

Opium City : The Making of Early Victorian Bombay/ □
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**BOMBAY: A COLONIAL PORT
IN SEARCH OF BUSINESS**

Bombay island is one of a group of about twenty-five islands lying off the Konkan coast of western India, separated from the mainland by the Thane creek and Harbour Bay.¹ Apart from Bombay this group of islands includes Salsette, the large northern neighbour of Bombay. Bombay in turn consists of seven islands, namely, Colaba and Old Woman's Island (also known as Lower Colaba) at the southern extremity; Mazagaon; Worli; Mahim and Parel (Sion-Wadala-Sewri) in the north; and in the centre the large H-shaped island Bombay, which eventually lent its name to the entire group (see Map 1).² Over the years these islands have been united by causeways and breakwaters so that today one would not be aware that in going from the Gateway of India to the Asiatic Society Library one had traversed over Colaba and Old Woman's Island.

Bombay possesses from the safety of its port a distinct advantage. It has a harbour with an effective area of about 194 sq km of shallow deep water, making it one of the most suitable places along the west coast of India for receiving and putting out ships.³

The 'Vasco da Gama era' of Bombay's history began with the arrival of the Portuguese on the island in 1509 and the establishment of their authority over it in 1534.⁴ Details of the early colonial history of the city are well-known and need not detain us. Suffice it to say that the Portuguese made over Bombay to the British under the provisions of the treaty of 1661 concluded on the occasion of the marriage of Charles II of Great Britain and Catherine Braganza of Portugal.⁵ The British crown got actual possession of the island in 1665, and in turn handed it over to the East India Company for a token £10 annual rent.⁶

Bombay as an urban centre is a British creation. It does not have much of a pre-colonial past. The subsequent greatness of the city should not tempt us to think in terms of the inevitability of its rise. True, Bombay possesses from the safety of its port a distinct advantage which was crucial to its emergence as a major commercial centre. However, Bombay has not always been very easily accessible from the surrounding parts of western and central India. For one, the Sahyadri mountains act as a barrier between the coast and the Deccan tableland.⁷ The relative inaccessibility of Bombay from western and central India was reflected in its peripheral position in the context of the commercial network of the area well into the nineteenth century. In the middle of the nineteenth century when a railway network for western and central India with Bombay as its focal point was being contemplated, attention was drawn to the fact that the country to be traversed in going from western and central India to Bombay was 'intersected by no navigable stream' and did not have 'any of the facilities which good roads afford';⁸ and dwelling on some of the drawbacks of the city's position, the *Bombay Times* noted that 'Bombay unlike Calcutta, is not situated on the estuary of a hundred rivers, and that its less favoured inhabitants have no rich

alluvial plains like those watered by the Ganges, nor roads such as they have in Bengal'.⁹

While the favourable situation of Bombay along the western coast equipped it for its development as a port, the geographical relationship of Bombay with western (and central) India was not a very close one. Few overland trade routes were directed towards Bombay. In fact down to the eighteenth century the main overland routes linking northern and central India with the Arabian sea terminated almost 300 kilometers north of Bombay. The Gulf of Khambat (Cambay) was the main catchment area for goods flowing towards the west coast for overseas shipment.¹⁰ Khambat, Bharuch, Jambusar, Daman and Diu, and above all Surat, were the destinations of caravans arriving from Agra, Ahmadabad, Burhanpur, Navsari, Sironj, Ujjain, etc.¹¹ A minor route, running south of Surat, stopped short of Bombay at Bassein.¹² On the Konkan coast, Chaul, Dabhol and Vengurla supplied merchandise to Surat but the trade remained essentially coastal,¹³ the Konkan till very recently being relatively inaccessible by overland transport. To the east of Bombay, the western ghats prevented the interior of Maharashtra from being easily converted into a hinterland for Bombay. Consequently, Bombay was only a getting-off point for coastal trade and not a destination for overland routes. The insularity of Bombay was completed by (a) the fact that it was an island that was not adequately integrated with the mainland, and (b) possession by the Marathas, till the 1770s, of adjoining Salsette.

Bombay was dependent on sea-borne trade even for its basic necessities. This contributed to enhancing the extrovert character of Bombay's economy from the time of British occupation. When Bombay came into the company's possession only a small portion of the island was in a state of cultivation.¹⁴ John Burnell, writing

during the first decade of the eighteenth century made the following observation about the supply of food to the island:¹⁵

Cows are a scarce commodity on the Island, as in truth is every thing else of provision, we being beholden to our neighbours the Portugueze [sic] for almost every thing that we eat; otherwise we might starve, were we only to subsist on the production of the Island.

Though in decline, the Portuguese presence on the west coast was still quite visible in the early eighteenth century as is indicated by, among other things, 'the role of the Portuguese language as the lingua franca of all commercial intercourse in which Europeans took part'.¹⁶ What is significant is that Bombay's reliance on the residual commerce of the Portuguese for providing its inhabitants with articles of subsistence underscored the island's coastal and hence extrovert nature.

Moreover, the unassailable position of Surat as a major centre of foreign trade along the western coast of India for most of the seventeenth and part of the eighteenth century precluded the possibility of fully utilizing the potential of Bombay. Yet, the decline of Surat by the middle of the eighteenth century did not immediately open up opportunities for Bombay. The initial growth of the city was slow and arduous. It is necessary to stand back a little and locate the problems of Bombay within the larger picture of western India rather than view them within the limited context of Bombay/Surat alone.

It would not be sufficient to talk in terms of the competition offered by Surat since the decline of Surat did not, and could not, by itself be the starting point of Bombay's rise. The factors leading to the decline of Surat were, after all, not specific to that city alone. They influenced the trade and economy of the north-western coast of India in general. Ashin Das Gupta's masterly study of the

circumstances which led to a reversal in the fortunes of Surat has shifted the focus from reasons like the silting of river Tapti (on which Surat is situated),¹⁷ or the sack of the city by Shivaji in 1664 and 1670, traditionally suggested to explain its decline.¹⁸ Das Gupta has argued that the decline of the city was the result of a particular conjuncture: the almost simultaneous waning of three great empires which had contributed to the immense prosperity of Surat in the first place – the Mughal empire in India, the Safavid empire in Iran and the Ottoman empire in the West Asia.¹⁹ The Red Sea and the Persian Gulf had become increasingly important for Surat merchants. The weakening of Safavid and Ottoman authority disrupted Surat's trade with West Asia. More crucial was the decline of the Mughals during the early eighteenth century.

Das Gupta has drawn attention to the adverse impact of the instability of the opening years of the eighteenth century on the economic activity of western India, and of Gujarat in particular. Political upheavals of the period brought to an end 'Mughal peace' and led to tremendous insecurity. Long-distance overland trade links which had given Surat access to distant centres like Agra, Lahore, Banaras etc., were suddenly broken.²⁰

The large canvas within which Das Gupta has placed the decline of Surat allows us to see this phenomenon as one that was part of a general crisis in western Indian trade. If Surat, around which the economic life of the north-western coast of India had revolved, failed to survive, could Bombay, with its peripheral geographical and economic position, be expected to make a sudden impact?²¹

Bombay's coastal trade, which was largely in English hands, was also facing problems arising out of a shift during the first half of the eighteenth century in the focus of English commercial activities in India from the west to the east; to the Coromondal

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and thence to Bengal.²² By the 1740s, while there was on the one hand an increase in Bengal's Europe trade, with piece-goods, raw silk and saltpetre as the main commodities, on the other hand there was a downward trend in the Europe trade of Bombay and Surat.²³ Decline in the demand for indigo, an item which had hitherto been important in the English East India Company's import list, further contributed to the eclipse of Surat's Europe trade.²⁴ From the 1740s onwards trade between the west and east coast of India too tended to get neglected.²⁵ Holden Furber linked this decline of sea-borne trade between the east coast and the west coast to a 'commercial revolution' in the mid-eighteenth century 'when the conquests and rivalries of European powers fostered a rapid expansion of trade between India and China'.²⁶

Ultimately it was this very 'commercial revolution' which gave to Bombay its great chance. There is, however, the very crucial question of timing, both of the expansion of Bengal's eastward trade as well as that of the rise of Bombay. P.J. Marshall in his study of private British trade in Bengal has gone along with Furber in regarding the west coast trade to be in decline by the 1740s²⁷ — a point on which many of the writings of the last few decades on the subject are generally in agreement.²⁸ However, while Furber had spoken of the almost simultaneous decline of western trade and growth of eastern trade,²⁹ Marshall has suggested that the 'eastward trade was not providing substantial compensations until the 1770s',³⁰ i.e., that there was a gap of about 'thirty barren years' between the two developments.³¹

It might be useful to note this thirty year gap in the context of Bombay's rise. If one understands the inability of Bombay to take advantage of the decline of Surat as being the outcome of (i) a general crisis of the western Indian trade network caused by the decline of the Mughal, Safavid and Ottoman empires; (ii)

decline in the Europe trade of India's west coast and (iii) Bengal's shift away from trade with the west coast; or in other words, the result of problems afflicting the foreign trade of western India as a whole, so that it would not be immediately possible for Bombay to race ahead at the cost of Surat, we must then allow some time for a new set of circumstances which could help Bombay to realize its potential to emerge. There was a lag, as Marshall observes, in the case of Bengal, where, by the eighteenth century, most of the activities of the English East India Company were already centred. The lag was much more in the case of Bombay, which had to build its trading network and its spatial relationship with a hinterland almost from the scratch, as it were.

As late as 1788 Lord Cornwallis found it incomprehensible that a huge establishment should be maintained at Bombay, 'to load one ship in the year and to collect a very small revenue'.³² He noted with dismay that the company had 'appropriated the whole surplus revenue of Benaras and Bahar [sic] to the support of Bombay', and yet was 'obliged to send many lacs thither from Calcutta'.³³ Cornwallis therefore recommended that Bombay be demoted to the position of 'just a small factory'.³⁴ Writing to William Pitt he declared: 'I have reflected most seriously, and have conversed with the most sensible men in this country, on the utility of the civil establishment at Bombay and I am perfectly convinced that the Company derive no benefit from it'.³⁵ He ruefully added that, 'I see two material obstacles to the abolition of it: the unwillingness of the Court of Directors to lose the appointment of so many writers, and the difficulty of overcoming prejudice and ancient habits'.³⁶ Bombay was thus still struggling to survive in the closing years of the eighteenth century.

Pamela Nightingale has suggested that the period after 1784 was critical for Bombay's 'take-off'.³⁷ In 1784 Bombay's trade

received a boost with the rise, she argues, in raw cotton exports to China. These were to pay for the English East India Company's increased purchases of Chinese tea, which in turn grew by leaps and bounds following Pitt's Commutation Act of 1784 which lowered the duty on tea.³⁸ Although there is no denying the significant role of raw cotton in the Bombay-China trade, a little circumspection is called for in regarding cotton as the commodity responsible for Bombay's breakthrough.³⁹ Raw cotton exports from India to China increased steadily but the search for the right commodity with which to exchange tea was far from complete. Raw cotton exports were not able to keep pace with import of tea from China.

The solution was eventually provided by opium, particularly in the 1820s when exports of opium from eastern India, which had already been rising constantly since the end of the eighteenth century, combined with large exports of opium from western India as well. This period saw a quantum leap in the value of opium imports into China (see Table 1).

One would like to suggest that the rise of Bombay coincided with an opium 'miracle', and consequently that it would be appropriate to move forward the date of Bombay's ascendancy in western India to the second quarter of the nineteenth century. The question of timing is vital. It determines the nature of colonial hegemony in a given region. This hegemony far from being uniform is determined by the outcome of an actual struggle between, among others, dominant classes of the metropolis and indigenous groups. Even when there is collaboration, the terms of collaboration are decided by the strength/weakness of the one in relation to the other. An ongoing struggle settles the matter of strength/weakness. This is an obvious point, but needs to be particularly emphasized when we note the relatively greater

capacity for intervention which indigenous groups in Bombay possessed. This had an important bearing on the configuration of power and hence control of urban space.

Table 1
Value of Cotton and Opium imported into and Tea
exported from Canton under the British flag,
1824-1833 (in Spanish dollars)

<i>Season</i>	<i>Cotton</i> <i>(Imports)</i>	<i>Tea</i> <i>(Exports)</i>	<i>Opium</i> <i>(Imports)</i>
1824	5,220,851	8,898,575	5,450,000
1825	6,227,740	9,087,104	9,782,500
1826	7,215,332	10,443,775	9,269,826
1827	5,787,299	9,163,052	11,243,496
1828	5,603,953	8,540,855	10,908,852
1829	5,080,100	8,236,568	13,450,924
1830	5,628,485	8,430,983	12,222,525
1831	4,931,243	8,520,863	11,304,018
1832	5,474,825	8,813,171	12,185,100
1833	6,726,739	8,712,701	11,618,716
TOTAL	57,896,567	88,847,647	107,435,957

Compiled from: H.B. Morse, *The Chronicles of the East India Company Trading to China, 1635-1834* (Oxford, 1926), Vols. III and IV.

Bombay presidency was for long unable to generate sufficient resources to support its civil and military establishments and to finance its Gujarat and Malabar investments. In 1789 the supreme government estimated that Rs.56 lakhs would have to be pumped into the presidency, an echo of Cornwallis' lament of 1788 cited above.⁴⁰ In the early years of the nineteenth century, Bombay was

still chronically deficient. Fort William was not too pleased to learn from the Bombay government in 1801 that the deficit in that 'Presidency for the current year 1801/2 will probably amount to Rupees 90,25,000.'⁴¹

Lakshmi Subramanian's entire thesis of an 'Anglo-Bania alliance' in western India (Surat primarily) rests on the indispensability of western Indian sarrafs in facilitating the movement of money from Bengal to the west coast of India.⁴² The liquidity crisis confronting Bombay presidency was surmounted by recourse to local credit. Discounting Bengal bills of exchange had become a big business for the sarrafs by mid-eighteenth century. Despite growing colonial penetration of the economy, which unfortunately Subramanian underplays, 'implications of local credit intervention became more pronounced and its ramifications more extensive' in the last two decades of the century.⁴³

The issue was not merely one of finding an appropriate mechanism for the transfer of funds to Bombay. Bombay was a liability in a more fundamental sense. Lack of extensive possessions by the British in western India till the second decade of the nineteenth century prevented Bombay from carrying out the sort of plundering operation which the Company had been engaged in within Bengal and Bihar since Plassey (and more so since the grant of diwani), making it difficult for Bombay to 'internally' finance its purchase of goods for consumption and re-export.

To a large extent the weak political presence of the East India Company in western India throughout the eighteenth century was due to, and reinforced by, Maratha power in the region. From 1706, when Gujarat was first invaded by them, the Marathas successfully encroached upon Mughal authority in the suba till by the middle

of the century they effectively controlled most of it.⁴⁴ Their initial target had been the area around Surat, but after 1724 they enlarged the area of their operations and by 1736 were entrenched in northern Gujarat.⁴⁵ The most powerful Maratha warlords in the suba were the Gaikwads, whose onslaughts brought to an end Mughal rule over Gujarat. By 1753 the Mughals had lost their control over the capital, Ahmadabad.⁴⁶ With the formidable Marathas stepping in, it was not very easy for the British to take full advantage of the collapse of Mughal power in Gujarat. Moreover, as we have already noted, Surat/Gujarat was not the focus of the Company's commercial activities in the eighteenth century, there having been a shift to the Coromondal and Bengal. Consequently, in the period immediately following 1761, when Maratha prestige had suffered a setback due to the rout at Panipat, British efforts were aimed primarily at consolidation of their post-Plassey gains in Bengal.

The last quarter of the eighteenth century provided the British with an opportunity for acquiring a firm foothold in western India when the death of the peshwa Madhavrao I led to a prolonged struggle over the question of succession.⁴⁷ One of the aspirants, Raghunath Rao, courted the British and promised them possession of Bassein and Salsette. The story thence of intrigue, as well of the struggle among the Maratha sardars and of some of the Maratha chiefs against the British, is long and complicated. The upshot of the whole affair was that British possession of Salsette was confirmed in 1782.⁴⁸ This acquisition considerably strengthened the position of Bombay.

By the end of the century establishing British supremacy over western India was very much on the agenda. In 1800 Surat, where British authority had been extensive since 1759, formally came under British rule. The third Anglo-Maratha war (1817-

1818) finally destroyed Maratha power in western India. Annexations in the wake of British victory placed almost the entire western portion of what is today the state of Maharashtra under British rule. Besides, Ahmadabad and a few other territories in Gujarat too came under the direct rule of the company.

What needs to be emphasized is that a very large chunk of territory in western India was still not under British rule. There was Portuguese Daman to the north of Bombay and Goa to the south; there were numerous indigenously ruled states in western India; and Sind had not yet been conquered. In other words, despite the eclipse of Maratha power, which fundamentally altered the balance of power in western and central India in favour of the Company, there still remained a large expanse of territory which was outside of direct/indirect British rule in this region. The process of colonial consolidation was thus prolonged. This was one of the factors that made it possible for Indian traders to take temporary advantage of the expanding trade in the opium produce of western and central India. This temporary advantage had, as we shall see, significant implications for the development of Bombay.⁴⁹

Notes

- ¹ Cf. *Maharashtra State Gazetteer, Greater Bombay District*, Vol. I (Bombay, 1986), p. 2; J.G. da Cunha, *The Origin of Bombay* (Bombay, 1900), pp. 23-24.
- ² Da Cunha, *Origin of Bombay*, p. 23.
- ³ O.H.K. Spate and A.T.A. Learmonth, *India and Pakistan: A General and Regional Geography*, third edition (London, 1967), p. 656.
- ⁴ *Gazetteer of Bombay City and Island*, 3 vols. (Bombay, 1909), Vol. II, pp. 25; 29-30.
- ⁵ The relevant articles of the treaty are reproduced in J.J.C. Kol, *A General, Statistical and Historical Report on Portuguese India*, Extracted in 1850 from *Official Documents*, BGS, new series, 10 (Bombay, 1855), pp. 347-348.

- ⁶ Bombay was given to the East India Company by Charles II in exchange for a loan of £50,000 repayable at 6% interest, and on an annual payment of £10 rent. *Gazetteer of Bombay City and Island*, Vol. II, pp. 51; 57-58.
- ⁷ The ghats are pierced by three passes: Tal, Nana and Bor. These make possible communication between the Konkan coast and the Deccan. At the northern end of the ghats, where the river Tapti flows towards the sea, there is another gap, another point of entry.
- ⁸ R.N. Hamilton, resident, Indore, to chairman, Great Indian Peninsular Railway Co., 6 March 1847, NAI, Foreign Department (Political), 89/24 April 1847.
- ⁹ *The Bombay Times and Journal of Commerce*, 10 July 1840.
- ¹⁰ Cf. K.N. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660-1760*, p.49.
- ¹¹ Jean de Thevenot in S.N. Sen (ed.), *Indian Travels of Thevenot and Careri* (Delhi, 1949), pp. 8-9; *Travels in India by Jean Baptiste Tavernier*, tr. V. Ball, Vol. I (London, 1889), pp. 48-50, 68 and 71-2; Durate Barbosa, *The Book of Durate Barbosa*, tr. M.L. Dames, Vol. I (London, 1918), p.129; Ashin Das Gupta, *Indian Merchants and the Decline of Surat, c.1700-1750* (Wiesbaden, 1979), p. 8; B.G. Gokhale, *Surat in the Seventeenth Century: A Study in Urban History of Pre-Modern India* (Bombay, 1979), pp.73,77,78 and 80; and Irfan Habib, *An Atlas of the Mughal Empire* (Delhi, 1982), pp. 25 and 58.
- ¹² Cf. Habib, *Atlas*, p.58.
- ¹³ Gokhale, *Surat in the Seventeenth Century*, p. 82.
- ¹⁴ F. Warden, *Report on the Landed Tenures of Bombay, 20 August 1814*, BGS, new series, 64 (Bombay, 1861), p. 24.
- ¹⁵ John Burnell, *Bombay in the Days of Queen Anne*, intro. and notes by S.T. Sheppard (London, 1933), p. 61.
- ¹⁶ Holden Furber, *Bombay Presidency in the Mid-Eighteenth Century* (Bombay, 1965), p. 2.
- ¹⁷ *Gujarat State Gazetteers, Surat District*, revised edition (Ahmedabad, 1962), p.14.
- ¹⁸ Referring to the loot of Surat by Shivaji in 1670, in which according to an official enquiry 'Shivaji carried off 66 lakhs of Rupees' worth of booty from Surat', Jadunath Sarkar observes: 'But the real loss of Surat was not to be estimated by the booty which the Marathas carried off. The trade of this,

the richest port of India, was practically destroyed. For several years after Shivaji's withdrawal from it, the town used to throb with panic now and then, whenever any Maratha force came within a few days march of it, or even at false alarms of their coming. ... Business was effectually scared away from Surat, and inland producers hesitated to send their goods to this the greatest emporium of western India'. Jadunath Sarkar, *Shivaji and His Times* (New Delhi, 1973), p. 174.

¹⁹ Das Gupta, *Decline of Surat*, p. 8.

²⁰ Cf. Gokhale, *Surat in the Seventeenth Century*, p.73.

²¹ The answer to this question is not necessarily easy or obvious. If, for instance, we regard the decline of Surat, in the words of David Hardiman, as being "bound up with the increasing penetration and control of India's external trade by European powers in the period after 1500", it might be possible to see the rise of Bombay as a triumph for British enterprise along the west coast. David Hardiman, 'Elite Conflicts in a Trading Empire', Review of Das Gupta, *Indian Merchants and the Decline of Surat*, *EPW*, Vol. XVI, 50 (1981), p.2039.

In the case of Surat one is not entirely convinced that European penetration had indeed become decisive in the early eighteenth century. Das Gupta in a rejoinder has provided evidence indicating that in this period 'European companies at Surat carried no more than one-eighth of the city's maritime commerce'. Ashin Das Gupta, 'Indian Merchants in the Age of Partnership, 1500-1800', Dwijendra Tripathi (ed.), *Business Communities of India: A Historical Perspective* (New Delhi, 1984), p.30.

It does appear that Gujarati commerce, especially with west Asia, was able to withstand the European onslaught till the beginning of the eighteenth century. Gujarati resilience has to be seen in terms of the strong presence of the Ottoman, Safavid and Mughal empires, the crisis at Surat beginning with the decline of these three empires around the turn of the eighteenth century.

²² Tapan Raychaudhuri and Irfan Habib (eds.), *The Cambridge Economic History of India*, Vol.I (Cambridge, 1982), p.402.

²³ Holden Furber, *Rival Empires of Trade in the Orient, 1600-1800* (Minneapolis, 1976), pp.131-2 and 134.

²⁴ Chaudhuri, *Trading World of Asia*, p.98.

²⁵ Holden Furber, *John Company At Work* (Harvard, 1951), p.161.

²⁶ *Ibid.*, p.162.

²⁷ P.J. Marshall, *East Indian Fortunes: The British in Bengal in the Eighteenth Century* (Oxford, 1976), p.104.

²⁸ *Ibid.*; Furber, *Rival Empires of Trade*, p.131; Chaudhuri, *Trading World of Asia*, p.98; Ashin Das Gupta, 'India and the Indian Ocean in the Eighteenth Century', in Ashin Das Gupta and M.N. Pearson (eds), *India and the Indian Ocean: 1500-1800* (Calcutta, 1987), p.143.

²⁹ In his earlier *John Company at Work* (p.164) and in his later *Rival Empires of Trade* (p.279), published in the same year as Marshall's *East Indian Fortunes*.

³⁰ Marshall, *East Indian Fortunes*, p.104.

³¹ *Ibid.*

³² Cornwallis to Henry Dundas, 4 November 1788, Charles Ross (ed.), *Correspondence of Charles, First Marquis Cornwallis*, Vol.I, second edition (London, 1859), p.390.

³³ *Ibid.*

³⁴ Cornwallis to Dundas, 4 November 1788, *Correspondence of Cornwallis*, Vol. I, p.390.

³⁵ Cornwallis to William Pitt, 6 November 1788, *ibid.*, p.391.

³⁶ *Ibid.*

³⁷ Pamela Nightingale, *Trade and Empire in Western India, 1784-1806* (Cambridge, 1970), p.23.

³⁸ *Ibid.*

³⁹ Trade between China and England with tea as the main commodity had been rapidly expanding right from the beginning of the eighteenth century. The Commutation Act of 1784 only gave further encouragement to it. K.N. Chaudhuri notes that the first decade of the eighteenth century 'was the critical decade of take-off for tea consumption on a large scale'. Chaudhuri, *Trading World of Asia*, p.388.

⁴⁰ See Lakshmi Subramanian, 'Banias and the British: The Role of Indigenous Credit in the Process of Imperial Expansion in Western India, in the Second Half of the Eighteenth Century', *MAS*, Vol. XXI, 3 (1987), p.485.

⁴¹ Fort William to Bombay Govt., 23 July 1801, NAI, HD, Misc. Letters.

- ⁴² Subramanian, 'Banias and the British', pp.473-510.
- ⁴³ Ibid., p.493. M. Torri in a critique of Subramanian contends that the traditional sarraf network at Surat was on the verge of collapse towards the end of the eighteenth century 'largely because of political and economic changes brought about by the rising colonial order'. M. Torri, 'Trapped inside the Colonial Order: The Hindu Bankers of Surat and their Business World during the Second Half of the Eighteenth Century', *MAS*, Vol.XV, 2 (1991), p.369.
- ⁴⁴ M.S. Commissariat, *A History of Gujarat*, Vol. II (Bombay, 1957), p.453.
- ⁴⁵ Ibid.
- ⁴⁶ Ibid., pp.511-514. The final capture of Ahmadabad in 1758 eventually marked the end of Mughal rule in Gujarat. Ibid., p.533.
- ⁴⁷ G.S. Sardesai, *New History of the Marathas*, Vol. III (Bombay, 1948), pp.11 ff.
- ⁴⁸ Ibid., p.118.
- ⁴⁹ Amiya Bagchi has pointed out that the stronger position of Indian merchants in Bombay during the early nineteenth century, as compared to Calcutta and Madras, had its roots in 'the continued resistance of Indian rulers against British conquest ... and the survival, in however a truncated form, of a large number of native states in that part of the country, which provided a base of operations and a sanctuary for Indian traders and financiers'. Moreover, 'the fact that cotton and opium were both cultivated by unregulated peasants rather than under company monopoly and were valuable commodities in the China trade also played an important role'. Amiya K. Bagchi, 'Transition to British Indian Systems of Money and Banking, 1800-1850', *MAS*, Vol. XIX, 3 (1985), p.511.