

# **The Trends of Trade and Industry of Murshidabad in the Eighteenth Century**

**Atriya Sarkar**

**Ph.D. Research Scholar of History, University of Kalyani**

**Abstract:** *The establishment of British rule in India, first implanted in Bengal in the year of 1757, not only introduced a new type of administration, it also ushered in a new age of social and economic changes. Throughout the first half of the eighteenth century English East India Company turned attention to the industry and trade. The British Company started exploring the possibility of trade and industry of raw silk, salt-petre, cotton textile, ivory-carving etc. The changes in the trade patterns in Bengal resulting from the near monopoly established by the English East India Company. The commercial life of Bengal and, to a great extent, its economy in the first half of the eighteenth century were dominated by the merchant princes namely, the famous banking house of Jagat Seths. But the removal of the administration from Murshidabad to Calcutta also affected merchants, bankers, artisans and cultivators.*

**Key-word: Administration, Social Change, Commerce, Domination**

The History of the district of Murshidabad represents the downfall on the Mahomedan *Suba*'s of Bengal, Bihar and Orissa, who ruled as the Viceroys of the Emperor of Delhi and the rise of British power and commerce. The earliest connection of the East India Company with this district was marked by the establishment of a factory at Kashimbazar. The factory was situated on the western bank of the river Bhagirathi

During the reign of Murshid Quli Khan the Mughal *suba* of Bengal witnessed peaceful transition to a stable political order and the foundation of a strong *nizamat*. As a result, new outlets were found in increasing economic activity, in production and maximization of revenue, in the development of trade and commerce, and in the expansion of markets. The rich prospects of trade in Bengal, and the comparative peace and stability in the region in the first half of the eighteenth century attracted to the province many traders from different parts of India, Asia and also from Europe.

The major European companies, the Dutch and the English which played a significant role in the export trade from Bengal in the first half of the eighteenth century. Throughout the first half of the eighteenth century, it was the English and the Dutch Companies which were most active in the export trade in Bengal.

They realized that trade in Bengal had certain advantages. Bengal was not only the largest producer of cheap cotton piece-good, but also of high quality and inexpensive raw silk which was in great demand in Europe, gradually replacing Persian and Italian silk. Another lucrative item of trade for the companies was saltpetre, an essential ingredient of gunpowder which was in high demand in Europe because of chronic wars, it could also be profitably used for ballast for Europe bound ships. After the British victory at the battle of Plassey in 1757, it was a different story because the English Company along with its servants, by virtue of its total control over Bengal polity and economy.

The most significant development in the English East India Company's trade in the early eighteenth century was the grant of an imperial *farman* from the Mughal emperor Farrukhsiyah in 1717 for duty-free trade in lieu of an annual payments of Rs. 3000. The *farman* has been

regarded as the 'Magna Carta of the English trade in Bengal' and 'a real diplomatic success of the English.

### **Economic Condition of Murshidabad:**

The establishment of British rule in India, first implanted in Bengal in 1757, not only introduced a new type of administration, it also ushered in a new age of social and economic change. Bengal was the first province in the subcontinent to come under direct British rule and it was here that the impact of English administration was first profoundly felt. Perhaps for this reason the economic history of Bengal during the eighteenth century has become a subject of deep scholarly interest.

While it is necessary to briefly survey the economic condition of Bengal as a whole, there is also a need to consider those factors which had a particular influence in Murshidabad. Broadly speaking, these are the famine of 1769-70 and the scarcity of 1784, which gravely affected the countryside; the changes in the trade patterns in Bengal resulting from the near monopoly established by the English East India Company, whose results were felt by both artisans and merchants; and the transfer of the administrative capital to Calcutta and the loss of power by the Nawabs, which affected all these classes, military and civil, for whom the court at Murshidabad had been the source of office and employment. The decline which followed the removal of the administration from Murshidabad to Calcutta also affected merchants, bankers, artisans and cultivators.

### **Textile Industry:**

Cotton weaving survives as a village handicraft, bedsheets, gamchas, lungis etc. being woven on handlooms. Blanket weaving is carried on by colonies of Gareris, or up-country sheep-rearers and blanket-weavers, in the Jangipur subdivision, the principal seat of the industry being Aurangabad. The blankets which cost Rs. 7 to Rs. 8 are exported to Calcutta and elsewhere. They are also made in the Kandi subdivision, but for local sale only. Dyeing of cotton and silk is confined to a few families at Khagra, Baluchar and Mirzapur. There are skilled embroiderers in the town of Murshidabad, who embroider caps, slippers and clothes with gold and silver wire.

### **Raw Silk Industry:**

Raw silk was the most important and coveted article of export in the Company's trade in Bengal. Middle of the seventeenth century both the English and the Dutch Companies turned their attention to India, particularly to Bengal, for the supply of raw silk. The search for Bengal silk by the English Company can be traced back to the embassy of Sir Thomas Roe in 1615. He was specially commissioned to try to obtain trading privileges in Bengal and Perisa for opening up the silk trade, but nothing could be effected by him so far as Bengal was concerned. The possibility of a lucrative trade in Bengal silk was again reported by Hughes from Patna in 1620s. As he pointed out, at Murshidabad the 'choicest stuff' could be provided in infinite quantity, at least 20 per cent cheaper than in any other part of India. After opening of the Hugli factory in 1651 that the English began an extensive trade in Bengal silk.

The chief centre of production of Bengal silk was Kashimbazar and its neighbourhood, including Murshidabad. Tavernier state that Kashimbazar could furnish about twenty-two thousand bales of silk annually, each weighing a hundred pound. There was indeed a great production of raw silk in and around Kashimbazar in the second half of the seventeenth century. Streynsham Master wrote in 1676: "All the country or great part thereof about Kashimbazar is

planted or set with mulberry trees, the leaves of which are gathered to feed the worms with and make the silk fine and therefore the trees are planted every year”.

Bengal raw silk came in various qualities. We learn from an account written in 1661 by John Kenn, the chief of Kashimbazar, that silk was wound into three sorts – ‘head’, ‘belly’ and ‘foot’ which meant first, second and third quality respectively. The English company used to buy generally the first two sorts in the proportion of 5:4. This silk was called ‘putta’ or of short skein. There was another sort of silk which was of superfine quality called ‘*puttany*’. The sort of silk which was bought by the indigenous merchants for Agra was called “Dolleria”, a name given to the sort of silk in which ‘head’, ‘belly’, and ‘foot’ were all mixed together. Later on, the Dutch to export a superfine quality called *tanny* which, it seems was of the same quality as English *puttany*, a short-threaded reel of the best part of cocoons. The tanny silk first emerged in the order for 1676 and in a very short time surpassed other sorts and became the most marketable of all Bengal silks. One finds reference to other kinds of silk such as floretta yarn, ‘punia’ silk, ‘punjah’ silk, ‘Goragaut’ silk etc. in the records of the two companies. The English company came to know about the floretta yarn, ‘a kind of white silk’, from the cargoes of the Dutch ships captured in 1673 and ordered some samples from Kashimbazar in December 1673.

### **Ivory-Carving Industry:**

The district is famous for ivory carving industry also. The skill of the carvers and high estimation in which their work has been held are sufficiently attested by the remarks of Professor Royle in *Lecturers on the Art and Manufactures of India (1852)* with reference to the exhibits sent to the London Exhibition of 1851. A variety of specimens of carving in ivory have been sent from different parts of India. Among these the ivory-carvers of Berhampore are conspicuous. They have sent a little model of themselves at work, and using, as is the custom of India, only a few tools. In 1888 again the Murshidabad carvers were declared to be perhaps the best in India. They fully displaying the finish, minuteness and ingenuity characteristic of all true Indian art.

The industry dates back to the time when the Nawabs of Bengal had their court at Murshidabad. The legend of its introduction is quaint. The Nawab, it is said, one day called for an ear-pick or scratcher, and when one made of grass was brought, said that it was not worthy of the dignity of a Nawab and that one must be made of ivory. An ivory carver was therefore brought from Delhi to make one. While he was at work, a Hindu Bhaskar spied on him through a hole in the wall and learnt his art, which he taught his son, Tulsi Khaumber. The latter soon excelled his father and was made carver in ivory to the Nawab. He was a pious Hindu and anxious to go on pilgrimage, and this being known, a guard was set over him, for fear that he might leave the city. At last he managed to escape and went on pilgrimage to various places, paying his way by his work. After an absence of 17 years he returned to Murshidabad and was summoned before the Nawab, who ordered him to make from memory a carving of the late Nawab. The statue he produced was so life-like, that the Nawab, in admiration of his genius, gave him his salary in full for the 17 years he had been away and presented him with a house in Mahajantuli. To this day, it is said, “the ivory carvers of Murshidabad bend their heads and raise their hands in veneration whenever the names of Tulshi is mentioned”.

### **Saltpetre Industry:**

From the beginning of the Company’s trade in Bengal, saltpetre was an important article of export to England and Europe. As an essential ingredient of gunpowder, it was in great demand in the West. Besides, as saltpetre could be used as saleable ballast, its export was of additional advantage to the Company which otherwise had to take the uneconomic method of

using iron as ballast to make the deep-sea ships sailworthy. It was only in the early twenties of the seventeenth century that the shortage of saltpetre in England and the increasing difficulty in obtaining supplies of gunpowder had turned the attention of the Company to the possibility of importing this chemical from India. The chief sources of saltpetre supply till the beginning of the forties were namely Coromandel and Gujarat. In the later thirties, however, Bengal saltpetre supplemented those from the coast. From the fifties Bengal definitely replaced Coromandel as the chief source of supply.

In Bengal again saltpetre was produced mainly in the regions around Patna where it was available in abundance. The discovery of this source revolutionized the company's saltpetre trade and led to its tremendous expansion in the second half of the seventeenth and first half of the eighteenth centuries. The saltpetre produced at Patna was considered the best in quality for the manufacture of gunpowder. Moreover, the price of Bengal saltpetre was cheaper than that of other places. From the point of transportation Bengal saltpetre enjoyed another advantage. The cheaper and more convenient transport down the Ganges enabled the Company to despatch cargoes of saltpetre from Patna to Hugli for lading Europe-bound ships and also for supplying Madras with ballast for its vessels. All these considerations, coupled with the enhanced demand from England and Europe, encouraged the company to drive an extensive trade in Bengal saltpetre.

There were generally three varieties of saltpetre – the refined one called *dobara-cabessa* or *culmy*, the twice boiled or *dobara* and the crude variety termed as *cutcha* or *raw*. The European companies generally exported refined saltpetre as otherwise it could not be used for making gunpowder.

### **Contribution of Asian Merchants:**

The Asian merchants engaged in Bengal trade had certain distinct features. They often acted as brokers, agents or merchants to the European companies, supplying their investments or buying their imports. They traded with their own capital, quite independently of the European companies and also acted simultaneously as shroffs or money changers and bankers, received and arranged remittances by means of bills of exchanges or letters of credit on their various agents in different trade marts of Bengal, as also in other parts of India.

The term Asian merchant has been used for the merchants from various parts of Asia including the Arabs, Turks, Persians, Mughals and Armenians as also from different parts of India traded in Bengal in first half of the eighteenth century. From a critical analysis of the trading activities of the Asian merchants, we would attempt to make a few generalizations as to whether the sum total of the activities of the Asian merchants can be described merely as *peddling trade*, how far the Asian merchant was an *independent entity* without a close link with the political and ruling elite, whether the change in the English Company's investment pattern from *dadni* to *gomasta* system was due to the decline of the merchants in Bengal and whether these merchants were subservient to the European companies.

The Kashimbazar merchants seem to have enjoyed more independence vis-à-vis the European companies than their counterparts in Calcutta. Often they formed rings of their own fraternity and foiled the Company's attempt to coerce them. In 1741 the merchants refused to pay the penalty for deficiency in the previous year's contract, stating emphatically that they never had paid any penalty nor would not now. The Kashimbazar Council reported to Calcutta. Having taken into consideration the refusal of the merchants we are of opinion that should they remain obstinate in their refusal to comply that it is not in our power to force them. The merchants in Kashimbazar further refused to give any security for *dadni* advance to them. The councils letter

to Calcutta of February 1742 bring to bold relief the independence of the mercantile class in Kashimbazar.

The Kashimbazar merchants were very sensitive about giving security for the *dadni* advanced by the Company and tried to hold their ground against the Company as long as possible. However the Kashimbazar Council finally succeeded in bringing the silk merchants to be joined in security, three or four of them together for the *dadni* they advance them.

### **Contribution of ‘Merchant Princes’:**

The commercial life of Bengal and, to a great extent, its economy in the first half of the eighteenth century were dominated by the merchant princes namely, the famous banking house of Jagat Seths, the well known Umichand and the American merchant Khwaja Wazid. These merchant princes collectively predominated both the commerce and financial administration of Bengal. The Bengal money market which financed both trade and the government was closely controlled by them. The Setts and the Basaks were the most important merchant families of Calcutta who provided the lion’s share of the Company’s investments. Throughout the eighteenth century many members of the Sett family traditionally held the post of broker and the great commercial influence of this family reduced the Company’s textile merchants in Calcutta to a ‘closed operation’.

Through their control of the credit market, their coinage of specie, provision of goods for exports and purchase of imports, the merchant princes had a close relationship with the Europeans. It is to be emphasized, however, that their position depended to a very great extent upon their influence at the nawab’s court. Their commercial farms were political in nature, and seem to have been extended in the forties and fifties of the eighteenth century.

A major source of income for the banking house was the coining of the bullion and specie the European companies use to import into Bengal for paying for their export commodities. Another good source of income for the Seths was lending money to the Companies which were perennially in short supply of cash. The European companies freely borrowed money from the Jagat Seths’*kuthees* (agencies of branches) in Calcutta, Kashimbazar, Dhaka, Hughli, Patna etc. Robert Orme who was in Bengal in the early 1750s described the Jagat Seth as ‘the greatest shroff and banker in the known world’.

Referring to the Merchant princes in general and the Jagat Seths in particular, Clive wrote: ‘The city of Murshidabad is as extensive, populous and rich, as the city of London, with this difference that there are individuals in the first possessing infinitely greater property than any of the last city’.

The financial credit and prestige of the house which migrated from Nagar in Marwar were raised to such a great height by Manickchand and Fatechand that the Mughal emperor conferred on the latter the title of Jagat Seth or ‘Banker of the World’ and hereditary distinction in 1722. The house of Jagat Seth reached the zenith of its prestige and prosperity during the time of Fatechand. He was succeeded by his two grandsons Jagat Seth Mahtab Rai and Maharaja Swaroopchand. The English East India Company was trying for a long time to have minting privileges and the Kashimbazar council was asked to secure the privileges from the nawab. The Council negotiated with some high officials of the *darbar* but ‘are informed that while Futtichund is so great with the Nabob, they can have no hopes of the Grant, he alone having the sole use of the mint nor dare any other shroff or merchant buy or coin a rupee’s worth silver’.

### **Growth and Development of the British Company’s Trade:**

The export of the English East India Company from Bengal comprised a variety of commodities which were mainly of two categories – bulk goods, textiles and raw silk. The bulk

goods in the Company's export list were chiefly saltpetre, sugar, borax, turmeric, cauris, redwood and gumlac of different types. Some of these commodities, especially saltpetre and sometimes also sugar, turmeric, redwood were taken as saleable ballast while several goods like raw silk, silk and cotton yarn, borax etc. were carried as make weights. Throughout the period under review, textiles, raw silk and saltpetre formed the most important items of the English Company's export from Bengal. In the early years of its trade in Bengal, the company was however more interested in saltpetre trade than that in raw silk or piece goods. But from the seventies of the seventeenth century it concentrated more and more on the export of raw silk and by the eighties, there was a phenomenal rise in its export which far outshaded saltpetre and other bulk goods in the Company's investments. Similarly, the company's trade in Bengal textiles comprising mainly silk and cotton piece-goods was insignificant up to the seventies of the seventeenth century. But from the beginning of the eighties, there was tremendous growth in the export of textiles which in its turn resulted from the great popularity of and the demand for cheap Bengal piece-goods throughout England and Europe. From then onward, as the demand for Bengal cloth grew steadily in the European markets, there was a corresponding growth in the export textiles by the company, and this became a significant feature in the structure of the Company's export trade.

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