roe, 'that if you will profit, seek it at sea and in quiet trading, for without controversy it is an error to seek garrisons and land wars in India ! (1)

For nearly half a century, these wise words of Sir Thomas Roe formed the guiding principle of the English Company in India, and particularly in Bengal, where they had to enter far into the interior to secure commodities for trade. Instead of seeking to gain their ends by force, they preferred to rely on concessions which they could win by fair dealing and good will or by the judicious bribing of officials.

On 2 February 1634, the English obtained a farman from Shah Jahan permitting them to bring their ships into Bengal as far as Pipli in Balasore. Other concessions soon followed. The most important of these was the nishan or sealed permit granted, in 1651, by Prince Shuja, the Governor of Bengal, by which the English were permitted to have freedom of trade in Bengal without any customsduties and without any other restrictions in

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(1) Foster, 'Embassy of Sir Thomas Roe', I, p.xxxiv.

return for an annual payment of Rs 3,000 only (1).

Another nishan, granted in 1656, declared that 'the factory of the English Company be no more troubled with demands of custom for goods imported or exported either by land or water, nor that their goods be forced from them at under-rates in any places of government by which they shall pass or repass up and down the country; but that they buy and sell freely, and without impediment neither let any molestation be given them about anchorage, as formerly has been; also wherever they have order to build factories or warehouses in any parts of these kingdoms, that they be not hindered but forwarded' (2).

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(1) Bruce, 'Annals', Vol. I, pp. 463 - 64. The nishan was, however, lost by Waldegrave, the chief of the Balasore factory, on his land journey to Madras in 1653-54. Vide-Foster English Factories 1655-60, p. 110. See also Foster's article in the 'Indian Antiquary' Vol. XL, 1911, pp. 247 - 57.

(2) 'Home Miscellaneous Series', Vol. 629, Manuscript Collection of Charters and Treaties, pp. 5-8. For a recent translation of the nishan made in Calcutta, see Foster 'English Factories, 1655-60', p. 111.

The departure of Shuja from Bengal in 1657 to contest the imperial throne introduced a period of uncertainty in the Government. His successors did not regard the nishan as binding on them. In England, at this time, the East India Company began to grow in strength. The restoration of the Stuarts, in 1660, ushered in a period of active royal support for the Company. Charles II, by his Letters Patent of 3 April 1661, empowered the Company to 'erect fortifications within their limits' (1). The forward policy of having fortified settlements in India, henceforth inaugurated by the Company, had its justification in the uncertain political conditions of the Moghul Empire under Aurangzib. The Emperor was embroiled, soon after 1660, in wars in north-eastern India and in wars with the Mafathas and Rajputs and the Deccan states. The years from 1661 were a period of growing anxiety and danger for the East India Company ultimately culminating in the war with the Moghuls in Eastern and Western India from 1686 to 1690.

The trouble first started in Bengal. Mir Jumla, the imperial general, who held the viceroyalty of Bengal from 1660 to 1663, carried on extensive private trade on

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(1) Bruce, 'Annals', Vol. I, pp. 556 - 58.

his own account and frequently availed himself of the services of the English and their ships to despatch his articles to Persia. He also invested large sums with the English on business transactions. He took exception to the conduct of the English factors at Hugli, who had seized a country vessel of the Mir 'as a security for the recovery of their debts'. It was only on the restoration of the boat and the apology of the English Agent, Trevisa, that the English were allowed to continue in Bengal. (1).

The dispute with Mir Jumla marked the beginning of a new period in the history of the East India Company. The civil war, at the time of Aurangzib's accession, and the lack of central control over the provinces had forced the English to consider how they could protect themselves and their trade irrespective of the favour of local officials.

Events which were taking place in other parts of India led Gerald Aungier, who became President at Surat and Governor of Bombay in 1669, to recommend a 'severe and vigorous' policy to ensure the stability of the trade of the Company. '' Justice and necessity

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(1) Bruce, 'Annals', Vol. I, pp. 560 - 61.

of your estate now require,'' he wrote in the course of a lengthy and striking despatch to the Directors in 1677, ''that in violent distempers, violent cures are only successful; that the times now require you to manage your general commerce with your sword in your hands'' (1).

The advice of Aungier fell on willing ears. The Company, under the guidance of Sir Josia Child, who after serving seven years as a Director became the Governor in 1681 and continued to dominate the policy from London until his death in 1699, decided to pursue a bold and constructive line of action in India. It was in pursuance of this policy that the President and Council of Fort St.George were instructed, in 1687, to establish such a policy of civil and military power and create and secure such a large revenue as might lead to ''the foundation of a large, well grounded, sure English dominion in India for all time to come'' (2).

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(1) India Office, 'Original Correspondence with Collateral Documents,' Vol. 37, No.4528, p.8.
(2) India Office Records, Letter Book No.8, Despatch to Fort St.George, 12 December 1687, p. 466.

Henceforth there was a definite departure from the policy of peaceful trade as laid down by Sir Thomas Roe. In Bengal, in 1672 and again in 1678, the nishan of Shah Shuja was renewed by Shaista Khan, the Governor of the province, with the sanction of the Emperor. In 1680, the Emperor himself issued a farman, the wording of which was interpreted differently by the officials of the Company and of the Government. While the factors of the Company held that the farman had relieved them of the 3½ per cent duties 'on all their goods on account of custom or poll money' in Bengal, the local officials of the Government demanded payment on this account. (1)

The differences between the Indian officials and the Company's factors led to frequent deadlock in the Company's trade in Bengal. The latter were determined to put the policy of force in operation and to secure fortified military settlements near the mouth of the Ganges to ensure the movement of their trade. They received active encouragement in their forward policy from Sir Josia Child and his colleagues in London. In their instructions to their 'Agent and Council' in Bengal, the Directors even advised them to attempt a ''surprizall of Dacca itself, if they could

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(1) Wilson, 'Early Annals', Vol. I, p. 79.

contrive such a design in a way that the Nawab would have no foreknowledge of their purpose." They had confidence in their resourcefulness and the strength of their shipping to develop new centres of trade. If they could hold a fortified town in Bengal for four or five years, the Directors wrote almost prophetically, it would soon grow into a magnificent city as Madras then was. They at the same time emphasized the necessity of devising ways for increasing the revenue locally, for 'a good revenue constantly coming in was the only foundation of power' (1).

These designs and activities precipitated a war with the Moghuls in 1686. In the upshot the English had to abandon and evacuate Hugli and proceed down the river. It was in these dark days of 1687 that Job Charnock, the English Agent, halted at Sutanati on the eastern bank of the Hugli. But he had to go further down the river till he could establish himself with his men and guns at Hijli. In the midst of the operations Job Charnock was superseded as Agent by Captain Heath. The new Agent's attempt to seize Chittagong, which he wanted to make an independent base, failed disastrously, and the English had to retire to Madras.

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(1) Letter Book No.8, 12 December 1687, p.471-72.

When peace was ultimately concluded with Aurangzib by the President and Council in Bombay, in 1690, Job Charnock returned to Bengal as the Agent of the Company and founded the factory at Sutanati on 24 August 1690.

The real reason for the settlement with the English was that Aurangzib did not want to forego the income that accrued to his treasury by the trade of the English Company. Further, he feared that the English ships might interrupt the trade between India and the coasts of the Arabian Sea and obstruct the passage of the pilgrims to Mecca. He, therefore, accepted the 'repentance of the English' and, on 23 April 1690, wrote to Ibrahim Khan, who succeeded Shaista Khan as Governor of Bengal, that since the English had repented of their irregular past proceedings and petitioned for a 'pardon for their faults' they should be allowed 'to trade freely in Bengal as formerly' (1). The imperial orders of 10 February 1691 permitted the Company to carry on its trade in Bengal on an annual payment of Rs 3,000 in lieu of customs(2).

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(1) Copy of Aurangzib's letter quoted in Stewart's 'Bengal', pp.540 - 41.
(2) Stewart 'Bengal', p.543; See also Wilson, 'Early Annals,' Vol. I, p. 124.

The rebellion of Shobha Singh, in 1696, secured for the Company the permission to fortify Calcutta, while the purchase of the zamindari of Kalikata, Sutanati and Govindpur, in 1698, by the East India Company, ensured it a definite revenue which was regarded by Sir Josia Child as the 'foundation of power'. These were followed, in 1700, by the creation, by the Company, of Fort William as the seat of a Presidency, independent of Madras, with Sir Charles Eyre as its first President and Governor and the amalgamation, in 1702, of the 'old' and 'new' English Companies under the style and title of 'The United Company of Merchants of England Trading to the East Indies' (1).

The union of the two Companies had been consummated by the award of the Earl of Godolphin in 1708-09. From this time onward there followed a progressive development of the East India Company's trade. Dividends were paid regularly at a rate fluctuating between 5 and 10 per cent. From 5 per cent, in 1708-09, the dividend rose to 10 per cent, in 1711-12, at which rate it continued till 1722, when it dropped to 8 per cent in 1743, at which figure it continued till 1755.

The development of the Company's trade is also evident from the number and tonnage of ships despatched

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(1) See Chapter I, p. 6.

annually to the East. From an annual average of eleven ships of about 300 tons despatched for the five years from 1708-09 to 1711-13, the number rose to twenty-one ships of about 490 tons in the quinquennium from 1735-36 to 1739-40. While in 1708-09 out of ten ships despatched from the United Kingdom, only four were bound for the 'Coast and Bay', that is, the eastern coast of India, in 1739-40 out of thirty-nine ships so despatched, nineteen were bound for the eastern coasts, and of these nineteen ships no less than nine were specially earmarked for Bengal (1).

The Union of the two Companies and the administration of the 'rotation government', from 1702 to 1709, coincided with a turning period in the history of Bengal. Four years before the final amalgamation of the two Companies under the award of 1708-09, Murshid Kuli Khan, the Diwan of Bengal, transferred his headquarters from Dacca to Murshidabad, which, from 1704, became the centre of gravity in the financial administration of the province. The death of Aurangzib, in 1707, at once let loose the forces of disintegration which gradually removed all elements of cohesion in the Moghul Empire.

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(1) Charles Hardy, 'Register of Ships employed in the service of the United East India Company', published by the East India House in 1799.

Section II

The Farman of 1717 and Murshid Kuli Khan

The position of the English in Bengal at the time of Aurangzib's death was ill defined. Though they had got the zamindari rights and a fortified settlement in Calcutta, they found that the provisions of the farmans they had hitherto obtained hardly gave them any security and stability to their trade. The provincial authorities, in fact, ignored the farmans on various grounds (1).

Murshid Kuli Khan, as Diwan and later as Subahdar of Bengal, was held in high esteem by the Moghul Emperors, mainly because of his efficient collection of revenues and the timely despatch of the same to Delhi. A shrewd financier, Murshid Kuli Khan was "sensible that the prosperity of Bengal and the increase of the revenues depended upon its advantageous commerce, particularly that carried by the ships from Europe." But while he "[illegible] showed great indulgence to merchants of every description, he was jealous of the growing power of the Europeans in Bengal" (2).

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(1) Consultations, 22 October 1708; 27 November 1708.
(2) Salimulla, 'Tarikhi-Bangla', translated by Gladwin (1788), p.81.

Naturally, the English were anxious to secure one consolidated farman ensuring the free movement of their trade over the whole country. The fortified settlements at Bombay, Madras and Calcutta had already added to their physical strength. A consolidated farman issued by the Emperor ensuring their commercial privileges would clothe them with legal and moral justification to assert their rights, whenever they were violated by the provincial authprities. Their position was boldly and clearly stated by Thomas Pitt, President and Governor of Fort St.George, in 1708. In a letter to Zeaudy Khan (Ziyau-d din Khan), Lord High Steward of Shah Alam's Household, he urged on the necessity of having one document which would remove the impediments in the way of the trade of the Company and ensure it better facilities.

'As we want the Phirmaund to be general', wrote Pitt, 'I must let you know how matters stand in Bengal and Suratt.'

'In Bengal we have the King's Phirmaund and Prince's Nishaun with several Nabob's Perwannas for being custom free in the Kingdom of Bengall, Behar and Orixa upon paying three thousand rupees per annum att Hugly into the King's treasury, and for our settlement at Calcutta, where we desire His Majesty would be pleased

to grant us leave to erect a Mint and to coin Rupees and Mores (Muhars) with Royal Stamp according to true matth and weight of those coined in his Royal Mint at Rajamall which conveniency would very much contribute to the increase of that trade.'

Pitt also spoke about the obstructions put on the trade of the English at Patna, Dacca, Rajmahal, Malda and Kasimbazar and expressed the hope that a way might be found in a farman for the removal of their difficulties in future, which would 'lend greatly to the honour of the King and the augmentation of the riches of his country.' (1).

In spite of representations and protests of the English no concerted move could be made till 1713 when the Calcutta Council were determined to send an embassy and presents to the new Emperor Farrukhsiyar who, as a Prince, had been friendly with the English in Bengal. The Directors of the Company approved of the proposal made by the Council of Fort William and the Presidencies of Madras and Bombay were advised to co-operate with the lead given by Bengal. The good will of Farrukhsiyar was further demonstrated by his orders to the local Governors, in response to the request of the Company, to help the passage of the embassy and of the

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(1) Home Miscellaneous Series, Vol.69, pp. 183 - 85, Letter dated 5 January 1708.

presents through their respective territories. Murshid Kuli Khan, in Bengal, was meanwhile forbidden to interfere with the English trade which was to continue on existing terms. (1).

The embassy was led by John Surman, a young factor of Calcutta, with Khwaja Sarhaud, a friendly Armenian, and Edward Stephenson, as his colleagues. Hugh Barker was the secretary of the embassy. They carried with them costly presents worth about £30,000 and were warmly received at Delhi in July, 1715.

Fortune favoured the English. The medical skill of William Hamilton, the surgeon of the embassy, cured the Emperor of a dangerous malady and helped to create a friendly atmosphere. The bureaucratic formalities of the Moghul government delayed the proceedings for some time. The approval of the Emperor signifying his assent to the petitions, made on behalf of the Company, was ultimately obtained on 30 December 1716.

In three separate farmans addressed to the Governors of Bengal, Hyderabad and Ahmedabad, the various grants and privileges conferred on the East India Company were recorded and ordered to be complied with. The Persian versions of the farmans and their translations in English appear side by side in Surman's Diary

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(1) Consultations, 4 January 1714.

preserved in the India Office records (1). For Bengal the chief provisions of Farrukhsiyar's farman were :-

1. That duty-free trade was to continue on a yearly payment of a pescash or tribute of Rs 3000 to the royal exchequer at Hugli.
2. That the rentings of Calcutta, Sutanati and Govindpur in the pargana of Amirabad& were confirmed for an annual payment of Rs 1195-6-0 and those of thirty-eight new villages adjoining the aforesaid towns were conferred for a yearly rent of Rs 8121-8-0 to be paid to the Moghul Government. These villages were to be purchased from the respective owners with the permission of the Diwan Subah.
3. That in case the goods belonging to the English were stolen, attempt should be made to find out and return the same to the owners and the thief should be punished.
4. That the Madras rupees, provided they were as good as those coined at Surat, should pass in Bengal without discount.

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(1) Home Miscellaneous Series, Vols. 69 - 71.

5. That the original sanads need not be demanded of and shown by the English. A copy under the Kazi's seal would be a sufficient substitute for the original.

6. That all persons whether European or native, who might be indebted or accountable to the Company should be delivered up to the Chief of the factory.

8. That the English ships wrecked or driven ashore by storms should not be seized by the officers of the Government but that every assistance should be given to the English in all such cases (1).

In addition to the above, certain other privileges were granted to the English by the hasb - ul - hukm or imperial commands mentioned at the back of the farman. The more important of them were :-

(1.) That a dastak (or permit) given by the chief of the factory should exempt the goods from being stopped or examined by the officers of the Government.

(2.) That the Bengal Government should afford facilities for the coining of the Company's gold and silver in the mint at Murshidabad

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(1) Home Miscellaneous Series, Vol. 69, pp. 130 - 31.

in the season of coining other merchants' money, if it was not against the King's interest (1).

Rightly was the great farman issued by Farrukhsiyar regarded as the Magna Carta of the English trade in India. The grant of the farman was by far the most important event in the history of the East India Company in the eighteenth century prior to the battle of Plassey. It recognised all the privileges hitherto obtained by the English since the reign of Shah Jahan. It also contained new provisions. "That all goods and necessaries which their factors of the Subahships, ports and round about bring or carry away either by land or warer, know they are custom free that they buy or sell at their pleasure" (2). These words gave unqualified rights of trade to the English in Bengal. No other merchants, Indian or foreign, enjoyed the same privileges. Freedom of the Company's servants from molestation, searches and oppressions, and the authority which the Company obtained over the run away debtors virtually conferred on them extra - territorial privileges and correspondingly affected the sovereignty of the Moghul rulers in Bengal.

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(1) Home Miscellaneous Series, Vol.630, No.1 and No.12.
(2) Idem, Vol. 69, p.130.

Though many of its provisions were not long observed, the farman undoubtedly opened the way for the establishment of the commercial and political supremacy of the English in India. It enabled them not merely to out-distance their European competitors in commercial enterprise in India but also to defy the authority of the Government of the country whose prosperity began to be increasingly dependent on the trade of the Company and their servants. Forty years later, the vindication of the terms of the farman formed one of the groundsby which Clive justified his march against Siraj-ud-daula.

The news of the grant of the farman created great rejoicing among the English in Bengal, but just as it had been difficult to obtain the farman, so it was difficult to get it observed.

Murshid Kuli Khan, the Subahdar of Bengal, could hardly look upon the farman with complaisance, but he did not openly violate its terms. Some of them were, in fact instantaneously complied with. The authority of the dastaks* issued by the President of the

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* Dastak : A passport, a permit. In early days of the British government, a document authorising free transit of certain goods, and their exemption from custom dues, in favour of English traders. Vide, Wilson, 'Glossary', p. 128.

Company was recognised and in practice observed (1). This greatly facilitated the Company's trade which was no longer liable to be stopped by the officers of the Government. Difficulties soon arose regarding the goods to which the dastaks were applicable. Since the farman did not define the articles of trade, the English held that the privileges would extend to all kinds of commodities. The Nawab, on the other hand, firmly maintained that the dastaks were intended to cover only such goods as were imported or purchased for export by the sea.

The sale of dastaks to Indian merchants was an abuse extensively practised. In spite of the efforts of the Company to guard against possible abuses, the use and abuse of dastaks continued to give rise to trouble throughout the period (2).

The article which permitted the English to purchase thirty-eight additional villages was frustrated by the Nawab. These riparian villages were valued by the English because of their proximity to Calcutta. They were situated on both sides of the Hugli

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(1) Home Miscellaneous Series, Vol.628, pp.263-64.
(2) Consultations, 23 May 1726, See Chapter V, p.218-

extending from Baranagar on the north, to Kidderpore on the south, on the east bank of the river, and over a similar distance on its opposite bank. They had become the abode of merchants, banians (agents), brokers and sundry other traders dependent on the English. The imperial mandate directing the Diwan Subah to permit the English to purchase the villages from their respective owners was disregarded by the Nawab (1). He even prevailed over the zamindars not to sell these villages to the English.

Unable to get the possession of the villages by direct methods, the English took recourse to indirect tactics. Most of these villages were purchased by the Company's brokers and others dependent on them. A system of questionable and spurious transfer of ownership of these villages resulted in confusion and the unsettling of their revenues between 1717 and 1757, despite the revised settlement of the revenue of Bengal by Murshid Kuli Khan in 1722 (2). The matter was not finally settled until the treaties negotiated by Clive with Siraj-ud-daula and Mir Jafar.

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(1) Consultations, 30 July 1717.
(2) The Census of India Report, 1901, Vol. VII, Part I, p.24.

The use of the mint at Murshidabad was also promptly denied to the English on the ground that the Nawab's chief Mutasaddi (subordinate officer), who operated it, was dangerously ill and nothing could be determined in this regard till he recovered or was dead (1). An attempt to gain this and certain other privileges, in 1724, even on the offer of paying Rs 40,000 to the Nawab met with little success. (2)

The real opposition to the use of the mint came from Fatehchand, the foremost banker of Bengal, and the holder of the honour and title of Jagat-Seth. He counteracted successfully all efforts of the English to win over the Nawab to the execution of this important measure.

When the Surman embassy was in Delhi, the English in Bengal were harbouring fond hopes of getting the imperial sanction and the Nawab's permission to use the Murshidabad mint in terms of their petition (3). To facilitate the coining of money at the mint, they were thinking of building a new house near the mint.

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(1) Consultations, 18 July and 30 July 1717.
(2) Idem, 22 June 1724.
(3) Idem, 10 November, 1715.

They had also agreed to pay Rs 25,000 to the Nawab and his officers for a 'verbal order to use the mint' (1). Even before the arrival of the farman in Bengal, the English were anxious to work the mint with the small quantity of silver then available at Kasimbazar, so that they might gain some sort of preliminary experience of its working before greater quantities of bullion were used for the purpose (2). In view of the prospect of being able to coin money at Murshidabad, twenty chests of treasure were sent from Calcutta to Kasimbazar in July 1717 (3).

On the arrival of the treasure at Murshidabad the English found themselves outwitted. They were not allowed the use of the mint on the plea that the Mint Mutasaddi was ill. When later on, the farman and the relevant has-bul-hukms were shown to Murshid Kuli Khan, he positively declared that the English could not have the use of the mint (4).

It soon appeared that Fatehchand was definitely opposed to the English having the benefit of this valuable concession. His enormous wealth enabled him

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(1) Consultations, 16 April 1716.
(2) idem 18 June 1716.
(3) idem 1 July 1717.
(4) idem 18 July 1717.

to purchase the bullion, imported by the English to pay for their exports from the country, and to dictate its price. He supplied the bullion to the mint for coinage. He controlled the batta or discount rate which had to be paid for the use of the Bengal siccas as also for the Madras rupees or other types of rupees imported from outside the province. His income from batta alone, in the estimate of Luke Sraffton, amounted to seven or eight lakhs a year, the rate of the batta being regulated by him daily according to the sums he had to pay or receive (1). The English, on the other hand, valued the right of using the Murshidabad mint as it would enable them to make a lot of saving on the batta and ensure them a regular supply of currency to pay for their purchases.

In September 1721, the Council in Calcutta were informed by the English factors at Kasimbazar that while 'Fatehchand is so great with the Nawab, they can have no hopes of that grant, he alone having the sole use of the mint, nor dare any other shroff or merchant buy or coin a rupee's worth of silver'(2).

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(1) Scrafton's Letter to Clive, dated 17 December 1757, Vide, Orme Papers, India, XVIII.
(2) Consultations, 28 August 1721; 9 November 1721.

Both Murshid Kuli Khan, the Subahdar and Fatehchand, the Government banker, were opposed to the idea of the English excercising their right regarding the mint, so that they came to despair of using the mint for the purposes specified in the farman during the life time of Murshid Kuli Khan (1). His successor, Shuja-ud-din, was no less zealous in upholding the position and prestige of Fatehchand, who exercised a greater influence over the new Nawab and his actions than any other nobleman in Bengal.

One effect of the grant of the farman was the new stimulus it gave to the trade of the Company. The Company's investment in Bengal, which, in 1717, stood at £278,593, rose to £363,979 in 1729 (2).

Murshid Kuli Khan himself issued several parwanas or orders to facilitate the trade of the English merchants on the basis of dastaks (3). The Patna factory which had to be closed in 1715 was re-opened in 1718. The newly appointed factors at

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(1) Consultations, 25 July 1726, and 14 August 1727.
(2) Bengal General Letter, 30 October 1717, Letter Book No.16
idem 28 Nov. 1729, Letter Book No.21
(3) Home Miscellaneous Series, Vol.628 - pp.263 - 64;
Vol.629, pp. 181 - 83 and 185 - 87.

Patna were received with great civility by the local Nawab, who gave them a public audience and declared that the English were not merely forgiven the usual yearly peshkash or tax but they might buy and sell and go on with their business without the least molestation.

Difficulty soon arose regarding the articles which were covered by the farman. The more greedy and unscrupulous officers of the Government took full advantage of the confusion that resulted from the vagueness of the farman on this point. The attempt of the English merchants to carry on unauthorised trade in goods not permitted under the farman often led to estrangement of relations between the Company and the Government. The Company tried to purchase the goodwill of the Subahdar, his deputies, and the local officials by offering them rich presents on their assumption of office and on other special occasions. Presents were also given spontaneously if the Company's servants were spared obstruction in their trade for a considerable time. The faudjar of Hugli was, in fact, a frequent recipient of such presents for his good offices (1).

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(1) Consultations, 11 Sept. & 2 Oct.1727, 4 Jan.1732; 6 Nov. 1732; 25 Oct. 1732, etc.

The breach of privilege by the Company was often made a ground for the estrangement of relations between the English and the Government. One form of pressure to realise money from the Company was to confine its officers, particularly its vakil (attorney at the darbar) on the plea of the breach of privilege and such other pretexts. These officers would not be released by the Government until money payment was received (1).

A case in point was the confinement of the vakil of the English at Murshidabad, in 1726, on the ground that Rs 44,000 was due from the English on account of the Calcutta 'towns' (2). The English repudiated the demand and were determined not to give the additional rent demanded of them lest it should encourage similar demands in future (3). When the news reached the Council in Calcutta that the vakil was being whipped by Abdul Rahim, the Nawab's steward, who was the chief instigator of the plot and who had put under arrest several of the English gumastas (clerks collecting revenue, making purchases, etc) at

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(1) Consultations, 30 August 1722.
(2) idem 28 November 1726 and 12 December 1726.
(3) idem 13 February 1727.

Murshidabad and placed peons on the Company's factory house at Kasimbazar, and that orders had gone out to apprehend all the English gumastas at Malda and several aurangs (centres for wholesale trade), they were surprised that 'Jafar Khan, the Nawab, should permit his officers to act in this manner when we have been guilty of no misdemeanour or given any occasion for this unaccountable treatment.' (1).

The English decided to represent their grievances through the faujdar of Hugli and considered themselves powerful enough to hold out the threat that if the vakil was not set at liberty, they 'would not permit any boats and vessels belonging to the Moors to pass up and down the river!(2). They issued orders that no Moors' ships, vessels or boats were to be allowed to pass by the Fort and adopted measures for the enlistment of additional forces from among the 'Europeans, Portuguese and others as quickly as possible!' (3).

While the English made arrangements to strengthen their armed forces, they at the same time did not

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(1) Consultations, 13 February 1727.
(2) idem idem
(3) idem idem

neglect other means of getting over the difficulty. Instructions were issued to Kasimbazar to 'send over a party of men and endeavour by some stratagem or other to gett the vakil released'. Their vakil at Hugli who was sent to make special representations to the Nawab was advised to 'give the King's duhoy' (exclamation calling for mercy or redress) in the most public manner'. The English also made representations to the Nawab through the faujdar of Hugli (1).

The situation was so tense that the English Council in Calcutta considered it unwise to dispatch to Kasimbazar the twenty chests of treasure which had been got ready for that factory (2). The Nawab, in his turn, questioned the wisdom of Fatehchand, who was about to send two lakhs of rupees to Hugli, and wondered 'if he was not mad to venture such a large sum when the English were plundering boats and ships on the river' (3).

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(1) Consultations, 13 February 1727.
(2) idem 16 February 1727.
(3) idem 27 February 1727.

To play off the English, the Nawab went to the extent of inviting the Ostend merchants to his Court (1). The English considered this to be a mere pretence to extort further sums from them. They made their position clear to Fatehchand who was acting as an intermediary. They maintained that 'as long as their servants were under confinement, they could not hearken to any proposals, but on having their freedom in an honourable way and the demands on the towns entirely laid aside they would readily consent to making the Nawab a handsome present, and as soon as they were advised of their releasement they would permit the boats to pass and repass the river'(2).

The unfortunate vakil and his fellow prisoners continued to be maltreated, despite the supply of small sums from Kasimbazar which were intended to ' procure them liberty to eat and save their back for a day or two' (3). The question of releasing them by stratagem was considered to be not worth the trial, as they were kept in the Nawab's cutcherry(or

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(1) Consultations, 27 February 1727.
(2) idem idem
(3) idem idem

court house for the transaction of public business), which was within the courtyard of the house (1).

Pressure was soon put on the Nawab from another quarter. The country merchants became alarmed at the attitude publicly adopted by the English 'not to submit to the payment of a rupee more than usual for the annual rent of Calcutta & Towns and would sooner decline trading and ruin the country' (2). The nakhudas (captains) of the Moors' ships addressed the Nawab with a complaint that the action of the English would mean the ruin of the trade of the country and the merchants would sustain enormous losses (3).

Fatehchand, who acted as the intermediary, at last succeeded in bringing about better relations. He threw out a hint to the English that if they agreed to pay Rs 30,000, a parwana might be obtained to prevent any similar demand in future. Since the cessation of all activities would be particularly detrimental to the ensuing year's investment, the English at Kasimbazar were in favour of a settlement.

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(1) Consultations, 27 February 1727.
(2) idem idem
(3) idem idem

The Calcutta Council, accordingly, empowered Edward Stephenson, chief of the Council at Kasimbazar, to offer the Nawab fifteen or twenty thousand rupees in consideration that the Nawab would be pleased to allow them to 're-settle the factory at Malda, build the house at Dacca and finish the house at Hugli.' The English were unwilling to spend money unless they had some benefit in return. The Council in Calcutta declared that instead of 'tamely and easily complying with every unjust and unreasonable demand,' they would rather put a stop to their investment and all other business.(1)

The intervention of Fatehchand succeeded in bringing about a settlement. The vakil and other prisoners were released. The English paid to the Nawab Rs 20,000 for a parwana which was received in Calcutta on 10 June 1727, confirming the 'Sabik' or former grants and forbidding any like demands about the towns for the future.' (2)

Twenty days later, on 30 June 1727, Murshid

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(1) Consultations, 13 March 1727.
(2) idem 12 June 1727.

Kuli Khan died. (1)* The death of the Nawab created some misgiving in the mind of the Calcutta Council regarding the security of their farman, but the Kasimbazar factory assured them that they would make the best use of 'the change of Government' and that they were in hopes of procuring from his successor a 'confirmation of Farukhsiyar's farman as well as some other favours (2).

Within a month of Murshid Kuli Khan's death the English at Kasimbazar obtained a confirmation of the farman and the grant of the 'Calcutta towns' under Sarfaraj Khan's seal on payment of Rs 5,000 and requested the Calcutta Council for an additional sum of money for having some facilities at Hugli and Dacca and to re-settle the Malda factory. The Council permitted the factors at Kasimbazar to use up to Rs 10,000 for the purpose but warned them that as it was uncertain whether Shuja Khan, the son-in-law,

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(1) Consultations, 3 July 1727.
* The year of Murshid Kuli Khan's death was wrongly recorded by Stewart as 1725. The following statement in the Bengal Public Consultations of 3 July 1727 leaves no doubt as to the correct date of Murshid Kuli Khan's death:- ''Yesterday, we received a letter from Edward Stephenson, Esq., Chief & Council of Cossimbazar, dated the 30th Ulto., advising of the Nabob's death.''

(2) Consultations, 17 July 1727.

or Sarfaraj Khan, the grandson, of the old Nawab, would be appointed Subahdar, any payment on this account should be made on the confirmation of the new Nawab from the Delhi Court (1).

Murshid Kuli Khan's plan of leaving the succession of the Subahship to his grandson, Sarfaraj Khan, did not materialise, but there was little change of relations between the English and the darbar of Murshidabad after his death.

The administration of Murshid Kuli Khan as Subahdar of Bengal formed an important chapter in the history of the province. He supplied an efficient and orderly government in Bengal and kept it formally under the empire at a time when disintegration and disruption were the order of the day. He settled the land revenue of the province and, according to the Fifth Report (1812), increased the annual revenue by about twelve lakhs of rupees or 13½ per cent of the previous settlement made sixty-four years ago by Prince Shuja. The settlement of the revenue made by him was, in fact, the last settlement on land based on the capacity of the soil prior to the British rule(2).

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(1) Consultations, 31 July, 1727.
(2) Ascoli, 'Early Revenue History of Bengal and the Fifth Report, 1812', pp.25-26.

His strong and masterful personality was feared and respected. He gave Bengal a tolerably peaceful administration for almost a quarter of a century.

Owing allegiance to the Moghul throne at Delhi, Murshid Kuli Khan was not always respectful of the edicts and farmans that came from the imperial capital. Some of the most important provisions of Farukhsiyar's farman of 1717, for example, the permission granted to the English to purchase the thirty-eight villages near Calcutta and the use of the Murshidabad mint on certain specified days, could not be effective because of his tacit, if not active, opposition. Shrewd as the Nawab was, he must have realised that the acknowledgement of these concessions and privileges affecting the economy of the province would make the foreigners too strong in the country.* But his successful defiance of the imperial farman proved, if proof was necessary, the fatal weakness of the Moghul administrative machinery in the eighteenth century.

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* It is unfortunate that Dr. Balkrishna, in his article entitled ''The Magna Charta and After'' published in the Proceedings of the Indian Historical Records Commission, 1925, should have confounded Murshid Kuli Khan, generally referred to as Jafar Khan in contemporary English records, with Mir Jafar Khan, and made him play a role, in 1724, of surrendering sovereign rights to the English which Mir Jafar did thirty-three years later.

Section III

The working of the Farman, 1727-40.

In September, 1727, Shuja-ud-daula or Shuja-ud-din Khan, described in contemporary English records as Suja Cawn, became the acknowledged Subahdar of Bengal with confirmation from the imperial court of Delhi. While the question of making an adequate present to him was the subject of correspondence between Calcutta and Kasimbazar, the English at Patna succeeded in procuring a hasb-ul-hukm or imperial command under the seal of the Vazir of the Emperor Muhammad Shah confirming the grants made for Bengal by Farrukhsiyar's farman. (1)

Shuja Khan's subahship could not have begun under better auspices. A revenue system with a growing surplus, a rich treasury, a prosperous commerce and an administrative machinery and personnel raised to a high standard of efficiency by Murshid Kuli Khan - these were some of the assets which Shuja Khan obtained on his assumption of office. Edward Stephenson, the chief of the English factory at Kasimbazar, accompanied by one of his colleagues visited the Nawab with a handsome

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(1) Consultations, 21 August 1727, and 9 October 1727.

present which apparently pleased him. As a mark of his favour the Nawab bestowed on the English merchants Seerpaws (dress of honour) and gave valuable shawls (wrappers with embroideries) to their Indian broker and vakil. He gave them repeated assurances of his favour and encouraged them 'to go on with their business with all cheerfulness' (1).

Easy going and ostentatious by nature, Shuja Khan was rather fortunate in having a number of men of outstanding ability on whom he could depend for the administration of the province. Fatehchand, with his experience as a banker, controlled and guided the system of currency, Alamchand, the Deputy Diwan (2), managed the revenue administration, Ali-Wardi Khan, the strong man, could be relied on to guard and administer the frontiers, while Haji Ahmed, the broker of Aliwardi, played the role of an elder statesman, conducting delicate negotiations and holding the balance between the groups.

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(1) Consultations. 18 September 1727.
(2) The Nawab's son Sarfaraj Khan was the nominal Diwan.

In his relations with the Europeans, Shuja Khan followed in the footsteps of his predecessor. He did not let slip an opportunity to demand money of them on the allegation that they had abused their privileges. All the European settlers, the English, the Dutch, the French and the Ostenders, were at one time or other taken by him to task. The growing importance of the English in Bengal naturally brought them in closer contact with the Nawab. But during the twelve years of his Subahship in Bengal (1727-39), Shuja Khan did not go one inch further than Murshid Kuli Khan in the execution of the provisions of the farman of 1717. The English, in their turn, always claimed the protection of the farman, even though they often exceeded its provisions and came into conflict with the darbar. Both sides, however, appeared to have accepted the position of charging and counter charging each other without breaking permanently. One weapon which the English used effectively against the Government was the threat to block the river. This usually had a sobering effect on the Nawab.

Soon after Shuja Khan's assumption of office as Subahdar of Bengal, the relations between the

Government and the English Company became embittered over the question of trade in salt, a commodity, the sale and taxing of which has ever since played a prominent part in the history of India.

The boats of some English merchants proceeding to Patna were seized by the officers of the Government, and a huge quantity of salt found therein was unloaded by them at Bhagalpur. On representation being made by the English at Murshidabad to permit them to regain possession of the salt, the Government not merely refused the request, but demanded of them not to trade in salt in future. The Government held that no disinterested person could think that the farman gave the English the right to trade in all goods customs free, except in exports and imports. Even this concession, they emphasized, had placed the English in a position of advantage, which was not enjoyed by any other group of Europeans, not even by the Mohommedans themselves. The Government further alleged that the trade of the English had of late increased so much and they dealt in so many more commodities than in the past that the foreign trade of native merchants had very much decayed; and unless an effective stop was put to

their encroachements on inland trade, they would soon undersell all others, engross the whole trade of the province and thereby deprive vast numbers of the inhabitants of the means of livelihood. The English merchants of Kasimbazar feared that the dispute would not be settled without expense and giving of an obligation (1).

As a precaution for the future, the English Council in Calcutta decided that 'no person or persons whatsoever do directly or indirectly engage themselves in sending any Bengal salt with the Patna fleet for the future under penalty of having all such salt confiscated' (2).

This did not solve the issue at stake. The English feared that the order for the release of the salt could not be obtained for anything less than Rs 10,000. The position was further complicated by the attempt of the Government to define the implication of the words, 'Bearen' and 'Bibberum' as used in the farman. While the Government allowed the English to trade customsfree in all such goods as were brought into or carried out of the country,

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(1) Consultations, 9 October 1727
(2) idem idem

they did not admit the right of inland trade exercised by the English in such merchandize as were produced in the country. The Government insisted not merely on the payment by the English of a penalty for breaches made by them in the past, but also on an undertaking being given by them not to trade inland in that or any other commodity produced in the country in future (1).

The Council in Calcutta considered that not merely was the sum demanded too high since it was five times more than the customs would amount to on the salt but that their acquiscence in this affair would become a precedent for every trifling occasion. They justified their stand on the ground that they had done nothing contrary to the royal farman granted by Farrukhsiyar and " since confirmed by his present Majesty King Muhammad Shah" (2).

In reply to a petition presented by the English, the Nawab stated, with some force, that he was greatly surprised to find that the English entertained any such unreasonable thought that the farman gave them an unbounded privilege to trade in anything they had a mind to, and with " some warmth" he added that as he would not deny the English the privilege allowed them (which was only to trade customs free in what they would import and

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(1) Consultations, 18 March 1728.
(2) Idem, idem.

and export), so he would not suffer them to extend it further, in as much as this would be detrimental to the King's revenues and would be harmful to the natives who depended for their livelihood on inland trade (1)

On 9 April 1728, the Council in Calcutta learnt that the hopes of the Kasimbazar factory of getting the demand on the salt moderated were entirely at an end and that the Viceroy had declared positively that 'he would not give leave for the gumastas to go to Bhagalpur to dispose of the salt so unjustly detained there by the Government (unless) we would comply with his unreasonable and exorbitant demand of Rs 10,000'(2).

Apprehending that the compliance with this demand would be a sure and certain inducement to the Government to make further extravagant demands in future, the Council in Calcutta decided not to yield but to claim the privileges granted them by the farman and confirmed later. Unanimously they resolved to make a stand against the 'daily growing abuses of the new Viceroy'.

The Council decided to complain to his Imperial Majesty at Delhi, the Grand Vazir and other officers of the breach of several royal grants and to seek

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(1) Consultations, 1 April 1728.
(2) idem 15 April 1728.

redress. They also wrote to Edward Stephenson, Chief of the Council at Kasimbazar, 'In case the Gomastahs have not leave to return to Baggalpore to dispose of the salt by the 1st May, and that all our inland trade (without limitation) does not go on with usual currency, we are resolved to stop up the river, and not to suffer any vessells or boats belonging to the Moors to pass and repass our Fort'. The Council believed that strong and retaliatory measures, rather than tame submission, would help them to vindicate their position (1).

According to reports received by the English, the reaction of the darbar, on receipt of the resolution of the Calcutta Council, was rather mild. In view of this the English factors at Kasimbazar were of opinion that were the salt affair accommodated, the Government, while holding that the farman did not entitle the English to trade inland in such commodities as were produced in the country, would not take notice of their moderate dealings in what had of late been sent to Patna (excepting salt) and that the adding to the list of prohibited goods other commodities was only to induce them to comply the sooner with the Nawab's demands on that account. (2)

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(1) Consultations, 15 April 1728.
(2) idem 29 April 1728.

The Council, however, were soon informed by the officers of the darbar that the Nawab would not abate anything of Rs 10,000 demanded on account of salt and that had not the Nawab been inclined to favour the English he would not accept so little but would have put into execution the orders issued earlier regarding the salt at Bhagalpur. The darbar officers further warned the English that an attempt to block the river would much incense the Nawab.

Meanwhile the people appointed by the Nawab to dispose of the salt at Bhagalpur had sold some Rs 3,000 worth. The English were informed by some influential officers that if the affair was not speedily settled, the remainder also would be sold, and once the money was paid into the Nawab's treasury they would find it very difficult to recover it. These officers, as friends, advised the English not to hazard the Nawab's resentment but rather to comply with the demand so as to get parwanas for the currency of their business as usual. The faujdar of Hugli also offered his mediation and urged on the English not to precipitate a crisis by acting on their resolution to block the river. His advice was accepted by the English who decided to watch the results of

his efforts (1). They also took care to see that no Bengal salt was sent towards Patna, and in case any quantity was in danger of being found in the boats destined for Patna, it was to be thrown into the river (2).

The English had some satisfaction in the knowledge that other European traders were faring no better. The Dutch had their business stopped in the mint and could regain the liberty to use it only on payment of Rs 12,000. The Ostend Company also had met with a rebuff (3), while the resident of the French factory at Kasimbazar had been kept in confinement for some days at Murshidabad and was later released on giving an obligation for good behaviour in future (4).

In spite of the efforts made by the English to cultivate better relations at the darbar by presenting a handsome horse to Sarfaraj Khan, the son of the Subahdar and nominal Diwan of the province, they could not assuage the Nawab who ordered the Indian merchants not to have any further dealings with the English

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(1) Consultations, 13 May 1728.
(2) idem , 12 August 1728.
(3) idem , 3 June 1728.
(4) idem . 17 September 1728 and 3 October 1728.

and instructed his officers to stop the transit of all English goods wherever found. The reason for this fresh flare up was the alleged issue of dastaks by the English for goods sold to merchants other than the inhabitants of Calcutta, by which practice the King was defrauded of his customs. The English were held answerable for the deficiency (1).

The relations between the English and the darbar at Murshidabad became further complicated by the agreement which the English and the Dutch had entered into with the Nawab, regarding the Ostenders (2) and by the failure of Kantu(3), the broker of the English Company at Kasimbazar, to pay off his liabilities of over Rs 2oo,ooo to Fatehchand Jagat-seth, the banker. Fatehchand made a demand on the English for his claims on their broker.

The case of Kantu revealed the working of the financial transactions of the Company in relation to

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(1) Consultations, 22 May 1729.
(2) idem , 2 June 1730 - See Chapter III p.
(3) Kantu, the broker of the Company at Kasimbazar, who was dismissed in June 1730, died on 2 November 1731. (Vide : Consultations, 22 June 1730, and 22 November 1731). He should not be confused with Kantu Babu, the banian of Warren Hastings and founder of the Raj family of Cossimbazar.

Fatehchand and the general body of merchants. Kantu, as the broker of the Company, used to act, on its behalf, in making advance payments to the merchants among whom the English invested their money. It was customary for him to take short term loans, for and on behalf of the Company, from Fatehchand by issuing notes. In 1730, the total amount due from him to Fatehchand on account of such debts was Rs 215,000. Besides, he was indebted to the merchants for Rs 30,000, and his liability to the Company was Rs 133,000. His total assets which he made over to the Company to meet all his debts amounted to Rs 272,000 (1). Fatehchand held that he had lent his money to the Company through Kantu who acted as its agent (2). He therefore made the Company responsible for the amount.

Since the system of accounting was not very clear, Fatehchand sent his gumasta (clerk),Jeebandas, to John Stackhouse, the English chief at Kasimbazar, to explain the accounts. He had no doubt that 'since the English were so well versed in mercantile affairs they would see him paid'(3).

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(1) Consultations, 4 May 1730.
(2) idem , 25 May 1730.
(3) idem , idem.

The delay in payment led Fatehchand to present a petition to the Nawab who ordered Haji Ahmed to look into the affair (1). The Haji advised the English that 'since Fatehchand's estate was esteemed as the King's treasure', the matter had to be settled by all means so as to prevent an open rupture with the Nawab (2).

Kantu was unable to honour the heavy liabilities which he had to meet. The English examined his accounts and found that he was indebted to Fatehchand and the merchants for Rs 245,000 (3) and the balances of the Company for which he was accountable amounted to Rs 133,000. He himself gave an account of notes and effects for Rs 222,000. The Government held that Kantu contracted these liabilities to advance money to merchants, on behalf of the English, to keep their trade going, and since he had acknowledged the debt, the English must be answerable for it (4). Kantu, in his turn, also tried to throw the burden of liabilities on the English, particularly on Edward Stephenson, a former chief of the Kasimbazar factory (5).

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(1) Consultations, 2 June 1730.
(2) idem idem .
(3) Of this amount Fatehchand's portion was Rs 215,000 ; Consultations, 25 May 1730.
(4) Consultations, 9 June 1730.
(5) idem 20 July 1730.

The failure of the English to satisfy Fatehchand so alienated him that he entirely stopped the sale of the English bullion at Kasimbazar and Murshidabad and brought about a deadlock in their trade (1). Though the English tried to improve their position through the patronage of the Nawab's son, Sarfaraj Khan, and through Haji Ahmed and Alamchand, the Deputy Diwan, they were told that the Nawab had such regard for Fatehchand that the matter could never be settled till the latter was satisfied (2).

The situation became so critical that the Nawab ordered his army to prevent the English boats going to Patna until his orders were carried out (3). All business of the English at Kasimbazar was at a standstill. The English thought that the threat of their withdrawal from Kasimbazar, the centre of inland trade in Bengal, might have some effect on the Nawab. On the advice of the Calcutta Council, the English at Kasimbazar had actually made a move to quit the factory, when the intervention of some Armenian and Indian merchants at last brought the parties nearer (4).

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(1) Consultations, 10 July, 1730.
(2) idem, 13 July, 1730.
(3) idem, 17 August, 1730.
(4) idem, 25 August, 1730.

The tangle was partly solved by the decision of the Calcutta Council to satisfy Fatehchand by offering him Rs 107,500-4-0, being a payment of eight annas per rupee on his dues. Kantu was displaced by another broker named Bara Dutt, a substantial merchant at Kasimbazar (1). The affair with Fatehchand was for the time being cleared on payment of Rs 130,000 to him. Fatehchand, in his turn, promised to befriend the English on all occasions and undertook to procure them admission to the Nawab and an order for the resumption of their business on usual terms. (2). Agreeable to this promise, John Stackhouse and Francis Russell of the Kasimbazar factory were introduced to the Nawab who received them with great civility and assured them of his favour on all occasions (3).

No sooner had the tangle over the Fatehchand - Kantu affair been unravelled than trouble began to brew in several other places. The salt affair continued to give rise to difficulties at Patna (4), while at Dacca, Mir Habib, the Deputy Nawab, demanded of the English Rs. 8,000 on the following accounts, namely, the annual sum of Rs 2,000 for coining their silver in the mint,

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(1) Consultations, 9 September, 1730.
(2) idem, 28 October, 1730.
(3) idem, 9 November, 1730.
(4) idem, 28 October, 1730.

Rs 2,000 due on account of the promises made by the broker last year (which he positively denied), Rs 2,000 for the friendship of the Dacca Nawab for the current year, Rs 1,000 for his dastak for the dispatch of the boats of the English, and near Rs 1,000, being the difference in price of one thousand maunds of copper. The English were not to have the use of the local mint unless a parwana was obtained from Shuja Khan.

The English considered the demands of the Dacca Nawab unreasonable and expostulated with him. The only answer of the Deputy Nawab was that the English dominated the whole trade of the country, and in case of non-compliance with these demands, they would not be allowed to trade in Dacca (1). These impositions being entirely new, the English factors at Dacca sought direction from Calcutta. The Council at Fort William adopted a firm but conciliatory attitude and agreed to the payment of Rs 2,000 for the use of the mint but were definitely against complying with the whole demand(2).

Fresh troubles soon developed at the Murshidabad darbar. A party of Englishmen conducting some boats in the Malda river had a quarrel with a Chauki (3), killed two of the Chauki men and wounded a third.

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(1) Consultations, 23 September 1731.
(2) idem, 27 September 1731.
(3) Station of police or of customs, a guard, a watch, or the post where they are placed. Wilson, 'Glossary', p.106.

One dead body was brought to Murshidabad and laid at the Nawab's door. The Nawab at once sent for the chief vakil of the English and in a violent passion told him that 'if the English were permitted to act in such a manner and kill the King's subjects at their pleasure he could not be easie in his Government'. The Council at Kasimbazar used their utmost endeavour to pacify him but to little effect, he positively insisting on ample satisfaction. They believed that the affair could not be accommodated without considerable expense. Alamchand helped them to procure the dead body and get it buried. He also prevailed with the Nawab to defer taking any violent measures till the Calcutta Council could come to a decision on the best way of dealing with this unfortunate situation. The Council in Calcutta, in their turn, authorised the English factors at Kasimbazar to settle the dispute with the darbar in the best manner they could (1).

Even before this order could reach Kasimbazar, the Nawab had sent several parties of men to Berhampose, Katwa and most of the Aurungs (centres of wholesale trade) to stop all business of the English. The importunities of the Company's vakil with the Nawab to accommodate the affair were of no avail. The Nawab, on the contrary, laid

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(1) Consultations, 27 September 1731.

certain charges of the abuse of trade on the English and directed that as the English had not applied to the King for a confirmation of the farman nor made him any present, they must pay customs on all their trade from the beginning of his reign (1719) up to date. The English vakil was instructed to plead on their behalf, on the strength of the hasb-ul-hukm obtained by the Company from the present King confirming the grants made by Farrukhsiyar.

The English came to learn that the Nawab had taken these extraordinary measures to ingratiate himself with the Emperor by procuring him a present from them. The fact that he was serious in the matter was proved by his sending four mansabdars (1) to the aurungs to enquire about the volume of the trade of the English for the last five years so that he might make a calculation of the customs payable on their trade. He also compelled all zamindars to sign an undertaking not to suffer anything to pass under the dastaks of the English. Guards were set in many places to intercept the boats of the English and several of them coming from the aurungs were stopped. The English decided to petition

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(1) Nobles holding a mansab or military rank of a certain number of horse. Wilson, 'Glossary', p. 330.

the Nawab to redress their grievances and to enquire about the reason for stopping their business, since they had always conformed to the farman which had also been confirmed by the reigning King (1).

The Nawab persisted in seeking satisfaction for the murder of the men at the Chauki and ordered the persons concerned to be delivered up to him. Two soldiers were put under arrest in this connection and were threatened with execution unless a third soldier was also surrendered. The English, on their part, decried their responsibility in the affair by giving the King's duhoy (2).

There was talk of the Nawab's stopping the Patna boats of the English, and several pieces of cannon were actually sent to Mircha (Maricha), where the boats were changed. The English were determined to resist force by force and declared that if any of the King's subjects were killed in the process they could not be held responsible. In view of the crisis, the English merchants at Dacca were informed that it would not be possible at that juncture to get them any redress at Murshidabar.

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(1) Consultations, 11 October 1731.
(2) Exclamation in the name of the King, calling out for mercy or redress.

To put pressure on the Company, their business was stopped by the Government at other important centres of trade, particularly at Jagdea and Dacca. The Government communique to Dacca thus summed up the case against the English :

'' Complaints had been made to His Majesty of the Englishmen trading free of custom in most parts of his Kingdom without his immediate farman whereby his revenues are greatly decreased; and their trade being so extensive, a great number of merchants are prevented from trading and many ruined, so that the custom forthcoming from them is entirely sunk in the English; that they trade contrary to former grants in all the country merchandize besides what are proper for the Europe markets, in salt as in every other commodity; that they protect private merchants' goods under their dastaks both by land and water, to their own gain and a loss to His Majesty's revenue; that as the English have a free mint at Madras large quantities of silver are coined there into rupees and brought here to Bengal which occasions a deficiency of many lakhs in

that branch of the subahdari'(1).

The Nawab's orders to stop the trade of the English at Dacca were strictly followed. A zamindar with two hundred men was sent to their wharf with orders to prevent any boats with goods or passengers going off (2).

While the trade of the English was being stopped at all places, the tension was kept high by an unfortunate squabble at Mircha (Maricha) between a handful of English soldiers conducting some boats and the guards of that place. As a result, a sergeant was killed and two soldiers taken prisoners. This accident prevented the English from sending any military party to the Chaukis (watching posts) for fear of being overpowered by the numerous Government guards kept in all the larger Chaukis(3).

The disturbances caused considerable commotion among the Indian merchants who feared that they might not be able to send their goods by the English ships. But the Nawab heartened them by saying that he would encourage the French to take all the freight aboard their ships. The French were, in fact, admitted into his presence and were honoured with seerpaws or head dresses(4).

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(1) Consultations, 17 October, 1731.
(2) idem, idem,
(3) idem, idem,
(4) idem, idem,

The English adopted the customary method of presenting an arisdast or petition to the Nawab as also copies of the hasb-ul-hukm on which they based their claims. They at the same time took precautionary measures by enlisting as many Europeans in the army as possible, and buxerries (match lock men, or armed Indian guards) were posted at all the important strategic positions (1).

The efforts of the English to arrange a visit of their chief to the Nawab with rich presents elicited the reply from Haji Ahmed that the order of the Court was of too great a consequence to be dispensed with for a trifle. The English acted on the reasonable assumption that at the root of all these troubles was Fatehchand who harboured a grievance against them for the loss he had sustained in Kantu's affair. On being approached by the English for his friendship, Fatehchand coldly said that he 'would not be their enemy'. This laconic answer induced the English to think that Fatehchand would not come to the front but might help them behind the scene if he was reimbursed for his previous loss. Convinced that the friendship of Fatehchand would be very costly, the English, none the less, considered it worth having as there was no cheaper way left to settle

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(1) Consultations, 17 October 1731 .

matters and to prevent an absolute rupture with the Government (1).

At this juncture the Nawab began to force the issue. The English were privately informed that he expected a lakh of rupees for the Emperor to confirm their privileges, beside something for himself. He also accused the English of having abused their dastaks and of defrauding the Emperor of his customs.

The Council of Fort William in Calcutta told the Kasimbazar Council to carry on further negotiations through Fatehchand in the hope that the imperial hasb-ul-hukm which had led to so much trouble might be reversed and a sanad granted them by the Nawab and Diwan for the confirmation of their farman and immediate currency of their business including the currency of Madras and Arcot rupees on which additional batta had been imposed (2).

Reports reached the English that while the negotiations were in progress the English soldiers, now numbering eighteen, imprisoned at Murshidabad were being ill used and that the Nawab's forces which were constantly on the increase continued to abuse Englishmen

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(1) Consultations, 23 October 1731.
(2) idem, 25 October 1731.

everywhere and insult them in everything but their persons, To bring about a speedy end to all this, the Council at Kasimbazar were told to offer a subahdari present of Rs 40,000 to the Nawab and Rs 5,000 to the Diwan and they were given the option to spend an additional amount not exceeding Rs 10,000 for any peremptory demand.

The English in Calcutta were of the opinion that the orders which the Nawab professed to have received from Delhi were fictitious and were against any payment on that account. But in case any payment had to be made on His Majesty's account, it was to be preceded by a confirmation of all the grants under the royal seal (1).

Little progress, however, was made as Fatehchand wanted a definite assurance of no less than Rs 50,000 for himself. The Nawab, on his part, threatened that he was determined to try the courage of the English and insist upon a strict compliance of the King's orders. Reports were current that he was resolved to stop the Patna party and, in case of resistance, would directly give orders to besiege the Kasimbazar and Dacca factories, and if any of the

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(1) Consultations, 30 October, 1731.

Nawab's people were killed, the English prisoners whose number now amounted to thirty would be at once put to death. News of extortion from the gumastas of the English and from the English factories reached from Malda.

The Kasimbazar Council, accordingly, wanted greater power for themselves. They wanted the Calcutta Council to consider seriously whether it would not be better to make up the dispute now, though at great expense, than run the risk of being brought to a shameful compliance at last, which, they believed, must be the consequence of standing out longer. The Nawab, in their opinion, was 'very rash and hasty (far unlike Jaffar Khan), not at all regarding what he does to obtain his end, bat the country suffer ever so much by it'. It would be madness, they pointed out, for about forty men, which was the most they had, to resist him in the heart of the province, and the English at Dacca were certainly not in a better position.

With the delay Fatehchand grew increasingly angry. He accused the English of dallying with him to no purpose. He warned them that they were not disputing for a trifle but the security of their farman.

The Council in Calcutta, accordingly, agreed to write to the Kasimbazar factory to make as cheap a bargain as they could with Fatehchand; but it was to be clearly and definitely understood that whatever they gave him must be as an acknowledgement of his good service and not as a payment of any demand or debt (1).

Invested with greater freedom and encouraged by the fact that John Stackhouse, the chief of the Kasimbazar factory, would soon be succeeding John Deane as Governor and President of the Council of Fort William in Calcutta (2), the Council at Kasimbazar proceeded to carry on the negotiations with determination to bring about a settlement. Distressing messages from all quarters, Jagga, Dacca and Malda, were constantly pouring in regarding the stoppage of business and harsh treatment of the English merchants, and understandably John Stackhouse was anxious for peace.

In secret talks with Fatehchand which followed, the English were told that they must not flatter themselves with hopes of getting over this affair immediately because 'the Nawab has not in his power to confirm their privileges if they would give him ever so much money'. Fatehchand, therefore, advised them,

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(1) Consultations, 1 November, 1731
(2) idem, idem.

as a friend, that the best course for them would be to get all guards removed and goods cleared by giving a present to the Nawab which might induce him to write to the Imperial Court in their favour and afterwards to treat with him for a new farman which would be absolutely necessary for the future currency of their business (1).

Since the whole investment of the English Company was at stake and the despatch of the Company's ships impossible till the dispute came to an end, the Council in Calcutta gave full powers to the Kasimbazar Council to settle it upon the best terms they could, but they were to be on the alert that whatever was given must not be inserted in the darbar books, lest it should be made use of to demand such a sum yearly for the clearance of the business of the English (2).

With the help of Fatehchand the English at Kasimbazar got a proposal from the Nawab that they should make a present of a lakh of rupees to the King and a lakh of rupees to the Nawab out of which the

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(1) Consultations, 8 November 1731.
(2) idem, idem.

Nawab was to defray the charges of the guards kept in the factories. In case of the compliance of the English, their soldiers and goods would be immediately cleared and business would be allowed to go on as usual. The Nawab would then favourably represent the case of the English to the King to help them to procure a confirmation of their privileges.

Difficulty at this stage was created by Diwan Alamchand who insisted on the signing of an obligation by the English to limit the number of their ships and many other articles. Acceptance by the English of this new proposal would, in effect, mean their giving up all the privileges obtained in the past. Fatehchand once again intervened and induced the Diwan and Mutasaddies to drop most of their demands. Still, the English chief hesitated to sign the document embodying the proposals, but he was ultimately persuaded by Fatehchand who told him that, if he did not, worse would follow.

The document duly received the Nawab's approval and was brought to the English by Fatehchand with parwanas for taking off the guards. Fatehchand advised the English not to be uneasy, since their business would

again go on as usual and nothing more was required than that they 'should not trade in Bengal salt, betel-nuts and other commodities from one part of the country to another and ingross in any sort of goods to the prejudice of the King's subjects'. He assured them of his good services in future and appeared to be satisfied with a note for Rs 50,000 which the English gave him. He had been, in the opinion of the Kasimbazar Council, of signal use in getting the settlement, for instead of costing two lakhs of rupees he had finished it for Rs 180,000 including the presents to the Diwan and other officers which amounted to no less than Rs 30,000. So he had saved for them the half lakh that they had given him (1).

The following is the translation of the statement signed by John Stackhouse, the chief of the Kasimbazar factory, in settlement of the dispute as recorded in the Consultations :-

" I John Stackhouse Englishman do declare that whereas the Husbalhookum is come to the Nawab Souja Doula Cawn in order to prevent all misdemeanours and encroachements which we have made in our trade and all unlawful

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(1) Consultations, 22 November 1731.

practices and ordering us to procure his present most Gracious Majesties Royal Phirmaund which the aforesaid Nabob has ordered to be immediately put in execution, I do therefore agree that I will not trade in any goods but what are proper for Europe and intermedle with such part of trade as belong to the natives of Indostan either in Bengal, Orixa or Patna, nor will I protect or give sanction to any goods either by land or water belonging to Foreigners that the King may not be defrauded of his customs, Nor will I trade for or provide any more goods at the aurungs than what is customary, that other traders may not make complaint against us, but provide their own goods themselves, Nor will I buy any of the natives either male or female for slaves and I do oblige myself to procure his present Majesties Phirmaund from Court for the currency of our trade custom free to which purpose I have given this obligation the 25th Jumadallowell the 14th year of His Majesties reign that is the 11th November 1731." (1)

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(1) Consultations, 22 November 1731.

The undertaking given by the chief of the Council at Kasimbazar did not meet with the approval of the Calcutta Council who entered a protest in their Consultations. The Calcutta Council thought that John Stackhouse had acted unwarrantably in giving an obligation by which the King's farman and hasb-ul-hukm were annulled (1). Though the Kasimbazar Council justified their conduct by pointing out that there was no other alternative for them to save the Company's investment and maintain the currency of their business and shipping and that the obligation might be repudiated, if necessary, at a more convenient and opportune time in future, the Governor and Council in Calcutta remained unconvinced and held that the Kasimbazar Council had no authority to give such an obligation and all of them jointly and separately must be answerable for the consequences (2).

While the Councils in Calcutta and Kasimbazar were thus engaged, fresh trouble arose at Murshidabad. The visit of the English chief to the darbar to mark the end of the hostilities had to be deferred as the Nawab demanded that the remainder of the money due from the English and the Dutch on account of a tripartite

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(1) Consultations, 22 November 1731.
(2) idem, 2 December, 1731.

agreement made in 1729 to drive away the Ostenders from Bengal should be paid before normal conditions could be restored (1).

Complaints of oppression continued to come from the English at Dacca where their 'affairs were in the greatest distress'. All the goods on the pinnaces and boats from Rajapore had been taken out and the soldiers on board were loaded with irons and kept confined in a bamboo cage. The Patna fleet which was coming the 'lower way' was in danger of being attacked (2). Letters were also received from Patna that the local Nawab had sent a body of troops to surround the English factory and ordered their business to be stopped unless a present similar to the payment made to Shuja Khan was given him (3).

Meanwhile conferences and discussions took place between the English and the Dutch as to the possible course of action. It appeared that the Dutch had placed an amount of Rs 62,500 with the Government for the use of the mint which could be seized by them at any time. The lukewarmness on the part of the Dutch

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(1) Consultations, 29 November 1731. See Chapter III. p.146
(2) idem. For routes and communications, see Chapter VI, p. 308
(3) Consultations, 27 December 1731.

for joint action against the Nawab grew into a definite refusal. They were rather prepared to pay the English portion of the money, if necessary (1).

While an epistolary duel was going on between the English Councils in Calcutta and Kasimbazar, John Stackhouse, their chief at Kasimbazar, was personally insulted, and 'hands were laid on him' by one of the agents of the Nawab who came to demand the sum of Rs 62,500 payable by the English on account of the tripartite agreement (2). The Kasimbazar factory was surrounded by the forces of the Government to compel payment (3).

At last the Council in Calcutta had to come down and authorise the payment of their portion to the Nawab, and a sum of Rs 500,000 was despatched, from Calcutta to Kasimbazar, under an Ensign and fifty men so that the necessary payments under all heads might be made and the Company's investment duly contracted for. The Council at Kasimbazar were instructed to keep one hundred soldiers in the garrison to ensure the safety of the Company's affairs. The faudjar of Hugli who had remained friendly to the English at this time

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(1) Consultations: 6,13,19,20,22 December, 1731. For
(2) Anglo-Dutch relations see Chap.III, p.142
Consultations, 19 December, 1731.
(3) idem, 20 December 1731.

of trouble was rewarded with a present of Rs 2,350 as an acknowledgement of his good services (1).

Feelings of estrangement continued for some time at Patna. The local Nawab accused the English of carrying on private trade in the name of the Company and insisted that their business should be stopped unless the reigning King's farman was procured. Hugh Barker, the chief of the Patna factory, told the Council in Calcutta that the vakil of the English was instructed to say that it was all the Company's trade and assured the Council that they would 'endeavour to keep the vail (veil?) over it'. Efforts were also continued at Delhi to get the necessary privileges from the imperial Court. (2).

At Murshidabad affairs were soon settled because Fatehchand stood guarantor for the payment of the money. Stackhouse, the Kasimbazar chief, accompanied by his two colleagues, Fazakerley and Halsey, visited the Nawab, on 5 January 1732, and were kindly received. The Nawab gave them a great many assurances of his favour in future (3).

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(1) Consultations, 4 January 1732.
(2) idem, idem,
(3) idem, 11 January 1732.

On 19 January, 1732, Stackhouse came to Calcutta and personally handed over the following parwana addressed by Shuja Khan to John Deane, the President and Governor of the Council of Fort William in Calcutta, which was obtained on promise of paying an additional sum of Rs 9,500 :-

"John Deane, Governor I salute you and am very well pleased and satisfied with your fair dealing and management and have not any ill will whatever against you. You ought to preserve a good understanding with me, and by a good management of yours, go on with your business as customary without doing anything contrary to law and custom" (1).

There was no further stopping of the English trade at Kasimbazar and news also came from Patna of the restoration of normal business and a friendly reception, by the local Nawab, of Hugh Barker, the chief of the Patna factory (2).

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(1) Consultations Extraordinary, 19 January 1732.
(2) idem 31 January 1732.

Suja Khan's despatches to the imperial Court reveal the nature of his double dealing with the English. At the time when the trouble at Murshidabad appeared to have cooled down, the Council in Calcutta received a communication from Patna about the Nawab's activities to prejudice the English cause at the imperial Court. Anoopchand, the vakil of the Company at the Court, intimated to Hugh Barker, the English chief at Patna, that Shuja Khan, the Subah of Bengal, while forwarding a lakh of rupees to the Court, had written to the King that "the English depending so greatly on the valour of their soldiers under cover of the Company carried on an extravagant trade and sunk vast customs; however, that he had stopped their boats and business and taken this Laack of rupees which he now sends in lieu of these customs the English had sunk.....Wherefore if their vakil seeks after an order (Husbalhookum) for their becoming custom free, that your Majesty will not grant it, But that it may be a general order of Instructions, that the English be compelled to.pay custom like the Dutch, the French and other Europeans." (1)

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(1) Consultations, 31 January 1732.

The Vakil continued that in accordance with the tenor of this letter an order from the Emperor to take the customs/duties from the English was about to be sent to all the subahships of the Kingdom. When the vakil had the information about the preparation of this warrant, he saw the few high officials who were in charge of the affair and was assured that the warrant might be destroyed on payment of 800 gold mohars or about Rs 10,000 and a favourable order on Shuja Khan might be obtained on payment of another sum of Rs 10,000. The vakil further wrote that he had no power to spend the Company's gold 'mores' (mohars), but seeing everything going to ruin he agreed to it and then stated, "If I have done well you write to me so, otherwise I have been in faults". The concluding portion of his letter, as summed up by the Calcutta Council, ran thus, "The Court is drowned in luxury and the King and nobility all cowards wherefore if we (the English) attacked them at sea and stopped the Port, Suja Cawn could alter his measures and mitigate his resentment, and when they heard at Court, we had troubled the Port they would be softened likewise" (1).

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(1) Consultations, 31 January 1732.

The Council in Calcutta approved of the measures hitherto taken at the imperial Court and expressed their willingness to give, in all, Rs 20,000 including the sum of Rs 10,000 mentioned in the Court vakil's letter for obtaining an order or hasb-ul-hukm on the Nawab Shuja Khan confirming King Farrukhsiyar's farman for the duty free trade and also for a letter to the Nawab from Khan Dauran, an influential nobleman at the Court who was friendly to the English, recommending the punctual execution of the order (1).

Towards the end of February 1732, Stackhouse succeeded John Deane as President and Governor of Council in Calcutta (2). Since he had been the chief at Kasimbazar during the crisis and a principal actor in the negotiations between the darbar and the English, the arrangements between the parties had henceforth a brighter prospect of application by both sides.

Negotiations to obtain a hasb-ul-hukm or order from the Emperor Muhammad Shah confirming Farrukhsiyar's farman were continued and the Council at Patna forwarded a draft of the proposed order to the Court vakil along with the necessary amount of Rs 20,000. The wording

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(1) Consultations, 31 January 1732.
(2) idem, idem,

of the hasb-ul-hukm which was to be addressed to the Subahs of Bengal, Bihar and Orissa was drafted at Patna and forwarded to the Delhi vakil for necessary action. It ran thus : -

" That the English trade according to the farman of Farrukhsiyar and the Husbalhookum of the present King Mahmud Shaw is custom free, that the several governments obey those orders and that the English buy and sell and carry their goods by land or water from one place or Subahship to another where they please without let or hindrance" (1).

The money was to be paid when the order was actually issued (2).

Relations between the English Company and the Bengal darbar continued with the usual fault finding on both sides on matters like slavery (3), imprisonment of soldiers and allegations regarding private trade. Threats were sometimes held out for stopping the trade of the English. The English henceforth were careful not to send the Bengal salt up the river. On one occasion the salt found on board the Patna fleet was thrown

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(1) Consultations, 25 February 1732.
(2) idem, idem.
(3) See Chapter VI, p. 337

overboard, and orders were issued that the boats carrying salt were not to be given the protection of the English fleet (1). The Company was anxious to maintain good relations with the Nawab and to create a favourable atmosphere for the reception of the hasb-ul-hukm from the imperial Court (2).

Trouble once again ensued from the conduct of the English soldiers of the Patna fleet who insisted on carrying the Bengal salt up the river. The efforts of the Calcutta Council to stop the spurious business proved futile. A mutiny was apprehended if the salt was unloaded on the way. Accordingly, the Company decided to purchase the entire quantity of salt on board the fleet and the accompanying boats, and after keeping the quantity which was permitted to be carried as free allowance for use, the remainder was to be thrown into the river. (3).

Instructions were sent to Kasimbazar to make up the matter with the Nawab and to offer suitable presents to him so as to stop any undesirable clamour(4).

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(1) Consultations, 15 August 1732.
(2) idem, 21 August 1732.
(3) idem, 3 August 1732
(4) idem, 30 August 1732.

The nature of the abuse practised by the soldiers is evident from the fact that some of them were carrying five or six hundred maunds of salt in several boats which could not have been possible except by bribing the ghat-manjhi or the person who regulated the movement of boats in landing places on the river. The Company's agents decided to purchase the entire quantity at Rs 2 per bag as wanted by the soldiers and to leave it ashore, there being no boats to send the salt down (1). But the quantity of salt was so great that in case it was landed a large sum of money would have to be paid to the Nawab for liberty either to sell or send it down to Calcutta. The action of the Kasimbazar Council to make up the affair with the Nawab for Rs 15,000 was therefore recommended for approval, in as much as the expense was considered to be much less than the loss which otherwise might have to be incurred (2).

In spite of petty disturbances here and there, the relations between the Company and the darbar had definitely improved. Towards the end of the year 1732, Shuja Khan's appointment as the Subahdar of Bihar was solemnized with public rejoicing. The friendly

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(1) Consultations, 4 September, 1732.
(2) idem, 11 September, 1732.

relations between the English and the Nawab were marked by a congratulatory message sent by John Stackhouse, President and Governor of Council in Calcutta, to the Nawab (1).

However, it was not long before the relations between the Company and the darbar became embittered on the question of jurisdiction in two cases in which the Nawab wanted the English to surrender certain persons to him for trial. The first was the case of an Armenian merchant named Khwaja Nazar against whom there were certain proceedings in the darbar. While the English acted promptly in preventing Khwaja Nazar sailing from Calcutta for Europe (2), they would not permit him to be captured in Calcutta by the Nawab's forces and transported to Murshidabad. They were determined " not to submit their merchants being carried off the place which would be of the utmost ill consequence to the Hon'ble Company's affairs as it would be a precedent for the darbar to demand every man of substance out of the place" (3). They would rather prefer to make up the affair on payment of Rs20,000; but the Nawab would not accept anything less than Rs50,000

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(1) Consultations, 4 and 2o December 1732
(2) idem, 4 December 1732
(3) idem, 17 April 1733.

which was considered by the English to be exorbitant (1).

The other case arose out of a dispute between Omichand, one of the merchants under the protection of the English, and Goorbux, an inhabitant of Murshidabad, who had come to Calcutta on business. The quarrel between them led to the capture of Omichand by Goorbux at his house. Fearing that bloodshed and murder might be the ultimate result, the English sent a number of soldiers to release Omichand. In the scuffle that followed, six of Goorbux's men were killed and two English soldiers were wounded. Omichand was released and Goorbux was kept as a prisoner by the English (2). The father of Goorbux lodged a complaint with the darbar which promptly put Omichand's brother, Samji, under arrest and kept him as a hostage at Murshidabad (3).

The Nawab's point of view was that the affair did not relate to the English at all, but that it was a dispute between two of the King's own subjects in which eight or ten men had been killed and several others wounded, that as he was Subahdar of the province both Omichand and Goorbux ought to come before him. He instanced the case of Kantu, the broker of the English

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(1) Consultation, 17 April 1733.
(2) idem, 19 April 1733 (Consultations Extraordinary)
(3) idem, 23 April 1733.

at Kasimbazar, who, flying when indebted to the Company, was, on the application of the Company, delivered to the English. He held that in this case, when a native of Bengal was hurt and many had complained on his behalf, the persons concerned should be delivered up likewise (1).

The position once again became critical and the business of the English was stopped at several places. John Stackhouse, the President and Governor of the English Council in Calcutta, addressed an arisdast or petition to the Nawab concerning Omichand's affair. In reply the Nawab questioned the propriety of the conduct of the English in intervening in this affair and charged them with bloodshed and murder. "Throughout this empire," he stated, " no merchants have ever dared engage in blood and will you that are merchants be guilty of such violences?" He accused the English of having given protection to Omichand, which had made him so bold as to defy the authority of the Government, and demanded his surrender (2).

The Council in Calcutta were very much embarrassed by the Nawab's persistence in requiring of the English what was never submitted to, the delivering up of their merchants. Since their business was in several places brought to a stand, they considered

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(1) Consultations, 7 May 1733.
(2) idem, 28 May 1733.

that the Nawab was determined to reduce them to the same unhappy dilemma as he did two years ago. Since the Council were not at all willing to hazard the disappointment of not being able to despatch the Company's ships to Europe in good time, they wanted to settle the affair as early as possible and therefore instructed Hugh Barker, the chief of Kasimbazar , accordingly (1).

The vakil of the English at Murshidabad having sought accommodation on both Khwaja Nazar case and Omichand-Goorbux case, was told that nothing less than Rs 150,000 would be acceptable to the Nawab. The Council in Calcutta considered the amount exorbitant and determined to hazard everything rather than submit to such impositions (2).

The Nawab's attitude to the English at this time becomes clear from the following letter to Khan Dauran at the imperial Court in Delhi in reply to enquiries about his opinion on giving further privileges to the Company :-

" I am scarce able to recount to you the abominable practices of this people. When they first came to this country they petitioned the then Government

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(1) Consultations, 28 May 1733.
(2) idem, 11 June 1733.

" in a humble manner for liberty to purchase a spot of ground to build a factory house upon, which was no sooner granted but they run up a strong fort, surrounded it with a ditch which has a communication with the river and mounted a great number of guns upon the walls. They have enticed several merchants and others to go and take protection under them and they collect a revenue which amounts yearly to Rs 100,000. In the reign of Aurangzib their trade never exceeded three ships' cargoes and was well purchased within the province of Bengall. Their investments of late have been immoderate and they both import and export other merchants' goods in their own names besides which they rob and plunder and carry great numbers of the King's subjects of both sexes into slavery to their own country which hath obliged me to give very strict orders to all my Phousdars about them... They now begin to form several towns, which it is feared, may in time become strongholds, and consequently a difficult matter for the Government to remove them. It is therefore my

''opinion that if any favours are designed them by the imperial Court it may be of ill consequence to give them a Phirmaund for any other priviledges than they enjoyed in the reign of Aurangzib''(1).

In spite of the hostile attitude of the Nawab, the vakil of the English at Delhi succeeded, by bribing the Court officials, in procuring a hasb-ul-hukm so desired by the English (2).

The tension at the Murshidabad darbar and the trade stalemate in Bengal still continued. Rasiklal, the vakil of the English at the darbar was suspected by them of deceit and other vile practices. The Council in Calcutta ordered that he should be sent down to them for examination (3). The Company's boat which was carrying the vakil under a guard was overtaken by a chauki or watching boat of the Government at a place called Muhoa. In the confusion that followed the vakil fled from the Company's boat and was later seen ~~to be~~ on the bank of the river surrounded by a large number of men. The crowd was so big that the English considered it discreet not to try and recapture the vakil who proceeded towards Murshidabad. The incident

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(1) Consultation, 18 June 1733.
(2) idem 18 June and 2 July 1733.
(3) idem 18 June 1733.

proved the helplessness of the Company to regulate the conduct and movement of its own servants. The President of the Council in Calcutta made a representation to the Nawab about the irregular proceedings, but nothing came out of it (1).

Another rebuff was yet to come from the Nawab of Dacca who accused the English of having monopolised the whole trade of the country "much to the prejudice of the King and his subjects". He also laid stress on the unauthorised private trade of the English merchants which exceeded that of the Company (2).

The affairs of the English at the darbar were in fact mismanaged both by their late vakil, Rasiklal, as also by Hugh Barker, the chief at Kasimbazar, against whom there were charges of dishonesty (3). Meanwhile the case of Khwaja Nazar was settled through the negotiations of his vakil, Muhammad Jaffer. The Nawab accordingly sent a parwana to the English in Calcutta not to detain Khwaja Nazar any further but give him freedom of movement as he desired. (4).

The Goorbux-Omichand case, however, continued to trouble the relations between the darbar and the English.

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(1) Consultations, 8 July 1733.
(2) idem, idem.
(3) idem, 12 July 1733; 7 Nov. 1734; 21 June 1736; (10 Oct.1736.
(4) idem, 1 August 1733.

A request fron Haji Ahmed for the release of Goorbux from the prison in Calcutta was ignored by the English(1). None the less, the tension to a large extent had died down, and except for some trouble here and there the English carried on their business without much interruption. It was for this reason that though a hasb-ul-hukm from the imperial Court was obtained by the English, the Council at Kasimbazar did not consider it wise to present it to the darbar lest the Nawab should think that the English were making complaints against him at Delhi (2).

There was a sensation in Calcutta on 17 August 1736, when it was discovered that Goorbux had escaped from prison. The Council at once instructed the Kasimbazar factory to demand of the darbar that he should be delivered over to the English (3). But though Goorbux was seen moving about at Murshidabad, the darbar officers informed the English that the Nawab would never agree to deliver him up (4). The Council at Kasimbazar considered that it would be useless to pursue this affair since Goorbux had no power to do anything that might prejudice the interests of the English (5).

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(1) Consultations, 27 August 1733. (2) Idem, 15 January 1734.
(3) idem, 17 August 1736. (4) Idem, 17 August 1736.
(5) idem, 13 Sept. 1736.

The English had been confronted with fresh difficulties since September 1735. The Nawab made a demand on them for Rs 25,236-1-0 (less Rs 4,252-1-0 paid the Krori or collector), being the amount due to him on account of his jagir in the Calcutta towns for eight years (1). Once again did the English take their stand on the farmans, nishans and sanads on which they based their claims on the towns and declined to pay the money (2). The Nawab held that these grants were made to the English in the infancy of the Company's trade when they did not load above four or five ships, and that they now loaded a hundred (3).

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(1) Consultations, 2 September, 1735.
(2) idem, 13 and 19 November, 1735.
(3) The language is obviously an exaggeration. In 1716-17 when the English obtained the great farman, the number of ships despatched by the Company to the East was thirteen, of which three were specifically bound for Bengal and two for the 'Coast and Bay', while in 1735-36 the number of ships despatched to the East was sixteen, of which only one was bound specifically for Bengal, one for Bengal and Bencoolen, one for Bengal and Bombay and six for the eastern coast of India. (vide: Hardy, Register of Ships employed in the service of the Hon. United East India Company, pp.3-11).

The above list, however, includes only the ships of the Company sailing between England and the trade centres of the East and does not take into account the smaller ships that were used by the servants of the Company and free merchants in their coastal and other kinds of trade.

He wondered why the English should not be ashamed of pleading difficulty in paying so small a sum and declared that they deserved no favour since they screened immense quantities of merchants' goods, exported them in their own names and defrauded the King of his customs (1).

In support of the Nawab's claims Haji Ahmed declared that the grants could not help the English as the Nawab could claim the amount from the "towns" which were his jagir and were now vastly enriched (2). The Haji further advised the English not to precipitate a crisis but to pay the small amount to satisfy the Nawab without going into the legal aspect of the matter(3). The failure of the English to act on this advice, he said, would lead to a storm, leaving the Haji powerless to be of service to them (4).

The Council in Calcutta wanted to settle the affair and authorised the Kasimbazar factory to proceed accordingly. But since there was no actual stoppage of business at any place just at that time, the Kasimbazar Council decided not to make any advances when the

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(1) Consultations, 19 November, 1735.
(2) idem, idem.
(3) idem, 23 November, 1735.
(4) idem, 29 November, 1735.

Government were not so pressing (1). This dilatoriness on the part of Hugh Barker, the chief, and his Council cost the English dear, as their boats were soon afterwards stopped at Hugli; Jalangi and other strategic points and had to be cleared with the help of the military (2).

When ultimately the Kasimbazar Council offered to make payment to the Nawab, it was too late and not even Rs 30,000 was acceptable to him. Once again a catalogue of the faults of the English was narrated by Haji Ahmed who declared that the Nawab would now accept nothing less than "Laacks of rupees or else what was paid upon the last dispute" (3). Instead of submitting to the payment of so large an amount, the English preferred to express their resentment by putting a stop to their business altogether, hoping this might bring about an accommodation time enough to contract for their next investment (4). While attempts were being made to bring about a settlement, the Nawab was rather perturbed by the report that the English were preparing to contend with him. He immediately posted forces at Plassey and other important points to stop anybody escaping from the Kasimbazar factory (5).

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(1) Consultations, 15 December, 1735.
(2) idem, 8 January 1736.
(3) idem, 28 February 1736.
(4) Idem, idem.
(5) idem, 18 March 1736.

For some time higgling and bargaining continued on both sides, till the Nawab touched the English on their most sensitive point. He appeared to be very generous to an Ostend doctor who was in his service and expressed his great tenderness towards the Germans. Their locked-up factory at Saidabad was opened to them and the Emperor's flag was permitted to be hoisted. Though the report was not seriously taken notice of by the English, it had the effect of raising the amount which they were prepared to advance to the Nawab (1).

The matter was ultimately settled om payment of Rs 55,000 by the English (2) and parwana for the Calcutta towns was obtained from Shuja Khan in July 1736. It confirmed the revenue of the "towns" to the English Company, "according to custom", and directed the officers of the Government not to molest the English, nor to make any unusual demand on them, nor to insist on the annual renewal of the grant. The English were to be encouraged to make such improvement of the "towns" as they thought necessary (3).

Before the final issue of the parwana, Hugh Barker, the chief of the Kasimbazar factory was dismissed from the Company's service on charges of dishonesty (4). His

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(1) Consultations, 27 May 1736
(2) idem, 24 June, 6 July, 1736.
(3) idem, 16 July, 1736.
(4) idem, 21 June, 1736.

successor Thomas Braddyll visited the Nawab on 13 September 1736. He was kindly received and was presented with a Seerpaw (dress of honour). The Nawab expressed the wish that the English would carry on their business without molestation (1).

Though large sums of money were from time to time paid to the darbar on the Company's account, no receipts were given. When the Company introduced the system of having receipts for all transactions, its vakil at Kasimbazar stated that if he should demand any such thing he was liable to be insulted, for it was not customary nor indeed safe for them to give receipts for transactions of a clandestine nature (2).

Towards the end of the year 1736, the batta (difference or discount in exchange) of Madras and Arcot rupees was raised from $3\frac{1}{2}$ and $4\frac{1}{2}$ per cent, respectively, to a uniform rate of $7\frac{3}{4}$ per cent for conversion into siccas or Bengal rupees (3). The English regarded this as a violation of Farrukhsiyar's farman and objected. They feared that tame submission on their part would embolden the Nawab to take greater liberty with them,

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(1) Consultations, 13 September, 1736.
(2) idem, idem.
(3) idem, 26 September 1737

even to the extent of " invalidating their dearly bought farman'' (1). But in spite of their efforts they could not secure any orders for the remission of the additional batta imposed (2).

In April 1738, some commotion was created at Patna at the news of the advance of the Marathas near Benares. It was with great difficulty that the Patna factors maintained the morale of the sarafs or shroffs (money lenders and changers) and other business men. Additional forces were sent to Patna for the security of the Company's property and investment. The news was soon received that the Marathas had marched back and the investments were out of danger (3).

The invasion of Nadir Shah and the fear of the overthrow of the existing regime created some consternation in the Calcutta Council who directed their vakil at Delhi to watch closely the movement of the French and the Dutch and to cultivate friendly relations with the men in close touch with Nadir Shah so that the interests of the English might not suffer in the event of a revolution (4).

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(1) Consultations, 26 September 1737.
(2) idem, 11 October 1737, 15 May 1738, See Chapter IV, pp. 183-196
(3) idem, 13 April and 15 May 1738.
(4) idem, 12 March 1739.

The death of Shuja Khan, in March 1739, had some unsettling effect on the English Company. Though the Company and the Nawab had differed on many occasions, the final breach was always averted. A system of give-and-take which had developed in their relations was taken full advantage of both by the Nawab and the Company. His successor Sarfaraj Khan was no match for the intriguing and ambitious nobility. Quick changes which occurred in the politics of Bengal afforded opportunities for exploitation of the province by adventurers both within and from outside.

The English cultivated good relations with the new Nawab.(1). But they had to face many difficulties. The credit of the Moghul Government was so much lowered by the invasion of Nadir Shah, that already coins of the Persian emperor were being minted at Murshidabad, and Fatehchand would not lend to the Company any other type of money but Nadir Shah's siccas (2).

Haji Ahmed whose influence with Sarfaraj Khan, on the assumption of office by the new Subah, was immense, threatened to stop all business of the English

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(1)Consultations 12 Marxh 1739.
(2) idem, 23 April 1739.

unless they would undertake to procure a new farman within four months. The old royal family that granted the farman, he said, was conquered, and the English would not be allowed the continuance of their privileges unless a new farman was obtained from the new monarch. The English, who kept themselves well informed about happenings in Delhi, protested that no one had yet sat on the throne in the room of Muhammad Shah, neither was there intimation of any settled government at Delhi. None the less, they were reluctant to create a crisis at this time and instructed the Kasimbazar Council to act very cautiously and keep the Haji pacified on reasonable terms (1).

At the end of May 1739, information was received at Murshidabad of Nadir Shah's departure from Delhi towards Persia. Orders were soon issued by the Government to break Nadir Shah's seals and to make a new one in Muhammad Shah's name. This encouraged the English to hope that their dastaks would henceforth pass without any interruption as in the past. But to their surprise they found that Haji Ahmed and the darbar officers expected a present of Rs 15,000 before their business could be cleared. Though the Council

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(1) Consultations, 11 May and 31 May 1739.

in Calcutta considered this to be a most extravagant demand they impressed on the Kasimbazar Council the necessity of keeping up a good understanding with the darbar officers and, more particularly, with an influential man like the Haji. They dared not risk disobliging him and thereby prejudicing the Company's affairs at that juncture. A moderate present was therefore recommended for the Haji by the Calcutta Council (1).

The clause of Farrukhsiyar's farman regarding the restitution of ships wrecked or led astray by storm was at this time relied upon by the Company to demand of the faudjar of Chittagong that the ships ''Grandison'' and ''Travancore'' which were led astray in that area by violent storm might not be plundered or damaged in any way. The unfriendly faujdar who had taken away from the ''Grandison'' money and goods worth Rs 7,242-12-6 was brought to book, and the parwanas which were issued by the Nawab on the strength of the farman not only secured the safety of the ships but also the restitution of the property of the English.

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(1) Consultations, 31 May 1739.

The question of giving a present to the new Nawab Sarfaraj Khan throws some light on Anglo-Indian relations in Bengal. The English proposed to pay him presents of the same value as were given to his father at the time of his assumption of office (1). But Haji Ahmed objected to this and laid stress on the huge expenses which the Government had to incur to keep the country safe and ensure the security of the business of the English when there was so much danger of an invasion from outside. He threatened that unless a proportion of the extra expenses which the Nawab had to make on account of the military was included in the present, an armed force would be set on the English factory (2).

The English regarded this as an unwarrantable demand, and undaunted by the Haji's threat they pointed out the absurdity of the Nawab's plea of having protected the trade of the Company. They, on the other hand, asserted that the Government ought to be sensible of the important services rendered by the English army at Patna when, in the previous year, there was a threat of a Maratha invasion. The presence of the English army

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(1) The present made to Shuja Khan on his accession was worth Rs 13787-11-6 - Vide, Bengal General Letter, 23 January 1729, Letter Book, vol.21, p. 677.
(2) Consultations 12 November, 1739.

at Patna,as they maintained, not only protected the trade of the Company but also dissuaded the enemy from attempting an invasion and thus gave security to the state (1). The questions of security of the state and of the commerce of the English Company had, by this time, become interconnected. This was ultimately revealed in 1757.

The English were, as a rule, determined not to meddle in Indian politics and wanted to avoid armed conflicts, unless their rights and property were in danger. This was clear from the instructions they sent to their Agent at Balasore when the Nawab of Orissa requested the Company to assist him with some sloops in his encounter with the Raja of Konika. As a body of merchants they would not think of entering into an affair of this nature which in the end might embarass the Company in some way or other (2). They also preferred not to take sides when Sarfaraj Khan had asked for their military assistance against Ali-wardi Khan (3).

The news of Ali-wardi Khan's victory over Sarfaraj Khan,

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(1) Consultations, 12 November 1739
(2) idem, 3 April 1740
(3) idem, 21 April 1740

in 1740, was however re-assuring to them because of their expectation of a settled Government. Ali-wardi Khan, on his accession, showed a spirit of goodwill to the English in Bengal. While he demanded presents from the French and the Dutch and threatened them, in case of their non-compliance, with stopping their business, he was pleased to inform the English that he had received the present which they had made to Sarfaraj Khan and was satisfied with it (1). But the English stood in awe of the Nawab's elder brother, Haji Ahmed. The Haji suspected that a son-in-law of Sarfaraj Khan had taken shelter in the Kasimbazar factory. In spite of the denial of the English that he was in the factory, the Haji wanted to have it searched by force. Though the searching of an English factory by the Government forces would serve as a most evil precedent, which the English were first determined to resist, they were ultimately prepared to submit rather than alienate the Haji (2).

The Company was now determined to cultivate peaceful relations with the Government. When the Nawab of Dacca demanded a huge present as a condition

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(1) Consultations 31 July 1740.
(2) idem, 25 April 1740.

precedent for giving clearance to the business of the English, the Calcutta Council advised the Dacca factory not to exceed the usual present in a public way, although a private present made to secure their object would not be considered ill spent (1). However unreasonable it might be on the part of the darbar officials to throw impediments in the way of their trade, the Council in Calcutta considered it worth their while, for the sake of the Company's interests, to be at an expense rather than suffer their business to be impeded (2).

The farman given by Farrukhsiyar was held in high regard by the Company throughout the period under review. Whenever there was any infringement of any of its provisions, the English made representation to the authorities to honour the farmans in both letter and spirit. They considered the provisions of the farman a sufficient safeguard against injustice and oppression and for the security of their trade. In December 1740, the Kasimbazar Council informed the President of Fort William that the farman obtained from Muhammad Shah had, during the struggle between Sarfaraj

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(1) Consultations, 11 September 1740.
(2) idem, idem.

Khan and Ali-wardi Khan, fallen into private hands and that a copy of the same might be procured on payment of Rupees ten or twelve thousand. The President and Council in Calcutta had no hesitation in affirming that the new farman could not in any way benefit the Company more than what they could expect from the farman of Farrukhsiyar obtained by John Surman and his colleagues at Court in 1717. Many a dispute with the Government had been settled on its basis. Granting that Muhammad Shah's farman contained anything new, the custodians of the Company's rights in Calcutta considered it highly improper to procure it in the clandestine way proposed, although the sum required was insignificant. Grants of this nature, they held, should always be received in a public way, which would undoubtedly make them more effective when it became necessary to assert the Company's privileges (1).

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(1) Consultations, 8 December, 1740.

Chapter III

Other European Traders

One result of the grant of Farrukhsiyar's farman was to secure for the English a favoured position as compared with the other European groups trading in India. The English alone obtained the right of trading duty-free in return for the payment of a consolidated sum in Bengal and Gujarat. They alone had the right of carrying goods under their dastaks or permits (1) without any interference from the Government. This gave the English, relative to their rivals, a great opportunity. From time to time, as we shall see in the following pages, the other European traders co-operated with the English and, on occasions, challenged them. The Portuguese, the Dutch and the French had, all of them, at one time or other, grown jealous of the prosperity of the English Company. Even the mighty Hapsburg empire, in the days of its splendour and glory following the peace of Utrecht, had made an organised attempt, through the enterprising merchants of Ostend, to establish its hold in Bengal.

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(1) See Chapter II, p. 33-34

Formidable as was the opposition of such forces, the English by their courage, fortitude and instinctive determination to place the interests of their commerce above all other considerations put themselves in a position of superiority. Their final triumph was not obtained till some years after Plassey. But the first four decades of the eighteenth century witnessed a steady strengthening of their position in the economic system of Bengal. The way to political power had been paved.

The first Europeans to settle in Bengal were the Portuguese. Though at one time they controlled the sea routes of the entire Indian Ocean, the Portuguese had, by the end of the seventeenth century, ceased to occupy any important position in the politics and commerce of Bengal. Their zeal for conversion and their oppressive commercial policy had long alienated both people and Government.

Though the Portuguese as a political unit had no importance in Bengal in the eighteenth century, a considerable number of them lived in Calcutta and the surrounding areas as also in other centres of trade.

They were sufficiently numerous to receive separate consideration from the authorities of the East India Company. Whenever ships of unknown origin arrived in the Bay of Bengal, the English issued notices in Calcutta in various languages, " in English, Portugueze, Persians, Armenians, Nagarees and Bengalls," asking people not to have any dealings with them (1).

That the English feared the possibility of a commercial revival of the Portuguese is evident from the fact that, as late as 1733, they took an " obligation from their merchants at Kasimbazar under penalty of Rs 10,000 not to trade with the Portuguese ships" (2). Lakshmichand, a banian (paid agent) of the English merchants in Calcutta, being suspected of buying goods from the Portuguese ships was ordered off the place so as to deter others from similar practices (3). In the following January, special penal measures were taken against two English merchants whose goods were " designed to be freighted on the Portuguese ships " (4).

The arrival of a Portuguese ship in the Hugli, in October 1737, created a good deal of commotion among the

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(1) Consultations, 22 June 1723; 15 August 1726.
(2) idem, 2 July 1733.
(3) idem, 17 Sept. 1733.
(4) idem, 9 Jan. 1734.

English, and all merchants under the protection of the English Company were forbidden to trade with her (1). Similar steps were taken on the arrival of another Portuguese ship in the river in August, 1740 (2).

The decline of the Portuguese in Bengal in the eighteenth century was evident. There were scattered Portuguese settlements but no organized factories. The Portuguese of this period in Bengal were mostly children of the soil. They lacked the rough vigour of the early pioneers who were bold enough to challenge even the authority of the great Moghul Emperor Shah Jahan. But their descendants, as early as the last quarter of the seventeenth century, though numerous in Hugli, were reduced to low and mean conditions. " Their trade was not worth mentioning; their subsistence being to be entertained in the Mogul's pay as soldiers " (3).

The Portuguese were also recruited in the army of the East India Company, but their status and pay were different from those of other European soldiers. There was in fact a classification of soldiers on the basis of the "Europeans" , who used to draw Rs 10 per month, and the "Portuguese" , who were paid only half the amount (4).

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(1) Consultations, 24 October 1737.
(2) idem, 26 August 1740.
(3) Letter of Walter Clavell, dated 15 Dec. 1676 to Strynsham Master, Home Miscellaneous Series, Vol. 47
(4) Consultations, 25 Feb. 1723.

The most formidable opposition to the English in the early stages of their settlement in India came from the Dutch. The Dutch East India Company, united and re-organized in 1602, began with spectacular success in the East, The enormous hold which the Dutch had established in the commerce of the Indies made them an object of imitation by other European Companies. Their success in war with the Portuguese brought them tremendous prestige and placed at their disposal stores, ammunition, vessels, merchandise and factories which they could readily use to great advantage.

In Bengal the Dutch had prosperous centres of trade at Chinsura, Kasimbazar and Patna. Alexander Hamilton who came to Bengal in 1705-08 attested to the prosperity of Chinsura which he described as the '' seat of the Dutch emporium" . He spoke of the large factory walled high with brick, the factors having '' a good many houses standing pleasantly on the river side '' (1).

The decline of Dutch power in Europe which began in the latter half of the seventeenth century

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(1) Hamilton, 'A New Account of the East Indies', edited by Foster, Vol. II, p.11.

was soon reflected in the position of the Company in India. After 1700 the Dutch began to fall rapidly behind the English, and a quite unnecessary ostentation and corruption ultimately led to the extinction of their position as a political and commercial power in Bengal and in the rest of India. Hamilton had noticed the extensive debauchery practised by the Dutch at their settlement at Baranagar on the Hugli (1). Unable to face successfully the competition of the English and the French in the eighteenth century, the Dutch East India Company tried to retain their hold on the imagination of potential investors by continuing to pay dividends by means of artificial accounting and even by borrowing (2).

By the display of their wealth the Dutch in India managed to conceal for a long time the rotten condition of the Company. Stavorinus, recording his

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(1) Hamilton, 'A New Account of the East Indies', edited by Foster, Vol. II, p.11.
(2) Day, 'History of Commerce', pp.194 - 97; Macpherson, 'History of European Commerce with India', pp.70 - 71.
~~(3) Stavorinus, 'Voyages in the East Indies', Vol. III, p.102.~~

observations, in 1768-1771, wrote that the trade of the Dutch Company in the empire of Hindustan had, from time to time, been encouraged with such extraordinary privileges as if they were the natives of the country, or even more (1). But this claim could be made only for the English Company after the grant of Farrukhsiyar's farman. By 1717 the Dutch, in fact, were left far behind the English as a commercial power in India.

A comparison of the position of the two Companies in the early eighteenth century will undoubtedly establish the superior position of the English. While the Dutch could never obtain a commutation of duties payable to the Government in any part of India and had to pay 2½ per cent on their trade at Hugli and at Surat, the English were to pay the Government consolidated sums of Rs 3,000 and Rs 10,000 only per annum at these ports respectively. This undoubtedly put the English Company in an advantageous position.

In Bengal the Dutch held the towns of Chinsura and Barahagar on lease, while the English held the more important towns of Calcutta, Sutanati and Govindpur as

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(1) Stavorinus, 'Voyages in the East Indies', Vol. III, p.102.

zamindars. The Dutch were to receive justice from the officers of the Government in recovering the advances made to the weavers and dyers, while in the case of the English justice was to be administered by the Englishmen themselves (1). These privileges enormously raised the power and affluence of the English Company who steadily ousted the Dutch from their spheres of influence.

Since the English Revolution of 1688 and the accession of William III on the throne of England, the Dutch and the English East India Companies, despite their commercial rivalry, generally acted in co-operation in matters of common interest in India. From here, the Dutch inferiory becomes evident in their attitude, as may be seen from the correspondence between the heads of the two Companies with regard to the return of deserters in 1724. The English accused the Dutch of being "unnecessarily quarrelsome and troublesome", while the Dutch protested in reply that the English treated them "with little respect" (2).

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(1) Farrukhsiyar's Farman of 1717.
(2) Consultations, 17 September 1724.

In spite of occasional bitterness and trade rivalry in important articles of export like saltpetre and silk, the Dutch generally joined with the English in trying to keep out other European rivals. They were no less opposed than the English to the establishment of the hold of the Ostend Company in Bengal.

Compared with the Dutch, the French who had built up important trade settlements in the lower Ganges were more active and aggressive and potentially appeared as formidable rivals of the English. The efforts of the French to establish contact with Bengal date from 1674, when Shaista Khan, the Viceroy, permitted them to have settlements in some commercial centres of the province. The permission to build houses and factories at Chandernagore was obtained from Ibrahim Khan in 1690. It was not till 1693 that the French succeeded in obtaining a farman from the Emperor Aurangzib with permission to trade in Bengal, Bihar and Orissa on the same terms as the Dutch. Since the privileges granted to the French did not exceed those enjoyed by the Dutch, they accordingly stood on

inferior terms in Bengal compared with the English. But the increasing importance of the position of the French during the first forty years of the eighteenth century is revealed by the fact that the records of the English often distinguish them as among " the three European nations trading in the province". Besides Chandernagore, the French factories at Kasimbazar, Patna and Dacca were important centres of trade.

Events in Europe naturally influenced the attitude of the three European settlements in their dealings with one another in Bengal. While the co-operation of the Dutch was generally accorded to the English, the French acted differently. Neither in policy towards the Ostenders nor in regard to the deserters were the French willing to extend a helping hand to the English. For example, an Ostender, who was brought to Balasore by a French ship in June 1725, was denied passage up the river by the Dutch (1).

By 1730 the French in Bengal became so prosperous that even the English East India Company, when short of funds, had little hesitation in borrowing money from them at Chandernagore. In July 1729, the English

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(1) Consultations, 21 June 1725.

in Calcutta, not having received the expected remittance of bullion from Fort St.George and being in want of twenty-five chests to supply the Patna factory, borrowed Rs 200,000 from the French Director at Chandernagore (1). In 1731, during the conflict between Shuja Khan and the English, the Nawab invited a party of Frenchmen at Murshidabad to " treat with the Government and adjust their trade " (2). In 1732, the French successfully resisted the demand made by the English for the presentation of passports by the French ships entering the river (3). The extensive purchase of silk on a large scale by the French at Jagdéa in eastern Bengal, in 1732-33, not merely raised the price of that article but made its procurement by the English difficult (4). The French also became a serious rival with the Dutch in the purchase of saltpetre at Patna (5).

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(1) Consultations, 17 July 1729.
(2) idem, 17 October 1731.
(3) idem, 27 April 1732.
(4) idem, 17 July 1733; 19 March 1733.
(5) idem, 7 March 1734; 7 April 1735.

The three European Companies were united in their opposition to the purchase of saltpetre by the Government or the nobles in high position and later selling it to them. The English issued strict instructions to their factors at Patna not to buy any petre from the Government (1)and entered into a tripartite agreement with the Dutch and the French to frustrate the designs of the Government in this direction (2). The agreement was effectively pursued by the three Companies even against such a formidable purchaser as Haji Ahmed, the foremost nobleman at Murshidabad during the administration of Shuja Khan (3). But the agreement with the French was short lived. In May 1738, the English Council in Calcutta were informed that the French chief was purchasing saltpetre independently. Though the English and the Dutch lost no time in re-affirming their old agreement, the competition of the French raised the price considerably(4). Later, when Dupleix, the French chief at Chandernagore, himself proposed an agreement, the English, in view of the changed circumstances, politely declined to be drawn into it (5).

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(1) Consultations, 17 July 1736.
(2) idem, 22 July 1736.
(3) idem, 4 August 1737; 9 September 1737.
(4) idem, 15 May 1738.
(5) idem, 4 December 1738.

The relations between the English and the French were often embittered on account of the deserters from their respective factories and the ill treatment accorded to the inhabitants of Calcutta and Chandernagore when captured by the disputing parties. Dupleix, in 1734, took exception to the remarks of the English who condemned the action of the French in whipping with a chabuk (whip) a "black fellow" because he had taken four days on his passage from Calcutta to Chandernagore, a distance of about twenty miles only. He further alleged that if the French should complain concerning all the inhabitants whom the English caused to be chastised at Calcutta, they would tire the patience of the latter (1).

In December 1736, Hugh Barker, Chief of the English factory at Kasimbazar, on being dismissed from the Company's service on charges of dishonesty and misconduct, suddenly disappeared from Calcutta. The Dutch and even the Ostend Company categorically denied his presence in their factories. The French chief, Dupleix, on the other hand, not merely gave an evasive answer in reply to the enquiries made by the English,

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(1) Consultations, 23 December 1734.

but added that if Barker should come and demand the protection of the French flag, he could not and would not refuse it to him (1). Barker succeeded in eluding the vigilance of the English and crossed over to Europe in a French ship (2).

The English, in similar circumstances, generally tried to accommodate the French claims. In 1739, an English pilot named Charles Johns had surreptitiously brought to Calcutta several bags of dollars belonging to the French Company. Thomas Braddyll, the President of Fort William, immediately on receipt of the information, sent a guard and secured the culprit. The money stolen consisted of 3327 whole dollars and 644 pieces of half and quarter dollars altogether amounting to Rs 8477 Sicca. It was decided to make over the whole amount to the French and keep the man in confinement for further enquiry and examination (3). Dupleix conveyed his thanks to the English for the money which the French had thus recovered (4). The English were generally willing to deliver up deserters on the basis of reciprocity (5).

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(1) Consultations, 5 January 1737.
(2) idem, 26 February 1737.
(3) idem, 19 June 1739.
(4) idem, 21 June 1739.
(5) idem, 25 April 1740.

The French had immensely improved their position in Bengal by the end of the year 1737. They were given a parwana (licence) by the Nawab which obtained for them the clearance of the Arcot rupees. They were further promised a sanad (a grant or patent) for having the use of the mint to coin their Arcot rupees on the same terms as those of the Dutch for which they had to pay Rs 50,000 (1).

But important as the French were growing in Bengal, their stake in the country was much less than that of the English. When Patna was threatened by an inroad of the Marathas in 1738, Dupleix at the beginning proposed that the chiefs of the three European Companies at Patna should unite and act conjointly in case of an invasion (2). The French wanted/that the three chiefs should specifically accept the condition that each of the settlements would be obliged to protect and secure with all their forces the persons and effects of the others against the violence of the Marathas (3). Before agreeing to the proposal the English wanted an assurance that the French and the Dutch would send the same number of European forces to

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(1) Consultations, 29 December 1737.
(2) idem, 30 July 1738.
(3) idem, 31 July 1738.

Patna as those employed by the English, failing which they must be prepared to share an equal proportion of the expenses (1). But feeling that the English had the most to gain, neither the French nor the Dutch would agree to share equally the burden of defending the factories with the English. They were, on the other hand, anxious to provide for a possible retreat (2). The crisis was, however, averted as the Marathas did not advance to Patna (3).

Once the danger was over, the French tried to capture the market at Patna for broad cloth, and the English had to take special precautions against the imitation of their goods and underselling them in the market (4). The French also raised the price of cowries (small shells used as medium of exchange) at Balasore by making extensive purchases on cash payment. (5)

Despite all the efforts of Dupleix to raise the power and prestige of the French in Bengal, they lagged far behind the English as a commercial factor in the

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(1) Consultations, 31 July 1738.
(2) idem, 7 August 1738.
(3) idem, 20 September 1738
(4) idem, 22 October 1739
(5) idem, 30 July 1739.

province. This will be evident from the following table showing the arrival and departure of ships to and from Calcutta in 1740 :-

	Ships arrived			Ships sailed		
	English:	French:	Others	English:	French:	Others
January	1	1		11	3	9(Moors)
February	4			9	1	
March	6		1(Dutch)	3		
April	2		1(Dutch)			
May	6	2	2(Moors)			
June	7		4(Moors)			
July	2	5		2	2	2(Dutch)
August	3	4	5(Moors	3		
September	5	2		3	1	
October	4	3	1(Moors)	2	1	
November	2	3		5	8	3(Moors)
December						
	42	20	14	38	16	14 (1)

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(1) Consultations, Vol. XIV.

The Royal Company of Denmark, originally formed in 1612, had established their settlement at Tranquebar, about 140 miles south-west of Madras, in 1616. Two Danish ships arrived near Balasore in June, 1673. In 1676, the Danes obtained permission from Nawab Shaista Khan of Bengal to build a factory on the bank of the Hugli. They tried to secure a farman to trade duty - free in Bengal like the English, but were unsuccessful. Their position grew worse when they alienated Murshid Kuli Khan in 1714. The relations between the Government and the Danes had become so bitter that they were forced to leave their factories in December, 1714.

While the Danes were preparing to proceed down the river, a message from Murshidabad was received by Robert Hedges, the Chief of the English Company in Calcutta. Hedges was requested to use his good offices to settle the dispute between the Government and the Danes (1). Three members of the Calcutta Council, namely Samuel Feake, John Deane and Henry Frankland, and also Captain Osborne of the ship 'Hanover' were accordingly deputed to meet Attrup, the Chief for Affairs of the Royal Company of Denmark, on board his ship and find out a basis for reconciliation (2). The Danes were

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(1) Consultations, 10 December 1714
(2) idem, 17 December 1714.

requested to postpone their departure from Bengal for two or three months more, during which time they might expect to have their farman from the Government with the help of Murshid Kuli Khan himself. Attrup, the Danish chief, however, declared that he could no longer put any confidence on the proposals of the Diwan and preferred to leave Bengal, lest he might be deceived once more by those who 'had proved themselves false so often' (1).

The Danish factories on the Hugli were thus abandoned in 1714. It was not till 1755 that the Danes re-established themselves at Serampore with the permission of Nawab Ali Wardi Khan.

Since the English placed the interests of their commerce above every other consideration, the arrival of any foreign ship in the Hugli made them nervous. The arrival of stray ships flying the Polish, Swedish and Danish colours from time to time made them fear a potential rival and adopt adequate measures to prevent these ships trading in the country. What they considered to be the greatest menace to their hold on the Bengal trade came from the Ostend Company, the outcome of the

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(1) Consultations, 21 December 1714.

ambition of the Flemish merchants and of the Emperor Charles VI of Austria, the "ungrateful ally of England in the war of Spanish succession". The meteoric career of the Ostend Company is perhaps the most important single event in the history of commercial enterprises in Bengal in the earlier half of the eighteenth century.

The merchants of Flanders had long been dreaming of having a share in the profits of the eastern trade. Since the peace of Utrecht they had, in the Emperor Charles VI, a ruler and patron who was no less anxious to encourage his subjects of the newly acquired Low Countries to build up a mercantile marine which might form the nucleus of an imperial fleet. The early attempts of these merchants resulted in the sporadic arrival of some ships in the Bay of Bengal which caused a sensation among the European traders already in the field, and precautionary measures were adopted to prevent the native merchants from trading with the so called interlopers (1). These ships were manned by an experienced crew recruited from among the deserters and dismissed servants of the English and Dutch companies and other adventurers in the East (2). Their

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(1) Consultations 18 June 1719; 30 October 1720
(2) idem, 24 October 1721.

previous knowledge of the lands was an asset freely used against their former employers and associates.

The English East India Company was from the beginning fully prepared to meet the situation. In a letter dated 24 December, 1718, Samuel Feake, the President of Fort William, assured the authorities in England that no one under their protection, white or black, would be allowed to assist the interlopers in any way and that any delinquents would be severely punished (1). When one such ship under the Emperor's colours passed by Fort William in June, 1723, the Calcutta Council by public notice forbade all persons under their protection to go aboard the ship or " to have any trade or commerce or to hold any correspondence, on any pretence whatsoever with any persons belonging to her " , so that "no one might plead ignorance". Representation was immediately made to the darbar at Murshidabad declaring that the English Company would not be answerable for any misdemeanour or outrages the new comers might commit in the Moghul's dominions (2).

In spite of the bitter opposition of the English and the Dutch, the Emperor, in August 1723, formally and publicly announced the grant of a charter to the

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(1) India Office Record Department, Bengal Letters Received, Vol. I.
(2) Consultations, 22 June 1723.

Ostend Company authorizing them to trade in the East Indies. Murshid Kuli Khan, the Nawab of Bengal, ever alert against the acquisition of too much influence by any foreign power, preferred to have a competitive market for the different European settlements in Bengal. The Ostenders had little difficulty in getting the Nawab's permission to build a factory at Bankibazar, about fifteen miles from Calcutta on the eastern side of the Hugli. The Company built another factory at Kasimbazar which was then the foremost commercial centre for foreigners in Bengal.

The success of the Company, immediately after the commencement of its business in Bengal, was almost phenomenal. Unscrupulous in its methods, the Company resorted to smuggling on a large scale. The rich dividends that were paid even at this early stage captured the imagination of speculators and adventurers. A runaway English adventurer, named Alexander Hume, was appointed head of the ~~English~~ Ostend factory at Bankibazar (1). Bold in his conceptions, he was no less daring in his methods. The brisk trade carried on by the Ostenders under his leadership united all the European settlements in Bengal against them. Even the French, who had helped

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(1) Consultations, 5 September 1726.

the Ostend ships in their early voyages (1), joined the English and the Dutch in denouncing the Company (2).

Short as the career of the Ostend Company was, it formed the subject of prolonged discussion in the affairs of the English East India Company both in England and in Bengal. In 1726, the English factors at Balasore complained about the "extensive purchase of cowries by the Ostenders at a comparatively high price (3). The chief of the English factory at Dacca made an appeal for an extra supply of money to obstruct the Ostenders who were making extensive investments there (4). The Ostenders also recruited influential men from among the Moslem nobility as their agents in important markets (5).

Unable to check the progress of the Ostend Company in Bengal by open and straightforward means, the English took recourse to questionable tactics. Assured of indemnification by the Secret Committee of the East India Company in London in any measure, the

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(1) Consultations, 2 June 1725.
(2) The Treaty of Seville, 1729.

(3) Consultations, 3 October 1726.
(4) idem, 10 October 1726
(5) idem, 16 October 1727.

English in Bengal might adopt against the Ostenders, Henry Frankland, President of Fort William, and Edward Stephemson of the Calcutta Council addressed a joint letter to the Committee, on 27 January 1727, in which they gave an account of what they had done so far and added that they had gone to such lengths in their efforts to attain their object as were " not so proper to be committed to black and white'' (1). They had by stratagem tried to seize the person of Hume. They along with the Dutch were ceaseless in their efforts to alienate the French against the Ostenders and to win over the powerful support of the faujdar (governor) of Hugli with a view to influencing Murshid Kuli Khan against their new rivals (2).

Hearing that the Ostenders had offered to the Nawab Rs 100,000 to have his permission to build a factory and to pay customs like the Dutch, the English and the Dutch sent a petition to the Nawab through the faujdar of Hugli that they would pay him Rs 125,000 to have the Ostenders sent out of Bengal. The allied Companies were prepared to pay as much as Rs 200,000 in case they were assured that '' the Moors would stand to their words and perform what they promised'' (3).

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(1) I.O.Records Department: Bengal Letters received, Vol. I.
(2) idem, Letter dated 27 January, 1727.
(3) idem, Letter dated 18 February 1727.

The secret letters regarding the Ostenders despatched from Calcutta to London throw some light on the character of the Moslem nobility in Bengal as revealed to the English at the time. "Mahomedans", they stated, "will take money oh both sides, and what is given today is forgot tomorrow". As no trust could be placed on their Moslem patrons, the English and the Dutch in Bengal excited their countrymen at home to go to the extent of having a war with the Emperor so that they might take arms and drive the Ostenders out of Bengal (1).

In spite of all the efforts of the English to win over Fatehchand, the rich financier and confidant of the Nawab, and the darbar against the Ostend Company, the Nawab, on receipt of a lakh of rupees from the Ostenders, promised them to secure the King's farman for building a factory and for trading in Bengal on the same footing as the Dutch and the French. They were to pay a further sum of Rs 50,000 when they would actually receive the grants (2). But delay in having the privileges, partly on account of the failing health of Murshid Kuli Khan, made the Ostenders restless and disgusted. They began to leave their factory house at Saidabad near Kasimbazar. Their only reward was to

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(1) I.O.Records, Bengal Letters Received, Vol.I. Letter dated 18 February 1727.
(2) Consultations, 22 May 1727.

have a Seerpaw, for which they had deposited Rs 70,000 with Fatehchand (1).

All the time the English were unsparing in their endeavour to possess the Government with an "ill opinion of the Ostenders" (2) and to prevail on the mutasaddis (clerks) at the darbar to make the parwana previously obtained by them ineffective (3). On the death of Murshid Kuli Khan, the English merchants at Kasimbazar assured the Council in Calcutta that they would make the best use of the change of Government to create an opinion in favour of the East India Company and prejudice the interests of the Ostenders (4). None the less, the Ostenders continued to make purchases at Kasimbazar and at Dacca on a large scale (5).

Early in 1728, news reached the English in Calcutta about the preliminaries of a treaty signed at Vienna between the Emperor and the maritime powers by which the privilege granted to the Ostenders to trade in the East Indies would be made inoperative for seven years (6). But there was no lessening of the Ostend

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(1) Consultations, 5 June 1727.
(2) idem, 12 June 1727.
(3) idem, 12 July 1727.
(4) idem, 17 July 1727.
(5) idem, 31 July 1727; 14 August 1727.
(6) idem, 1 April 1728.

activities either at Murshidabad or at Dacca (1). In fact the knowledge of the temporary abandonment of the Company by Charles VI did little to stifle enterprise at Ostend or in the centres of trade in Bengal. The consultations of the Calcutta Council of 30 June, 1729, record that the Ostenders at Kasimbazar had prized and weighed off from their merchants more than two thousand maunds (2004 mds. 28 seers.8 chittacks) of silk and were making new contracts with their merchants (2).

The British and the Dutch Companies were now determined to uproot the Ostenders entirely from Bengal. The Secret Committees of the English and the Dutch Companies set up in Europe for this purpose were in correspondence with the men on the spot in Bengal to devise means as to the surest and quickest way to carry out their aims. The gravity of the situation and the importance attached to it by the Council in Calcutta are evident from the fact that the negotiations which henceforth took place between the English and the Dutch Councils and the account of their activities with regard to the Ostenders were not recorded in the ordinary Consultation Book of Fort William but in a

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(1) Consultations, 13 May 1728, and 8 July 1728.
(2) idem, 30 June, 1729.

separate volume kept for the purpose. Pending the final agreement between the two Companies in Bengal, the English ordered Captain Richard Micklefield and Captain Gosfright to " get their ships in a posture of defence in order to seize or destroy any ships belonging to the Ostenders "(1). While the vakil (attorney acting with authority) of the Ostenders was busy at Murshidabad complaining against the conduct of the English and the Dutch (2), the Council in Calcutta commissioned the two ships, namely, the " Fordwick" , Captain Richard Gosfright, and the '' Duke of York'' , Captain Jonathan Sommers, to be in special service against the Ostenders (3).

On 23 September 1729, John Deane, the Governor of Fort William, formally placed his seal on a secret treaty made with the Dutch to act jointly and combine their forces in everything that might tend to the detriment of the Ostenders and the ruin of their trade in Bengal. By this treaty the English and the Dutch undertook to capture the Ostend ships then in the Hugli (4).

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(1) Consultations (Special Volume VII) 20 July, 1729.
(2) idem, 4 August 1729.
(3) idem, (Special Volume VII), 11 August 1729.
(4) idem, idem 22 September 1729

While the English Captains, Gosfright and Sommers, took position to capture the two ships believed to belong to the Ostenders, namely, the "Sea Horse" and "Neptune", which were then in the Hugli, it was represented to the Council in Calcutta that the two ships belonged to a merchant of Poland and had "the King of Poland's "pass". The Captains of the ships protested against the reported designs of the English and the Dutch to attack and destroy the ships on the ground that "neither His Britannic Majesty nor any other Prince or State whatsoever had at any time called in question His Polish Majesty's right to send ships with his passport to India" (1). The English and the Dutch did not give any credence to the story of this Polish connection of the ships, because the ships on their arrival had given a different account to Shuja Khan, the Nawab of Bengal, who had acknowledged them as Ostend ships (2).

A representation was also made to the darbar about the designs of the English and the Dutch to stop the Ostend shipping in Bengal. The Nawab appeared to take exception to the conduct of the allied Companies

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(1) Consultations (Special Volume VII), 2 October 1729.
(2) idem, idem, 27 October 1729.

and ordered a gursbandar (mace-bearer) to demand an undertaking of the English and other Europeans as well not to commit any acts of hostility (1).

The capture of the Ostend sloop coming from the Coromondal Coast, on 15 September 1729, by Captain Richard Gosfright, with the help of the Dutch, was regarded by the English as unjustified according to the terms of instructions given him. The sloop was accordingly released. But this act of open hostility to the Ostenders, on the part of the English, had temporarily embittered the relations of the East India Company with the darbar and had the effect of putting a stop to the movement of the English boats at Murshidabad. On the release of the sloop, however, normal relations were restored (2).

The petition, which the English presented to Nawab Shuja Khan to have the gursbardar recalled, stated how they had previously warned the darbar about the character of the Ostenders and the ill consequences which might result if they were permitted to establish themselves in Bengal. Their conduct in imprisoning the merchants and extorting large sums of money from them

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(1) Consultations, 4 November 1729.
(2) idem, 18 November 1729

had proved how the misgiving of the English on the score of the Ostenders was justified. They pointed out that they had traded in the country for upwards of one hundred years and had been obedient to all the Subahs by whose favour they had carried on the Company's business. They assured the Nawab that they would be ever faithful and obedient to his commands and that they would not molest or trouble the Ostenders in Bengal, " but at the proper place where the Europeans are used to fight, they would account with them" (1). The Nawab was at last prevailed upon by the English and the Dutch vakils to recall the gursbardar on condition that the allied Companies would undertake not to molest the Ostenders while they were under his jurisdiction (2).

Negotiations were now started at the darbar to win over the Nawab and persuade him to expel the Ostenders from Bengal. In the tripartite talks of the English and the Dutch with the Government, it was proposed by Alamchand and Haji Ahmed, the two representatives of the Nawab, that the Nawab would engage to drive the Ostenders out of the country on the following terms :-

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(1) Consultations(Special Vol.VII) November 1729. (No date) - Cons. following 16 Nov., 1729
(2) Consultations, 18 November, 1729.

(a) That the allied Companies would let the Ostend ships pass unmolested till they were quite out of sight of the Moghul's country.
(b) That the allied Companies would pay the sum of Sicca RS 124,000, which Fatehchand had received of the Ostenders at the time of their first settlement, besides 122 gold mohars (gold coins), make a nuzeranna (payment of present made in acknowledgment of some grant) to the King of Hindustan and give a handsome present to the Nawab.

It was further proposed,on behalf of the Companies, that if the Nawab would promise and consent to take no notice of any attack made by the allied Companies on the Ostend ships and " stand entirely neutar" , they would privately pay him another sum of money. He would also have to give an assurance that, should the Ostend ships at any time return, he would never permit them to carry on trade in this country (1).

Instructions were issued to the representatives of the two Companies at Kasimbazar to ascertain 'underhand" as to the sum of money which would satisfy the Nawab for the above purpose (2).

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(1) Consultations (Special Vol.VII),November,1729. P.
(2) idem.

The English at this time felt so cautious about the Ostenders that when the question of dismissing the supernumerary forces engaged in guarding their boats from Patna to Calcutta came up for consideration they decided to discharge only the "black" soldiers and keep all the Europeans, lest the latter should reinforce the Ostend army which would then be of great detriment to their affairs (1).

That the relation between Nawab Shuja Khan and the allied Companies had improved is evident from the answer which the Nawab gave to the Ostend chief when he prayed that a Government officer should be deputed to escort his ships up to Puri (on the coast of Orissa) to save them from molestation by the English and the Dutch, for which he offered a nuzeranna of Rs 25,000. The Nawab stated that having enjoined both the English and the Dutch not to molest the Ostenders in this country, where he was resolved to keep peace and tranquillity, he had no reason to suspect disobedience of the allied Companies to his orders and that he was unable to do anything more in this matter.(2)

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(1) Consultations, 15 December, 1729.
(2) idem 18 November, 1729.

The situation seemed to take a turn for the worse, from the point of view of the English and the Dutch, when they were informed from Kasimbazar that the Nawab was firmly resolved that no attack should be made on Ostenders before they had passed Puri. He was, however, willing not to permit them to return to Bengal, provided the following sums were paid to him by the allied Companies, namely, (a) Rs 124,000 and 122 gold mohars which the Ostenders had deposited with Fatehchand and which he would return, (b) Rs 450,000 for the King and himself. The Nawab's demands would altogether amount to about Rs 600,000 (1).

When the attitude of the Nawab came to their knowledge, the Dutch were inclined to let the Ostend ships pass unmolested, but the English were determined not to recede from the terms of the secret treaty of 23 September, 1729, in the minutest detail. The English having kept their ships on strategic points at great expense were resolved to stand firm and not to give way at that juncture. They ultimately succeeded in winning over the Dutch to their view and issued instructions to the subordinate factories as to what they should do in case of a crisis (2).

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(1) Consultations, (Special Vol.VII), 24 December, 1729.
(2) idem , idem , 27 December, 1729.

The Kasimbazar Council were asked to act vigorously and to keep themselves in constant touch with the darbar. The Nawab, a few days later, lowered his demands, and the English were informed by 'a person of note at the darbar' that the matter might be settled within Rs 400,000 (1). The Council in Calcutta instructed John Stackhouse, the chief of the Kasimbazar factory, to act in co-operation with the Dutch and not to stand on unnecessary ceremonies (2).

The Nawab, sometimes friendly and sometimes hostile, intimidated the English into making immediate payment, if they were to be spared his wrath. Ali-Wardi Khan, who presumably was the 'man of note' referred to in the previous communication from Kasimbazar, was reported to have said that the English by their non-compliance to agree to their proposal 'had made him lose his character' (3). The dread of a war with the Nawab ultimately compelled the English to agree to offer Rs 400,000 jointly with the Dutch, but they, on their part, were resolved to attack the Ostend ships (4).

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(1) Consultations (Special Vol.VII), 10 January, 1730.
(2) ibid, 4 January, 1730.
(3) Consultations, 24 January, 1730.
(4) idem, (Special Vol.VII), 19 January, 1730.

A settlement was at last reached with the Nawab for Rs 325,000," on condition that they (the allied Companies) might attack the Ostend ships between the mouth of the river and Juggernaut (Puri), whether they had victory or not, that the Ostend factory shall be raised and they obliged to leave it or permitted so to do of their own accord" (1). The Nawab also undertook never again to permit the Ostenders to resettle in Bengal on any consideration (2).

Immediately following the first intimation about this treaty received in Calcutta on 23 January 1730, came a letter from Captain Richard Gosfright of the "Fordwick" informing the Council in Calcutta of the capture of a small Ostend ship on 22 January, 1730 (3). The name of the ship which was sailing under the Polish colours was 'Saint Theresa'. She was kept in Calcutta and her crew sent to Europe.

The bill of lading of this ship, though "very inconsiderable", gives an indication of the commodities in which the Ostenders carried on their trade. Altogether there were :-

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(1) Consultations, 24 January, 1730.
(2) idem, 26 January, 1730.
(3) idem, (Special Vol.VII), 24 January,1730.
~~(4) idem, 2 February 1730.~~

" 534 Bags of Turmeric
100 Bags of Cowries
360 Bags of Saltpetre
22 Bags of Stick Lac

1016 Bags
125 Pieces of Red wood
200 Bundles of Rattans." (1)

The capture of the ship 'Saint Theresa' seemed to have fulfilled the immediate object of the allied Companies. The Dutch were anxious to release their ships engaged in blockading the mouth of the Ganges and, in view of the stormy weather, they wanted to post the ships in other stations (2). The English also would prefer to withdraw the military engaged in the area so as to diminish the great expenses to which they were put to make the blockade effective (3).

Alexander Hume, the renegade Englishman, who was the Governor of the Ostend factory protested to the Nawab against the conduct of the allied Companies. In a letter to Haji Ahmed he remonstrated that depending on the word of the Nawab as well as in compliance with his

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(1) Consultations (Special, Vol.VII), 24 January, 1730.
(2) idem, 2 February, 1730.
(3) idem, (Special, Vol.VII), 26 January, 1730.

order he had sent away the Ostend ship which the English and the Dutch captured and plundered taking away cloth and goods to the amount of some lakhs of rupees and divided the same as spoil among themselves. He condemned the action of the English and the Dutch as a "piece of impudence" and "so flagrant an affront to the Nawab ". (1).

The English Company celebrated the victory over the Ostenders by sanctioning four months' bounty money for the officers and sea men belonging to the 'Fordwick', the 'Princes Caroline Galley', and the 'Duke of York', which were engaged in the expedition against the Ostenders (2). The total sum spent on this account was Rs 10,315-2-9 (3).

From this time onward the Ostend competition as a serious menace to the East India Company's trade disappeared. The Ostend Company evidently was in no position to fight. The Ostenders, either had to reach a compromise with the English and the Dutch or retire.

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(1) Consultations (Special Vol.VII), 2 February 1730.
(2) idem, 13 July and 9 September 1730.
(3) Rs 4107-13-0 for the men of the 'Fordwick' while those of the 'Princess Caroline Galley' and the 'Duke of York' received Rs 1932-5-6 and Rs 4275-0-3 respectively.

Presumably they had already "shot their bolt".Towards the end of September 1730, there was but one "Emperor's ship" of about thirty guns in the Balasore area, which also sailed out of Balasore Road in the beginning of October. Alexander Hume, the Ostend chief, took his passage for Europe on board a French ship before the end of the year 1730 (1).

Though the English and the Dutch continued to act together with regard to the Ostenders, the position was considered safe enough by the English East India Company to diminish the extraordinary military expenses on account of the Ostenders in Bengal and to revert to the Company's military establishment as it stood in 1725 (2).

On 12 July 1731, the Council in Calcutta decided to write off the extraordinary charges of the military amounting to Rs 28,430-10-3 on account of the expedition against the Ostenders (3).

On 21 December 1730, the Council in Calcutta received from Kasimbazar a parwana on the faujdar of Hugli not to allow the Ostenders staying longer in the country on any account and to turn them away by force(4).

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(1) Consultations, 7 December 1730.
(2) idem.
(3) idem, 12 July, 1731.
(4) idem, 21 December, 1730.

Before this order could be fully carried out, fresh trouble had occurred in October, 1731, when Schonamilli, the new Ostend chief, put up the Ostend ship 'Neptune', which was then lying at Bankibazar to public sale (1). The English at once decided to intercede with the faujdar of Hugli to prohibit this sale and to remind the Nawab of his former promises to drive the Ostenders out. It was further agreed that neither the English nor the Dutch would purchase the ship, and a letter was addressed to the French desiring them not to interfere in the matter (2). After some dispute with the darbar in which both sides accused the other of the non-fulfilment of their obligations, the Nawab, in January 1732, assured John Stackhouse, the English chief at Kasimbazar, that he would order the Ostenders to quit the country directly and take their passage in a French ship.(3) Once again a copy of a parwana addressed to the faujdar of Hugli to turn the Ostenders out of the country was forwarded from Kasimbazar to the Council in Calcutta (4).

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(1) Consultations, 13 October, 1731.
(2) idem.
(3) idem, 11 January, 1732.
(4) idem, 17 January, 1732.

An Ostend ship was reported to be hovering around Goa in June, 1732 (1), but it was not seriously regarded.

Between April 1731 and January 1732, a sum of Rs 23064-14-3 was deposited in the English Company's Cash, being the sale proceeds of the sundries taken from the Ostenders in November, 1730 (2).

After 1731, the Ostend Company, for all practical purposes, ceased to cause any consternation among the European traders in Bengal. The recognition of the Pragmatic Sanction by Great Britain and Holland by the Second Treaty of Vienna, concluded with the Emperor in March 1731, introduced a definite change in international politics. By the terms of this treaty the Emperor bound himself to suppress the Ostend Company. The only right reserved to the Company was " to send two ships, each only for one voyage, to India, and to receive the merchandize to be imported by them, and sell the same, as they should think proper, at Ostend" (3).

Following instructions from London, the English East India Company henceforth relaxed the severity so long practised by the guard ships of the English at the mouth of the Ganges to watch the movement of the Ostend

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(1) Consultations, 12 June, 1732.
(2) idem, 10 July, 1732.
(3) Macpherson, 'History of European Commerce', p.301.

vessels, though the Company did not permit the merchants in its protection to have any commercial transactions with the two Ostend ships which entered the Hugli in 1732, namely, the 'Duke of Lorraine' and the 'Concord' (1).

The withdrawal of the guard ships from the mouth of the river by the English aroused the protest of the Dutch who interpreted it as an infrigement of the Anglo-Dutch agreement of 1729 by which the two contracting parties "had stipulated to keep the forces on both sides so long as an interloping ship should be in this river or might be expected" (2). The withdrawal of the English ships threw the whole burden of expenses for guarding the river on the Dutch, who, accordingly, lodged a formal protest (3).

Despite the formal revocation of the Company by the Emperor, the Ostenders still harboured hopes of carrying on commerce in the East. In January 1733, Francois de Schonamilli, the Ostend Governor at Bankibazar, demanded the restitution of the three sloops and a yacht taken by the English and the Dutch in 1730 and 1732 (4). The English refused to restore the sloops

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(1) Consultations, 26 August and 4 September, 1732;
Consultations, Extraordinary, 21 September, 1732.
(2) Consultations, 30 October 1732.
(3) idem.
(4) idem, 8 January, 1732.

but declared their willingness to afford the Ostenders 'all assistance usual from one nation in amity with another" (1).

In January 1734, Schonamilli sent a formal intimation to the English at Fort William "notifying that the Ostend Company had given up all their factories in the Indies to His Imperial Majesty who had appointed him Governor-General of Bankibazar and factories there-on depending" (2). But the Ostend Company no longer created any fear in the mind of the English and the Dutch. At a joint conference at Hugli held in May 1734, the representatives of the English and Dutch Companies discussed whether they should once again press the Nawab to force the Ostenders out of Bengal. Unanimously, it was agreed that "it was more advisable to let the affair lay dormant and not to move it to the Nawab". One of the reasons for this decision was that "pressing the Nawab to this might engage him to demand a further sum of money and possibly might embroil the affairs of both nations." There was also no great inducement to invoke the help of the Nawab to expel the Ostenders as the volume of their trade was practically nil and they could do little harm to the English and

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(1) Consultations, 7 February, 1732.
(2) idem, 4 January, 1734.

Dutch commerce (1). The two Companies preferred not to make reply to the Ostend chief regarding his demand for the restoration of the sloops and the yacht (2).

The Ostenders henceforth were of little consequence in the economic and political history of Bengal. Their sporadic attempt to hoist the imperial flag at Bankibazar, in 1734, was not seriously regarded (3); neither was the Nawab's device to cajole them at a critical period of his quarrel with the English in May 1736, given any importance by the English Company (4).

But the fear of the Ostenders continued for some time to haunt the mind of the East India Company in Bengal. When in 1733 (5) and in 1739 (6), some Swedish ships entered the Hugli, and again when in 1736 (7), the Danes tried to secure favour from the Nawab for trade facilities in Bengal, the English East India Company did not look upon them with friendly eyes. The Government

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(1) Consultations, 27 May, 1734.
(2) idem.
(3) idem, 24 October, 1734.
(4) idem, 27 May, 1736; See Chapter II
(5) idem, 24 and 27 December, 1733.
(6) idem, 28 August, 1739.
(7) idem, 10 and 11 September, 1736.

of Bengal also exploited this fear of the English to extort money from them on the pretence of favouring them against fresh European competitors (1).

But the English were not alone to blame. The Dutch and the French shared the same feelings and were ever eager to block the door against other nations. The destruction of the Ostend factories at Bankibazar by the orders of the Government in 1744 put an end to their activities in Bengal.(2).

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(1) Consultations, 26 October, 1736.
(2) The following is a list of Ostend ships that had been sent to Bengal between 1723 and 1740 :-

Ship	Year	Guns
1. The Emperor Charles	1724	30
2. The Charles the Sixth	1725	36
3. The Peace	1726	36
4. The Hope	1726	34
5. The Archduchess Elizabeth	1727	32
6. The Charles the Sixth	1727	32
7. The St. Theresa	1729	-
8. The Concord	1732	40
9. The Duke of Lorrain	1732	44

Vide, Macpherson, "History of European Commerce with India", pp. 303 - 04.

Chapter IV

Mints and Currency

It was in the reign of Akbar that a regular system of currency was for the first time introduced in Moghul India. The reform of the currency in Akbar's reign began in 1577, when Khwaja Abdus Samad, the celebrated painter and calligrapher, was appointed the master of the imperial mint at Delhi. The five principal provincial mints of Lahore, Jaunpur, Ahmedabad, Tanda (later shifted to Rajmahal) and Patna were each placed under a superior imperial official. The administration of the Bengal mint was entrusted to Raja Todar Mall.

Early in the reign of Shah Jahan a mint was established in Surat. It soon became the chief mint for Gujarat. The system of local mints which began in Akbar's reign steadily grew in number. The total number of places at which coins were struck, during the Moghul rule, from Akbar to Bahadur Shah II, was about two hundred (1).

These mints issued a variety of coins in gold, silver and copper, of different weights and value. Gold

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(1) The Imperial Gazetteer of India, (1907), Vol. IV, p. 514.

coins, in the later days of Akbar's reign, were struck in four provinces only, namely, Delhi, Bengal, Ahmedabad and Kabul. They were issued in twenty-six denominations, but most of them were " fancy " and were rarely found in circulation. The chief silver coin was the rupee of 172½ grains. In weight it was equivalent to the British India coin of the same name at the beginning of the present century, but its purchasing power was about six or seven times higher than the latter. The chief copper coin was the dam which formed the ready money for the rich and poor alike. Forty dams were equivalent to one rupee. Neither the silver nor the copper coins were, as now, tokens but circulated at the value of the metal they contained. There were thus three independent standards including gold. But since gold was not generally in circulation, a bi-metallic system of silver and copper existed in Moghul India.

In southern India, which in Akbar's time was dominated by Hindu influence, the currency was based on gold and called by various names as varahu or hun (1).

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(1) The term Varahu was presumably taken from the 'boar' incarnation of Vishnu. Hun was identical with sona or gold. - Hobson-Jobson (1903), p.653.

Europeans applied the term pagoda for both gold and silver coins in the south, though it was usually used in reference to gold coins. One pagoda of the south was equivalent to three and a half rupees of northern India.

The rupee was introduced in the Carnatic when the Moghuls had established themselves there at the end of the seventeenth century. Though the rupee was not in extensive use in the south, it was found in considerable numbers in the chief Mohamedan strongholds such as Arcot and Trichonopoly.

Rupees were struck in Bombay at a very early date after the British occupation of the island. A mint was established there in 1671. The earliest extant specimen of the Bombay rupee kept in the British Museum bears the date 1677 (1).

In Madras and in South India, generally, the minting of coins was licensed to different parties in different places for a number of years, as in the Maratha territories, on condition of an annual payment to the Government issuing the licence. The European settlers of all nationalities were admitted to this privilege along with the natives of the land. In 1686, the East

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(1) The Imperial Gazetteer of India (1907), Vol.IV, p.514.

India Company obtained from King James II of England the power to coin in its forts any species of money usually coined in India conformable to the current standards in weight and fineness (1). The Company henceforth directed the President and Council of Fort St.George to take particular care that the coins struck in their mint "should resemble those, particularly the rupees issued by the Mogul at Rajamahal (2), in stamps, inscriptions and fineness," The Madras rupees and Arcot rupees coined in the south found their way in northern India in course of trade and other kinds of payment.

Though the Moghul coins, particularly the earlier ones, received high praise for "the purity of metal, fullness of weight and artistic execution," conditions changed with the decline of the empire. With the growth of independent units out of the tottering Moghul empire there was the growing tendency among the local rulers and the officials of the mint to debase the coinage for illicit profit. The whole country was, in consequence, filled with a confusing mass of rupees of different values.

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(1) Thurston, "History of the Coinage of the territories of the East India Company" (1890), p.20.
(2) A seat of the Moghul mint in Bengal.

The circulation of different kinds of rupees, of different denominations, minted at different places, on different dates, gave importance to a class of money changers, called sarafs or shroffs, who carried on a lucrative business by means of batta or the difference in the rate of exchange. In Bengal, besides the siccas (1), as the newly coined rupees were called, the rupees coined in Madras, Bombay and Surat were also current. The standard weight of all these was the same and the fineness was expected to be the same, namely $\frac{98}{100}$ fine, or 11 oz. 15 dwts. 4 grs. 8 dec. troy (2), but the denomination was different. The siccas, again, were supposed to have depreciated in value soon after they came out of the mint, and a batta or discount was imposed on all coins according to the period of their coming out of the mint, though there might have been no depreciation

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(1) " The term Sicca (Sikka, from Ar. Sikka, 'a coining die' and 'coined money' - whence Pers. Sikkazadan, 'to coin') had been applied to newly coined rupees, which were at a batta or premium over those worn, by use ". - Hobson - Jobson (1903), p. 834.

(2) Sir James Steuart, "The Principles of Money applied to the present state of the Coin of Bengal," (1772), p. 15.

at all. The older a sicca was the greater would be the amount of discount chargeable on it (1).

In Bengal, the standard of money was silver. Gold was occasionally coined, but the gold mohars were rarely in use. The unit of the Bengal currency was the rupee. At the beginning of the eighteenth century this rupee was struck at the mints at Dacca, Rajmahal and Patna. The change of the capital of the province to Murshidabad naturally led to the establishment of a mint in that city. The Murshidabad mint soon came to occupy the foremost place, while the mint at Rajmahal fell into disuse. Murshidabad, Dacca and Patna were, therefore, the three places where money was coined in Bengal in the first half of the eighteenth century. According to James Grant's "Analysis of the Finances of Bengal", the mint duties of Murshidabad yielded an annual income of Rs 304,103 in the year 1722.

Since the rupee was the standard medium of exchange, the bullion most in demand was silver. There was in Bengal a constant demand for this and its importation by

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(1) Old Siccas were termed Sanwats or rupees which had passed the third year of their currency. The Sicca rupees were rated in the first year of their issue at 116 to 100 current rupees, in the second year they circulated at 113 to 100 current rupees, and in the third year and even after, at 111 to 100 current rupees, when it was termed Sanwat. Vide - Wilson's Glossary (1855), p.460.

foreign merchants was always welcome to the Government. Copper coins were also in use. But while in other parts of India copper coins circulated extensively, in Bengal the use of these coins was much limited. Not many copper coins were struck in the Bengal mints during Mohamedan rule. The largest number of copper coins now extant were issued by the East India Company (1). Smaller transactions were generally carried on through the medium of the Kauri or Cowree (Shells) which was the currency of the mass of the people.

An important feature of the Bengal currency was the system of keeping accounts in terms of the "current ruppe", which was an ideal or nominal rupee and had no existence in fact. In Bengal at the beginning of the eighteenth century, "the Sicca rupee was reckoned 12½ per cent better than the current rupee, that is to say, 100 Sicca rupees were equivalent to 112½ current rupees" (2). This rupee current was the only thing fixed by which the coin was valued. The reason apparently was, "because it was not a coin itself, and therefore it could never be falsified or worn" (3). A supreme effort was accordingly made by the East India Company after the establishment of its authority in Bengal to determine the value of the

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(1) Valentine, "Copper Coins of India", p.61.
(2) Bengal General Letter, 18 January 1717.
(3) Sir James Stewart, "Principles of Money," (1772), p.17.

rupee current and not to suffer it to be debased in value by the debasement of the coin. The gulf that existed between the actual rupee in circulation and the current rupee in which accounts were kept gave a good deal of scope to the shroff in determining the rate of batta or discount between the two types of currency.

Another feature of the currency system in Bengal was the drain of the specie to Delhi. The effect of the drain made the local Government dependent on the supply of bullion by the European traders. "As the King's revenue and other money are annually sent to the Mogul's Court at Delhi, the money is sent in new coined sicca rupees; therefore not only the bullion, but also the rupees of other provinces imported into Bengal in course of trade, are every year new coined in the Bengal mint; and this sweeps away almost all the silver, coined or uncoined, which comes into Bengal; it goes to Delhi from whence it never returns to Bengal, so that after such treasure is gone from Muxadabad there is hardly currency enough in Bengal to carry on any trade, or even to go to market for provisions or necessaries of life, till the next shipping arrives to bring fresh supply of silver" (1). Hence in the earlier part of

(1) Mandeville's Letter, dated 27 November 1750, quoted by Sir James Stewart, "Principles of Money", p.63.

the eightteenth century there was a close relation between the Bengal currency and the importation of silver from outside by the European traders.

A notable factor in the system of currency in Bengal was the great hold of the house of Jagat Seth in the finances of the province. The family originally came to Bengal from Jodhpur in Marwar. Manickchand, the founder of the house at Murshidabad, was a friend of Murshid Kuli Khan. He migrated from Dacca to Murshidabad when Murshid Kuli Khan, in 1704, shifted the diwani to the city known after his name.

The house had branches in the mint cities of Dacca and Patna in Bengal and its agencies were maintained in many other parts in India. On the death of Seth Manickchand the headship of the family passed to his nephew and adopted son Fatehchand. The financial prestige of the house was raised to such a high pitch by Manickchand and Fatehchand that the Emperor conferred on the latter the title of Jagat-Seth or 'Banker of the world' about the year 1723 (1).

References to their wealth were frequently made in political writings and speeches in England throughout

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(1) 'Bengal Past & Present', Vol.XX and XXI, 1920, p.146.

the eighteenth century, They were called the "Rothchilds of India" (1). When Clive described the city of Murshidabad as being as extensive and populous as the city of London, " with this difference that there were individuals in the first possessing infinitely greater property than any in the last city" , he had obviously the Seths in his mind. Burke once spoke of the transactions of the house of Jagat Seth to have been " similar to those of the Bank of England (2)."

The comparison of the house of Jagat Seth with the Bank of England was not inapposite. Not merely were its financial transactions extensive, but the house of Jagat Seth performed for the Government of Bengal many of the functions which the Bank of England used to render to the Government of Britain in the eighteenth century. The interests of the house of JagatSeth were so much wrapped up and identified with those of the Government of Bengal that when, in 1730, a demand on the English was made by Fatehchand Jagat Seth, the Nawab, Shuja Khan, was determined to realize the

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(1) Wheeler, "Early Records of the British in India',' p.206.
(2) The speeches of Edmund Burke, Vol.IV, p.342, (London edition, 1816).

amount for the banker at any cost, and it was openly given out that " Fatehchand's estate was esteemed as the King's treasure" (1).

Since the days of Manickchand, this banking house conducted the most important financial transactions of the state. It controlled the purchase of bullion in Bengal, and the huge quantity of specie at its disposal facilitated the establishment of the mint at Murshidabad. The zamindars paid land revenue to the Government through this banking house, and it was largely through this agency that the annual revenue of Bengal was remitted to Delhi by means of drafts and orders drawn by this Bengal banking house on the corresponding firms in Delhi. It regulated the rate of batta payable on different kinds of rupees that came to Bengal through the normal course of trade.

The house of Jagat Seth reached the zenith of its prestige and prosperity at the time of Fatehchand (2), the first holder of the title. He had immense influence over Nawab Murshid Kuli Khan and his successors and frustrated all attempts of the English to coin money

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(1) Consultations, 2 June 1730.
(2) Head of the family from 1714 to 1744.

at the Murshidabad mint in terms of the farman of 1717.

The question of the mint and currency was one of the most difficult problems which the English had to face ever since their settlement in Bengal. As early as March 1687, Governor Gyfford of Fort St.George narrating the grievances of the English, in a letter to Aurangzib, had stated that the English trade in Bengal was hampered for want of a timely supply of money due to the shortage of men working in the mint. He also complained of the charges made in the mint and of the high customs which had to be paid for its use (1).

When in June 1687, peace was concluded at Hijli after a struggle between the English led by their Agent, Job Charnock, and Abdus Samad, a lieutenant of Nawab Shaista Khan of Bengal, the question of having a mint at Hugli was specifically proposed by the English. The second clause of the treaty stated, " whereas the mint at Rajamaul is a distance from Hughly, and the danger great in carrying our treasure thither; - which arrive not in time :- as we are who come from a far country,

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(1) Home Miscellaneous Series, Vol. 629, p.43.

under the protection of the King and Nabob;- and live at liberty, and trade freely;- we desire that the mint may be brought to Hughly, as at Surat!' To this proposal the reply received from the Nawab was, "As to your second article for bringing the mint to Hughly, it lies not in the Nabob's power without the King's order; but that the Nabob will write to the King about" (1).

Nothing apparently was done to remove the difficulties. In 1704, the Council at Fort William recorded in a memorandum that it would be much better for the Company to coin their own treasure, instead of selling it in chests, but the freedom of the mint would not be allowed them without the payment of heavy customs dues which they refused to do. In 1708, Governor Pitt of Fort St.George wanted permission to erect a mint in Calcutta to coin rupees and mohars (gold coins similar to those coined in the royal mint at Rajmahal)(2).

The Company's need for a mint in Calcutta, as in Madras, became more pronounced in 1709, when, on the transfer of the Moghul court from the south, a higher premium was demanded by the Bengal shroffs for the

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(1) Home Miscellaneous Series, Vol.628, p.342.
(2) idem, Vol. 69, p.183;
See also Chapter II, p.

acceptance of the rupees coined by the Company in its Madras mint. The Company, accordingly, began to exert itself to secure the sanction of the Emperor to have a mint of its own in Bengal.

It should be noted that all money coined by the Company in Madras and elsewhere was in imitation, or rather the exact reproduction, of the coins issued from the Moghul mints. As Stanley Lane-Poole has remarked, " the Company's coinage was at this period simple forgery, though the fact that it passed among the natives shows that it was intrinsically as good as the imperial currency, from which it apparently could not be distinguished" (1).

The question of currency and of the mint formed a large part of the petitions submitted by the Surman Embassy to the Emperor Farrukhsiyar, The farman granted by Farrukhsiyar in 1717 decreed that the Madras rupees of the same goodness as the Surat siccas might pass current in Bengal without any discount and that the Siccas coined at Bombay might also be legal tender throughout the whole empire, Bengal included. The farman was discreetly silent regarding the use of the Murshidabad mint prayed for by the English.

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(1) Lane-Poole, 'The Coins of the Moghul Emperors', p. XCIX.

Provision, however, was made in separate hasb-ul-hukms or decrees under the Vazir's seal issued as part of the farman for the coining of the gold and silver of the Company in the Murshidabad mint. The importance of the measure justifies the quotation of the relevant hasb-ul-hukm which was addressed to "all mutsuddies (subordinate officials) in the Government that are at present or hereafter may come in Bengal at Curremabaud" (Murshidabad) and ran thus :-

"Know ye that at this instant Mr.John Surman, Coja Surhaud and Mr.Stephenson for and on behalf of the English have through the intercession of the high ministers presented their petition to His Imperial Majesty setting forth that in the Mints at Rajamall and Dacca the Company's gold and silver were coined. It is now some time since that at Curremabaud (Muxadabad) the mint has been settled. They hope, according to former custom, to have the privilege of coining the Company's money there, and that the Mint Mutsuddies do not make any unaccustomary demands only taking the mint charges as customary and that in the season when other merchants' money are coined they may have three days in the week for the coining of the Company's money.

"It is commanded that you accordingly settle for which reason this husbalhookum is wrote that you do according to former custom settle the coining of the Company's gold and silver in the mint at Curremabaud and in the season of coining of other merchants' money if it be not against the King's interest, let them have three days in the week. Regard this well. - Written the 9th day of the Moon Zeelhedge, the 5th year of His Majesty's reign" (1).

The English Company was accordingly permitted to coin money at the Murshidabad mint on three days in the week on payment only of the customary mint charges. But, despite the imperial permission, the English could not have the use of the mint in terms of the farman due primarily to the opposition of Fatehchand, the banker and financier, who had an enormous hold on the successive Nawabs of Bengal (2).

The failure of the English to have the use of the mint at Murshidabad did not hinder their business in Bengal. They were well supplied with money coined at Madras, where the mint charge was lowered by one per cent (3). The authorities of Fort St.George informed the Calcutta Council that they would send to Bengal no

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(1) Home Miscellaneous Series, Vol.630, Nos. 12 and 14.
(2) Chapter II, p. 39
(3) Consultations, 17 May 1725.

less than one hundred chests of treasure coined into Madras rupees to keep the Company's business going. Of this amount thirty chests were sent in July 1726 and thirty-six by June 1727 (1).

The relations between the English and Fatehchand varied with circumstances. Fatehchand coined money at the Murshidabad mint on behalf of the Government. He was always eager to purchase bullion which foreigners brought into the country to pay for their exports. His control over the market was so strong that he actually dictated the price of precious metals. In August 1727, when the English offered sixteen chests of silver for sale, they were surprised to find that none of the shroffs dared quote a price higher than what Fatehchand had mentioned, They were consequently constrained to sell the bullion to Fatehchand for what he had offered (2).

In spite of occasional rifts, the English had to depend on Fatehchand for financial help in the form of loan for long and short terms. In 1728, the Nawab of Dacca refused permission to the English to use the local mint unless he was handsomely rewarded. The English Council at Dacca were, accordingly, compelled

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(1) Consultations, 26 July 1726.
(2) idem, 28 August 1727.

to ask for a recommendation of the Calcutta Council to Fatehchand for a loan of an additional lakh of rupees (1)

The authority exercised by Fatehchand over the commerce and administration of Bengal was amply demonstrated in the affair of Kantu, the broker of the English Company at Kasimbazar (2). The settlement of the matter on payment of Rs 130,000 by the English to Fatehchand did not go far enough to bring about a change of heart as between the English and Fatehchand. In May 1731, the Kasimbazar factory informed the Council in Calcutta of their financial difficulties as Fatehchand did not care to lend them any amount (3).

In September 1731, a representation was made to the Nawab alleging that the English had brought only Madras and Arcot rupees and no bullion that season. The Nawab forbade the currency of those rupees and 'ordered duty to be laid on them and that they should be received but as bullion'. Fatehchand knew that the allegation was false. He himself had purchased twenty chests of bullion from the English at Kasimbazar. None the less, he was the first to obey the Nawab's order and, in compliance with it, put Rs 50,000 into the mint to be

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(1) Consultations, 22 April 1728.
(2) Chapter II, p. 63.
(3) Consultations, 24 May 1731.

melted down (1).

The Government was not happy about the importation of Madras rupees into Bengal. In Madras the English had a mint of their own. The importation of large quantities of Madras rupees into Bengal naturally reduced the income of the Government in respect of the Murshidabad mint charges. Complaints were, in fact, made of the loss sustained by the Government as a result of the importation of Madras rupees into Bengal (2).

While the situation continued to be tense, certain rash and indiscreet action, on the part of the English, precipitated a crisis, and orders were issued to stop their trade (3). The usual method adopted by the English to secure the restitution of their trade was of no avail. The English soon concluded that Fatehchand was at the root of the whole trouble. His laconic answer that "he would not be the enemy of the English", when the latter sought his help in resolving the tangle left no room for doubt that "the first essential thing necessary" was to reimburse the banker for the loss he had sustained in Kantu's case (4). They now determined to make good the loss of their friendship

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(1) Consultations, 13 September 1731.
(2) idem , 17 October 1731.
(3) idem, 17 October 1731. See also Chapter II, p. 68-73
(4) idem, 23 October 1731.

with Fatehchand, who, they were convinced, had the greatest influence over the Nawab.

In an all out effort to secure the good offices of Fatehchand in favour of the English, the Council at Kasimbazar were empowered to deal with him according to necessity (1). Subsequent events soon proved that his friendship which was regained by reimbursing him with Rs 50,000 was of the greatest advantage to the English in the dark days of 1731 (2).

The English had to experience difficulty in several centres before the normal flow of currency and of business was resumed. In May 1732, reports from Patna reached the Council in Calcutta about the extreme scarcity of money in the local market " through the dread of Fatehchand who long since forbade his factory dealing with the English, which prohibition still continued" (3). To cope with the situation, bills of exchange for heavy sums had to be sent to Patna, and a letter of credit for Rs 150,000 was procured on Fatehchand's factory at Patna so as to " exempt the English from paying any more exchange" (4).

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(1) Consultations, 1 November 1731.
(2) See Chapter II, p. 81
(3) Consultations, 8 May 1732
(4) idem, 12 June 1732.

Apprehensions were felt at Bombay that the disputes with the Government might hinder the exchange of bills from Surat to Kasimbazar. But there was obviously no difficulty on this score as there was no mention of any dispute regarding the currency of the first instalment of Rs 100,000 sent from Surat by bills of exchange at the rate of 102¼ Surat rupees for 100 siccas (which was equivalent to Rs 97,799-8-3 sicca) payable to John Stackhouse of the Kasimbazar Council (1).

That better relations were resumed regarding the sale and coining of bullion at Murshidabad is evident from the decision of the Calcutta Council to disburse the stock of rupees they had in Calcutta among local merchants and to despatch the silver arriving from Europe to Kasimbazar (2).

Since the good will of Fatehchand was valued by the English for the smooth working of their finances, they realised the necessity of friendly relations with him. In 1732, the Council in Calcutta directed the Kasimbazar factory that since Fatehchand was willing to lend them money at interest, they must prefer him to any other financier (3).

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(1) Consultations, 17 July and 14 August 1732.
(2) idem, 21 August 1732.
(3) idem, 11 December 1732.

There was a good deal of demand for treasure, in the form of both rupees and silver, at Kasimbazar in August 1734. Practically all rupees available in the Calcutta warehouse and thirty chests of silver were sent to Kasimbazar to pay off the liabilities of the English there. But the English were at a considerable expenditure in disposing of their money and bullion on account of the strict control exercised over the sale of specie by Fatehchand. He would not allow any other merchant to purchase this commodity and would dictated the price of silver and rupees as he thought proper. The English complained of their misfortune but had no remedy (1). It was only on rare occasions that the English could enter into direct financial relations with any other merchant.

The visit paid by Fatehchand to the English factory at Kasimbazar, in June 1736, was an event of considerable importance. It demonstrated the restoration of good relations between the banker and the English Company. Not merely did he profess his friendship for the English and recount how he had helped them at the darbar in the past, but he also informed them of the

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(1) Consultations, 9 September 1734.

arrival of several farmans from Delhi in favour of the English (1). The visit, no doubt, cemented good understanding between the two parties. Once again the importance of preferring Fatehchand to all other creditors at Murshidabad was emphasized (2).

How far Fatehchand really intended to befriend the English was doubtful. For, in a letter, dated 31 October 1736, the Council at Kasimbazar informed the Calcutta Council that " at the intercession of Fatehchand Saw the Nawab had given his orders that as the batta (rate of discount) on Madras rupees to make siccas was but $3\frac{1}{2}$ per cent and Arcot but $4\frac{1}{2}$ per cent, it shall be $7\frac{3}{4}$ per cent on both, and the Nabob had taken muchulkas (undertaking) from the zamindars about the country not to take Madras or Arcot rupees at any other batta" (3).

The raising of the batta on the Madras and Arcot rupees caused considerable commotion among the English at Kasimbazar and in Calcutta. The English tried to put off the payment of the high batta charges as best/as they could by despatching larger quantity of bullion to Kasimbazar with a view to selling them to Fatehchand (4).

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(1) Consultations, 21 June 1736
(2) Idem, 24 July 1736
(3) Idem, 8 November 1736
(4) Idem, 13 December 1736.

The Council in Calcutta repeatedly advised the Kasimbazar factory to be alert regarding the necessity of securing a redress of the grievances of the English on the batta question. They, at the same time, advised their representatives at Kasimbazar not to do anything in haste and entertained the hope that the affair might " drop of itself" (1). None the less, they intimated to the Council at Kasimbazar that " as Fatehchand had been the chief promotee of this order, possibly their selling him a quantity of bullion might be the means of bringing him to temper and give room to mention this affair in such a manner as to gain the desired effect'' (2).

Soon afterwards, the Council in Calcutta were informed that Fatehchand was favourably inclined towards the English and that the immediate sale of a quantity of bullion to him would be of great help in having their grievances redressed (3).

When the English vakil at Kasimbazar offered to Fatehchand the silver that had arrived from Calcutta and requested him to exert himself for the withdrawal of the order regarding the batta on Madras rupees, he told the English that he could not at that time take

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(1) Consultations, 13 December 1736.
(2) idem, 13 December 1736.
(3) idem, 16 December 1736.

their silver and desired that it might be kept in the local factory till such time as suited his convenience. As to the batta on Madras rupees, he said that it was not a proper time to apply to the Nawab to have it taken off immediately, but he hoped to effect it in a month. At the same time, he advised the English not to feel uneasy and assured them that if in the interim they should have occasion for four or five lakhs of rupees for the use of the Company, he would advance the amount for a month or two without interest (1).

On 2 February 1737, the Council at Kasimbazar informed the Calcutta Council that they had sold their bullion to Fatehchand who "allowed 206¾ for 240 Siccas wt. the new Pillar Dollars and the Mexico at 206¼" (2).

The batta question continued to trouble the English. The merchants at Dacca were unwilling to take Madras rupees without deduction (3). The merchants in Calcutta informed the Council that they had advices from their gumastas (agents) at Santipur (4) that the Arcot rupees would not pass there. They accordingly returned the money and were given eight chests of bullion by the

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(1) Consultations, 16 December 1736.
(2) idem, 7 February 1737.
(3) idem, 10 March 1737.
(4) An important centre for the manufacture of cloth.

Council for payment to their local distributors and suppliers (1). At Kasimbazar the English preferred to keep the Madras rupees in stock rather than make payment in them at an under rate. They tried to tide over the difficulty by taking a loan of Rs 200,000 from Fatehchand who was to be preferred to any other creditor (2).

Approached by the English vakil to intercede with the Nawab to secure them a remission of the batta on Madras rupees, Fatehchand stated that "the order affected himself as much as anybody and that it was originally levelled at him by means of Chainray, Alamchand's Dewan, who represented there was a great deficiency in the revenue of the mint occasioned by the want of bullion to coin and that he (Fatehchand) had made several attempts to get the order revoked but in vain, that it must be a work of time, and it would be the best way for the English not to stir in it" (3).

When, in May 1737, twenty-three chests of treasure arrived at Kasimbazar, the whole quantity was sold to Fatehchand and the proceeds "appropriated as far as they would go to discharge the interest notes " (4).

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(1) Consultations, 29 August 1737.
(2) idem, 16 April 1737.
(3) idem, 16 April 1737.
(4) idem, 30 May 1737.

The entire amount of bullion which was imported in Calcutta by the ship 'New Castle' was despatched to Kasimbazar, and the Council there were once again instructed to procure the currency of Madras rupees (1). Payments in bullion were also made to Fatehchand's gumastah in Calcutta in clearance of his dues, for which bills of exchange were issued at the same price at which the bullion might sell at Kasimbazar (2). A bill of such payment for Rs 240,000 was sent to Kasimbazar and was accepted by Fatehchand (3).

It appeared that the men occupying the highest position in the Government of Bengal were at variance with one another on the financial condition of the province. Diwan Alamchand sent for the English vakil, received him in private, and after many assurances of his friendship, told him that " the revenues of the mint were greatly decreased since Jafar Khan's time, that Fatehchand imputed it chiefly to the English, their importing less bullion and sending more to Patna than usual''. Alamchand, accordingly, desired that the English would examine their accounts to see how much had been brought for some years past, and in the latter years of Jafar Khan's time, and how much had been sent to

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(1) Consultations, 2 June 1737.
(2) idem, 6 June 1737.
(3) idem, 20 June 1737.

Patna that he might judge of the truth of this affair". The vakil endeavoured to evade the issue and pointed out the danger of "disobliging Fatehchand", to which Alamchand replied that "he had authority in his own hands and that the English should receive no injury by the information supplied (1).

Since the friendship of Alamchand was valued by the English, they decided to supply the information required. Fatehchand had no illusion in the matter. He frankly told the Company's vakil that he realized the necessity, on the part of the English, to satisfy Alamchand and advised the vakil by all means to do it (2).

The Kasimbazar factory, accordingly, wrote to the Calcutta Council urging on them the necessity of cultivating a good understanding with Alamchand in the interest of the Company. They reported that there appeared to be no business at the Murshidabad mint and that a large supply of bullion thither directly would greatly improve the relations with the Diwan. They believed that the prohibition of foreign rupees by the Government was directed chiefly against the French who had imported a large amount of Arcot rupees. They concluded with the statement, "Since the Dutch ships not being yet arrived and the French, according to the

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(1) Consultations, 29 August 1737.
(2) idem, idem.

best information they could get, having brought only Arcot rupees, the despatch of eighty or a hundred chests of bullion by the English to Kasimbazar would certainly place their business in a favourable position" (1).

The Council in Calcutta gave their serious consideration to the proposal of the Kasimbazar factory. They realised the necessity of winning the good opinion of Diwan Alamchand. Since it was immaterial "whether their money lay here or at Kasimbazar until wanted for investment," they decided to send eighty chests of bullion to Kasimbazar (2).

In September 1737, the account of bullion that was imported in the last four years of Jafar Khan's (Murshid Kuli Khan's) time, as compared with the bullion imported during the last four years past by the English, was duly submitted to the Government. Alamchand, the Diwan, appeared to be pleased with the statement (3).

Once again the Calcutta Council urged on the Kasimbazar factory to use their utmost effort to get the imposition of Madras rupees redressed, "it being so far a breach of our farman and we are not without apprehensions that should we tamely submit to this duty on Madras rupees, the Government would hereafter go

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(1) Consultations, 9 September 1737.
(2) idem, idem.
(3) idem, 26 September 1737.

greater lengths with us, even to the invalidating our dear bought farman" (1).

The investment of the English in Madras rupees continued to cause difficulties. The merchants remonstrated that Fatehchand was making strict demands on them for what they borrowed of him in the season and ''refused to take of them any rupees but siccas without a very strict discompt and loss to them''. They, therefore, wanted thirty-three chests of bullion in exchange for rupees which they '' offered to deposit in the room thereof and to take the rupees again at the usual batta in part of their contracts, when they received their dadney" (2).

Meanwhile, the Council at Kasimbazar were never wanting in their endeavour to get the order for the additional batta on Madras rupees suppressed. They were conscious how great an encroachment it was on the Honourable Company's farman, though it was reported to them that the order regarding the batta was directed particularly against the French who had alienated Fatehchand by importing large sums of Arcot rupees to save mint charges (3).

The vakil of the English represented to the darbar that in spite of the fact that his masters had imported

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(1) Consultations, 26 September 1737.
(2) idem, idem.
(3) idem, 11 October 1737.

such great quantities of bullion and not more Madras rupees than usual, they were suffering great hardship as by this order they "must pay a custom equal with the Arcot rupees." He was told in reply that it was very true that they were "involved in a common calamity". The Hyderabad merchants, who had been to the darbar in a body to complain, received no better answer (1).

In December 1737, information reached the English that "the French had obtained a parwana for the clearance of their Arcot rupees and were promised a Sunnud (grant or charter) for having the use of the mint on the same terms with the Dutch for which they were to pay Rs 50,000 to the Nawab and had agreed to coin all their Arcot rupees" (2).

In March 1738, the merchants of Kasimbazar were unwilling to take Madras rupees as a part of the dadni (advance money) at the usual batta and represented to the English factors that "they should be great sufferers in it for the Government would oblige them to pay a duty of 2½ per cent and that they should be at a further loss to pay them off". The English, accordingly, directed their broker to wait on Fatehchand and acquaint him

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(1) Consultations, 11 October 1737.
(2) idem, 29 December 1737.

with the hardship of the merchants. The broker was also instructed to " solicit Fatehchand's interest" in the currency of Madras rupees again. Fatehchand told the broker that " the French had been the sole occasion for their complaint by agreeing to pay a custom on Madras and Arcot rupees, that it was not in his power to be of any service to the English, he himself not being exempted from this custom". At the same time he declared that he was " willing to take them for 106¼ Madras rupees for 100 siccas which was half per cent more than the English could put them off anywhere else " (1).

As submitting to this would be an immediate loss to the Company and would establish a bad precedent, the Kasimbazar factory requested the permission of the Council in Calcutta to return the Madras rupees sent them. In order that the investment might not be at a stand they agreed to borrow Rs130,000 sicca which would be sufficient to complete it and to discharge the balances due to the merchants (2).

In April 1738, a petition from the President of the Council in Calcutta was presented to the Nawab concerning the imposition laid on Madras rupees. It was

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(1) Consultations, 2 March 1738.
(2) idem.

decided that the three men, next in importance to the Nawab in the administration of the province, that is, Alamchand (Diwan), Fatehchand (the Government banker) and Haji Ahmed (the most influential nobleman) should be taken into confidence before the Nawab was actually approached (1). Apprised of the move proposed to be taken by the English, Fatehchand promised his assistance, but seemed doubtful of his success". He was already "incensed against the French for their procuring a mint" and seemed to enjoy the harassment of the French by the Nawab's forces on the report that a Musalman had been murdered some time ago at Chandernagore (2).

While the matter was pending, the Madras rupees could not be disposed of at Kasimbazar except at a considerable loss on the batta. Since there was a demand for a lakh of rupees for investment at the Dacca factory, the Council in Calcutta decided to transfer twelve chests of Madras rupees from Kasimbazar to Dacca, where the merchants did not object to the acceptance of Madras rupees (3). To keep the business at Kasimbazar going, Rs 110,000 new Murshidabad siccas were remitted from Patna to Kasimbazar (4).

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(1) Consultations, 13 April 1738.
(2) idem.
(3) idem.
(4) Consultations, Extraordinary, 13 April 1738.

But all efforts of the English to reduce the batta on Madras rupees came to nothing. The Nawab received their petition but declined to interfere in the matter on the ground " that the duty on foreign rupees were ordered from Court on account of great deficiencies in the revenue of the Mint and that it affected all merchants in the country in common with the English" (1).

The batta on Arcot rupees was, however, lowered by orders of the Nawab (2). The English also decided to lower the batta on Arcot rupees in Calcutta by one per cent and ordered that "no receipts and payments be in future made in the Hon'ble Company's cash for more than 8 per cent on the current rupees of this place." The order was circulated all over Calcutta by beat of drums (3).

The policy of keeping Diwan Alamchand well supplied with bullion seemed to have good effect in maintaining friendly relations between the English and the darbar. On the advice of Thomas Braddyll, the chief of the Kasimbazar factory, who was on a temporary visit to Calcutta, in June 1738, the Council in

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(1) Consultations, 15 May 1738.
(2) idem.
(3) idem.

Calcutta decided " to send up to Kasimbazar by safe conveyances and under a proper guard forty chests of bullion received by this ship (**Royal George**) reserving ten chests for the supply of Patna should they want any this year" (1). This practice was repeated several times (2).

The English were liberal in the supply of bullion at the current price in Calcutta to their broker in order to enable him " to discharge some engagements he was under to Fatehchand." In October 1738, the merchants, at their request, were allowed to exchange four chests of rupees for the like quantity of bullion (3).

Though the Madras rupees were not popular at Murshidabad and with the Bengal merchants, there was demand for the same at Balasore where cowries were purchased. In October 1738, the Council in Calcutta decided to " send a sloop down to Balasore with a supply of two chests of Madras rupees as only those would pass there " (4).

Since difficulties were experienced in the currency of Madras rupees, instructions were issued to Fort St.George not to coin into rupees more than

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(1) Consultations, 30 June 1738.
(2) Idem, 4 August 1738; 20 September 1738.
(3) Idem, 3 October 1738.
(4) Idem, 23 October 1738.

one-third of the bullion meant for Fort William. These instructions were generally followed in practice by the Madras authorities (1).

While the enhancement of the rate of the batta on Madras and Arcot rupees was a source of great hardship to the Company, the frequent rise and fall of the batta on Sicca rupees of Bengal also caused them considerable inconvenience. With a view to removing this difficulty, the Council in Calcutta resolved, in 1739, not to "receive the Sicca rupees of the twenty-second year's stamp into the Hon'ble Company's cash at more than Rs 15-8-0 per cent batta to reduce them into current rupees". The resolution was publicly notified to all shroffs, merchants and others having any type of financial transactions with the Company (2). But in spite of all their efforts, the batta question continued to baffle solution throughout the eighteenth century (3).

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(1) Consultations, 8 February & 17 September 1739.
(2) Idem, 14 August 1739.
(3) The following were the batta rates for the different types of rupees in relation to the current rupee at the end of 1740 :-

Sicca Rupees	- 15½ per cent
Madras Rupees	- 10 per cent
Arcot rupees	- 8 per cent

Bengal Public consultations, 5 December 1740.

Another measure setting up a "Committee of Treasury" to administer the Company's finances in Bengal was to have far reaching consequences. In view of the irregularities in several subordinate factories as also in Fort William in the administration of the finances by the President of the Council, an attempt was made to have a stricter control of the Company's cash (1). In the Bengal Public Consultations of 30 August 1739, it was "ordered that the President (Thomas Braddyll), Sir Francis Russell, Barot.(the Accomptant) and Mr.William Davis, Import Warehouse Keeper, be a Committee of Treasury conformable to our Hon'ble Masters' orders for that purpose and that a key of the said treasury be delivered to each of them which was done accordingly." (2). Any balance of cash exceeding Rs 100,000 was henceforth to be made over by the Preaident to the Treasury (3).

The invasion and occupation of Delhi by Nadir Shah, in 1739, introduced fresh complications in the

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(1) There were charges of dishonesty against Hugh Barker at Kasimbazar, and H.Clare and T.Cook at Dacca; and of slackness even against President Stackhouse in Calcutta.
(2) Consultations, 30 August 1739.
(3) Idem, 10 October 1739.

problem of currency in Bengal. While the centre of the Delhi empire was tottering under the weight of Nadir Shah's invasion, Shuja-ud-din, the Nawab of Bengal (1727-39), died. His son and successor, Sarfaraj Khan, received an order from Delhi, in March 1739, "to proclaim Shah Nadir and to coin siccas in his name" (1). But even before Nadir Shah's coins could well circulate in the market, confusing reports began to arrive from Delhi and created a good deal of panic in the monetary market of the province.

A glimpse of the picture can be had from the following letter, dated 5 April 1739, addressed by the Patna factory to the Council in Calcutta :-

> "It is very remarkable that but one man pretends to have seen Nadir Shah and that he has not seated himself on the throne but that Muhammad Shah has still the name of King and that the siccas have not yet been stamped in the Persian King's name, though the Nabob at Patna (Ali Wardi Khan) did, on the advice from Delhi, coin in one days' time 1100 gold mohurs and 14,000 siccas, but them immediately put a stop to coining any more in Shah Nadir's name. These rupees are now

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(1) Consultations, 2 April 1739.

"at 2 per cent discount and the gold mohurs are each four annas worse than Muhammad Shah's - all which seem to confirm the current report that the Persian King is not really in the country" (1).

The depreciation of Nadir Shah's coins was also noticeable at Murshidabad where the money market passed through considerable uncertainty. Bal Muktaram Atmaram, a prominent banker, on whom two bills for Rs 50,000 siccas were drawn in favour of the English was unable to honour them (2). The Council at Kasimbazar, therefore, wanted a supply of money from Calcutta, "Fatehchand having refused to lend any more unless they would take Nadir Shah's siccas which pass at present only as Arcot " (3). The Dutch coined some money, but their merchants would allow no more batta on them than on Arcot rupees. The business of the English at Kasimbazar appeared to be at a standstill, and they wanted fresh supply of money and advice from Calcutta.

Unable to despatch money or treasure to Kasimbazar immediately, the Calcutta Council wrote to

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(1) Consultations, 23 April 1739.
(2) Idem, 23 April 1739.
(3) Idem, 23 April 1739.

the Kasimbazar factory saying that they could not think it proper to take Shah Nadir's siccas at the rate Fatehchand offered them, " the loss being so very considerable." They therefore directed the Kasimbazar Council " to take up what sums they might want elsewhere" to carry on their business until they could supply them with proper specie from Calcutta (1). Dacca , however, did not experience much difficulty. Since the Madras rupees were accepted by the merchants there, that factory was kept well supplied with whatever Madras rupees could be spared from Calcutta.

By the end of May 1739, the tension caused in Bengal by Nadir Shah's invasion of Delhi seemed to have considerably subsided. Reports about the normal circulation of business began to flow from the imperial capital. The English factors at Patna felt that there was no ground for further apprehensions from the west; 'if no unforeseen accident intervened'. The Dutch were there encouraged to give out ready money for investment in saltpetre. The English chief, Humphrey Cole, proposed to take Rs 50,000 from local merchants and draw on the Council in Calcutta. He also informed the Calcutta Council that a supply of bullion to Patna

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(1) Consultations, 23 April 1739.

would be of great service, 'as the mint was open again' (1). On 23 May, 1739, the Patna Council sent an intimation to Calcutta that they had drawn on the Council of Fort William a bill " for Sicca Rs 25,000 received there of Seth Monickchund Diachund and payable forty days after to Juggut Seat Futtichund Anunchund or order in Calcutta"

Things were looking up also at Kasimbazar. It was reported at Murshidabad, before the end of May 1739, that the King of Persia had left Delhi and was gone to the Shalemar Gardens (Lahore) and from thence he intended to march back to Persia. Upon this news, the Government ordered Shah Nadir's seals to be broken and new ones to be made in the old King's name (2). That normal transactions were soon restored is evident from the remittance of Rs 100,000 by the Calcutta Council to their chief at Dacca through the agency of the house of Jagat Seth. Jagat Seth's gumastah in Calcutta hesitated to undertake the work and told the English that he could not, without particular orders from Murshidabad, give the English bills for new siccas without a reference to his principals (3). After the necessary sanction was obtained from Fatehchand, a bill

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(1) Consultations, 31 May 1739.
(2) Idem, idem.
(3) Idem, 30 July 1739.

of exchange was issued from Calcutta, on 1 August 1739, on their banking house at Dacca, "Rs 100,000 siccas of the twenty-second year payable twenty-one days after date to the chief & Council there" (1).

Towards the end of the year 1739, a requisition for copper was made from Patna for printing copper coins in the local mint. The Calcutta Council were asked "to send up all the copper they received from England, which they believed would go off in the mint." Two thousand and six hundred maunds of copper were accordingly sent to Patna under special guards. The price of copper at this time was between Rs 45 and Rs 50 per maund.

Another large consignment of copper was sent to Patna for coinage in December 1739 (2). In consequence there was a discontinuance in the despatch of bullion to Patna, since this commodity was required in larger quantities in Calcutta and Kasimbazar. Five chests of bullion were sent to Kasimbazar to repay a loan taken from Fatehchand for Rs 100,000, as Fatehchand desired payment in bullion.

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(1) Consultations, 3 August 1739.
(2) Idem, 6 December 1739.

There was not much demand for the coining of copper in any of the mints excepting Patna. The price of copper as a commodity was regulated by the Company, according to supplies in hand. On 12 August 1739, the Council in Calcutta resolved, ''As to copper, although it does not stick on our hands, yet as we do not expect any to come out on the next year's shipping: Agreed that we raise the price to Rs 44 per maund" (1). In March, and again, in June, 1739, copper was sold to Omichand for Rs 36 per maund, while in January 1740, 200 Mds. 33 Sr. 4 ch. of copper was sold to Kriparam Haldar for Rs 7229-14-3 (2). Higher prices were generally obtainable for copper at Patna, where, apart from coinage, it was used for sale to Benares and other areas up the country (3).

There was again panic at Murshidabad, in 1740, at the report of the approach of Ali-Wardi Khan towards the capital with hostile intentions. When Ali Wardi had advanced as far as Rajmahal, the panic at Murshidabad was so great that no notable inhabitant of the city except Fatehchand dared stay at his house (4).

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(1) Consultations, 12 August 1739.
(2) Idem, 5 March, 7 June 1739; 24 January 1740.
(3) Idem, 11 September 1740 .
(4) Idem, 15 April 1740.

Fatehchand's stake at the capital city was obviously too great to permit him to leave it in the day of its peril. There is a slight hint of his complicity with Ali-Wardi who had written to the Nawab that " if he would send Alamchand and Fatehchand to him, he would tell them what he wanted " (1). Fatehchand refused to see the vakil of the Company when the latter wanted an interview on 17 April 1740, that is, the day following Aliwardi's encounter with Sarfaraj Khan (2).

The role of Fatehchand Jagat Seth in relation to the mint once again came under consideration in October 1740, when an attempt was made to secure a farman for opening an English factory at Benares. A suggestion was made by the vakil of the Company at Delhi that the question of the free use of the mint at Murshidabad might be incorporated in the new farman(3). The Calcutta Council were definitely opposed to the raising of the issue afresh for fear of having all their rights reviewed. The proceedings of the Council recorded in this connection are worth quoting :-" In answer to what the Delhi vakil writes, it is our opinion that the mint being one of the articles granted by King Farrukhsiyar's Royal Farman, it should be very improper

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(1) Consultations, 21 April 1740. (2) Idem, 21 April 1740.
(3) Idem, 4 October 1740.

to renew a solicitation at Court on that head, as it might occasion our privileges granted in the same Farman to be called in question, and notwithstanding the attempt to get this part of the Farman executed, none of the Subahs who have been applied to have thought proper to pay due obedience thereto. We also think that while Futtichund lives he will always have it in his power to prevent the good effects of any solicitations thereon; and though we should obtain it from the present Government, yet as we have no reason to believe they are not fixed, it would be laying out our Hon'ble Masters' money on very precarious terms" (1).

The Council accordingly forbade any further application being made at the imperial court at Delhi for the use of the Murshidabad mint (2).

The relation of the English with Fatehchand had obviously improved at the beginning of Ali-Wardi's subahship. The rate of interest at which money was so long lent to the English by the banker was 12 per cent per annum, but it was, in 1740, reduced to 9 per cent, per annum or annas twelve per cent per month (3). The Council in Calcutta not merely approved of the loan for

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(1) Consultations, 27 October 1740.
(2) Idem, 5 and 8 December 1740.
(3) Idem, 26 December 1740.

Rs 60,000 contracted with Fatehchand by the Kasimbazar factory at 9 per cent per annum, but also directed them to take up what sums they could borrow at that rate " to pay off the debts of their factory that then stood out at 12 per cent unless the persons they were indebted to would continue what might be owing them and take fresh notes for the same at 9 per cent'" (1).

The security foreshadowed by Ali-Wardi's Government and the more extensive supply of money brought down the current rate of interest as a whole. The Company was offered loans at 9 per cent per annum by Fatehchand's banking house in Calcutta as well as by others. The Company, however, was unwilling to contract any loan till the time came for their next investment (2).

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(1) Consultations, 26 December 1740.
(2) Idem, 26 December 1740.

Chapter V

Markets and Trade

Bengal occupied an important position in the trade and commerce of the East in the early eighteenth century. Merchants from distant parts of the world came to Bengal for trade. Besides the merchants of the Orient - the Persians, the Arabs, the Abyssinians, the Turks, the Moghuls, the Jews, the Armenians and the Chinese, who had important commercial contacts with Bengal - there were the Christian traders from Europe - the Portuguese, the Dutch, the English, the French, the Danes and a host of adventurers of other nationalities, who had entered the province through its "hundred gates" in search of fortune.

Many were the centres of trade in Bengal. Dacca, Sonargaon, Jagdea, Islamabad or Chittagong in the east; Malda, Rajmahal and Patna in the upper regions of the Ganges river; Murshidabad, Kasimbazar, Satgaon and Hugli in the west; and Balasore, Chinsura, Calcutta and Chandernagore, which were being nursed and guarded by the European merchants were the chief centres of commerce.

An important feature in the growth and decline of commercial centres in Bengal has been the uncertainty of the course of the Ganges and its many tributaries and the silting up of their beds making navigation difficult. This explains the decline of the once populous and commercial cities like Satgaon and Murshidabad and the growth of new ones to which nature remained comparatively kind.

The virtual transfer of the seat of the Government to Murshidabad, in 1704, was of considerable significance in the economy and future history of the province. The central position of the new capital and its proximity to the natural passes, through which an invader from the west was likely to enter Bengal, had their own advantages, while its distance from the eastern Arakan region gave it an immunity from the ravages of the Mug and Portuguese pirates, to which Dacca, the former capital, was more vulnerable. Situated, as it was, on the bank of the river Bhagirathi, flowing from the Ganges to the sea, it had a commanding view of the boats laden with the goods of Indian and foreign merchants plying between the south and north-western regions of the province. It was adjacent to Kasimbazar,

the most important centre of silk trade in Bengal, where the European traders carried on extensive investments, and, as such, it brought the European Companies and the Government of the country closer to one another. It afforded the Government far better opportunities than Dacca to watch the movement of foreign ships and trade in the Gangetic delta.

The province of Bengal, wrote Robert Orme in 1752, is the most fertile of any in the universe (1). The physical conditions of the earth, the absence of a particle of stone in some hundreds of miles, formed as they are of alluvial deposits of the Ganges and its tributaries, have made the soil rich and fertile. The abundant rains falling on such a soil made cultivation easy and profitable. Agriculture, therefore, has formed from the earliest times the main element in the economy of Bengal.

Though the mainstay of her economic life was agriculture, industrially Bengal, in the early eighteenth century, occupied a distinct position in the world market. In fact, before the advent of the Industrial Revolution in the West, the manufactured goods of Bengal,

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(1) Orme, "Historical Fragments of the Mogul Empire", p. 404.

particularly in textiles, were in demand in Europe.

The difficulties of communication and the immobility of labour had the tendency of making the rural units of Bengal self-sufficient. None the less, there was an extensive foreign and inland trade in which both the inhabitants of the province and the people coming from outside participated. The export trade was carried on by a host of merchants who came from the different regions of Europe as also of Asia. People from other parts of India - the Punjab, Guzarat, Sind, Agra and Marwar - came to Bengal in search of wealth, and many of them were enriched beyond their expectation. Some of the merchant adventurers, like the Seths of Murshidabad, settled in the province and became the founders of a mercantile aristocracy.

Because of the difficulty of transport, only costly articles which were prized outside and articles for which the demand was constant could move inland from the places of their origin to the markets or to the ports. The places which were most conveniently situated to attract the commodities for export were Hijli and Satgaon in West Bengal; Sripur near Dacca,

and Chittagong in the east; Pipli, near Balasore in Orissa; and Patna in Bihar, which occupied a strategic position in the most important river high way in eastern India. Fortune soon deserted the old centres of trade like Satgaon and Pipli, and in their place Balasore, Hugli and Calcutta came into prominence.

Hugli at one time was the most important port for foreign trade. It saw the rise and decline of the Portuguese and the Dutch in Bengal. The Moghul Government treated it as the gateway for the entrance and exit of commodities into and from Bengal. Alexander Hamilton, who came to Bengal in 1705-06, wrote about its extensive trade, "because all foreign goods were brought thither for import, and all goods of the product of Bengal were brought thither for exportation" (1).

Some idea of the trade that passed through the customs house at Hugli can be had from the fact that, in 1728, " Syer Baksbunder" or the customs dues on foreign merchandise yielded a revenue of Rs 29,289-8-1-3 to the Government at 2½ per cent on the value of the goods passing through the port, which presumably, therefore,

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(1) Alexander Hamilton, " A New Account of the East Indies" , edited by Foster, Vol.II, p.12.

were valued at about 12 lakhs (1). This revenue was independent of the trade of the English East India Company, whose investment and transactions exceeded those of ~~any~~ all other merchants in Bengal. The faujdar of Hugli who was responsible for the collection of taxes on external trade was recruited from among the senior officers of the Government and occupied a position of considerable honour and responsibility. Indian & European

With the growth of the British trade in Bengal in the early eighteenth century, Calcutta soon dwarfed all other centres of foreign trade and was destined to become the most important commercial city not merely in Bengal, but in the whole of India.

Among inland markets, Patna, Malda, Kasimbazar, Dacca and Jagdea find frequent mention in the records of the East India Company. Patna derived its importance

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(1) Sixth Report, 1782, Appendix 14. (India Office: collection 15). To give an idea of the volume of trade which passed through Hugli, Professor J.C.Sinha in his book, "Economic Annals of Bengal", has quoted a statement that "in 1728 Sair Baksbandar, i.e. export and import dues on foreign merchandise, yielded Rs 2,21,975 at the rate of 2½ per cent on the value of the goods". The source from which the statement has been quoted is not mentioned in the book. Vide, "Economic Annals of Bengal", p.7.

as the chief mart of saltpetre and the place of contact between the merchants of eastern and western India. If Calcutta was the south eastern gate for foreign trade, Patna was the north western gate for up country trade. Patna particularly attracted the costly and luxurious articles like broad cloth and 'rarities' imported from abroad. It was from Patna that these goods found their way outside Bengal into the palaces of the Emperor and of the nobility.

Kasimbazar was the emporium of the silk trade. Its proximity to the provincial capital of Murshidabad gave it an added importance. The chief of the English factory at Kasimbazar, almost invariably occupied a seat, ex-officio, in the Council of Fort William in Calcutta. It was from Kasimbazar that the greatest amount of bullion was sent to the banking house of Jagat-Seth who had practically monopolised and controlled its purchase.

Dacca was famous for its muslin made of fine cotton and was the most important centre from which goods of East Bengal were sent abroad. Jagdea supplied a type of cloth valued in Europe and was an important centre for the East India Company's trade in the second quarter of the eighteenth century. It was under the general supervision of the Dacca factory through which

contact was maintained between the English merchants at Jagdea and the Council of Fort William in Calcutta.

The English, the Dutch and the French carried on a competitive trade in all these markets. Among the merchants of the Orient, the Armenians, the Moghuls, the Lahories and the Guzrateers are prominently mentioned. The highest officials of the Government, the princes of the royal blood and members of the nobility often appeared as competitors in the field (1).

The inland and inter provincial trade was in the hands of both Indian and foreign merchants. It was carried on by the land, river and sea routes. The river traffic was the most convenient for bulky goods, while the coastal traffic by the sea from Bengal and Orissa to Musulipatam, the Guzarat ports, Persia and Arabia was extensively in use. The coastal ships were owned by the foreign companies and their servants as also by the Moors. Many of the servants of the East India Company

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(1) Azim-ush-Shan, the grandson of Aurangzib, and Haji Ahmed, the elder brother of Ali-Wardi Khan, for example. Mir Jumla and Shaista Khan, the noted Subahdars of Bengal, also carried on private trade.
Vide, J.N.Sarkar, History of Bengal, Vol.II, pp.344-45, 374-75, 402--3.

were the sole or joint owners of small ships of about one hundred tons which were allowed to carry on the coastal trade from the Bay to the Western ports of India, and even to Persia. The Europe-going ships of the Company of about 300 to 400 tons, which were sometimes detained in Calcutta for several months, were also employed during this period by their servants to carry on coastal trade on their own private account. The private trade of the Company's servants had to be confined from the Cape of Good Hope in the west to the Straits of Magellan in the east.

Besides the servants of the Company whose extensive private trade more than compensated for the very low salaries paid to them, there were the English " free merchants" and the interlopers, who, from time to time, appeared as formidable rivals in the Indian trade. The 'free merchants' were allowed by the Court of Directors to trade between India and the neighbouring countries in the East, while the interlopers illegally tried to participate in the trade between England and India in which the company held a monopoly.

The problem of inland trade in Bengal was closely interlinked with that of foreign trade, ever since the East India Company was permitted to carry on trade in

Bengal free of customs on payment of an annual sum pf Rs 3000 only to the Government. To get a clear view of the conditions of trade, inland and foreign, we have to examine its working and movement through different stages. The merchants of the European Companies as the agents of corporate bodies had considerable sums of money at their disposal with which they tried to capture the market. This attempt to purchase commodities with a view to exporting them to their own countries proceeded on a competitive basis and was conducted rather by a 'vertical'process, that is, through controlling all stages of production from the primary production of the raw material up to the sale of the finished product.

Long before the advent of the season for a particular commodity the merchants of the Companies would reach the actual cultivator or manufacturer through their native agent or broker, who worked through a host of smaller agents, and advance money to them so as to obtain a right of pre- emption for the purchase of a particular commodity. This was known as the system of dadan or investment. The broker negotiated with the merchants, and on his recommendation the dadni or advances would be made to the merchants whose business

it was to establish contact with the dealers at different stages until the actual cultivator or producer was reached. The amount advanced varied from ten per cent (1) to seventy per cent (2) of the value of the goods to be supplied.

The English East India Company advanced as dadni some of the commodities imported by them, particularly the woollen products known as broad cloth. In 1724, Michael Cotesworth, the Import Warehouse Keeper, gave an account of the broad cloth and perpetuanoes (3) worth Rs 99,100 delivered to the merchants on account of dadni (4). In 1725, ten per cent of the advance made to merchants consisted of broad cloth (5). Other types of imports like vermillion dye were also sought to be used for the purpose. In 1727, Hugh Barker, the Import Warehouse Keeper, gave an account of the vermillion dye worth Rs 14,418-6-0 delivered to the merchants on account of dadni (6).

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(1) Consultations, 4 August 1720.
(2) Idem, 21 April 1735.
(3) Perpetuana or perpetuano was a durable fabric of wool manufactured in England from the sixteenth century. Vide Murray's 'A New English Dictionary on historical principles,' Vol.VII, Part I, p.716.
(4) Consultations, 17 December 1724.
(5) Idem, 2 August 1725.
(6) Idem, 22 May 1727.

Another feature of the movement of trade in Bengal was the comparative advantage enjoyed by the East India Company and their servants in moving goods from one part of the province to another through the use of dastaks (or passes for the despatch of boats) on the strength of which the goods were immune from the payment of customs duties. The use and abuse of the dastak was a matter of constant dispute between the English and the Government of Bengal.

Ever since the grant of the nishan (or the Letters Patent), made to the English by Prince Shuja in 1656, the East India Company enjoyed the right of sending the goods of export and import to the different parts of the country by means of dastaks or passes issued for the purpose. But taking advantage of the favoured position of the Company, the English merchants sometimes covered other kinds of goods and goods of other merchants under the protection of the dastaks (1).

The anomaly which existed as to the definition of the goods to be covered by the dastak was not removed by the farman of Farrukhsiyar issued in 1717. The farman permitted the English to trade free of duty, except for the annual payment of Rs 3000, in all goods and necessaries which were " brought or carried away either

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(1) Consultations, 26 March 1705.

by land or water" (1). By implication, these goods obviously referred to the goods of import or export traded in by the Company. Robert Orme, the historian, writing in the middle of the eighteenth century, considered that the Moghul's patent implied no restriction. "But they could not be ignorant of the intentions of Delhi concerning this privilege, for when the embassadors (2) proposed to Caundorah (Khan Dauran) that it should extend to all kinds of commodities, he replied with emotion, 'the Sea !" (3), that is, the goods which would be coming in and going out by the sea. The absence of any definite and clear cut statement left much room for controversy which arose immediately on the return of the Surman embassy to Bengal.

Both the English and the Nawab of Bengal tried to take advantage of the vagueness of the wording of the farman. Immediately on its issue, Nawab Murshid Kuli Khan questioned the extensive use of the dastak practised by the English to cover the inland trade of the Company's servants (4). The interpretation of the Nawab to restrict the scope of the

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(1) See Chapter II.
(2) The Surman Embassy.
(3) Orme, 'A History of the Military Transactions of the British Nation in Indostan," vol. II, p. 25.
(4) See Chapter II.

privilege obtained by the farman to imports and exports only affected the English trader rather than the English Company, since the Company, as such, did not participate in inland trade and was concerned only with exports and imports. None the less, the Company could not always escape harrassment. The articles purchased for exportation were liable to be searched and detained because of the suspicion in the minds of the Government officers that they would be sold inside the country. Nor were the suspicions entirely unjustified. The Company's servants were in the habit of screening the goods, which actually belonged to them, under the Company's name. Such abuses, on the part of its servants, were a source of constant bitterness between the Company and the Government.

The anomaly of the Company's position arose out of the nature of the machinery through which its trade had to be carried on. The Company was indeed a corporate body, but it worked through individual human agencies. The men, who acted for and on behalf of the Company, had their own private trade. Their greed of personal gains was responsible for the frequent overlapping of the trade of the individuals with that of the Company. This was embarrassing both to the Company and to the Nawab.

The extensive sale of dastaks by the Company's servants to the Indian merchants was an abuse which defrauded the Government of much of their revenue and was, therefore, rightly resented by the Nawab (1). The use of the dastak for inland trade in salt, betelnuts, tobacco and similar other commodities which brought good revenue to the state affected its income substantially (2). Omichand, a dadni merchant, was guilty of malpractices in the use of dastaks to cover his own trade (3).

The East India Company, as such, was hardly responsible for the abuses which prevailed in regard to dastaks. The Council in Calcutta threatened to forfeit the goods of merchants abusing the dastak (4). One of the practices resorted to by the Company's servants was to send the goods of internal trade along with the dadni goods for export covered by the dastak. The Government naturally accused the Company of '' screening immense quantities of merchants' goods" under the dastak and thereby defrauding the King of his customs. In order to put an end to the evils connected

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(1) Consultations, 25 October 1731.
(2) Idem, 22 November 1731.
(3) Idem, 23 March 1732.
(4) Idem, 9 October 1732.

with the dastak, the Company ordered that every person in its service must take an oath that he would use the dastak only for the commodities on his own account or on account of any such person as "had the Company's indulgence of trade". The Company hoped that this measure together with the rule already issued for confiscating goods sent surreptitiously with the dadni articles would serve the purpose (1).

The Company issued specific instructions that no dastak should be given to its servants for the purchase of sugar in some of the aurangs (depots) (2).

In their general letter of 3 November 1736, the Court of Directors emphasized the necessity of preventing all foul practices and to put the dastak on a fair footing. Referring to the complaint made by the darbar about the abuses practised by the English merchants, the Directors wrote to the Council in Calcutta that such abuses were indeed "a very ungrately return for the liberty of trade" granted to the servants of the Company. The Directors insisted that some method must be found out to silence all complaints regarding the abuses of the dastak (3). The Government took full advantage of the weakness of the Company's servants in abusing the

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(1) Consultations, 19 November 1735; 9 Aug., 1736
For the oath see Appendix - (Vol.XI, p.[illegible]).
(2) Idem, 6 July 1736.
(3) Factory Records, Kasimbazar, Vol.V, 25 July 1737

dastak and demanded of the Company large sums of money on the ground that they were defrauded of their customs.

Among the methods adopted by the Company to get rid of the difficulty, orders were issued that the rule made in 1715 prohibiting its servants to borrow money from the Indian broker or other agents should be strictly enforced. The Company considered that by borrowing money from the natives, its servants were liable to be under an obligation to them and would be involved in a vicious circle. The conduct of some of the chiefs of the factories was taken strong exception to. Hugh Barker and Thomas Cooke, the chiefs of the factories at Kasimbazar and Dacca, respectively, were dismissed on charges of dishonesty and double dealing (1). Even the conduct of John Stackhouse, the President of the Council of Fort William from 1732 to 1739, was not considered above reproach. He had to retire by the orders of the Directors (2). Orders were issued that henceforth borrowing money from native agents or employing the "blackmen in the Company's offices and compting houses" would lead to the dismissal of the English merchants and factors concerned (3).

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(1) Factory Records, Dacca, VOL.II, 9 August 1738; and Kasimbazar, Vol.V, 3 September, 1739.
(2) Factory Records, Dacca, Vol.II, 9 August 1738.
(3) Idem.

The Company was so much disappointed in the conduct of some of its servants that, in a general circular letter of 13 December 1738, the Directors referred to the trust they had reposed in the past on their servants in India which was found to be misplaced and concluded, " such a good opinion of mankind in general very much tends to lessen that narrow watching of their actions which is found by experience to be absolutely requisite and is what we must require at your hands in transacting every branch of our affairs in order to make them prosper and flourish, and whoever you have reason to suspect of to be guilty of abusing our dastaks must be suspended, and those who are actually proved guilty thereof in breach of the oath and covenants must be dismissed our service and sent home by the next year's shipping, and these our orders must be struck up in every office and sent to each subordinate factory" (1).

It must, however, be admitted that in spite of the threat of dismissal held out by the Company to those of its servants found guilty, the abuse of dastaks could not be effectively checked. One of the reasons for this failure was undoubtedly the private trade in which

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(1) Factory Records, Kasimbazar, Vol. V, 3 September 1739.

all the servants of the Company from the highest to the lowest participated. The private trade was, in fact, the most tempting inducement for the Englishman to go over to India as a servant of the East India Company. The low salary which the Company paid to its servants did, as a matter of necessity, compel them to look for other sources of their income.

The following were the rates of the salary paid to the employees of the Company in Calcutta :-

President	: Salary	: £ 200	per annum
do	: Gratuity	: £ 100	Do
Councillors	: Salary	: £ 40	Do
Chaplain	: Do	: £ 50	Do
Do	: Gratuity	: £ 50	Do
Senior merchants	: Salary	: £ 40	Do
Junior merchants	: Do	: £ 30	Do
Factors	: Do	: £ 15	Do
Writers	: Do	: £ 5	Do (1)

The value of £ Sterling was in those days equivalent to Rs 8. A writer, accordingly, would get Rs 40 only per annum or Rs 3-5-4 per month. In spite of the low price level prevalent at the time (2), what

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(1) Consultations, 4 October 1736.
(2) See Chapter VI, p. 328-329

inducement would there be for a young man to accept service under the East India Company and cut himself off from his hearth and home unless he could supplement his income by other means ? The surest method of having a reasonable income was by means of private trade. High moral standard was not certainly a strong point in the politics and commerce of the eighteenth century. Since the Company's servants were permitted to carry on private trade on their own account, they were not unoften tempted to have recourse to the abuse of the dastak or other questionable means to enrich themselves quickly.

The servants of the Company were in the habit of purchasing goods at a low price on their own private account and selling them at a higher price to the Company. The Directors realised the extensive scale on which the private trade was carried on by their servants in Bengal. In their letter of 27 March 1714, they complained that the private investments at Patna appeared to be double in value to the Company's investments. They expressed surprise that the boats carrying on private trade were never reported to be lost. Whenever a boat was lost, the damage was always debited to the Company's account (1).

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(1) Despatches from the Court of Directors, Letter Book XVIII, p.472.

The extensive trade which the servants of the Company carried on in their own account was evident from the case of Thomas Cooke, the chief of the Dacca factory, who was dismissed in 1736. Cooke also occupied a seat in the Council of Fort William. Like other senior merchants and councillors, Cooke used to draw the statutory salary of £ 40 per annum or Rs 26.10.8 per month. The value of his personal effects in Bengal, as recorded in the Bengal Public Consultations of 27 December 1736, amounted to Rs 103,500 (1). This was obviously acquired by means of private trade.

The large sums which the servants of the Company drawing so small salaries used to send home by bills of exchange are also indicative of the vast profits the employees of the Company belonging to all categories made by private trade. As an instance of this the following remittances to England, by means of bills of exchange sanctioned on one day, that is, 2 January 1729, may be quoted :-

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(1) Consultations, 27 December 1736.

Name	Rate per Rupee	Amount in Rs.	Amount in £ Sterling
Thos.Braddyl	2S.6d	1000	125-0-0
Wm. Bruce	2S.4d	372-10-3	43-19-6
Richd.Bourchier	Do	17,323-0-0	2,021-0-4
John Deane	Do	101,235-11-9	11,810-16-8 (1)
Do	2S.6d	1,200-0-0	150-0-0
William Barwell	Do	6,800-0-0	850-0-0
John Bonkett	Do	12,000-0-0	1,500-0-0
Ch. Hampton	Do	16,000-0-0	2,000-0-0
Hugh Barker	Do	400-0-0	50-0-0
William Weston	Do	2,600-0-0	325-0-0
Matthew Wastel	Do	60,000-0-0	7,500-0-0 (2)

Such remittances by bills of exchange on account of the servants of the Company were sent every time a ship left the shores of Bengal for England. Some of the remittances of Hugh Barker, the Import Warehouse Keeper, (who later on became, successively, the Chief of the factories at Patna and Kasimbazar and was ultimately dismissed from service), may be mentioned to illustrate the huge amount that accrued from private trade. The following amounts, among others, were sent on his account on different dates :-

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(1) On account of the heirs of the estate of Captain Alexander Dalgluish deceased.
(2) Consultations, 2 January 1729.

Date		Amount in Rupees
30 November 1734	:	17, 142 - 13 - 9
11 December 1734	:	51, 428 - 9 - 3
3 January 1735	:	34, 285 - 11 - 6
20 December 1736	:	1, 125 - 13 - 6

The statutory salary of Barker, it should be noted, never exceeded £ 40 per annum or Rs 26 - 10 - 8 per month.

In order that the Company might not be entangled on account of the liabilities of its servants, the Directors, in their general letter of 2 February 1728 enjoined that all their servants who went to any subordinate factory would have to give a security so that no debts contracted on their private accounts should fall upon the Company (1).

The private trade of the Company's servants was a source of gain to the Company, in as much as a duty was levied by it on all private trade. In 1738, this duty was Rs 5-9-0 per cent which was considered to be high enough to have deterred a large number of people at Dacca from consigning their goods there. The Council at Dacca recommended that the reduction of the duty to two per cent would encourage greater trade (2).

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(1) Consultations, 8 March 1729.
(2) Idem, 15 May 1738.

While the servants of the Company carried on unauthorised private trade and were anxious to shield their goods with the Company's dastaks, the soldiers in the Company's army were also carrying on clandestine trade. The salary paid to the soldiers compared favourably with what was paid to the factors, merchants and writers as is evident from the following pay roll of the army :-

Major	-	Rs 65	per month
Lieutenant	-	Rs 35	''
Ensign	-	Rs 24	''
Adjutant	-	Rs 20	''
Master of Arms	-	Rs 20	''
Marshall	-	Rs 20	''
Sergeant	-	Rs 20	''
Corporal	-	Rs 13	''
Drummer	-	Rs 9	''
Europeans	-	Rs 10	''
Rounders	-	Rs 6	''
Portuguese	-	Rs 5	'' (1)

The soldiers of the 'Patna fleet' which guarded the Company's goods sent up the river were, on several occasions, found to carry secretly hundreds of maunds

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(1) Consultations , 25 February 1723.

of salt. The responsible servants of the Company condemned such transactions whenever they came to know of them. On one occasion they bought up the salt to re-imburse the soldiers and then threw it into the river rather than incur the displeasure of the Nawab. But the organization of the Company was not strong enough to control its small army of about 300 men posted mostly in Calcutta and engaged to guard the commodities carried by river to and from Patna. An order by the Council in Calcutta prohibiting the soldiers from carrying salt to Patna led to a mutiny in July 1734 (1).

It is, however, necessary to state that in the first half of the eighteenth century the abuse of the dastak and of clandestine inland trade was kept under control by the vigilance of the Nawabs as also by the genuine attempts made from time to time by the authorities of the Company. It was not till after the battle of Plassey that the English merchants, taking advantage of the weakness of the puppet ruler, Mir Jafar Khan, began to practise the abuse of the dastak extensively in inland trade.

Private trade, as a feature of the commerce of Bengal, was not limited only to the Company's servants.

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(1) Consultations, 13 July 1734.

The members of the Indian nobility, not excepting the highest, took recourse to this method to enrich themselves personally. Mir Jumla and Shaista Khan practised it extensively. Azim-ush-shan, the Governor of Bengal from 1697 to 1712, was taken to task by his grandfather, the Emperor Aurangzéb, for his oppression on the people of Bengal by means of Sauda-i Khas or private trade (1). All goods arriving by ship at Chittagong were bought up on behalf of the prince under the garb of Sauda-i Khas. They were later resold to merchants of the country and would then pass into the market as Sauda-i'Am or goods sold for the public use (2).

Haji Ahmed, the elder brother of Nawab Ali-Wardi Khan, carried on private trade in saltpetre on his own account. He was much incensed with the English because of their unwillingness to purchase the saltpetre which the Haji's agents had stocked at Hugli (3).

Bengal, as a whole, had a prosperous inland and inter-provincial trade, in the early part of the eighteenth century. The provinces in the north-western parts of

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(1) Riyazu-s Salatin, translated by Salam, p.246.
(2) Idem, p.247.
(3) Consultations, 4 August 1737.

India were then populous and wealthy. The members of the Moghul nobility preferred to avoid coming to Bengal because of its moist climate. But there was a good deal of demand for the Bengal goods, particularly the fine textiles in other parts of India.

The southern and south-western regions of Madras and Bombay used to depend on Bengal for rice and saltpetre (1). Bengal oil, gunney and ropes were in demand in Madras (2). Among the articles which came to Bengal from Bombay and Madras, cotton, pepper and red wood were prominently mentioned in the records of the East India Company (3).

Delhi, Agra and the other seats of the nobility in India depended on Bengal for the supply not merely of costly articles made of cotton and silk, but also for the daily necessities of life, like salt and sugar. The markets of Arabia and Persia were supplied with large quantities of sugar, opium, grain and many varieties of cotton and silk fabrics (4).

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(1) Consultations, 25 April 1737.
(2) Idem, 6 February 1739.
(3) Idem, 9 June 1738; and 12 July 1739.
(4) Abbe Raynal "A Philosophical and Political History of the Settlements and Trade in the East and West Indies", I, p.419.

The Dutch used to export from Bengal rice and sugar to the coast of Coromandal. Every year they would send out one or two vessels laden with rice, cotton and silk. The rice was sold in Ceylon, the cotton at Malabar and the silk at Surat. From Surat they used to bring back cotton which was usefully employed in the manufacture of the coarser cotton fabrics in Bengal. Ships laden with rice, gum-lac and cotton goods were sent to Basra, and returned with dried fruits, rose water and precious metals. The rich merchandise carried to Arabia was paid for almost wholly in gold and silver (1).

The inland maritime trade was considerable. The Ganges with its many tributaries and "a hundred mouths" used to carry boats of merchandise throughout the province and supply the needs of north-western and eastern India. Patna, on the Ganges, had a peculiar commercial importance as the meeting place for the merchants where the cargo and money for western and eastern India were exchanged. Balasore, in the south, was another important terminus for inland maritime trade. Assam, on the east, was well supplied with Bengal goods, and gave her own products in return. " Forty vessels from 500 to 600 tons burden are annually sent from the

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(1) Abbe Raynal, "A Philosophical and Political History", etc., Vol I, p. 425-426.

Ganges to Asham laden with salt, which yields 200 per cent profit. They receive in payment a small quantity of gold and silver, ivory, mulk, eagle wood, gum lac and a large quantity of silk" (1).

There was a regular contact with Pegu in Burma where the sea-going vessels were generally manufactured.(2)

The export and import trade of Bengal in the early eighteenth century was mostly in the hands of foreigners who came not only from Europe but also from the different countries of Asia. The greatest volume of foreign trade was undoubtedly carried on by the European Companies, among whom the English East India Company occupied the foremost position in the eighteenth century.

The strength and adaptability of the ships of the Muslims and Armenians which carried goods to the neighbouring countries in Asiatic waters including the ports of China were inadequate. They had to yield place to the better equipped and quicker vessels of the Europeans. It was common to " find a Moor ship wasting three years in a voyage which might be performed in one". Naturally, therefore, the Europeans became the " general carriers' in the East " (3).

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(1) Abbe Reynal, 'A Philosophical & Political History", I, p.421. (2) Consultations, 29 December 1737.
(3) Orme, 'Historical Fragments" etc., p.417.

The absence of a navy of the Moghuls in Bengal, as in other parts of India, reduced the Government to a position of economic impotence and made them dependent on the European merchants in regard to foreign trade. The superiority of the European vessels was unquestioned, and the slightest display of force " to clear their trade" in the sea ports was sufficient to bring down the Government (1). That the use of force in the ports was not very frequent was due to the existence of several European powers whom the Nawab could play against one another. The establishment of the naval superiority of Britain in Europe gave her a commanding position also in the Indian Ocean and paved the way for her commercial supremacy in India.

The main articles of export from Bengal were cotton and silk goods, raw silk, saltpetre, sugar, opium, indigo, pepper, ginger, turmerick, ghee, oil, lac, wax, spices, gunnies (jute), tut rope, and rice. There are also references to the export of tea (2). But this article was, in the early eighteenth century, brought from China and later re-shipped from Europe (3). There were

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(1) Orme, 'Historical Fragments of the Mogul Empire', p.417.
(2) Consultations, 20 January 1720.
(3) Idem, 6 June 1737.

occasional requests for Bengal paper from Madras (1).

Saltpetre was an important article of export from India to Europe. In the early seventeenth century it was obtained from the Coromandal coast and also from Gujarat. Thevenot, a French merchant, who visited India in 1666, recorded the process of its manufacture in Ajmer, whence it was carried to the sea ports of western India. It was purchased by the Europeans to " ballast their ships and to sell elsewhere" (2). The access of the European Companies to Bihar where it was available in abundance revolutionised the saltpetre trade and led to its remarkable expansion in the seventeenth and eighteenth centuries. As an essential ingredient in the manufacture of gunpowder, saltpetre was in great demand in the European market. The saltpetre found in the regions of Patna was considered to be the best for gunpowder (3). There was also a demand for saltpetre for dyeing and manufacturing glass wares in Europe.

There was a good deal of competition among the European Companies in Bengal to secure saltpetre from Patna. The Dutch, the English and the French, all tried

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(1) Consultations, 1 October 1739.
(2) 'Indian Travels of Thevenot and Careri' edited by S.N.Sen, p.74.
(3) Consultations, 31 July, 1740.

to secure as much as possible. Money was advanced among the "Assamies" or the workers in petre areas to secure a hold on them. The Dutch at the beginning were the biggest purchasers. The temporary suspension of the English factory at Patna, from 1714 to 1718, had enabled the Dutch to establish their superiority over all others in the saltpetre trade in Bihar. But the extensive purchase of the article by the English after the re-establishment of their factory at Patna made the Dutch uneasy and they tried to keep up the price artificially. In an attempt to oust the Dutch, the English in 1732 ordered no less than 70,000 maunds of petre (1).

The competition for saltpetre was not confined to European Companies only. The Government and high Government officials and the members of the nobility also entered the market from time to time. Haji Ahmed and his son, Hussain Khan, tried to make a profit for themselves by purchasing saltpetre at Patna and selling it for a higher price to the Europeans at Hugli (2). The English were very particular in discouraging their agents to purchase petre from the Government or the

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(1) Consultations, 27 March 1732.
(2) See Chapter III, p. 127

influential members of the nobility, lest they might ultimately lose their hold in the market (1). They won over the Dutch and the French to their view. In order to implement the policy, a conference was held, in July 1736, at Dupleix's garden near Bankibazar, and a tripartite agreement was signed by the representatives of " the three contracting nations" to make it effective for two years (2). The agreement, however, was short lived and not renewed in 1738 (3).

The saltpetre provided at Patna was dried and weighed before it was despatched to Calcutta. None the less there was always some difference between the weight of the petre when it was despatched from Patna and its weight on arrival in Calcutta. Since the deficiency in 1739 went up to about 4 per cent, the Council in Calcutta made a statement of the deficiency from 1733 to 1738. This gives us an idea of the quantity of saltpetre despatched for the Company from Patna to Calcutta during these five years. The figures

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(1) Consultations, 17 July 1736.
(2) Idem, 22 July 1736.
(3) See Chapter III, p. 127

stood thus :-

Year	Quantity received in Calcutta : Maunds	Short by md.Sr.Ch.	Deficiency per cent md. Seer
1733 ..	36246 ..	1386-20-0 ..	3- 33
1735 ..	31778 ..	1661- 6-8 ..	5- 10
1736 ..	24190 ..	32-10-0 ..	0- 5
1737 ..	31698 ..	1245- 7-6 ..	3- 38
1738 ..	46746 ..	1090-27-0 ..	2- 14 (1).

In explanation for the deficiency in 1739, the factors at Patna stated that the disturbances in the country (that was the time for Nadir Shah's invasion) " obliged them to boil and bag and weigh the petre long before the usual time, even so early as January, which never used to be done till June, and this was unavoidable as they were apprehensive of being forced to remove, therefore ordered all the cutcha (raw) petre to be bagged as it came to the factory" (2)

The great importance attached to the saltpetre trade is apparent from the fact that the boats carrying saltpetre from Patna to Calcutta were put in charge of the military. Since large boats were not always available at Patna, the usual practice was to engage the big boats of merchants carrying salt up the river and to send them

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(1) Consultations, 15 October 1739.
(2) Idem, 21 November 1739.

back with saltpetre. The boats carrying the imports of the Company, particularly broad cloth and treasure, which had to be accompanied by the military, were also used for the purpose. But since broad cloth was not always in demand and there was dearth of boats in Patna, the Company had to send a fleet of boats up the river so that the saltpetre might come to Calcutta in time.

The "Patna fleet" as the saltpetre boats were called, formed an important feature in the economic and political life of Bengal in the early eighteenth century. The progress of the fleet from Patna to Calcutta and the expenditure incurred during the journey give us some idea of the river communications in the province and of the economic conditions in general (1).

The price of saltpetre varied according to quality and the place where it was sold. There were two kinds of saltpetre, namely, the refined and the unrefined. The refining was done in Karkhanas (or workshops) at Singhia, Chapra and Futwa. The actual expense for refining was very small, being only 9 pies

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(1) See Chapter VI, p. 326-327

per maund (1). The price of ordinary petre varied from Rs 3 to Rs 4, while under competition the price went up to Rs 7 (2). According to the estimate of Abbe Raynal, the Europeans annually exported about ten million pounds of saltpetre for the use of their settlements in Asia or for home consumption in their respective countries. "It was bought upon the spot for three sols (1½d.) a pound, at most, and was sold in Europe for ten (5d.) at least"(3).

The difficulty of arriving at a correct estimate of the quantity of saltpetre exported from Calcutta arose from the fact that the size and weight of the saltpetre bags were not uniform. On 12 August 1738, the Council in Calcutta recorded that " 10,200 bags of saltpetre containing 24,080 maunds" were on the way from Patna to Calcutta, while on 2 October of the same year, "651 bags containing 23,302 maunds" were stated to have been despatched from Patna.

Apart from the European market, the Bengal saltpetre was in constant demand in Madras and in Bombay. Since it was used as Kentledge for ships, large quantities of

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(1) Consultations, 25 August 1727.
(2) Idem, 6 February 1735.
(3) Abbe Raynal 'A Philosophical and Political History of the Settlements and Trade in the East and West Indies," Vol.I, p.433.

saltpetre were carried by private merchants to kentledge their ships. But in 1738, the owners of most of the private ships and vessels preferred rice to saltpetre as kentledge, because rice was more profitable and involved less risk from the changes of weather (1).

Among the articles of export from Bengal, silk occupied a most important place. The western needs for silk were first met from China and Persia. The opening of the Bengal silk market to Europe was originally attributed to the enterprise of the Dutch (2).

The chief centre of Bengal silk was Murshidabad. Silk in unlimited quantities could had here early in the seventeenth century, "at least 20 per cent cheaper than any other place in India and was of the choicest stuff, wound of into what condition you shall require it, as it comes from the worm; where are also innumerable silk winderers, expert workmen, and labour cheaper by a third than elsewhere." (3). The fame of the Murshidabad silk naturally attracted the East India Company who opened their silk factory at Kasimbazar in 1658. For more than two hundred years since its foundation, the

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(1) Consultations, 7 March 1738.
(2) Moreland, "From Akbar to Aurangzeb", p.66.
(3) "The English Factory Records, 1618-21," edited by Foster, pp.XXiii and 230.

Kasimbazar factory played a dominant part in the history of silk industry in Bengal. Tavernier, in 1676, wrote of Kasimbazar as "a village in the Kingdom of Bengala" sending abroad every year more than 20,000 bales of silk, each bale "weighing a hundred pounds" (1).

Twenty-eight years after the establishment of the Kasimbazar factory, the Company opened another important silk agency at Malda. From the beginning of the eighteenth century, the Company made strenuous efforts to foster the production of raw silk in Bengal. As the quality of silk largely depended on the supply of good and fresh leaves of mulberry plants to the worms, the cultivation of mulberries extended to many other places in Bengal, and silk factories were started at Kumarkhali, Ghatal, Rampur Boalia, Jangipur, Sarda, Lakshmipur and Rangpur. The Bengal silk figured prominently among the articles that were presented by the Surman Embassy to Farrukhsiyar.

Silk was gathered in three seasons of the year, locally termed bands, namely, the November band, from October to February; March band, from March to June; July (or barsat) band, from July to the end of September. The worms thrived best in the winter season and the silk then produced, that is, the November band, was better in quality and more valuable than any other variety. The

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(1) "Collections of Travels, Tavernier & Bernier" Vol. II (1684 Ed.) p. 57.

March band came next in quality. The July band was the worst.

Since Kasimbazar was the most important centre of this trade, the East India Company took special measures to keep proper accounts of silk in this factory. The 'second' of the factory at Kasimbazar was to keep the books wherein the accounts of the weavers and silk merchants were to be shown distinctly; the 'third' of the factory was in charge of the warehouse, while the prizing of the silk had to be done by the Chief, Second and Third together. Heavy quantities of silk were contracted for at Kasimbazar and despatched to Calcutta for export.

The Customs House Accounts preserved in the Public Record Office in London show that the following quantities of the Bengal raw silk were imported into England between the Christmas of 1726 and the Christmas of 1740 :-

Year	Quantity in pounds	Year	Quantity in pounds
1727	134,919	1731	78,561 $\frac{1}{3}$
1728	183,966 $\frac{2}{3}$	1732	108,964 $\frac{1}{3}$
1729	82,821 $\frac{2}{3}$	1733	176,188 $\frac{1}{3}$
1730	127,361 $\frac{1}{3}$	1734	151,626 $\frac{2}{3}$

Year	Quantity in pounds	Year	Quantity in pounds
1735	191,587	1738	135,584
1736	112,624	1739	160,599
1737	152,664	1740	126,755 $\frac{1}{3}$ (1)

It should be observed that the Bengal silk formed only a part of the total amount of raw silk imported into England by the East India Company. In 1733, for example, the total amount of silk imported into England was 516,151 lbs. of which 176,188$\frac{1}{3}$ lb. came from East India, while in 1735 of the total amount of 381,849 lbs., nearly half the quantity was supplied from East India (2).

Apart from raw silk, the East India Company used to export from Bengal huge quantities of silk piece goods of many different varieties. Thousands of pounds of wrought silk, gurrahs, doosuties, etc., packed in bales were sent periodically from Kasimbazar, down the river Bhagirathi, to Calcutta in a fleet of boats numbering fifty to sixty, according to the quantity despatched (3).

The price of silk naturally varied according to quality. The price contracted for silk piece goods and raw silk at Kasimbazar in March 1737 was at the following

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(1) Public Record Office, London, Customs House Accounts, A/T/70/1205/A59.
(2) Idem.
(3) Consultations, 22 October 1739.

rates :-

Type of the Piece goods	- Measurement:		Price
Gurrahs	covids*72 & 2¼.....	Rs 15,000 at	112 per covid
Do	36 & 2¼.....	76,000 at	56 Do
Do	30 & 2¼.....	16,000 at	46/12 Do
		107,000	
Doosutties : yds	15 & 1 1/8..	Rs 6,000 at	48 Do
Do	30 & 1 1/8..	3,000 at	123 Do
Do, superfine	30 & 1 1/8..	500 at	142 Do
		9,500	

Bandannoes fine, ½ with borders ½ plain Rs 1500 at Rs 4 pps.

Do ordinary ..... 5000 at Rs 3/8 Do

Chunderbannies ..... 200 at Rs 2/12 Do

Silk Lungee Romalls ..... 2000 at Rs 5/12 Do

	Co	Co	
Muctaes	30 &	2	300 at Rs 6 Do
Do	7 &	2	200 at R 1/8 Do
Dannidars	ps. 400		400 at lb:8 pps.

Raw silk, November band, mds. 1080 at Rs 5/1 per seer the 'A'

Do Guzzerat 360 at Rs 5/10 Do

Do Commercolly 1290 at Rs 4/14 Do (1)

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* Cubit or hath , Hobson-Jobson, p. 268.

(1) Consultations, 10 March 1737.

The price of raw silk generally ranged from Rs 3 to Rs 7 per seer according to the quality and supply available. The November band silk was most costly, while the price of the July band was lower than the other varieties. Within the same type, silk was classed as ordinary, fine and superfine, according to the quality of the thread and weaving.

In procuring silk and silk goods from Bengal, the East India Company had to compete not merely with foreign merchants, like the Dutch and the French, but also with the Indian merchants coming from such distant parts as Lahore and Guzarat. The Company preferred to purchase silk direct from weavers rather than from the aurangs or depots. For this purpose the services of a broker to have direct contact with the merchants and weavers were considered essential. Lakhs of rupees were advanced in the form of dadni to merchants and weavers whose credit and reliability had to be vouchsafed by the broker (1).

Disgusted with the activities of some of the brokers and, particularly, of Kantu Sarma, their broker at Kasimbazar, whose conduct was about to result in the extinction of the factory and trade of the Company at that place (2), the Court of Directors wanted to

(1) Consultations, 11 January 1739 and 18 January 1739.
(2) See Chapter II, p. 63-67

abolish the post of the broker and advised direct contact of the servants of the Company with the merchants and weavers. But both the Council at Fort William and the subordinate factories at Kasimbazar and Dacca decided to retain the office as, they felt, its abolition would be fraught with evil consequences for the Company's investment (1).

No less important than silk, among the articles exported from Bengal in the early eighteenth century, were the cotton textiles and fabrics. It might appear strange that India which in the nineteenth and twentieth centuries depended so largely on the importation of cotton goods from Great Britain to clothe her teaming millions was in the seventeenth and eighteenth centuries exporting quantities of textiles and finished goods which were prized all over Europe and which set the fashion in costumes and draperies in the West. Bernier, visiting India in the latter half of the seventeenth century, described Bengal as the general magazine of cotton and silk goods, as it were, not only for Hindustan but also for all the adjacent kingdoms and for Europe itself. He was amazed at the vast quantity of cotton cloth of all

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(1) Consultations, 11 and 18 January 1739.

sorts, fine and otherwise, tinged and white, which the European and Indian merchants carried away from the different parts of Bengal (1). Tavernier wrote about the white calicuts or calicoes, (so called from the city of Calicut on the Malabar coast whence the Portuguese and the Dutch first brought these clothes to Europe) which were woven in several places in Bengal and were carried to Broach to be whitened with lemon water (2).

The importation of printed or stained calicoes into England started almost with the beginning of the operations of the East India Company in the Bay of Bengal. The earliest introduction of this kind of cloth in England dated from 1676 (3). Its popularity in England in the seventeenth century was phenomenal. " On a sudden," said one pamphleteer, " we saw all our women, rich and poor, cloathed in Calico, printed and painted; the gayer and the more tawdry the better" (4). Another writer, speaking of the extensive use of " the painted and Indian stained and striped Calico;' said, " and sometimes is used a Bengall (5) that is brought from India both for lynings to coats and for petticoats

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(1) Collections of Travels, Vol.II,Bernier, p.141. (India Office Library, published in 1684.)
(2) Collection of Travels of Tavernier & Bernier,Vol.II (Edition 1684) - Ch.Trade of the Indies, p.58)
(3) Beck,'The Drapers Dictionary', p.63-64.
(4) 'A Brief Deduction of the Original Progress and Immense Increase of the Woollen Manufacturers'(1727), p.50.
(5) Textiles from Bengal.

too" (1).

In course of only a decade, the popularity of the Indian textile goods had grown so much that, in 1687, the Directors of the East India Company remarked that " the calicoes and chintzes (printed calicoes) had become the wear of the ladyes of the greatest quality" (2). Queen Mary II was supposed " to be the first to set the fashion of using chintz and East India calicoes in dress" (3). De Foe in his " Weekly Review" , dated 31 January 1708, gave an account of the popularity of the cintzes among all classes of the people. The general fancy of the people, said he, ran upon the East India goods to that degree that the chintz and painted calicoes which were only made use of for carpets, quilts, etc., and to clothe the children and ordinary people became now the dress of our ladies.... the chintz were advanced from lying upon the floors to the back of the ladies, from the foot cloth to petticoat, and " even the Queen herself (4) at this time was pleased to appear in China and Japan, I mean china silks and calico." " Nor was this all, but it crept into our houses, our closets and bed chambers :

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(1) 'The Ancient Trade Decayed and Repaired Again'(1678)p.16
(2) India Office, Ms.Letter Books, VIII, p.275.
(3) Thomas, " Mercantilism and the East India Trade," p.27, quoting Mary Bateson.
(4) Queen Anne.

curtains, cushions, chairs, and at last beds themselves, were nothing but calicoes and Indian stuffs, and, in short, almost everything that used to be made of wool or silk, relating rather to the dress of the women or the furniture of our house, was supplied by the Indian trade'' (1).

The rapid increase of the Indian textile trade excited the jealousy of the weavers of the woollen and silken fabrics in England. An Act was passed in 1700 prohibiting the importation, into England " of all wrought silks, Bengals and stuffs mixed with silk or herba, of the manufacture of Persia, China, or the East Indies and all calicoes painted, dyed or printed or stained there."

One result of the Act of 1700 was to increase the import of white calicoes and muslins (2) from India, which were then printed in England. So in 1720 another Act had to be passed prohibiting the use or wear of printed calicoes in England. The articles were, however, allowed to come to England on condition of their being re-exported. Amsterdam and Rotterdam became the chief

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(1) 'Weekly Review', 31 January 1708 : De Foe's Review of the state of the British nation," Vol.IV,1707-1708.
(2) Very fine cotton textiles, specially of Bengal.

markets of these goods. Davenant, in an official report written in 1712, computed that Holland took from England, in the four years, from 1702 to 1705 inclusive, near £ 95,000 worth annually of Indian wrought silk, Bengal mixed stuffs, and calicoes painted, dyed, printed or stained in those parts. The effect of the Act of 1700 was to cause several print works to be established in and around London, and their products both by their cheapness and attractive qualities took the public fancy. The weavers of Britain, therefore, soon found themselves in as bad condition as before (1).

The two Acts naturally had an adverse effect on the import of Indian piece goods in the English market for internal consumption. None the less, the export of cotton and silk piece goods from India to England continued to increase, because these articles were permitted to be brought to England with a view to their exportation to the European market. A glance at the customs book preserved in the Public Record office in London shows that the main field for the export of goods from England in the early eighteenth century was the market of European countries. Piece goods of cotton and silk brought by the East India Company from Bengal, therefore, found a ready market

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(1) Beck, 'The Draper's Dictionary', pp.63-64.

in Europe, and the Company's trade in these articles continued to flourish.

The list of investment of the Company in piece goods was wide and varied. The articles coming from Dacca, Kasimbazar and other places were deposited in the export warehouse in Calcutta, before they were shipped for Europe. The list of articles in the export warehouse, on 4 May 1724, gives us an idea of their varied nature. It included the following types of goods:- (1) Cossaes Cogmaria (fine and elegant muslin), Do, fine gold heads, Do, Orrura (aurora), Do, Serries; (2)Mulmuls (muslin of fine quality) Santipore, Do fine; (3)Mulmul Cossajura, Do fine; (4) Tanjebs Santose (a type of cotton fabric called ornament of the body); (5) Dooreas (a double thread typed muslin) coincola; (6) Addities, Do fine gold heads; (7) Hummums (stout cotton piece goods); (8) Gurrahs, Do fine; (9) Chowtars, Do fine; (10) Soosies (striped silk cloth used for lining); (11) Nillaes fine (blue cloths); (12) Ginghams (cotton fabrics made from yarn dyed before being woven); (13) Penniascoes; (14) Chucklaes (piece goods); (15) Shaulbasts; (16) Photaes (waist band cloth); (17) Fine Soot Romalls (silk piece goods of handckerchief pattern;) (18) Seersuckers; (19) Coopies; (20) Cuttanees, Do flowered; (21) Chillaes; (22) Carridanies; (23)

Allibanaes (very fine shawl cloth); (24) Charconnaes; (25) Cotton yarn.

The Kasimbazar factory Records of 3 September 1739 give us an idea of the nature and quantity of articles provided by that factory. The list of goods ordered for in that factory for the ships going out, in 1738, consisted of the following :-

"Bandannoes of very good soft silk with variety of colours, sorted one half red, one quarter brown, one quarter blue, and about one-third of the whole with borders - - - - 12,000 Pieces
Ditto of a better sortment copper coloured grounds - - - - - - - - - - - - - - - 2,000 Ps.

Chints of low prices with variety of patterns - - - - - - - - - - - - - - - 300 Ps.
Chanderbannies - - - - - - - - - - - none
Dannedars :thirty covids long, one covid and a half wide with variety of good cloth colours - - - - - - - - - - - - - - - - 100 Ps.
N.B.The last sent were good at the head for about a yard or two, but all the rest of the pieces very bad and they ought to have been returned.

Doosuttys : 15 yards long; must be good and well made : not to exceed - - - - - - - 5000Ps.

Ditto, finer and double pieces - - - 1000 Ps.

Ditto, very fine and thick $1\frac{3}{16}$ yd. wide, for sheets - - - - - - - - - - - - - 50 Ps.

Ditto $1\frac{1}{2}$ yd. very fine - - - - - - - - - 500

Gurrahs of 72 covids long - - - - -35,000

Ditto, finer - - - - - - - - - - - - - - 8,000

Ditto, 36 covids long - - - - - - -70,000

Ditto, of a better sort - - - - - -16,000

Ditto, super fine, very thick - - -12,000

Ditto, of 30 covids - - - - - - - - - 40,000

Ditto, super fine of a good thickness - - - - - - - - - - - - - - - 8,000

N.B. The number of Gurrahs we order is 189,000 and though the quality of every sort is mentioned, yet we do not intend thereby to tyre you exactly to every particular but you must come as near it as possible. In this large article you must govern yourself by the price of cotton and goodness of the fabricks.

Those we received last year are not so good as the former year, and you must take care to send these as good as the former year. We observe you still buy them dear. We hope you will be able to procure these at more reasonable prices.

Jammawars - 20 covids long and two covids broad good and substantial with clear neat variety of flowers placed scantingly and the respective sprigs in the branches of the flowers to be very distinct from each other, and after the manner of the flowered Dooreas according to the former patterns - - 1000 Pieces

Jammawars with running flowers - - - 500

Ditto of 15 yds x $\frac{7}{8}$ yd. of a good substantial silk according to the patterns sent last year - - - - - - - - - - - - 2000

N.B. The Jamawars must be sorted with variety of colours, rather more of them dark than light colours, a few chests of them with yellows and reds and dark blues.

Silk Lungee Romals of a good substantial silk - - - - - - - - - - - - - - - - - - 1000

Ditto, all red with yellow silvages - 1000

Ditto, striped and flowered as the Dooreas, the flowers not worked but wove - - - 200

Ditto, striped with a variety of stripes not more than - - - - - - - - - - - - - 3000

Be sure they be good and substantial with variety of broad stripes and colours.

Weighable goods

Raw silk comercolly- the four head sorts
but not tyed in bundles - - - - - - - 400 Bales
Ditto, Cossimbazar Tannah sort, all
of the November bund, five sorts - 300 Bales
Ditto, Guzzeratt in single strains
and not tyed in bundles, most of the
low sorts - - - - - - - - - - - - - - 100 Bales
Ditto, of Rangpore A & B, if to be
had alone, but not lower than C - - 50 Bales"(1)

The type of articles supplied from Dacca is available from the following " list of goods ordered to be provided at Dacca for the ships going out in the year 1739 :-

Aliballies, fine to be clean struck
with even thread - - - - - - - - - 1,000 Pieces
Do, striped and flowered - - - - - 700
Dimities - plain and low prices - -4,000
Ditto, fine - - - - - - - - - - - - 3,000
Diapers of different figures - - 200
Mulmulls - yd.broad - - - - - - - - 12,000
Do, finer sort with gold heads - 1,000
Do, fine and thin and true made,
24 yds. long with gold heads - - 500

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(1) Factory Records, Kasimbazar, Vol.V, 1739.

Do, yard and half broad and 20 yds. long, fine and thin with gold heads not to be made in imitation of the Cossajura sort - - - - - - - - - - - - 500

Nainsooks, plain and finest that can be made not too thick but made true 800

Seerbunds of low prices from Rs 2 to Rs 3 - - - - - - - - - - - - - - - - - - 4,000

Do, fine from Rs 5 to Rs 7 - - - - - 500

Seerbetties of low prices, very well made and even struck and not fraycey 10,000

Ditto, fine like cossajura mumulls 600

Ditto, middling and fine - - - - - - 10,000

Seerhand connaes, the finest - - - - 400

Tanjebs - - - - - - - - - - - - - - - - - 3,000

Ditto, yd.broad fine with gold heads 2,000

Ditto, middling fine with gold heads from Rs 10 to Rs 6 - - - - - - - - - - 7,000

Ditto, yd. broad of low price - - - 10,000

Ditto, superfine - - - - - - - - - - - 2,000

Jerrandams - $1\frac{3}{16}$ yd.broad of low prices from Rs 6 to Rs 4 - - - - - - - 3,000

Do, fine with gold heads - - - - - - 1,500

Do superfine with gold heads - - - - 1,500" (1)

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(1) Factory Records, Dacca, Vol.II, 28 March 1739.

The price of Dacca goods was more fluctuating than the goods procured in other places. This might partly be due to the French and Armenian competition of which there was frequent reference in the letters from the Dacca factory to the Council at Fort William and partly to the very fine texture of the goods which required such special skill as to make the dictation of the price by the workmen possible. In 1736, the prices of "ordinary sortments" rose "so excessively high" that the Council at Dacca considered it unsafe to order for the goods without direct advices from the Calcutta Council. The following comparative statement of the prices at Dacca in 1735 and 1736 shows the rate of fluctuation :-

Goods :	Price in 1735	: Price in 1736	: Difference in course of one year.
Tanjebs ordinary 40 & 20 ready money:	Rs 89 per Corgee	: Rs 107	: 20 per cent
Terrindams Ordny. 40 & $2\frac{1}{4}$ . . . . . :	Rs 101	: Rs 126	: $24\frac{3}{4}$ " "
Seerbeties . . . . . :	Rs 102	: Rs 126	: $23\frac{1}{2}$ " "
Mahmood Dratties...:	Rs 71	: Rs 88	: $23\frac{3}{4}$ " "

The Dacca Council attributed this extraordinary rise in prices to the "badness of the Government who had raised the taxes from 25 to 50 per cent on the late Nawab's standard which was esteemed in these days

insupportable." This, they held, had driven away many of the poor men that served as weavers for a pund (pan ?) a day and their rice and also obliged others to leave the " weaving shops" and apply themselves to agriculture. The extensive purchases of the Armenian merchants, particularly those who came from Hugli and Calcutta, and of the French gomasta, who was described as " grand competitor" of the English were also responsible for the high rise in prices (1).

The Armenian competition was more acute at Dacca than in any other place. In December 1736, George Mandeville, the Chief designate of the Dacca factory, emphasized the ill consequences of the Armenian competition on the English trade at Dacca. The Armenian merchants were, in his view, the chief antagonists of the Company at Dacca. He pointed out the danger of the practice of sending Armenian merchants with the English money to Dacca, which enhanced their credit in the local market, raised the price of articles and made the procurement of goods by the Company difficult. Further, since the goods of the English Company brought by the Armenians in their names were subject to the payment of customs duty to the Government,

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(1) Consultations, 28 August 1736.

the Company itself might lose its right of trading free of customs in terms of the farman of 1717. The purchases of the Armenians affected the private trade of the Company's servants who were " serving the Company there with honesty and great labour as well as danger for no other profit than a very low salary and the hope of reaping some benefit by the private trade."

That the Armenians constituted a powerful force at Dacca appears from the fact that a most important part of Dacca in the heart of the present city is, even now, known as Armanitola, after their name.

There was an important supply station of the East India Company at Jagdea in south-east Bengal which supplied good baft a cloth which was valued highly in the English market. Its business was conducted under the supervision and guidance of the Dacca factory.

An idea of the volume of the Company's cloth trade in the different parts of Bengal can be formed from the following table of goods which were contracted for in Calcutta and the subordinate factories in 1730 and 1731 :-

Factory	Bales(1) 1730	1731
Calcutta	4157	5376
Kasimbazar	2681	2000
Dacca	544	200
Patna	252	250
Balasore & Jugdea	82	74
	7716	7900 (2)

Kasimbazar was the most important source of supply among the subordinate factories in Bengal. The total sum advanced to the merchants at Kasimbazar in 1739 amounted to Rs 7,91,750, while the advance made at Dacca in the same year was for Rs 1,22,526 (3). The largest investment was made in Calcutta where the sum contracted for varied from twenty to thirty lakhs of rupees.

The form of contract which the merchants had to sign while taking the advance money is of interest, as throwing some light on the proportion, which the amount of advance used to bear on the total contract, the time of supply and the penalty involved for not supplying the goods in time. The following is a specimen of a

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(1) A bale was equivalent to 143 lbs or roughly two maunds.
(2) Consultations, 28 March 1730, and 26 February 1731.
(3) Factory Records, Kasimbazar, Vol.V, 31 January 1739; Idem, Dacca, Vol.II, 12 April 1739.

" translate of the contract made with the merchants in 1739 :-

" I ..... do hereby contract with the President and Council at Fort William on behalf of the Hon'ble United Company of Merchants Trading to the East Indies for pieces of sundry goods the particulars as under written amounting to.....current Rupees and are calculated at the medium price of the whole; In consideration whereof I do acknowledge to have received..... Rupees in part thereof and is sixty-eight per cent on the Gurrahs, sixty on Photaes and Romalls and fifty per cent on all other goods. I do also hereby oblige myself to deliver into the Company's factory the whole quantity of these goods so contracted for before the expiration of the month of December next at the farthest and I do agree that the fine goods shall be sorted into five sortments and that three pieces shall be drawn out of each sortment and the middle piece of the three so drawn shall be the piece on which the price shall be made of the whole sortment and if the said piece should prove worse than the muster contracted for then an abatement shall be made thereon in proportion to the said muster and I do further consent and agree that

in case the amount: of this contract being Rupees .....calculated at the medium price as aforesaid should not be delivered into the Company's Factory in the particular species contracted for within the month of December according to the tenor hereof then I do allow a premium of ten per cent to be paid to the Company on the deficiency that may happen thereupon and it is also agreed that on the arrival of the shipping expected from Europe there shall be another payment made to me of seventeen per cent of the Gurrahs, twenty-five per cent on the Photaes and Romals and thirty-five per cent on other goods shall be delivered in as aforesaid and the several accounts made up and adjusted then I am to receive whatever balance shall appear due to me thereon. Dated in Fort William this . . . . . day of March 1738/9." (1)

Among imports, bullion had the highest demand in India. "India like the grave", wrote a pamphlateer in 1720, "swallows up all (bullion) and makes no return, that is, the money never returns; it is consumed here and so vanishes and dies away; serving only to amass

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(1) Consultations, 1 March 1739.

more bullion to be carried away; till in a word it impoverishes not England only but all Europe" (1). Such statements could not be regarded as a correct appreciation of the position of trade between England and India in the eighteenth century. Since the imports from India were valued in England, they had naturally to be paid for either in cash or kind. India had little need for the manufactures and raw materials of the west and had therefore to be paid for in bullion. A part of this bullion was, no doubt, consumed in India in ornaments and dead stock, but some was re-invested in trade and came back to Europe in the shape of finished goods and materials.

Since the grant of the farman by Farrukhsiyar in 1717, there was a new impetus to commercial activity in Bengal. This is evident from the great rise in the import of bullion into Bengal by the East India Company. While the import of bullion from 1708 to 1717 amounted to £ 772,520, it rose to £ 1,331,529 in the next ten years. The import of merchandise also showed marked improvement. The figures for merchandise rose from £ 159,619 in 1708-1717 to £ 227,163 during 1718-27 (2).

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(1) 'Trade to India critically and calmly considered', London, 1720.
(2) Balkrishna, 'Commercial Relations between India and England, p.217.

The account of goods in the import warehouse in Calcutta, in 1722, illustrates the nature of the articles which were imported into Bengal by the Company. The articles mentioned were :- " broad cloth (aurora), broad cloth (ordinary); callimancoes fine by retail, callimancoes ordinary in pieces; looking glasses; beams and scale; iron weights; brass weights; flint ware, weights, scales; velvet and silk; gold touches and touch stones; druggets; military stores (bayonets); worsted combletts in pieces, Do in retail; imbossed broad cloth; perpetuanoes ordinary, perpetuanoes fine; model of a tent, lamp glass, imbossed broad cloth tent and a banqueting house tent; warehouse necessaries; imbossed broad cloth in carpets; vinegar Persia; sword blades; rarities (spectacles, essence cases, snuff boxes, leather guilt cases, triangle glasses, telescopes); red lead, cutlery ware (knives, penknives, scissors); and fire arms" (1).

Speaking generally, it may be said that, apart from bullion, the most important articles of import were woollen clothing of different types coming under the one generic name of broad cloth, fabrics of wool called perpetuanoes, lead, copper, iron and iron wares,

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(1) Consultations, 27 August 1722.

tutenag, vermillion, madeira wine, fire arms, looking glasses, and a variety of finer articles generally grouped under the convenient term of " rarities ".

Broad cloth, as an article of import, occupied an important position in the economy of the East India Company in Bengal. There was obviously not much demand for this commodity among the masses in a tropical country who cared little for woollen goods imported from abroad. But it was prized by the aristocratic classes, more particularly, those in upper India. Consequently , the Company used to send large quantities of broad cloth to Patna which could more conveniently establish contact with Delhi and the neighbouring regions. Kasimbazar in Bengal, because of its proximity to the capital city of Murshidabad, also made occasional requests for broad cloth and perpetuanoes.

A steady decline in the demand for broad cloth is noticeable throughout the period. In 1726 the highest price offered for a piece of aurora broad cloth in " public outcry' (sale by auction) was Rs 115. In 1729 the price went down to Rs 100 per piece, and in 1739 it went down to Rs 82 per piece. The Company was ever eager to popularise the article and offered it as dadni to

merchants supplying them the cotton and silk piece goods. But the attempt of the Company to advance broad cloth as dadni failed. In 1729, the merchants refused to take broad cloth as dadni and were persuaded after a good deal of effort, on the part of the servants of the Company, to accept it for goods to be delivered next year at the following rates :-

		Current		Sicca
Broad cloth : aurora	at	Rs 100	per piece or	Rs 88-11-3
Do ordinary		Rs 55	"	Rs 48-14-3
Perpetuanoes : Fine		Rs 33	"	Rs 29- 5-3
Do ordinary		Rs 18	"	Rs 16- 0-0

(1)

In 1732, the merchants made a representation to the Council in Calcutta asking them to take back the broad cloth which " had been ever since a falling commodity and was now reduced so very low that to sell must be attended with loss of the greatest consequences "(2).

The Company realised the difficulties. The broad cloth which the merchants had taken for Rs 95 a piece could not be sold in the market for more than Rs 75. Consequently, out of a dadni of Rs 1,35,600 which was advanced in broad cloth, goods worth Rs 80,845 were allowed to be returned (3). In November 1732, the

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(1) Consultations, 15 January 1729.
(2) Idem, 3 August 1732
(3) Idem, 7 August 1732.

merchants who were " called into council in order to contract for broad cloth," declared that they " would not agree to take it on any terms" (1). The utmost efforts of the Company to persuade the merchants to take the woollen manufactures on easy terms of six or eight months' credit having failed, they decided to sell the same at " public outcry" allowing six or eight months' credit (2). None, however, stepped forward to purchase the broad cloth at the minimum price fixed, and the warehouse was kept open for purchasers " at six or eight months' trust" at the following rates :-

Broad cloth aurora with white lists at Rs 80 per piece
Do Do with blue lists at Rs 75 per piece
Do ordinary at Rs 55 per piece (3)

Since the price of broad cloth was going down and the aurora and ordinary types could be had in the market for Rs 71 and Rs 41 respectively, the Company decided, in September 1734, not to sell any more broad cloth so as to keep up the price (4). The Company proceeded further and decided that at the time of the

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(1) Consultations, 6 November 1732.
(2) Idem, 20 November 1732.
(3) Idem, 27 November 1732.
(4) Idem, 2 September 1734.

next "outcry' sale, it should endeavour to raise the price by making some people under its employment to bid at a higher price, namely, "Rs 100 per piece the aurora, Rs 55 per piece the ordinary green, Rs 32 per piece the perpets fine and Rs 18 per piece for the perpets ordinary" (1). But since there was no bidder ready to offer even Rs 95 for the aurora broad cloth , the Company decided to try the expedient of selling the cloth out of the godown, according to demand, for ready money at Rs 90 per piece for the aurora and Rs 55 per piece for the ordinary red and green (2).

Since there were no appreciable enquiries for broad cloth in Calcutta, the major portion of the commodity was sent to Patna where there was greater demand for it. The Company adopted this device in the hope of keeping up the price of broad cloth in both places. But there was little prospect of raising the price at Patna, where the cloth was sold in 1736 for Rs 2-10-0 per guz (yard) for the ordinary green and Rs 4-10-0 per guz for the aurora, which was even lower than what the cloth sold for in Calcutta. In spite of their best efforts, the Patna factory did not get purchasers to offer more than Rs 2.12.0 and Rs 4.12.0

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(1) Consultations, 13 October 1735.
(2) Idem, 29 November 1735.

per guz for the ordinary and aurora types respectively, in 1737 (1). The advice of the Calcutta Council to keep up the price at Patna actually resulted in loss as no goods could be sold in that factory at the rates mentioned by the Council in Calcutta (2). In 1738, the rumours of Nadir Shah's invasion dislocated the market and affected the sale of broad cloth for which there was little demand in Patna. In January 1739, the Patna Council decided to send back to Calcutta all the ordinary and red broad cloth, since there was no prospect of selling it there.

The Council at Fort William devised other means to dispose of the large quantity of broad cloth and other woollen goods which had accumulated in Calcutta and enquired of the Council at Bombay if the latter could be of any assistance to them.. They further agreed to deliver out of the import warehouse broad cloth at the rate of Rs 90 per piece and copper at the rate of Rs 44 per maund to "approved purchasers" at six months' credit (3). It was in accordance with this scheme that thirty pieces of aurora broad cloth and one hundred pieces of ordinary perpetuanoes were given to Tillickram gose"

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(1) Consultations, 29 August 1737.
(2) Idem, 11 October 1737.
(3) Idem, 12 August 1738.

(Tilakram Ghosh); and thirty-six pieces of aurora broad cloth, eighteen pieces of 'fine emerald green', two hundred and twenty pieces of fine perpets, and eighty pieces of ordinary perpets, and one hundred maunds of lead were delivered to 'Ramkissen dut' (Ramkrishna Dutta). Both the merchants were approved men.

Meantime, the prospect of selling broad cloth at Patna had improved, and there was a request for one hundred bales of ordinary green broad cloth for that factory. Since this type of cloth was not then in the Company's warehouse in Calcutta, the Calcutta Council despatched emerald green broad cloth to Patna. The Patna factory, however, returned this cloth as it would not sell there and wanted two hundred bales of aurora broad cloth and twenty bales of scarlet perpets. The policy of the Company in respect of broad cloth was "to regard a large consumption before an extraordinary profit". The Patna factory was given some discretion to determine the price, if they could dispose of a large quantity (1).

While the prospect of the sale of broad cloth was looking up, reports reached the Company in Calcutta that the French and Swedish merchants had put a type of cloth in the market in imitation of the broad cloth imported by the English and that the French Patna broker

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(1) Consultations, 22 October 1739.

had gone to Bengal to purchase for Patna two hundred bales of the English aurora broad cloth and some perpetuanoes (1). On a similar report, in 1735, the Calcutta Council had taken strong measures against any possible clandestine trade in broad cloth in the city. The zamindar of the Company in Calcutta was instructed "to take obligations from all the brokers that they were not to sell or buy any broad cloth or woollen manufacture without first acquainting him under penalty of being turned off the shore and further subject to what fine or punishment the President & Council might think proper ". To encourage the discovery of any clandestine broad cloth, the informer was to be rewarded with half the quantity so discovered and confiscated (2).

To ensure the sale of broad cloth in Calcutta, the Company, in 1739, invited prominent merchants to quote rates at which they might purchase the sole right of selling broad cloth and other imported goods on credit. Two proposals were submitted to the Company, one by Bishnudas Seth and Manickchand Seth, and the other by Syamsundar Seth, the broker of the Company in Calcutta.

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(1) Consultations, 22 October 1739.
(2) Idem, 8 September 1735.

After a good deal of deliberation the Council, by a majority, accepted the proposal of Syamsundar Seth. According to its terms, Syamsundar Seth was to buy the following goods of the Company on the conditions mentioned below :-

"Broad cloth and perpets to the amount of Rs 200,000

The aurora broad cloth at Rs 82 per piece

Yellow	Rs 60	Do
Red	Rs 50	Do
Emerald Green	Rs 50	Do
Popinjay	Rs 50	Do

The perpetuanoes at the usual price sold for.

Lead all that is now at the godown at Rs 7 per maund.

Copper 2000 maunds at Rs 36 per maund.

The money to be paid in ten months from this contract. He desires that no sale may be made in Calcutta for the like sortments of broad cloth and perpets with the above until the end of eight months from this time but at Patna what the Board shall please, and as to copper and lead he desires no restrictions on these articles." (1).

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(1) Consultations, 15 February 1739.

On the expiry of the above contract made in February 1739, the Council in Calcutta had to consider once again as to the best method of disposing of the broad cloth and other imported goods for the coming year. To relieve themselves of the large stock, the Council decided to despatch a number of bales to Madras. A consignment of broad cloth of different varieties was sent to Kasimbazar.

In order to facilitate the sale of broad cloth in Calcutta, a proposal was sponsored by Sir Francis Russell, the Accomptant, and three other members of the Council that the Company's godowns should be kept open to all purchasers for ready money transactions at a price fixed by the Council. The most novel aspect of the proposal was that as lead was then most in demand, for every one hundred maunds of lead a merchant would have to purchase fifteen pieces of aurora broad cloth, twelve pieces of fine 'perpets' and twenty pieces of ordinary 'perpets' at prices fixed by the Council (1). This proposal did not find much support among the merchants whose alternative proposal was ultimately accepted. According to this, the merchants' were to take off the undermentioned goods :-

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(1) Consultations, 12 February, 1740.

Broad cloth Aurora...Pieces	1500	at	Rs 77	
			Rs	1,15,500
Do ordy. yellow	132	at Rs 55:	Rs7260	
Do Red	100	45:	4500	
Blue	24	50:	1200	
Green	12	50:	600	
				13,560
Perpets fine scarlet	1600	at Rs 29	:	46,400
Do, Ordy. Red	400	Rs 17	:	6,800
Do various colours	1200	Rs 17	:	20,400
			Rs	2,02,660
Lead 9000 maunds	Rs 7/4-			65,250
			curr. Rs	2,67,910 (1)

The same conditions attached to this contract as to the one made with Syamsundar Seth in February 1739, that is, no broad cloth could be sold by the Company in Calcutta to any other party for a period of eight months. An exception was made only in the case of the ordinary and coloured 'perpets' which the Company could dispose of according to its pleasure (2).

Once a contract was made, the Company was determined to adhere to its terms. In October 1740, the Council in Calcutta were informed by the Kasimbazar factory that they could dispose of the aurora broad

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(1) Consultations, 15 February 1740.
(2) Idem, 6 October 1740.

cloth for Rs 80 a piece. They asked for fifty bales of cloth immediately. But the Calcutta Council wrote in reply that since the contract with the merchants was valid till 30 November next, they could not send to Kasimbazar any aurora broad cloth before the expiry of that date (1).

The experiment of giving the sole right of selling broad cloth in Calcutta to selected merchants had stimulated, to a small extent, the demand for the article. This is apparent from the following higher prices fixed for the different varieties of imported goods in 1740, namely :-

" Broad cloth aurora	Rs 83	per piece
Do popinjay	53	Do
Do Emerald green	40	Do
Do red, blue and yellow	50	Do
Fine perpetuanoes scarlet	30	Do
Do red	17	Do
Various other colours	15	Do
Lead at Rs 8 per maund		
TootenagueRs 13 per maund" (2)		

Among other articles of import, the commodity most

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(1) Consultations, 6 October 1740.
(2) Idem, 15 December 1740.

in demand was lead. It sold in the market for Rs 6 to Rs 8 per maund. Its demand at one time led to the proposal that for every one hundred maunds of lead, a purchaser would have to take a certain quantity of broad cloth and other woollen goods (1).

Copper was also in demand, particularly at Patna, where it was used partly for coinage and partly for despatch to the up country areas of Benares and Gorakhpur. The price of copper varied from Rs 45 to Rs 50 per maund.

One article, which the Company tried to push in the Bengal market but for which there was no demand, was tutenag, a kind of zinc or white alloy imported by the Company from China. In 1725, the price of tutenag in Bengal was Rs 15-8-0 per maund, while in 1740 no more than Rs 13 was quoted for it. In reply to enquiries from Calcutta, the Council at Patna wrote that "tootanegue was so dead an article they had no likelihood of disposing of any quantity" (2).

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(1) See page 276

(2) Consultations, 1 October 1739.
The price of some other articles sold from the import warehouse in Calcutta may be of interest :-

Madeira wine - one pipe -		Rs 80 - 6 - 0
Looking glass		24 - 0 - 0
Hammer	1	0 -12 - 0
Stock lock	1	4 - 8 - 0
Pad locks	2@-/14/-	1 -12 - 0

(continued overleaf)

The foregoing account of the trade in Bengal in the early eighteenth century shows that while the East India Company exported from Bengal large quantities of saltpetre, and silk and cotton goods, there was little demand in Bengal in return. The balance of trade, accordingly, was always in favour of Bengal.

The Company's attempt to balance the exports by means of import of commodities from England was not successful. Even as early as 1718, the Directors of the Company were disappointed at the failure of their agents in Bengal to render popular the use of broad cloth and expressed regret that " the gentries in Bengal could not

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(Footnote continued) :-

Pad locks	5 @	-/12/-		Rs 3 -12 - 0
Do	4	Rs 2		8 - 0 - 0
Splinter locks	2	-/10/-		1 - 4 - 0
Do	1			1 - 8 - 0
Nails 7 mds. 6 seers	@	Rs 13-15-6	per md	95 - 6 - 6
Iron wire 2½ mds.		R 1	per md.	2 - 8 - 0
Naval stores :-				
Poop Lantern	1			41 -12 - 0
Tin Lanterns	5			41 -12 - 0
Spectacles crystal				0 -10 - 0
Do leather case				0 - 7 - 0

(Consultations, 20 September 1722).

be prevailed on to innovate from the customs of their forefathers regarding their costume" (1). The efforts of the Company to popularise the article in the colder northern provinces, where " the climate called for a warmer clothing" had no better results.

The balance of trade thus had to be adjusted by importing bullion for which the demand was constant. The flow of specie into Bengal helped to maintain the balance in the economic system. The middlemen were the chief gainers, but weavers and cultivators enjoyed a share. This broad position in trade obtained between Bengal and the West until the battle of Plassey and the Industrial Revolution changed the whole basis.

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(1) Bengal General Letter, 9 January 1718, Letter Book 16, p.637.

Chapter VI

General Economic Conditions

Judged by modern standards, the life of the people in Bengal in the early eighteenth century was peaceful and quiet. The people had plenty to eat, and their wants were few. The strong rule of Murshid Kuli Khan and of his successors maintained law and order and ensured peace. Except for the ravages of the Mugs in the Chittagong area from the east and the fear of Maratha invasions from the west, the province as a whole had a peaceful existence.

The change of rulers at Delhi or in the provincial capital created an element of uncertainty and confusion mainly among the nobles and propertied classes. The European merchants with large stakes in the country also became apprehensive of their security. On receipt of the news of Aurangzib's death, in 1707, a meeting of the Council of the East India Company in Calcutta was hastily summoned. All payments and investments were stopped for the time being and additional "black soldiers" were recruited to guard the town (1).

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(1) Consultations, 3 April 1707.

When the news was received from Patna that the local Nawab had seized some native servants of the East India Company, because the English had refused to contribute one lakh of rupees which was demanded of them towards raising forces, the English retaliated with the statement that if their people at Patna were plundered, they would take satisfaction at Hugli, or at any other place convenient for them. The strong attitude adopted by Murshid Kuli Khan, the then Naib Subah, averted any untoward incident and peace was soon restored (1).

Similarly, in 1712, when Bahadur Shah died, it was feared that "up in the country there would be great confusions", and the English Company decided to forbear giving out any dadni, while the Dutch adopted defensive measures and called back one of their ships bound for Batavia " to lie over against their factory" (2). The faujdar of Hugli, apprehensive of trouble, requested the English to give protection for his family in Calcutta, but the English declined to have anything to do in the matter "for fear of bringing the Company's affairs in trouble, should contrary interest get the better" (3). The Council in Calcutta advised the factors

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(1) Consultations, 12 May and 3 June 1707.
(2) Idem, 13 March and 17 March 1712.
(3) Idem, 2 May 1712.

at Kasimbazar to maintain the best relations with Murshid Kuli Khan " who at the time of Auranzib's death had kept that part of the country very calm and quiet"(1).

The life of the common man was little affected by the change of rulers in the capital cities. But the internal peace of the country was sometimes broken by the ravages committed by robbers to whom we have occasional references in the records of the East India Company.

The inroads of the Mugs often disturbed the trade of the Company at Jagdea in East Bengal. In November 1725, Edward Reynolds of the Jagdea factory considered it unwise to stay there any longer as 30,000 Mugs and people from the Arakan coast had made a descent on Chittagong and plundered that place (2). The Council at Dacca sent a sergeant and five soldiers and twenty buxeries (match-lock men) for his protection. But this did not create much confidence and the hope was expressed that the property of the Company might be saved, as the Deputy Nawab at Dacca was himself proceeding against the Mugs to prevent their entering far into the country. The faujdar of Chittagong was deputed by

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(1) Consultations, 12 March 1712.
(2) Idem, 29 November, 1725.

the Government to deal with the situation. But instead of depending on the faujdar's forces, the English factors wanted the immediate despatch of more European soldiers to Jagdea to guard the Company's goods. The Council in Calcutta, accordingly, deputed Ensign Byers with a sergeant and fifteen European soldiers to Jagdea to "protect and secure" the property of the Company. None the less, the Company suffered some loss on this occasion.

In 1735, the Mugs once again ravaged some islands in the Chittagong area and carried off the inhabitants. The reports of these ravages scared away many weavers and washermen from Jagdea (1).

In 1740, several places between Chittagong and Jagdea were burnt and plundered by the Mugs (2). The depredations of the Mugs were, in fact, a disturbing factor which upset the working of the normal economic life in the eastern districts.

The danger from the inroads of the Marathas towards Patna was much more alarming than the sporadic raids of the Mugs in Chittagong. Fortunately, however, the Maratha menace was not serious, except in 1738, when panic seized the mercantile classes at Patna. The

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(1) Consultations, 15 December 1735.
(2) Idem, 21 January 1740.

shroffs were unwilling to carry on their financial transactions. The despatch of one hundred soldiers from Fort William to Patna was of great help in keeping up the morale of the business community (1). The Marathas, however, did not invade Bihar, and the danger was warded off. A similar threat in 1740 made even the English at Patna nervous (2). But on this occasion, too, nothing untoward happened, and confidence was restored on receipt of the news that the Marathas had marched back to the west.

Apart from the danger of disturbances by inroads from outside, there was also, of course, risk of plunder by robbers in the country, particularly in the river districts. But the records of such robberies are so few that they were exceptions to the normal peace that prevailed over large areas in the province. The existence of internal peace is evident from a letter of the Patna factory to the Council at Fort William in 1736. The Patna Council advised the Council in Calcutta not to send a larger fleet than thirty men to accompany the supplies and treasure from Calcutta to Patna, for '' there was no danger in the way but what proceeded from our own people abusing the natives" (3).

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(1) Consultations, 13 April 1738.
(2) Idem, 9 May 1740.
(3) Idem, 23 August 1736.

The deserters from the service of the European companies were often responsible for the breach of the peace. In 1715, the rivers of East Bengal were infested with armed Europeans, some of whom were supposed to be deserters from the English Company, and the others were Dutch soldiers discharged from service (1).

Strong measures were adopted by the Government to deal with lawlessness, and the zamindars were held responsible for any breach of the peace in their respective areas. In 1727, when a sloop belonging to Thomas Cooke of the Dacca factory was plundered by robbers, the zamindars in whose districts the incident took place were compelled by the Government to give satisfaction for the loss incurred (2).

Since Calcutta was fast attracting merchants and ambitious men by the allurement of wealth and the comparative safety she offered them under the protection of the English, men of questionable character also abounded in the city. Additional military assitance had to be given to the Kotwal, in 1705, to prevent robberies in the "black town", or the part of the city inhabited by the Indian people (3). In 1707, to ensure the safety

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(1) Consultations, 30 May 1715.
(2) Idem, 28 August and 20 October 1727.
(3) Idem, 23 February 1705.

of the Company's tenants, the zamindar of Calcutta, who was a member of the Council, was ordered to recruit thirty-one pikes or black peons to provide proper guards in the town. In 1738, several murders and robberies were committed in the town, and since the culprits "were making their escape by reason of the outgates being out of repair," orders were issued to set them right (1). In 1740, during the conflict for the subahship between Sarfaraj Khan and Ali-Wardi Khan, the Company's zamindar in Calcutta was ordered to have additional police force and "keep them on pay so long as the troubles in the country would continue"(2).

The punishment inflicted on the robbers and thieves reflected the character of the age. In 1706, orders were issued that the culprits should be "burnt on the cheeks and turned on the other side of the water", that is, the river Hugli (3). In 1724, the dwelling house of a murderer, named John Baspole, in Calcutta, who could not be traced, was made over to the widow and daughter of the murdered man as a recompense for their loss (4). In 1732, the orders for whipping three culprits in Calcutta had to be stayed at the intervention

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(1) Consultations, 13 August 1738.
(2) Idem, 21 April 1740.
(3) Idem, 29 September 1706.
(4) Idem, 20 January 1724.

of the faujdar of Hugli (1). Whipping as a form of punishment was practised both by the Nawab and the French (2). In 1733, some persons who were " lurking about the town" of Calcutta were suspected to be spies and robbers. The zamindar was ordered to " turn them out of the town and if they returned again they were to be whipped out" (3). In 1734, the innkeepers of Calcutta were asked not to entertain any strangers in their taverns without giving timely notice to the Company. The innkeepers failing to comply with this order would themselves be " sent directly to Europe" (4). In 1735, the effects of one Antonio D'Santos who " had committed several robberies in the river" were sold in order to reimburse the expenses incurred to capture him (5).

The people of Bengal inhabiting a land profusely gifted by nature and having little or no political trouble.could devote much of their energy to peaceful avocations. Industry and art had, therefore, much scope for development. In fact in the seventeenth and early eighteenthcenturies, before the advent of

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(1) Consultations, 19 June 1732.
(2) See Chapter II, p.44 and Chapter III , p.128
(3) Consultations, 23 April 1733.
(4) Idem, 27 September 1734.
(5) Idem, 7 July 1735.

the industrial revolution in the west, Bengal could safely hold her own in the market for manufactured goods.

In the Ain-i- Akbari, Abu-l-Fazl mentioned the existence of Karkhanas or workshops maintained under the patronage of the Emperor where goods of great artistic skill were produced (1). The main portion of the articles turned out in the Karkhanas were, of course, used by the Government for the equipment of the army as also for the satisfaction of the finer requirements of life in the imperial household and for official purposes. But the surplus was sold to private persons who tried in their own way to emulate the model set in the imperial workshops and produce articles which might be valued in the Court. The mechanics and workmen trained in the imperial workshops were employed by the nobles to satisfy their artistic hunger. Technical skill of a superior type was thus made available in the different parts of the country.

Since the etiquette of the country enjoined that the great should always be approached with some presents, the nobles vied with one another to employ the best artisans to manufacture for them articles worthy of presentation to the Emperor during their visit to the Court. The local craftsmen were thus encouraged to

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(1) The Ain-i Akbari, Vol.I, Translated by Blochmann, Ain 31,32, etc.

produce articles of fine stuff which might bring distinction to their patrons.

Bengal was famous, all over the world, for the production of exquisitely beautiful cotton and silk fabrics. The birth place of cotton manufacture, wrote Edward Baines in 1835, was India, where it probably flourished long before the date of authentic history (1). Of all the territories of India, Bengal was most noted for the textile works. Some of the Bengal textiles called muslins were so fine that they were considered by foreigners to be " the work of fairies or of insects rather than of men."

Robert Orme, the historian, who, in the year 1752, composed in Calcutta his 'Historical Fragments of the Mogul Empire', described the cotton manufacture of Bengal almost as a national industry. It was difficult in his days to find a village in Bengal in which every man, woman or child was not employed in making a piece of cloth (2). At Dacca where all the cloths for the use of the Emperor and his seraglio were made, these were of such wonderful fineness as to exceed ten times the price of any cloth permitted to be made for Europeans or any one else in India. The

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(1) Baines, 'History of the Cotton Manufacture in Great Britain', p.1.
(2) Orme, 'Historical Fragments of the Mogul Empire' p.409.

excellence of the Dacca muslins can, to a certain extent, be judged from the oft quoted story of a daughter of Aurangzib being reproved by the Emperor for appearing naked when she had no less than seven folds of this cloth on her body.

Sonargaon, now a decayed village about fifteen miles away from Dacca, had the distinction of being described by Ralph Fitch, in 1583, as the place," where there is the best and finest cloth made of cotton that is in all India." The Ain-i Akbari referred to the sarkar of Sonargaon manufacturing a species of very fine muslin in great quantity (1). John Crawford, who was for a long time in the service of the East India Company, stated to a Committee of the British House of Commons, in 1830-31, that the fine variety of cotton in the neighbourhood of Dacca from which the fine muslins were produced was cultivated by the natives alone and was not at all known in the English market; or even in Calcutta. Its growth extended about forty miles along the banks of the Meghna (2) and about three miles inland. The northern area of the Dacca district near Bhowal, which was called Kapasia, from the word Kapas or cotton, was noted for its fine cotton and the delicate muslins that were prepared there. The soil

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(1) Ain-i Akbari, Vol.II, p.124 (Jarrett's edition)
(2) The mighty river that carries the waters of the Padma or Ganges and the Brahmaputra.

of Sonargaon, Kapasia and Jangalbare possessed all the constituents necessary for the formation of the best cotton ground (1).

Even experts of the cotton industry to-day wonder how fabrics of such exquisite delicacy could be produced by a people whose machinery was of the crudest kind. The explanation has been sought in the remarkably fine sense of touch possessed by an "effeminate people", their patience and gentleness and the hereditary continuance of a particular species of manufacture in families through many generations (2). A particular piece of cloth required the labour and skill of an entire family of eight or nine persons, from the head of the family to the little child, who supplied , , for the different stages, the skill and strength necessary for the purpose.

Orme, who had opportunities of witnessing the industry in its comparatively flourishing days, thus described the process of manufacture :-

"The women spin the thread designed for the cloths and then deliver it to the men, who have fingers to model it as exquisitely as these have prepared it.

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(1) Baines, 'History of Cotton Manufacture in Great Britain, p.62.
(2) Baines, 'History of Cotton Manufacture', etc., p.74.

"For it is a matter of fact that the tools which they use are as simple and plain as they can be imagined to be. The rigid clumsy fingers of an European would scarcely be able to make a piece of canvas with the instruments which are all an Indian employs in making a piece of cambric (or muslin).

"It is further remarkable that every distinct kind of cloth is the produce of a particular district, in which the fabric has been transmitted, perhaps from centuries from father to son - a custom which must have conduced to the perfection of the manufacture" (1).

The spinning of the finest yarn of the Dacca muslin required such a delicacy of touch that it was confined to the women of a few families of Dacca and its neighbourhood. These women, who acquired their skill by culture through generations, developed a sense of most acute and delicate touch that enabled them to produce yarns which were finer and far more tenacious than any of the machine spun yarns of Europe (2). The finest thread was spun by women by hands, while the coarser kinds were manufactured by churkhee or wheel.

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(1) Orme, 'Historical Fragments', p.413.
(2) Baines, 'History of the Cotton Manufacture', p.68.

The best spinners were the Hindu women from eighteen to thirty years of age. After thirty they began to fall off, and at forty their sight was generally impaired and they were incapable of spinning very fine thread. The weaving was done mostly in the early morning and afternoon, when the light was less dazzling to the eyes and there was moisture in the air to prevent the thread from breaking (1).

The total output produced under such conditions was necessarily small. The maximum quantity which one person could make devoting the whole morning to the spindle for a month was only half a tola or ninety grains (troy) or only three grains a day.

The Dacca muslin had found a great patron in the Empress Nurjahan since whose days it became the fashionable dress of the Moghul nobility and the inmates of the palaces and seraglios. The price of the best quality of muslin was naturally high. In Nurjahan's time a piece of ab-i-rawan (running water) pattern of muslin measuring 10 x 2 cubits and weighing only five siccas or 900 grains cost Rs 400, while the best jamdanee or figured muslin which was specially manufactured for the Emperor Aurangzib cost Rs 250 (2).

The process of manufacture was rather crude. The

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(1) James Taylor, 'A sketch of the Topography and Statistics of Dacca, p.168.
(2) James Taylor,'Topography of Dacca',etc. p.172.

weaver erected his loom under a shed or the roof of his own house. A pit was dug in the floor to afford room for the lower part of the gear and for the weaver's legs as he sat at work. Above the loom a sort of canopy was erected consisting of a mat or two, to protect the web from dust and rain dropping from the roof. The total number of implements that had to be used in converting the raw cotton into fine muslin was one hundred and twenty-six. They were all made of small pieces of bamboo or reed tied together with twine or thread. Their workmanship was so rude and simple that every weaver could make them himself, though to save time and trouble they were preferably purchased ready made in the bazars (1).

Most of the weavers were Hindus, except at Sonargaon, where the weavers of the jamdanee muslins came mainly from among the Moslems. The coarser cloths were made by the lower classes called Joogees, among the Hindus; and Jolahs, among the Mohomedans. Dhamrai was a principal centre for the manufacture of muslins.

The most proper time for giving out money for the cossaes and mulmuls in Dacca was the month of January. The broker or dellols, licensed to carry on transactions

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(1) Taylor, 'Topography of Dacca', p.174.

with the Company, undertook to deliver the goods within six months. The broker distributed the money among the pikars (whole-sale dealers) who, in their turn, passed it on to weavers. The weaver was answerable to the pikar, the pikar to the broker and the broker to the Company. The cloth delivered for prizing was brown and had to be bleached later (1).

Similarly, in the manufacture of silk, money was advanced to the people around Kasimbazar, Calcutta, Patna and other places where large tracts of low land were taken into cultivation for the growing of mulberry plants and for the working of the filatures. As the quality of the silk largely depended on a full supply of good and fresh leaves to the worms, the demand for mulberry fluctuated according as the worms were plentiful or scarce. The worms thrived best in the cold season, and hence the November band silk was better in quality and more valuable than any other type.

The risk of advancing money was naturally great. If anything happened to the worms or cocoons to reduce the quality or quantity of silk or to destroy the yield altogether, the men who had already received the advance money were hardly, if ever, able to repay the amount.

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(1) Home Miscellaneous Series, Vol.14, p.334.

In the dry season, that is, during the November and March bands, the cocoons were usually put in the sun for five or six days. Charpoys (bed steads worked with strings), mats, cloths and similar other things were used as receptacles for them. They were then baked and were kept with care for about a month, affording ample time for working off. But the July or rainy season band had to be worked off at once, or the chrysalids would change and the cocoon would be spoiled. It was necessary to heat the water in which the cocoons were kept whilst being spun off. Each pair of katanis or spinners had to be provided with a fire place to heat their basins of boiling water. About one hundred and fifty maunds of wood was necessary to work off a maund of silk (1).

The time for buying the best silk was in December, when the November band or sortment came from the worm, and in April, when the March band was made (2).

The weaving of silk cloth was an industry of considerable importance. The weavers worked with advances of money and raw materials received from the silk

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(1) Hunter, 'A statistical Account of Bengal', Vol. IX pp. 150-151.
(2) Strynsham Master's Diary, Vol. II, p. 6.

merchants to whom the manufactured cloth was returned.

The hand spun yarns of Dacca became stronger and finer after bleaching. One of its peculiarities was that, unlike the threads made of other varieties of cotton, it did not swell after bleaching. This was partly due to the superior skill of spinning and partly to the special quality of the water round about Dacca and the process of bleaching adopted in the locality. The Sarkar of Sonargaon was celebrated for a dighi or reservoir of water, which gave a peculiar whiteness to the cloth washed in it (1).

The cloths washed in the rains were always better bleached than in the succeeding months when the sun was not strong enough (2).

The washerman occupied a position of considerable importance in a society where cloth was the staple industry. To guard against fraud, the opinion of the head washerman was valued at the time of sorting the cloths. Brindaban, a washerman, was paid Rs 10 as his remuneration per month to help the Company to select the cloths in Calcutta (3). The washerman at Kasimbazar was also paid at that rate (4).

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(1) The Ain-i Akbari, Vol. II, p. 124 (Jarrett's Translation).
(2) Consultations, 24 December 1737. (3) Idem, 17 July 1732.
(4) Factory Records, Kasimbazar, Vol. V, Charges General for December 1739.

The Dacca Factory Records contain frequent references to the ruffogurs or darners who were employed to repair the muslins that were spoiled during bleaching. An expert ruffogur could move a thread the whole length of a web of muslin and replace it with one of similar quality. There are also references to the Nurdeas who used to set in order the threads of muslins displaced during washing. It constituted a distinct trade and was performed by the Nurdeas who belonged to a class of Moslems. Their services were valued also in folding the cloths and pressing them into bales (1).

It should be noted that, even in the early eighteenth century, the expert labour necessary for the manufacture of fine muslin was becoming rare. In April 1737, it was found at Dacca that the workmen who used to undertake the manufacture of fine cloths " were almost all of them ruined" (2).

The Company sometimes encouraged the weavers by providing them with land " within their bounds" . In 1732, the Company's zamindar was ordered to admit the weavers who were desirous of settling in and around Calcutta in

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(1) Taylor, 'A sketch of the Topography of Dacca',pp.178-79.
(2) Consultations, 16 April 1737.

empty houses and plots of land on their "consenting to pay the annual rent and the usual salamy" (gratuity money). The zamindar was further instructed to purchase any gardens or convenient pieces of ground for the use of weavers (1). In 1738, the weavers at Dacca were helped with the ''Europe gold thread'' bought and paid for out of the Company's cash (2).

The merchants with whom the Company carried on its investment were almost all Hindus. The names of merchants who were in direct contact with the Council at Fort William in 1736 and in 1740 as recorded in the Consultations were:-

(1) ''Sookmoy Seat, (2) Gogulchand Seat, (3) Benant behari Seat, (4) Luckichund Seat, (5) Kissore Seat, (6) Kissen churn Cawn, (7) Rambudar Choudree, (8) Rada Kisna Choudree, (9) Ram chunder Cawne, (10) Radha Kisna Cawne, (11) Gobinda ram Cawne, (12) Anundram Seat, (13) Gungabisna mendrew (?), (14) Sabramendrew (?), (15) Praun Seat, (16) Goperadacond Seat, (17) Peramananda Bysaak, (18) Gungachund Bysaak, (19) Occur Dutt, (20) Geredev Dutt, (21) Bulram Bysaak, (22) Jugul Bysaak, (23) Gopenant Bysaak, (24) Radachurn Bysaak, (25) Radda bulluv Seat, (26) Rada Kisna Chowdram, (27) Bridrumun Seat, (28) Ozooderam Bysaak, (29) Narain Bysaak, (30) Buistemchun Bose, (31) Doorgaram Dutt, (32) Nian Dutt, (33) Coonjubeharri Dass, (34) Nittanun Dass, (35) Cable Kisnomendrew, (36) Tez Roy, (37) Omichund, (38) Buxey chund, (39) Rogo Mitra, (40) Kissen ram Bomen, (41) Bungse Putty, (42) Ram misser Telly, (43) Raz bulluv Telly, (44) Sookdev Dass, (45) Deepchund, (46) Bendabin

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(1) Consultations, 9 March 1732.
(2) Factory Records, Dacca, Vol.II, 27 January 1738.

Dass, (47) Doorganun Dutt, (48) Rada Kisna Bella, (49) Coonju Bysaak, (50) Jugul Seat, (51) Sookdev Mitra, (52) Cowtook ram Gose.'' (1).

The following was the list of merchants who received a total advance of Rs 7,91,750 at Kasimbazar for the year 1738-39:-

"(1) Sutchy Cotma, (2) Sirbis Sur, (3) Coleram Surma, (4) Dookar Saw, (5) Tejram Bose, (6) Naran Biswas, (7) Ojederam, (8) Rogonaut, (9) Maudeb Surma, (10) Goburdun, (11) Praun naut Paunditt, (12) Nainchund Dutt, (13) Odey narayan, (14) Samsunder, (15) Kinkar Gose, (16) Seyram Bose, (17) Coosal Coond, (18) Deby Pursaud, (19) Moorley Singh, (20) Colean Biswas, (21) Nilamber Gose, (22) Balkissen, (23) Govinram, (24) Onoop Coppree, (25) Nimdass". (2)

The two lists of merchants in Calcutta and at Kasimbazar as quoted above do not contain the name of any Mohamedan. It is only at Dacca that the names of some Mohamedan merchants appear in the list. On 12 April 1739, a sum of Rs 1,22,526 was invested among the following merchants at Dacca:-

''(1) Ram naran Dellol, (2) Soonamoney Dellol, (3) Netoo Dellol, (4) Bisnodas Sammoo Picar, (5) Jeteram Dellol, (6) Mucta Golob Picar, (7) Jaykissen Picar, (8) Huffeujeula Picar, (9) Juggernaut Picar, (10) Mollymahmud Picar, (11) Sammoo and Popee (?), (12) Cowal Nunderam Picar.'' (3)

The Company's broker occupied the foremost place among the merchants with whom the Company had dealings. On appointment to his office, the broker was publicly introduced by the Chief of the Council to all merchants

(1) Consultations, 6 July 1736 and 15 December 1740.
(2) Factory Records Kasimbazar, Vol. V, 31 January 1739.
(3) Factory Records, Dacca, Vol.II, 12 April 1739.

who were summoned together in a formal meeting. The Chief confirmed the appointment by putting a seerpaw (head dress) on the new broker's head and presenting him with rose water and betels, and other merchants would do the same.

Though cotton and silk manufactures constituted the major industries of Bengal in the early eighteenth century, there were also other smaller branches of arts and crafts which had won great distinction. The ivory and brass works of Murshidabad and the pottery works of Krishnagar were noted for their fine workmanship. The art of embroidery had reached a high pitch of excellence. At Dacca this art was practised mostly by the Mohamedans who " displayed, in the use of the needle, a dexterity fully equal to that exhibited by the Hindus (in their labours) at the spindle and the loom." The flowering of Muslin dresses was performed by a set of embroiderers called 'Chuckendose', and the embroidering of muslins, scraps and shawls with silk by workmen called 'Zurdose'. The latter description of work was highly valued in Europe.

The filagree works of Dacca and Cuttack had attained great eminence. Fine ornaments of gold and silver, like bracelets, neckchains, ear and nose rings,

etc., manufactured in these places were highly prized.

The shell works of Dacca which formed an important local industry deserve special mention. The shells brought to Balasore from Maldives, Ceylon and Madras were sent to Calcutta whence they were purchased by the merchants or their agents sent from Dacca. The work of the shell cutters or Sankharees was divided into three branches, namely, pointing the shells, sawing them into rings and polishing and carving and joining the different pieces. The shell bracelets were the outcome of an elaborate process. The rings neatly engraved with different devices and brilliantly coloured were artistically joined together to form beautiful chains and bracelets.

The Sankharees or manufacturers of shell works in the city of Dacca ranked next to the weavers in point of wealth. They used to reside in a particular area in the heart of the city, where they have lived ever since its foundation. Industrious and hard working, the Sankharees were mostly very rich, but miserly in character. Their complexion was generally fairer than that of the other citizens and the expression of their face and dialect had some peculiarities which at once

distinguished them from others. Every house of the Sukharees was provided with its small factory in the ground floor (1).

Since rivers and channels formed the principal means of communication and provided the high ways of trade for a considerable part of the year, the industry of boat building was at a high level. Commodious and luxurious boats for the rich, huge cargo boats looking like small ships for heavy traffic and small boats for quick journeys were manufactured on a large scale in Bengal, particularly in the lower and eastern districts. The rich and aristocratic classes including the European merchants travelled inland in magnificent bajras or luxury boats, and panshis or pinnaces provided with kitchen, lounges and other amenities. In 1724, an old 'budjrow' (bajra) was purchased by the Company for Rs 500, in preference to building a new one at a higher cost. (2). In 1730, the Council in Calcutta ordered the purchase of a pinnace for Rs 1500, as they were satisfied that a new one of equal goodness could not be purchased for less than Rs 2000 (3). In 1732, the Council were on the look out for a bajra and purchased a proper one for Rs 2,400 (4). In 1737 a bajra had to

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(1) Taylor, 'Topography and Statistics of Dacca" ,p.231.
(2) Consultations, 13 January 1724.
(3) Idem, 30 March 1730.
(4) Idem, 23 November 1732.

be hired by the Dacca factory for Rs 90 per month and was lent to the local Nawab for his use (1).

The Mayurpankhi boats, so called for their peacock like appearance, were richly decorated and painted. They were rather expensive and showed a considerable degree of taste on the part of their manufacturers and owners(2). The Pulwars or palwaras, that is, small boats equipped with sails, which were fit for shallow waters were in extensive use for quick transport, while the dingees or very small boats, whether with sheds or otherwise, were used for short journeys and for carrying heavy loads from land to bigger boats in deep water (3).

Boats for carrying heavy traffic were not always available at Patna. In 1738, the Council at Patna requested the authorities at Fort William to despatch to Patna four new boats each capable of carrying goods weighing 400 maunds and two boats capable of carrying 150 maunds each (4).

In summer men of means used to travel in Sukhasan or 'Comfortable seat' where one could comfortably sit, or stretch oneself at full length or sleep within it while travelling. Over it they used to spread

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(1) Dacca Factory Records, Vol.II, 3 December 1737.
(2) Stavorinus, 'Voyage to the East Indies', Vol.I, p.465-68.
(3) Consultations, 27 August 1733.
(4) Idem, 10 July 1738.

a covering for keeping out heat and rain (1). It was a palanquin with a crescent-shaped roof. Palanquins were also provided by the Company for the use of the members of the Council in Calcutta and in subordinate factories.

The manufacture of gur (molasses), sugar and various kinds of sweets gave occupation to large numbers of people both in rural and urban areas. Sugar was produced from the juice of the date tree as well as from the sugar cane. The tapping of date trees and the extraction of juice at dawn and at dusk during the winter months from October to March was carried on at considerable risk to the person of the labourer. The apparatus of boiling the juice into gur consisted of a number of earthen pots arranged in a circle over a fire in a cavity dug in the ground, covered over with a clay roof or ceiling having as many holes as there were pots to be inserted.

The cane sugar called the kesur or akh gur was obtained by boiling the juice of the sugar cane. The cane was pressed in two horizontal cross pieces worked with crude wooden screws. The juice which came out of the pressure was collected in a big basin placed below

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(1) Khulasa tu-t-tawarikh (1695-99), translated by J.N.Sarkar in 'India of Aurangzeb' (1901), p.42.

the bars and boiled down into gur. The process of boiling was the same as for the sap of the date tree. The refined sugar produced in the areas now covered by the districts of Jessore and Faridpur was highly valued.

Among subsidiary industries, mention should be made of the manufacture of mattresses, some of which were so nicely made as to resemble 'woven silk'. One variety of these articles was called 'sitalpati' which is still used on beds during the summer season (1). Sack cloth (jute) was manufactured in North Bengal in the days of the Ain-i Akbari (2). References were made to the 'gunney bags' and ropes in the Consultations of this period. There were repeated requests from Madras to Calcutta for the despatch of 'gunney bags' (3).

The means of communication in Bengal in the eighteenth century consisted of roads and rivers. Rennell's 'Description of the Roads of Bengal and Bihar' (1778) gave a list of roads connecting Patna, Murshidabad, Dacca and Calcutta as also a number of roads connecting the less important places in Bengal, Bihar and Orissa.

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(1) 'Khulasatu-t-tawarikh' (1695-99) translated by J.N.Sarkar in 'India of Aurangzeb', p.41.
(2) Ain-i Akbari, Vol.II, p.123 (Jarrett's translation).
(3) Cpnsultations, 29 August 1737, 6 February 1739.

Among the old military roads in East Bengal, the road from Dacca to Toke in the Kapasia (cotton) region is worth mentioning. Another line of roads stretched from Dacca across Vikrampur from the Padma (Ganges) to Ichamati and passed through the Faridpur district to Khulna in the Sundarbans. The land route from Dacca to Calcutta during the months of November to June lay through Faridpur, Jessore, Barasat and Dum Dum. There were more than one score of stages and ferries for crossing the rivers. The road from Dacca to Chittagong lay through Comilla (1). From the lowness of the eastern districts and the large number of water logged places, even in the dry season, the journey by land was rather tedious and difficult.

The most important means of communication was the river high way. The Ganges with its many tributaries and channels afforded facilities for reaching the most interior areas of Bengal. Dacca maintained, throughout the year, a free contact by water with most of the surrounding parts of the country and the big cities of Patna, Calcutta and Chittagong. The route to Calcutta changed with the season of the year. From November to June, the boats proceeded down the Buriganga,

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(1) Taylor, 'Topography of Dacca', p,118-122.

Dhaleswari, Sital-lakhya, Meghna, Padma and the Sundarbans, via Khulna. The passage usually took ten days. During the rainy season the shorter route through the Faridpur creek was preferred. The communication with Sylhet was maintained by the Meghna and with the western districts by the Padma or Ganges.

The Bagirathi river formed the route for communication with Kasimbazar and Murshidabad as also for Patna. Maricha, generally written in the Company's records as Mircha, which stood at the head of a creek joining the Ganges with the Jalanghi and the Bhagirathi was an important station for the transhipment of goods from the larger to the smaller boats on their way from Patna to Calcutta. The boats laden with saltpetre and silk goods at Patna and Futua travelled via Bhagalpur and Colgong to Maricha where in the drier season the boats had to be changed because of the shallowness of water (1). If the water was sufficiently 'high', the boats came down to Calcutta via Nadia (2). The same route was followed by boats carrying broad cloth and treasure from Calcutta to Patna. These boats

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(1) Consultations, 20 September 1733.
(2) Idem, 21 November 1739.

which were called the 'Patna fleet' were guarded by the Company's military forces during their journey both ways (1).

Maricha, in fact, occupied a strategic position for the Company's business between Calcutta and the upper regions. Whenever the Nawab considered that he had a grievance against the Company and wanted the Company to comply with his demands, the surest method adopted by him was to station forces at this place and prevent the transhipment of the cargo either way (2).

Another alternative way which was resorted to in order to avoid unpleasantness at Maricha was to proceed to Calcutta by the river Jalanghi which, issued out of the Ganges a few miles lower down and joined the Bhagirathi near Krishnagar. But as in Maricha, the junction of this river with the Ganges at the place called Jalanghi was some times too shallow for boats to pass in. In November 1733, Captain William Holcombe, the leader of the Patna party, found that the water at Maricha was not sufficient even 'for a small dingy (small boat) to go that way'. "The chowdhurries and darogas telling him that there was water enough at Jalanghi for light boats, he went thither and spent one

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(1) Consultations, 4 October 1736; 21 November 1739.
(2) See Chapter II, P. 66

day in endeavouring to pass the Company's bales; but finding the attempt vain, the best he could do was to proceed with the utmost expedition through the woods " (1).

The water at Maricha, however, dried up earlier than at Jalanghi. In March 1728, there were not more than six or seven inches of water at several places at Maricha (2). In October 1739, Ensign John Davis, who accepted at Maricha the delivery of saltpetre coming from Patna, could not bring down the petre through that channel, " there not being sufficient depth of water for large boats." He was forced to send the petre boats down to Jalanghi under a proper guard (3).

When both the water routes via Maricha and Jalanghi failed, due to the shallowness of water, the goods were carried part of the way " through the woods". Some times the "lower way" down the Padma, through the eastern estuaries, had to be resorted to. But this route was generally avoided because of the risk at Rangafala (4).

Since the way through Maricha was usually preferred by the English, this route was kept under watch with the help of their spies (5).

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(1) Consultations, 12 November 1733.
(2) Idem, 4 March 1728.
(3) Idem, 22 October 1739.
(4) Idem, 1 March, 1739.
(5) Idem, 24 & 31 August 1730.

Dupleix, the French chief at Chandernagore in 1737, felt the importance of operating " the pass at Mircha where the great river (the Padma or Ganges) communicated with this "(Hugli). In order that this route might be kept open all through the year, he proposed a joint inspection of the place by the representatives of the English, Dutch and French Companies, with a view to carrying on the necessary excavations (1).Nothing apparently came out of the proposal.

If the standard of life of a people were to be judged by their dwelling houses, Bengal in the early eighteenth century afforded a picture in contrast. While cities like Dacca and Murshidabad contained many palatial apartments and mosques built by the princes and nobles, the common man and even the rich business classes lived in houses built of bamboo and straw. The East India Company carried on its transactions in thatched houses and godowns at Chapra, Balasore and Kasimbazar. In 1725, the Company's Charkona (a house with four roofs on four sides) at Chapra was burnt by " a fire that destroyed the greatest

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(1) Consultations, 24 December 1737.

part of the town" (1). In 1727, the "cook room" (kitchen ?) at Balasore, "which was mud and thatch" was blown down (2). In 1728, the godowns at Kasimbazar were in such a tottering condition that they collapsed under heavy rains (3). The Company's palankeen house in Calcutta which was covered with thatch and was several times burnt down was ordered to be made of brick, in 1726, "as cheap as possible" (4). In 1733, the old katchari house, or the public sitting room of the zamindar, which was built of bamboo and straw fell down. Instead of spending a good deal of money to repair it every year, the zamindar was ordered to "construct a substantial building of brick to transact his business with the public" (5).

Some of the bamboo and straw houses were so elegantly built as to cost Rs 5,000 (6). These were commodious and lasted long, unless they were destroyed by fire. The house of the English chief at Balasore cost Rs 2000 (7).

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(1) Consultations, 21 June 1725.
(2) Idem, 27 February 1727.
(3) Idem, 3 October & 11 November 1728.
(4) Idem, 9 May 1726.
(5) Idem, 7 May 1733.
(6) Khulasatut Tawarikh translated by J.N.Sarkar in the 'India of Aurangzeb,' p.41.
(7) Consultations, 27 July 1724.

The violent storm that passed over Calcutta, on the night of 30 September and 1 October 1737, destroyed almost all the thatched houses and many brick buildings with weak foundations. Not even twenty thatched houses were standing in Calcutta on the day after the storm (1). One result of the havoc wrought by the storm was that the new constructions were mostly made of brick. Partly because of this and partly because of the influx of the men of substance who began to settle in Calcutta from 1740 onwards, in order to ensure the safety of their person and property from the Maratha inroads, Calcutta fast grew into a mighty city of masonic structures inhabited by Indians and Europeans.

The East India Company was generally cautious in admitting new settlers in Calcutta. While the Company was sympathetic to the poor tenants, whose contributions of 25 per cent of the sale proceeds of their lands to the Company was reduced to 5 per cent (2), it did not allow men of suspicious and questionable character to settle in Calcutta. When in 1736, some "black people" who formerly had posts in the Government

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(1) Consultations, 24 October 1737.
(2) Idem, 15 April 1706.

began to purchase houses in Calcutta, the Council in Calcutta feared that " admitting such purchases might bring Government spies'' in the city and decided that no land should be '' sold in future without the permission of the Board." (1)

The Company was ever on the alert to protect the city of Calcutta from the ravages of the river. In 1724, the gunge (bazar or market place) of Govindpur, running 850 feet on the bank of the river, had to be saved by building protective works and three pairs of stairs for the landing of goods for the bazar at a cost of Rs 2500. The expense was regarded by Captain Joseph Tolson, the surveyor, as " very inconsiderable to the damage the Hon'ble Company might sustain by the neglect thereof" (2).

In 1725, and again in 1729, the Perrin's garden, so called from Captain Perrin, its original owner, which stood at the extreme north of the town and which served in the early eighteenth century the same purpose which the Eden Gardens served in the twentieth, was provided with new out houses, stairs and other conveniences for the benefit of the Company's servants (3).

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(1) Consultations, 5 December 1736.
(2) Idem, 23 November 1735.
(3) Idem, 13 December 1725; 8 September 1729.

In 1733, a new band had to be " thrown up" to secure the Govindpur point, where a great part of the bank of the river was " eaten away by the rapidity of the ebb and flood" (1). In 1735, some boats had to be sunk in the " Soota Loota" point to turn the course of the current. The existing wharf was considered to have been " too slightly built for so strong a current that ran against it" and had therefore to be built up again with stronger foundation. Neglect to do the work immediately, would, it was feared, " be of ill consequence to the town." (2).

Measures to prevent the erosion of the city by the river did not exhaust the list of the Company's municipal activities. The construction of new houses, replacing the old thatched houses by pucca (brick built) ones, building of new roads, repair of the old roads damaged by rains, building of stairs along the river bank, all these figured prominently in the Company's Consultations at Fort William (3).

The construction of works of public utility was not necessarily the outcome of the altruistic motives of the Company. Financial gain was the most

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(1) Consultations, 23 November 1724.
(2) Idem, 29 November 1735.
(3) Idem, 31 December 1725; 8 September 1729, 6 March 1727, 29 March 1731.

important consideration which guided its conduct. In 1736, George Mandeville, the Company's zamindar, represented to the Council at Fort William that the roads and bridges, particularly in the northern end of the town, were so much damaged by the rains that the country people were prevented from bringing provision, grain and merchandize to the bazars and markets of Calcutta and were carrying their goods to the adjacent towns out of the Company's bounds," by which the revenues were daily decreasing." The Council, therefore, decided, in their "masters' interest," that " the roads have a thorough repair and bridges mended." (1)

Similarly in 1739, on the representation of John Halsey, the zamindar, that the market places, which had not been repaired for three years, were so much out of order that the people could not conveniently come to their stalls with provisions and other necessaries for the town, which, " if not duly taken care of, must inevitably lessen the Company's revenues," orders were issued for the necessary repairs, which were to be done with " all possible frugality." (2) A sum of Rs 1500 was advanced for the purpose (3).

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(1) Consultations, 29 September 1736.
(2) Idem, 14 August 1739.
(3) Idem, 20 August 1739.

The regular survey of the river by the Company's Master Attendant who was assisted by a host of subordinate officers formed a feature of the constructive work in Calcutta. The Master Attendant was to report on the formation of sand banks and shoals in the river bed and to recommend the measures which had to be adopted to keep the river navigable (1).

Turning to the life of the different classes, we find a picture of low incomes and low prices. Elsewhere, we have referred to the low salaries paid to the servants of the Company (2). But the low salary of the Company's servants was more than compensated for by the allowances and perquisites, which they enjoyed, and the facilities, which they had, to carry on private trade. There was indeed a wide difference between the nominal salary of an employee of the Company and the real income which he derived, apart from private trade, from the privileges and allowances which belonged to him by virtue of his employment with the Company. Every servant of the Company had the right of free quarters in the factory, or house allowance, if he was married, dinner and supper at the public table or diet allowance if he had his diet apart, lights and

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(1) Consultations, 19 March 1739; 10 October 1740.
(2) See Chapter V, p. 225

attendants (1). Married men usually preferred to stay outside the factory and enjoyed, in addition to their salary, house allowance and diet money.

The " charges dyet" formed an important item of the " charges general" , which represented the expenses of the factories from month to month. Out of a total of Rs 11,598, which formed the expenses of Fort William in October 1712, the " charges dyet" accounted for Rs 2,587 (2). The table was provided with a plentiful supply of plate and was " loaded with every sort of meat and dish which the country could afford, prepared by the Indian, Portuguese, English and even French cooks," and drinks. The expenses, accordingly, had a tendency to go up.

As a measure of economy, the " general table" was abolished with effect from 1 June 1713, and " board wages" were provided for all servants of the Company at the following rates, namely, Rs 40 each per month to all members of the Council, and Rs 20 each per month to all other merchants, factors, writers and doctors. It was further decided that"the President's table should be limited to the expense of Rs 300 per month for provisions, besides wine and other liquors." (3).

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(1) Wilson, 'Early Annals,' Vol.I, 205.
(2) Consultations, 4 December 1712.
(3) Idem, 18 May 1713.

The result of the economy was apparent from the fact that while in May 1713, that is, the last month of the existence of the general table, the "charges dyet" amounted to Rs 2,116-3-9, the figures under the same head went down to Rs 1,376 for the very next month. The economy thus effected was maintained, for the expenses under this head in October 1740 amounted to Rs 1560 only.

In addition to the salary, the diet allowance, free quarters or house allowances, the Company's servants had also other advantages. The President and members of the Council in Calcutta, as also the chiefs and members of the Councils in subordinate factories, received allowances, varying from Rs 12 to Rs 2, on account of their servants. They were further provided with palankeens, horses and camels for their conveyance and services of washermen and barbers.

Apart from statutory salaries, some officers were given gratuities in appreciation of their hard work. In 1739, on a representation by the Sub-Accomptant, the Head Assistant in the export warehouse and the Secretary of the Council that " their several stations required constant and strict attendance and were very laborious taking them off from any other business," the Council in Calcutta agreed to pay them an annual gratuity of

Rs 700 each per annum (1). Since the Sub-Accomptant and the Head Assistant, as senior merchants, were drawing a salary of Rs 320 each per annum, and the Secretary, who was a factor, was drawing an annual salary of Rs 120 only, the gratuity in the first two cases was more than double, and in the third case about six times the salary paid to the holders of these offices (2).

In regulating the expenses of the Dacca factory, in 1723, so that the Company might be at no.more expenses than what was absolutely necessary," the Council in Calcutta made the following arrangement for diet money and other perquisites :-

"Diet money for John Stackhouse, the chief..Rs 40 per month
Humffreys Cole.....Rs 20 "
Edward Reynolds.....Rs 20 "
Thomas Cooke.....Rs 20 "
Samuel Greenhill.....Rs 20 "
William Davis.....Rs 20 "
Nath Hall.....Rs 20 "

A horse for the chief.....	Rs 9	per month
Two chubdars.....	Rs 6	"
Washermen.....	Rs 4	"
Barber.....	Rs 2/8	"
Gurryallys.....	Rs 6	"
Peons.....	Rs 4	"
Flag bearers.....	Rs 2/8	"
Two Mallys.....	Rs 4/-	"
One Merda.....	Rs 3	"
Kismutgars.....	Rs 12	"
Cohars.....	Rs 12	"
Crutchburdar and Hollorcore.....	Rs 5	"
Mussalchey.....	Rs 2	"
Cooks and Butlers.....	Rs 10	"
A Vacqueel.....	Rs 50	"

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(1) Consultations, 5 March 1739.
(2) Idem, 6 October 1740.

Peons were to be entertained and discharged as the necessity of affairs require'." (1).

The salaries of the servants of the Company were thus no indication of their true income. The life of an average Englishman in Bengal was, on the whole, comfortable. Alexander Hamilton, who resided in Calcutta for some time, in 1705-06, left with the impression that "most gentlemen and ladies in Bengal lived both splendidly and pleasantly, the forenoons being dedicated to business, and after dinner to rest, and in the evening to recreate themselves in chaises or palankins in the fields, or to gardens, or by water in their budgerows." (2)

So far as the Indian inhabitants of Bengal were concerned, there were naturally many gradations among them. The administrative system of Akbar, which was then in operation, was top heavy. The Nazim or Subahdar, the Diwan, the Deputy Governors, all received handsome amounts, out of which they were required to defray the expenses of their administrative establishments. The balance, after meeting essential expenses, would remain with them as their personal income.

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(1) Consultations, 25 March 1723.
(2) Alexander Hamilton, 'A New Account of the East Indies' Vol.II, p.7.

The total revenue of Bengal in 1728, in the time of Shuja Khan, according to the calculations of Philip Francis, stood at Rs 1,42,50,562. Of this amount Rs 33,27,477 was spent in the payments for the administrative and military establishments, and Rs 1,09,18,084 was sent to the Royal Exchequer at Delhi(1). In the list of appropriation of revenue, the Nazim was "registered in the Government's account at Rs 10,70,465 for the year, the Diwan or the Collector-general of revenues at Rs 1,46,250 and the Naib or Deputy Nawab at Dacca at Rs 1,00,145. The amounts appropriated on account of faujdars differed widely from Rs 1,80,166 for the Faujdar of Purnea to Rs 16,666 for the Faujdars of Rangpur and Rajmahal. Rai Jugal Kishore, the vakil of the Bengal Government at Delhi, received Rs 3,645, while Alamchand (later Deputy Diwan and Royroyan) as Peshkar got Rs 3,750 (2). Payments either to the less important faujdars or to other officials like the vakil and peshkar compared unfavourably with those made to the men at the top.

The East India Company was not very generous in paying its Indian officials. The vakil (or Attorney)

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(1) Sixth Report of the Select Committee, 1782, Appendix 14, (I.O. Collection No.15).
(2) Sixth Report, 1782, Appendix 14.

who represented its case and was its spokesman at the darbar was paid only Rs 50 per month (1). Ramchandra, who was appointed the vakil of the Company at Murshidabad, on 5 January 1714, was to be paid the following " wages and allowances per month :-

"Wages	Rs 40
Six Kahars	Rs 12
Five Peons	Rs 12/8
One Mashalchi	Rs 2
Menial servants	Rs 3/8
	Rs 70-0-0" (2)

In view of the fact that the vakil at Kasimbazar was " obliged to keep a greater number of servants by reason of the many messages he was obliged to send the darbar officers' , his salary was increased by Rs 30 per month in May 1737 (3).

The salary of the Company's vakil at Delhi was slightly more respectable. Because of the sordid appearance of the old Vakil who, was taking little interest in the affairs of the Company, the Patna Council proposed, in 1737, that a new vakil should be appointed in his place with ' an addition of Rs 100 per month to his wages' so as to " enable him to live in a little more credit" (4).

The lower the rank, the lower obviously was the salary paid to an employee. Kalicharan Dutt, who had

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(1) Consultations, 18 June 1713.
(2) Idem, 5 January 1714.
(3) Idem, 30 May 1737.
(4) Idem, 25 April 1737.

proved to be very useful in the collection of the Company's cash was given a salary of Rs 30 per month (1). Zecharia Gee, a junior clerk of the peace, was paid Rs 297-1-0 on account of his salary for six months, that is less than Rs 50 per month (2). The wages of a peon at Rajmahal figured rather prominently in the Consultations, the rate being Rs 2/8 only per month.

The amount paid for hiring boats was high compared with the low income of the people in general. In 1738 two pilots had to be paid Rs 10 each for their dingee boats (small boats) from Nadia to Jalanghi, situated at a distance of about sixty miles. In the same year, six boats hired from Jalanghi to Calcutta were paid at the rate of Rs 15 each (3).

The following detailed expenses of Captain Holcomb's party carrying saltpetre and silk, etc., from Patna to Calcutta in 1734 give us an idea of the payment made for different kinds of services and labour :-

" To Pulwars (boats) from Patna to Mircha...Rs 192
To Wages of two Chowdies (?) for going to Patna and back to Mircha..... 60-0-0
To charity at different times..... 10-0-0
To Cooley hire and expenses at Baddalpore in three budgerows and soldiers' boats half way to Jellenghee and being obliged to bring them back..... 70-0-0

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(1) Consultations, 23 June 1740.
(2) Idem, 22 December 1740.
(3) Idem, 12 June 1738.

To Two Drogars (?).....Rs	35-0-0
To six Pullwars and Pilotts from Buddalpore for mine and Capt.Alliot's party	60-0-0
To two Leaguers of Arrack for mine and Capt.Alliot's party.....	120-0-0
To cash paid at Rajapore 22 boats laden with the Hon'ble Company's bales and saltpetre.....	223-0-0
To two dandys who were accidentally wounded and wages of two men.....	12-0-0
To oyl for the soldiers and candles for my own and officers' use.....	45-0-0
To a present of 5 yards fine broad cloth to Aga Buckah at Rajapore.....	40-0-0
To do : 12 bottles of hungary water...	10-0-0
To dingys, Pulwars and pilots for mine and Capt.Alliot's party from Rajapore to Calcutta.....	100-0-0
To cash paid the Doctor for necessaries for the sick.....	30-0-0
To Syrang of the Pinnaces.....	12-0-0
To dyet money for a serjeant and two corporals and one Buzer (signaller?) that were behind at Rajapore.....	20-0-0
To cash paid a Pulwar in Calcutta four months wages Rs 15 per month which Ram Ram Banian agreed for.....	60-0-0
To cash paid Captain Hamilton at Pannarack.....	500-0-0
To balance of Capt.Account.....	134-0-0
To do Capt. Smith's account.....	200-0-0
	1979-0-0
Batta 10 per cent	197-14-6
Balance paid the Hon'ble Company	573-1-6
	2750-0-0 (1)

Turning to the sundry workers, we find that the Syrangs and Laskars were given their provisions and paid Rs 10 and Rs 5 per month as their wages (2).

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(1) Consultations, 15 January 1734.
(2) Idem, 19 March 1739.

The Kasimbazar Factory Records show the monthly rates of wages for building workers and others in the year 1739 as detailed below :-

" Bricklayers ..... Rs 3-0-0
Carpenters 2-15-0
Women 1-0-0
Coolies 2-0-0
Boat manjiees 3-0-0
Peons 2-8-0
Darwan 2-8-0
Washerman 10-0-0
Barber 3-0-0
Masalchis ..... 2-0-0" (1)

The income of the average man was thus admittedly poor. None the less, the satisfaction which a man could get for his money was considerable. Since the purchasing power of money was high, a man could have plenty to eat by spending only a few annas per month.

Rice was then, as now, the essential article of food for the people of Bengal. Its price, accordingly, has a bearing on the economic position of the people. In 1739, Sarfaraj Khan was the Subahdar of Bengal. His Subahship, though short lived, had one distinction. It was during his Viceroyalty that the western gates of the city of Dacca, which were not to be opened since the departure of Shaista Khan unless the price of rice came

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(1) Factory Records, Kasimbazar, Vol.V, Charges General for December 1739.

down to the level of eight maunds per rupee, were re-opened (1). Coarse rice was available also at Murshidabad at the rate of 7 mds. 20 Seers a rupee in 1729. Slightly better varieties of coarse rice could be had for 5 mds.25 Seers, 4 mds.25 Seers and 4 mds.15 Seers per rupee according to quality (2). Roughly speaking, therefore, the price of ordinary rice varied from two annas to four annas per maund. Under such conditions, a man earning Rs 5 per month had little difficulty to make ends meet for himself and a small family.

Such conditions of low incomes and low prices possibly kept the people contended. But a society of this type could not have been economically prosperous. None the less, it was better than the picture of Bengal we find one hundred years later. While wages remained, more or less, static, the price of articles later went up by leaps and bounds. The price of rice in the Murshidabad district, from 1836 to 1870, as recorded in Hunter's "Statistical Account of Bengal", is worth considering in this connection :-

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(1) Riyazu-S-Salatin, edited by Salam, p.228.
(2) Sixth Report from the Select Committee, 1782, Appendix 15.

Year		Amount of Rice per Rupee Seers.		Chataks	
1836 - 37	. . .	44	-	0	
1837 - 38	. . .	38	-	7	
1838 - 39	. . .	55	-	0	
1839 - 40	. . .	45	-	13	
1840 - 41	. . .	34	-	13	
1850 - 51	. . .	44	-	11	
1858 - 59	. . .	22	-	0	
1859 - 60	. . .	24	-	15	
1860 - 61	. . .	28	-	10	
1869 - 70	. . .	29	-	5	(1)
1739 - 40		320	-	0	
1776 - 77		50	-	0	(2)

According to the same authority, in 1858, coolies received about Rs 3 per month and brick-layers and carpenters Rs 6 per month. In 1870, coolies received about Rs 4, brick-layers Rs 10 and carpenters Rs 8 per month. In 1872-73, women received from about Rs 2 to Rs 3 per month.

Comparing the rates of wages and the price of rice in 1739 with those in 1858, we find that while the rate of wages for coolies increased by 50 per cent and for brick-layers and carpenters by 100 per cent in 1858, the price of rice went up by $1454\frac{6}{11}$ per cent, that is, nearly fifteen times. Even if 1858-59 were regarded as a year of abnormal scarcity, the tremendous increase in the price of rice throughout the nineteenth century is easily noticeable. The conclusion, therefore, appears irresistible that the common man had far more to eat and

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(1) Hunter, 'A Statistical Account of Bengal, Vol.IX,p.III

(2) Sixth Report, Appendix 15.

his condition was far better in the early eighteenth century than in the nineteenth, not to speak of present times.

The standard of life in the upper strata of society can be, to a certain extent, judged from the articles used by them. The East India Company's servants, we are told, used to wash their hands in silver ewers and basins at the beginning and end of each meal. The chief and the second in the Council in Calcutta used to move about in palanquins, while the rest of the Council and the Chaplain enjoyed the honour and luxury of having large umbrellas borne above them in solemn state (1). Recreation in the river in luxurious bajras provided with lounges and other amenetie was a common pleasure (2).

The extravagant way of life was seriously regarded and censured. In 1728, the Council took notice of the conduct of some of the covenanted servants who had contracted debts by living extravagantly, keeping palanquins, horses and chaises. The Council ordered that none of the Company's servants should be allowed to live out of the factory, excepting those that were married, or keep a palanquin, horse or horses and chaise,

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(1) Wilson, 'Early Annals,' Vol. I, p. 63-64.
(2) Alexander Hamilton, 'East Indies', Vol.II, p.7.

unless the President was satisfied that he had the means to maintain the standard (1).

The presents given by the Company to Indian officials and dignitaries show the nature of articles that were valued and prized by the aristocracy in the province. Not merely were the Governors , Deputy Governors, Faujdars and other high officials sought to be satisfied with presents, but the recipients of presents also included the members of the landed aristrocacy like the Raja of Krishnagar through whose zamindary the goods of the Company used to pass on their way to and from Calcutta (2). Apart from broad cloth of many varieties and standards of workmanship, which was the usual article of present, the list included cutlery wares and knives of silver and glass, snuff boxes, spectacles, looking glasses, sword blades, pistols, flintwares, etc (3). The fact that these articles were so highly valued by the aristocracy proved the comparative backwardness of Bengal in certain forms of mechanical arts.

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(1) Consultations, 8 July 1728.
(2) Idem, 13 September 1736.
(3) Idem, 2 October, 1704 and 25 March 1723.

The plight of Ramnath Bose, the banian of John Stackhouse, who was President of the Council in Calcutta from February 1732 to January 1739, brought to public notice the articles of luxury used by the rich classes in those days and the ornaments worn by the upper classes of the Hindu women. As the banian of the President, Ramnath Bose carried on business for lakhs of rupees. Unable to honour his obligations to the Council, Bose had to hand over to them the ornaments and household articles of the family. Among the articles he surrendered were bracelets for women's arms and hands, chandrahar (necklace) for the neck, ear jewels, guggera (?) for the arms, necklaces of eight rows, pin ears for the arms (?), cane heads (tires), earings - all made of gold. Silver bracelets for women's arms, feet and belts; washing pots, basins, cups, water pots and sloops (?), betel boxes and plates, plates for rose water, spice boxes, tea pots and plates, spoons, snuff boxes, etc., - all made of silver - were some of the articles that had to be made over to the Company in repayment of his debt (1). Among other valuable articles which he parted with were gold toys worth Rs 800, "appraised by some persons well acquainted therein" (2),

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(1) Consultations, 9 April 1739.
(2) Idem, 31 May 1739.

and Paris looking glasses worth Rs 100 to Rs 130 each (1).

If we remember that Ramnath Bose was a merchant and did not belong to the landed aristocracy or the nobility properly so called, we may well wonder at the articles of luxury used by the grandees.

The Public Consultations of Bengal throw some light on the health and climate of the province in the early eighteenth century. Dacca, now a tolerably healthy place, frequently came under notice for its unhealthy climate, while Nadia and Kasimbazar, which are now notorious for malaria, enjoyed, at that time, a reputation of being health resorts (2).

John Russell, the President of Fort William, was, in 1713, advised by his physicians "to go up to Nadia for change of air, as the only means left for the recovery of his health" (3). The change indeed did him good. But he had a relapse on his return to Calcutta, which his doctors "imputed to the difference between the air of this place and Nadia." They therefore advised him to go thither again. Thirty soldiers who were then indisposed went to Nadia with Russell for the recovery of their health (4).

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(1) Consultations, 12 November 1739.
(2) Idem, 1 July 1723; 3 August 1724; 28 September 1729.
(3) Idem, 3 January 1713.
(4) Idem, 23 February 1713.

Alexander Hamilton, who visited Kasimbazar in 1705-06, testified to the healthy climate of the place. Orme, writing in Calcutta in 1752, testified to "excellency of the climate of Kasimbazar." The English in Calcutta used to go to Kasimbazar for the recovery of their health (1).

Patna was noted for its healthy climate (2).

The policy adopted by Murshid Kuli Khan of closely associating the Hindus with the work of administration was pursued throughout the period. The names of Bhupat Rai, Darpa Narayan, Shiv Narayan, Kinkar Sen, Dalip Singh Hari, Raghunandan, and Alamchand figure prominently in the Persian and English records. During the Viceroyalty of Shuja-ud-din, his son Sarfaraj Khan was the nominal Dewan, but the real power in revenue administration belonged to Alamchand who formally held the office of the Deputy Dewan. Krishnaprasad Ghosh, as the Deputy of Haji Ahmed, carried on negotiations with the English factory at Kasimbazar at crucial moments (3). The Haji also valued the services of his Secretary named Sitaldas (4).

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(1) Long, 'Selections from Unpublished Records,' p.310.
(2) Consultations, 29 November 1735.
(3) Idem, 29 November 1739.
(4) Idem.

One noticeable feature of the early contact of the English with the inhabitants of Bengal was the close relations that were established between the English traders and the Bengalees belonging to the lower castes of Hindu society. In 1679, when the first English ship, the "Falcon", entered the waters of the Ganges in Calcutta, Ratan Sarkar who was a dhoba or washer man by caste, was appointed the dobhasiya or interpreter by the English (1). He gave a good account of himself and was enriched by his connection with the Company. The name of this earliest liaison officer of the Company is still commemmorated in Calcutta by the Ratan Sarkar Garden Street.

The earliest of the banians and employees of the English were recruited not from among the Brahmans and higher castes, but from the Seths and Basacks who then, as now, formed the most important mercantile community in Bengal. Janardan Seth, Vanarasi Seth, Sukhamoy Seth were prominent among the Company's brokers in Calcutta. Huto and Bali Cotma figure in the records of the Kasimbazar factory. Jagat Das, Nandaram, Rambhadra were the predecessors of Gobindaram Mitra, the celebrated "black zamindar" of the Company in the eighteenth century.

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(1) Wilson, 'Early Annals', Vol.I, p.59.

The eighteenth century was not noted for high moral standards. There was little respect for the life of man. Slavery was a common trade in Calcutta. The Company's records bristle with the wills of respectable Englishmen showing that they owned slaves. The duty on slaves formed an item of the heads of revenue in Calcutta every month. The most considerable amount realised as revenue from this source, in any particular month during the period under review, was Rs 558-6-0, in September in 1738 (1).

In 1731, John Stackhouse, the then chief of the Kasimbazar Factory, had to give an undertaking, on behalf of the English, to the Nawab " not to buy any other natives either male or female as slaves" (2). The confinement of two Persian boys by the English soldiers was one of the causes of the estrangement of relations between the Nawab and the English in 1732 (3).

Little value was, in fact, set on the life of a man. Among the expenses of the " Patna party" given by Captain John Lloyd, in 1738, there was an item of expense for Rs 10 which was explained thus, " To what paid the brother of a dandy (boatman) that was accidentally killed

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(1) Consultations, 20 December 1738.
(2) Idem, 22 November 1731.
(3) Idem, 7 August 1732.

by a soldier to prevent any further complaint" (1). The fact that a man could be satisfied with Rupees Ten only not to create any trouble over the death of his brother showed, on the one hand, the utter poverty of the people, and on the other, the extreme callousness of the value of human life both on the part of the offender and also on that of the relations of the victim.

One redeeming feature of the activities of the English in Calcutta was their spirit of toleration. In Calcutta, wrote Alexander Hamilton, all religions were freely tolerated, but the Presbyterian. The pagans carried their idols in procession through the town. The Roman Catholics had their church to lodge their idols in; and the Mohamedan was not discountenanced (2). Hamilton also noticed the principle of toleration being followed in practice in the administration of Bengal as a whole. "The religion of Bengal," said he, "by law established is Mohamedan, yet for one Mohamedan there were above a hundred pagans, and the public offices and posts of trust were filled promisculously with men of both persuasions" (3)

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(1) Consultations, 12 June 1738.
(2) Alexander Hamilton, 'East Indies', Vol.II,p.8.
(3) Idem, p.14.

The works of relief and charity for the benefit of the individual or of the community were certain other features deserving of commendation. The Church of St.Anne which was completed in 1709 was the outcome of the spiritual zeal of some Englishmen led by Benjamin Adams who was a Chaplain of the Company. It was kept in good order at the Company's expense (1).

Liberal provisions were made for the stores and medicines placed at the disposal of the Company's doctor and for the maintenance of the hospital. In 1730, a sum of Rs 6931-7-3 was spent under these two heads (2). In 1735, a couple of upper rooms were added to the hospital building to provide for a resident physician, and a public dispensing shop was started " at one of the ends of the hospital." (3).

In 1720, bequests were made by Joshua Thomlinson, a Chaplain, and his widow Elizabeth Thomlinson for starting a charity school in Calcutta (4). The husband

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(1) Consultations, 2 June 1729.
(2) Idem, 5 November 1731.
(3) Idem, 26 March 1735.
(4) Idem, 2 June; and 12 September 1720.

and the wife, between them, had bequeathed Rs 120 for the school. The sum, though small, formed the nucleus of a fund to which was added Rs 2000 by the bequests made by Isaac Berkley, an inhabitant of Calcutta, who died in July 1720 (1). By 1733 the charity school had a fund of Rs 8742-7-0 which was " deposited at interest" to provide for the books of the school (2).

Emergency relief was provided by the Company, on an organized scale, for the army and the people on certain extraordinary occasions like a civil commotion on the death of a ruler, reported invasions from outside and scarcity of food grains caused by famines. In 1707, fearing some local disturbances on the news of Aurangzeb's death, 5000 maunds of rice and 1000 maunds of wheat were procured and kept in stock in Calcutta for the use of the Company's garrison (3). In 1739, during the invasion and occupation of Delhi by Nadir Shah, fearing that the changed situation at Delhi might lead to trouble in Bengal, the Council in Calcutta decided to purchase 20,000 maunds of rice and start a

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(1) Consultations, 25 July 1720.
(2) Idem, 17 April 1733.
(3) Idem, 7 April 1707.

granary in the town " to supply the inhabitants in case of an emergency" , lest the darbar should stop the boats coming to Calcutta with rice," while the government was yet unsettled." (1)

Relief was provided by the Company for the people of Calcutta when there was a scarcity of the food grain in the city. In August 1710, since the inhabitants of the place had difficulty in getting rice which was very scarce, the Council in Calcutta ordered the bakshi (or the military paymaster) to dispose of the Company's stock of rice at 1 maund 10 Seers per rupee and to replenish it when new rice would be available after the harvests (2).

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(1) Consultations, 26 March 1739.
(2) Idem, 24 August 1710.

The comparative price of rice in the early eighteenth century and during the nineteenth century has been discussed on pp.328-330. It should be noted that the price there quoted was for coarse rice only which was taken by the mass of the people.

The finer varieties of rice which the Company purchased and stocked for the use of their servants in the table or for exportation naturally had a higher price at all times. The following price list for rice of different varieties in 1729 and 1776 as prepared by Warren Hastings and recorded in the Sixth Report (1782-83), Appendix 15, makes the position clear :-

Footnote continued :-

	Price in 1729 :		Price in 1776	
	mds.	Seers :	mds.	Seers
Rice, Fine, called Bansphool		:		
1st sort, per Rupee	1.-	10 :	-	16
2nd sort Do	1.-	23 :	-	18
3rd sort Do	1.-	35 :	-	21
Coarse Rice, called Desna..	4.-	15 :	-	32
Poorbie	4.-	25 :	-	37
Munsurah ...	5.-	25 :	1 -	-
Kurkashallee	7.-	20 :	1 -	10

It is apparent, therefore, that the price of rice varied widely in the same year according to quality. The price discussed on pages 328 - 330 is for coarse rice "which formed the principal consumption of the people" of Bengal. The urban people in Calcutta who were much better off and the Englishmen dealt with the finer quality of rice. The rice sold by the Company at 1 maund 10 Seers for a rupee was obviously of a fine sort.

The conditions of famine, which became visible in 1710, reappeared in 1711, when several thousands of people " famished for want of rice". To provide relief to the citizens of Calcutta, the Company decided to forbear taking rent from them " till such time as grain became cheaper." Five hundred maunds of rice was distributed among the poorer sections of the inhabitants of the town. To make up for the loss thus incurred, the Council in Calcutta sent the ship 'Mary Buyor' to Balasore " to bring up her loading of rice, the profit of which, when sold, would countervail the same." (1).

There was little improvement in the supply position of rice in the harvesting season of the following year. The Company, therefore, decided to relax the restrictions regarding dastaks and allowed the poor tenants of Calcutta the liberty of their dastaks for rice only. The Company's zamindar was asked to register all dastaks so given and see that every recipient of such dastaks landed his rice in Calcutta. The bakshi was further ordered to " provide what rice procurable from the properest places where it might be had at the most reasonable rates." (2).

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(1) Consultations, 9 July 1711.
(2) Idem, 24 January 1712.

The Company's anxiety to feed the people of Calcutta was intelligible. None the less, the propriety of the relaxation of the dastak to procure rice for local consumption in Calcutta alone, free of duty, by virtue of its privileged position was open to question.

The conditions having improved in 1716, the duty on rice was reimposed in Calcutta. The duty levied was one and a half seer on every maund. The duty could be paid also in cash (1).

In August 1734, apprehending the chance of a famine, the Company decided to encourage the importation of rice in Calcutta and suspended the import duty on this commodity. But the duty both on export and import would have to be paid by the exporter if any rice was exported from the town (2). Fortunately, however, the situation showed a marked improvement in the next harvesting season, and the duty was levied again. (3)

No incident showed the solicitude of the Company for the suffering people of Calcutta more clearly than the great storm which passed over the town on the night

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(1) Consultations, 4 September 1716.
(2) Idem, 5 August 1734.
(3) Idem, 2 November 1734.

of 30 September and 1 October 1737. The virulence of the storm was so great and the range of destruction so wide that Calcutta " looked like a place that had been bombarded by an enemy" . Thomas Joshua Moore, the Company's zamindar, stated in his report that the ravages of the storm had rendered the inhabitants of the " black town" destitute." By the violent force of the wind the river overflowed so much that a great quantity of rice was entirely spoiled," and nearly 3000 inhabitants were killed and a large stock of cattle, goats and poultry were destroyed. The loss to the Company's property and shipping was extensive. No building in the town escaped damages, not a ship but the 'Duke of Dorsett' could be seen in the river, where in the previous evening no less than twenty-nine vessels, great and small, had cast anchor. In consideration of the great distress of the poor people in the town, the Company suspended the collection of revenues till the situation should take a turn for the better (1).

The loss on the Company's revenue in Calcutta from the effect of the storm can be realised from the gross and net revenue for the month of October 1736 and comparing the same with the figures for October 1737 after

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(1) Consultations, 24 October 1737.

the storm, as given below :-

		Revenue Gross Rs. A. P	Nett Rs. A. P
October 1736	:	5880 -12-0	4407 - 1 -9
1737	:	2526 -10-6	631 -12-0 (1)

The immediate effect of the storm thus resulted in a reduction of the net revenue income of Calcutta by about 85 per cent.

The effect of the storm was felt, in 1738, in the following rainy season, when the price of rice shot up and conditions of famine were discernible. Both the Government of the country and the East India Company tried to secure relief for the people by putting a stop to the exportation of rice. The Council in Calcutta proceeded further and tried to succour the poor people by obliging the merchants in Calcutta to sell rice at a reasonable rate to them (2).

Since the merchants were suspected of concealing rice in their houses instead of selling it at the rate of 30 Seers a rupee, which was the price fixed by the Council, two inspectors were appointed to hold a strict enquiry and bring the hoarded rice into the open market(3).

The Calcutta Council at this crisis rose to the occasion and, even at the risk of incurring the

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(1) Consultations, 5 January 1737 and 27 December 1737.
(2) Idem, 5 June 1738.
(3) Idem, 12 June 1738.

displeasure of the authorities in London, did away with the import duties on rice, so that the commodity might easily flow into the town. The Council also began to purchase from merchants the rice which they had got ready for exportation and preserve the same for the use of the garrison " to prevent any mutiny or tumult among them." (1).

The regulations of the Council had the desired effect, and rice was sold by the merchants at their golas or stores at the price fixed (2).

The scarcity of 1738 was felt acutely at Jagdea where a terrible famine filled the whole area with robbers. The Company had to maintain there an additional number of peons for the protection of their washermen.

The Government, however, attributed the famine of 1738 partly to the huge quantity of rice hitherto exported by the English and wanted the Company to divert some of the rice boats from Calcutta to other parts in the country (3).

Relief was also given to individuals in suitable cases. The widows of the servants of the Company were

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(1) Consultations, 12 June 1738.
(2) Idem, 19 June 1738.
(3) Idem, 20 July 1738.

the special objects of charity. In 1740, the widow of Ralph Johnson, a senior merchant of the Company, who brought her miserable plight to the notice of the Council was given a sustenance allowance of Rs 35 per month. A similar relief of Rs 20 per month was given to the widow of John Hunter who was a pilot of the Company for fifteen years (1).

We bring this chapter to an end by referring to an act of charity made in 1740 to Elizabeth Bowridge, the daughter of Job Charnock. The petition of this lady showed the intimate association which the family of the founder of Calcutta had with the East India Company in Bengal. It recalled the connection of the petitioner's family, " of her father Job Charnock and brother-in-law Sir Charles Eyre (2) having filled chairs of this Government and of Jonathan White (3) and Thomas Feake, (3A) two other of your petitioner's brothers-in-law and also of her husband William Bowridge (4) having served diverse years in the Hon'ble Company's service at this settlement in high stations." In view of the

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(1) Consultations, 1 December 1740.
(2) The E.I.Company's Agent in Bengal from 1694-95 and the first President of the Fort William in Bengal,1700-01.
(3) Member of the Council 1700-04;
(3A) Member and later chief at the Dacca Council.
(4) Died in 1724.

unhappy circumstances to which the lady was reduced, the Council in Calcutta sanctioned her an allowance of Rs 50 per month (1). Seldom could the government of Calcutta have a more worthy object of charity.

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(1) Consultations, 7 July 1740.

Chapter VII

Some Conclusions

English traders went to India early in the seventeenth century when the great Akbar was still living and the Moghul empire was at the summit of its power and prestige. Born in the reign of Queen Elizabeth I, the East India Company was still in an infant stage in the reign of Queen Anne, when on the death of Aurangzib, the once mighty Moghul empire was tottering. It was not till the reign of Queen Victoria that the whole of the Indian sub-continent from Peshawar to the Bay of Bengal and from Kashmir to Kanyakumari came under the Company's rule. The period from 1704 to 1740, which forms the subject of our study, can, therefore, be said to represent the early adolescence of the East India Company in Bengal, when political power had not yet come to its possession. But the economic hold which the Company had established in Bengal foreshadowed for it a promising future. The child of 1717, which was clothed with legal status by Farrukhsiyar, was destined to be the youth of 1757, full of vigour and ready to strike at Plassey.

The Fort William Consultations, which flow from 1704 to 1740 without a break, give us a glimpse of the activities of the East India Company and its influence on the economy of Bengal at this formative period. Even in the seventeenth century, the English had found that the farman or charter granted by one Emperor might be disregarded by his successor and that the imperial farman was not always regarded as sacrosanct by the provincial rulers. This naturally gave an element of uncertainty and instability to their position as traders. The uncertain political conditions in eastern India brought home to them the necessity of having a fortified settlement whose permanence and stability could be assured by the possession of estates yielding a steady supply of revenue. Hence the purchase of zamindari rights over the "Calcutta towns" and the construction of Fort William were valued by them because they ensured a regular income and facilitated the movement of their trade.

Early in the eighteenth century, the English had realized that, despite the tottering condition of the empire, the name of the great Moghul commanded considerable

awe and respect all over India. The unhelpful attitude of Nawab Murshid Kuli Khan in Bengal caused them to approach the imperial authorities at Delhi to get a consolidated farman embodying their rights and privileges. The farman of 1717 conferred on them powers, which, in modern parlance, would be regarded as "extra territorial." The fortification of Calcutta and the acquisition of zamindari rights had given them military security and legal status. The farman of 1717 recognised all existing privileges enjoyed by the Company and conferred on them some new ones, which placed them in a superior commercial position over all other merchants, Indian and foreign. It remained the sheet anchor of the Company's rights in Bengal till the battle of Plassey.

The Company had to face powerful opposition in the execution of the provisions of the farman. Both Murshid Kuli Khan and Shuja-ud-din Khan, the Subahdars of Bengal, put obstacles in their way. The exuberance of the Company's servants, on the other hand, led them many a time to exceed its provisions and precipitate awkward situations of conflict with the Government out of which they could extricate themselves only on payment of heavy fines.

The presence of the European rivals of the English, the Dutch, the French and the Ostenders, enabled the Nawab to play off one against the other to his advantage. But ultimately, the English emerged triumphant. The Ostend competition, so dreaded by them, was never, in fact, a serious menace. Though there was no love lost between the English East India Company and the Dutch and the French Companies trading in India, the position of the English was certainly strengthened by the prolonged hostility of the French and the Dutch, which was a prominent feature of international politics in the seventeenth and eighteenth centuries. Political developments in Europe sometimes compelled the English to conceal their anti-Dutch attitude in India and to remain content to watch their rivals wear each other out (1).

The English East India Company had also to cope with the opposition of the banking and trading communities in India led by the house of Jagat Seth. The right of coining money at the Murshidabad mint was denied them by the Nawabs of Bengal mainly at the instance of Jagat Seth, who, as the banker of the Government, regulated the supply of bullion and the coining of money

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(1) During the war of the League of Augsburg, Pondicherry was captured by the Dutch, but it was restored to the French by the Peace of Ryswick (1697).

at the mint. The use of the mint by the English Company, which carried on an extensive trade in Bengal, would naturally be detrimental to those having vested interest in the mint.

Denied the privilege of coining money at the Murshidabad mint, the English met with no better success in their attempt to secure the circulation of Madras rupees in Bengal according to the terms of the farman. The provision of the farman permitting the circulation of Madras rupees in Bengal would have been an advantage to the English as they had a mint of their own at Madras where they coined rupees. But here also their interests came into conflict with those of the shroffs, and, particularly, of Jagat Seth, who controlled and regulated the batta or the discount rate for different types of rupees. The batta problem remained unsolved for a long time, even after Plassey.

As time passed and the English gained greater stakes in Bengal, they resented more and more the restrictions under which they had to carry on their trade. In their opinion, those restrictions were not justified in terms of the farman. These economic and financial considerations played a large part in moulding their policy for forty years prior to the battle of

Plassey and had a decisive influence in the treaties that were made by them with Siraj-ud-daula and Mir Jafar Khan in 1757 (1).

The demoralised condition of the rulers was visible to a careful observer, as early as 1732, when Anoopchand, the Vakil of the English at Delhi, drew their attention to the miserable plight of the court, which was 'drowned in luxury', and of the King and nobility whom he branded as cowards. This was revealed on the occasion of the invasion of Nadir Shah in 1739, when the Nawab of Bengal and his advisers made a shameful betrayal of their weakness by their ready acknowledgment of the authority of the conqueror who was about a thousand miles away from Bengal; and even went on to coin siccas in his name at the Murshidabad mint.

The English themselves were extremely nervous at the time of Nadir Shah's invasion. They had realised the inherent weakness of the Bengal Government. By 1740, they felt strong enough to tell the Government that the security of strategic points like Patna was dependent on their armed strength. But, as a rule, they avoided any military conflict with the Government of the day. They followed the advice of the Directors of the Company, who, in their letter of 21 February 1728, recommended to

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(1) See Chapter II, p. 38

the Council of Fort William to maintain friendly relations with the Nawab of Bengal and not to do anything to annoy him; but if at any time the occasion should arise, the Council were advised " to appear resolute to insist upon, defend and preserve their grants and privileges at the cheapest rate possible." (1)

Much has been written about the private trade and the abuses of dastaks practised by the Company's servants. In the preceding pages, we have seen that the Company's servants were not the only sinners. The Moghul nobility were no less greedy in this respect. As the Riyazus-Salatin tells us, goods purchased in the garb of " sauda-i-khas" or private trade of high Government officials were sometimes resold to the merchants and passed into the market as " sauda-i-am" or public transactions on behalf of the Government (2).

The Nawab and the Company differed in their interpretation regarding the nature of the goods covered by the provision of the farman, which gave the Company

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(1) Bengal General Letter dated 21 February 1728, Letter Book, Vol.21, No. 1727-29, p.427½
(2) Riazu-s-salatin, translated by Salam, p.246-47.

the right to carry on trade free of customs. The Company's servants, no doubt, very often exceeded the privilege. None the less, it must be admitted that the vigilance of the Nawab and the disciplinary measures taken by the Company kept these abuses under control in the first half of the eighteenth century.

Bengal, in the early eighteenth century, enjoyed a prosperous foreign trade. The abundance of her agricultural products and the excellence of her manufactures left little scope for the import of articles from outside. The traffic of international trade was, therefore, rather one-sided. The excess of exports over imports had to be paid for by bullion which flowed into Bengal in increasing quantities as her trade with foreign countries and with Europe grew in volume.

" Europe bleedeth to enrich Asia", wrote Sir Thomas Roe, early in the seventeenth century. The truth of this statement was fully illustrated in the first half of the eighteenth century when Bengal had a continuous excess of exports over imports in the European trade. The mercantile theory of economics, which was then current in Europe, did not favour the idea of the flow of specie out of a country. This explains the anxiety of the East India Company to pay for their Bengal goods by articles manufactured in England, particularly by the

woollen products known as broad cloth. But they had little success in their efforts, and the demand for bullion continued through-out the period.

Bengal textiles and calicoes had established such a grip on the English market that laws had to be passed by the English Parliament against their importation. These restrictive measures, however, had little adverse effect on industry in Bengal, as the English merchants carried on a lucrative re-export trade to Europe. The industries of Bengal, therefore, held their own in the world market till after the first half of the eighteenth century, when they had to acknowledge defeat before the mechanised system of production evolved in the West.

Though we find references to production based on a factory system (for example, the karkhanas) in Moghul India in the works of Indian and foreign writers, the economy of Bengal was essentially based on a system of almost self-sufficient villages where the cultivator and the weaver pursued their eternal avocation with the little money that filtrated into their hands through a number of middle men who stood between them and the big merchants. Society, which was insular in nature, failed to take notice of the changes which were taking place in other parts of the world. The caste system with all its rigours

operated against the mobility of labour and the progress of society from that of status to contract.

There was no dearth of capital in Bengal, though there was little indication of any capitalistic enterprise. There were indeed fabulously rich bankers, who maintained branches in and outside the province. Their drafts and letters of credit were negotiable even beyond the boundaries of India. But the indigenous banking system was over-dependent on the credit of particular individuals or families and did not adapt itself to the principle of joint stock that had given so great a stimulus to the contemporary commercial enterprises in England.

The economy of Bengal was ill balanced. Wealth was confined to the hands of a small minority lacking in enterprise and impervious to the necessity of developing the potential resources which were present in the country in abundance. A few middle men clustering round the settlements of foreign traders made fortunes, and the ruling nobility made a show of their wealth at the court and the darbar, but the people, as a whole, were poor, though not so poor, in comparison with the people of Europe, as now. There was no enlightened middle class

to form the backbone of a healthy social system.

Certain aspects of the activities, or rather the lack of activity, of the people of Bengal may be discussed to show their want of willingness and capacity to recognize facts and to adjust themselves to changing circumstances. The undoubted superiority of European ships, which were far ahead of Indian ships in the quickness of movement and efficiency of transport in carrying foreign and coastal trade, was easily noticeable. Though this was evident ever since the coming of the Europeans, no attempt was made by the Moghul Emperors or by the semi-independent Subahdars of Bengal to build up a navy or to improve their merchant marine so as to match the naval and maritime superiority of the Europeans, which indeed seemed to have been taken for granted. For more than one hundred years before the battle of Plassey, the patrolling of the waters of the Bay of Bengal by the ships of the East India Company and other European powers made no impression on the rulers and people of Bengal who failed to adjust themselves to the developments of the time.

Another feature that strikes a modern student was the lack of scientific approach that characterised the thoughts and activities of the Government and the

people. In spite of the vast superiority of the manufactures of Bengal, particularly of textile products, little attempt seems to have been made, while the country had not yet become politically dependent, to import or encourage scientific talents to improve the techniques of production. The English had occasion to complain against the French , the Dutch, the Swedes, imitating their way of producing certain articles marketable in Bengal, but never against the Indian manufacturers. Both the Government and the people appeared to be indifferent to the changes that were taking place in the world outside. This spirit of self-satisfaction was fatal to economic progress. Napoleon I is reported to have once said, " To improve, if we mean to preserve, is the verdict of history." No attempt at improving the economy of Bengal on an organised scale by her rulers and people is visible in contemporary records. This atmosphere of complacency brought about a condition of stagnation and contained, in truth, the seeds of economic and political decay.

APPENDIX I

Subahdars of Bengal from 1700 to 1740

Names:	Years:	Remarks
Azim-ush-shan	1697-1712	Murshid Kuli Khan appointed Diwan in 1700.
Khani-Jahan	1712-1713	Civil war among the sons of Bahadur Shah.
Farkhunda-Siyar (infant)	1713	Murshid Kuli Khan as deputy
Mir Jumla (in absentia)	1713-1716	Ditto
Murshid Kuli Khan	1717-1727	Appointed first as Diwan of Bengal by the Emperor Aurangzib (1700); Diwan of Orissa (1701);Deputy Subahdar and Subahdar of Orissa (1703); Diwan of Bihar (1704);Deputy Subahdar of Bengal (1707); all the offices were being held simultaneously; Transferred to the Deccan (1708-09); Re-appointed Diwan of Bengal (1710-); Deputy Subahdar of Bengal (1714); full Subahdar of Bengal (19 October 1717 to 30 June 1727).
Sarfaraj Khan	July-August 1727	Grand son by daughter of Murshid Kuli Khan and son of Shuja-ud-din Khan.
Shuja-ud-din Khan	September 1727 to March 1739	Son-in-law of Murshid Kuli Khan and father of Sarfaraj Khan.
Sarfaraj Khan	13 March 1739 to 10 April 1740	
Aliwardi Khan	18 April 1740 to 10 April 1756.	

APPENDIX II

Presidents and Governors of Fort William from the establishment of the Bengal Presidency in 1700 to 1740

Names	Assumed charge of office	Remarks
Sir Charles Eyre	26 May 1700	Son-in-law of Job Chamock; left, on account of ill health, on 7 January 1701.
John Beard	7 January 1701	Died at Madras, 7 July 1705. On the death of Beard, the post of President was, for a time, in abeyance, the members of the Council presiding in rotation.
Anthony Weltden	20 July 1710	Appointment revoked by orders of the Court. The designation of Weltden and his successors was "President in the Bay and Governor and Commander-in-Chief of Fort William in Bengal for the United East India Company!"
John Russell	4 March 1711	
Robert Hedges	3 December 1713	Died 28 December 1717
Samuel Feake	12 January 1718	
John Deane	17 January 1723	
Henry Frankland	30 January 1726	Died 23 August 1728
Edward Stephenson	17 September 1728	
John Deane	18 September 1728	
John Stackhouse	25 February 1732	Relieved on 29 January 1739, but remained in India; died 28 September 1741 in Calcutta.
Thomas Braddyll	29 January 1739	

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APPENDIX IV

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(India Office Records, Home Miscellaneous Series, Vol. 69, pp. 130 - 31.)

A Translate off three Phirmaunds Granted to the Right Hon.ble English East India Company for a free trade By Furruckseer King off Indostan. The originalls inserted.

Bengall Behar & Orixa

To all Governours & their Assistants, Jaggeerdars Phowsdars Corrorys, Guards on ye roads & rivers, & ——— Semidars, off ye Subaships off Bengall, Behar & Orixa, that Are att present & shall be hereafter, The port off Hugly &ca ports off these Subaships. Lett them live always in hopes off the Kings favour, & by these presents know That att ys time off conquest & being conquerour Mr John Surman & Cojah Seerhaud Factors to ye English Comp.a have humbly petitioned to the Throne off Justice that according to ye Nishaun off him who is pardoned & has power in heaven, pleased with ye Love off God, The Saint-like king who is in heaven. The will off God is great & so is ye word [Azzimuth Shaun], & Sunnods formerly received; Custom is pardoned the Eng.s Company, the port off Suratt Excepted. In ye port off Hugly a peeshcash of 3000 R.s is paid into ye Kings Treasury in lieu off Customes. They petition yt according to former Sunnods they may be favoured with ye Kings phirm.d The universall Commander gives this particular order which ye world Obeys „ That all goods & necessarys which their Factors off the Subaships, ports, & round About, bring or carry away Either by land or water, Know they are Custom free, That they buy & Sell att their pleasure, Take the Accustomary 3000 R.s & demand no more on Any Acco.t & If att any time or place their Goods should be Stole, Endeavour to find them out, punishing the theif & returning ym to their due owner. & In their Settling Factorys att any place, their Goods & Necessarys, buy.g & selling, Lett them be assisted according to Justice, That if any Merch.ts Weavers or others become Debtors, they pay their Factors their due according to a Just Acco.t, nott Suffering any one to hurt or Injure said Factors. & for the Customes on Wood [Cutborrah] &ca That no one molest their boates or those hired by ym. They Still petition the Clean high & lofty throne „ That in ye Subaships & Duannys The Originall Sunnods are demanded, & that others be given thereby Itt is nott feasable to produce ye Originalls in Every place. We desire that a Copy under ye Cozzys seal be allowed off; ye originalls nott being demanded; nor we forced to receive others thereby from ye Subah. In Culcutta there is a settled Factory of the Companys. The renting

off Culcutta, Sootalooly, & Govindpore In ye pergunnas Ameerabad &ca in ye Subaship off Bengall, bo.t from ye Semidars, was formerly granted ym 1195. 6. the Yearly rent being paid into ye Kings treasury. They desire yt 38 towns, rent 8121. 8. near those Above-mentioned may be granted ym & yt the yearly rent be duely paid into ye treasury. The most Just order is given „ That the Copy under ye Cheif Cozzys Seal be Sufficient. That the towns already bo.t doe remain in their possession according to former Custom, & yt the renting off ye Adjacent towns is granted, they being —— bo.t from ye Owners, & then permission given by ye Subah & Duan. They Farther petition that from ye reign off Allumgeer The treasurys off other Subaships take discompt upon Siccas made att Madras. The Silver off those Rupees is now the same with that off Suratt, by wch they sustain loss. They desire ye Kings Order may be given That in Case ye Coin is off the same finess with that off Suratt & other places, they be nott troubled for any discompt. If any off ye Companys Servants become Debtors, & Endeavour to run away, to see them delivered to ye Cheif off ye Factory. & By reason off Customes off Phowsdarry &ca that is forbid The Companys Gomastoes & Servts are very much troubled, please to pardon itt. The Imperiall order is strictly given „ That from the 5th Year off this Glorious reign off the Silver coined att Madrass be as good as that coined att the port off Suratt doe nott demand any discompt, & whomsoever off ye Companys Servts being Debtors want to run Away that they be Seized & delivered to ye Cheif off the Factory. For that which is forbid [abab Memnoowa] Phowsdarry &ca doe nott molest them for itt. They likewise petition That ye Company having Settled Factorys in Bengall Behar & Orixa doe design to Settle others & accordingly desire that in any place where a Factory shall be appointed 40 beaques off Ground be Granted from the king for that use. That att Sometimes Ships are Obliged by Storms & winds to run Ashore & are wreck The Governours of ports injuriously Seize upon ye Goods & att some places demand ye fourth parte. In the Island off Bombay belonging to ye Eng.s European Coin is Currant, That according to ye Custom off Madrass they may coin Siccas. The Order which all ought & doe obey is given „ That according to ye Custom off other Factorys in other Subaships Execute itt. That these people have dealings in all ports & att ys Court having very favourable phirmaunds Granted in which Custom is Excused. Take particular Care off all wrecks, & goods so lost by Storm belonging to ym. & In ye Island off Bombay iff the Siccas be coined According to ye Siccas off Indostan Lett ym pass Currant.

To all these grants according to ys phirm.d which is Enlightned, Obey forbear & forbear to act contrary to ye Imperiall & Strict order. Nor Every Year demand A New Sunnod. Off this take particular Notice. —— The 4th day off Suffur — God has finished wth Glory & Success —— In ye 5th Year off this Glorious Reign

APPENDIX V

Photostat copy of Rennell's map of Bengal, Bihar and Orissa compiled from original survey : published in 1779.


BENGAL and BAHAR.
N.° IX.
To
The HONORABLE
WARREN HASTINGS Esq.r
GOVERNOR GENERAL
of the
BRITISH POSSESSIONS in ASIA;
This MAP of
BENGAL & BAHAR,
(Comprehending a Tract more extensive & populous than the BRITISH ISLANDS)
Is respectfully Inscribed:
In Testimony of his DISTINGUISHED ABILITIES;
And in Gratitude for Favours Received;
By his obliged h.e Servant
J. Rennell.
EXPLANATION.
PATNA
NATTORE
Seerpour
REFERENCES.
BOOTAN
OUDE
GOORACPOUR
GAZYPOUR
SHAWABAD
BOUJEPOUR
BAHAR
BETTIAH
MORUNG
PURNEAH
BISNEE
GARROWS
GONASER
KERRIM
DOMINIONS
of
AVA
ROSHAAN
ARACAN
BITTOUN
JUSHPOUR
GANGPOUR
MOHURBUNGE
ORIPOUR
BIRBOOM
BURDWAN
BISSUNPOUR
MOORSHEDABAD
DACCA
TIPERAH
Bengall
Bahar
Great Britain
Ireland
British Miles
Meridian of Calcutta
Published according to Act of Parliament by J. Rennell May 26. 1779.

APPENDIX VI

Photostat copy of Rennell's map of the '' Kasimbazar island '' showing some river routes : compiled from original survey : published in 1780.

MAP of the COSSIMBUZAR ISLAND.

N°XI.

