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South Asia and the Early Modern Indian Ocean World

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I

The standard of economic performance in pre-colonial India is generally believed to have been reasonably high. This was true of both northern (or Mughal) India as well as of southern India. In the sixteenth and the seventeenth centuries, the Mughal empire imposed a new level of peace, order and stability throughout most of the subcontinent. This was a period of moderate but steady population growth, urbanization, monetization and rising productivity. It is true that the economy was essentially agrarian with the agricultural sector accounting for an overwhelming bulk of the total output as well as of total gainful employment. Indian peasants in the seventeenth century grew a large number of food and industrial crops efficiently and well. The Mughal revenue system was biased in favour of producers of higher value cash crops like indigo, cotton, sugar-cane, tree-crops or opium. State incentives together with rising market demand stimulated cash crops grown for the market.

It is, however, useful to remember that what set the Indian subcontinent apart from its neighbours in the Indian Ocean littoral during these centuries were

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

on the market at highly competitive terms made it in some sense the 'industrial' hub of the region surrounded by west Asia on one side and southeast Asia on the other.

This circumstance also determined to a large extent the nature of India's demand for imports from the rest of the Indian Ocean littoral. This demand consisted essentially either of consumption goods which were not produced domestically for soil, climatic or other reasons, or of minerals and metals of various kinds whose domestic supply was either nil or substantially below the total demand. In the first category were items such as fine spices like cloves, nutmeg and mace from Indonesia, and horses and rosewater from west Asia. The second category included rubies and other precious stones from Burma, as well as metals – both precious and non-precious. By far the most important non-precious metal imported was tin from Malaya. Precious metals, mainly silver, were imported overwhelmingly from west Asia. It was for this reason that, from the sixteenth century onward, the port of Mocha was repeatedly referred to as the 'treasure-chest' of the Mughal empire. The important point to emphasize is that by virtue of her relatively more advanced structure of manufacturing production and her capacity to provide large quantities of a basic manufactured consumption good such as inexpensive cotton textiles at highly competitive terms, India significantly enhanced the basis of trade in the Asian continent. She not only provided the textiles and, on a more modest scale, the foodgrains and the provisions in great demand in the neighbouring societies but

also provided an important outlet for their specialized agricultural, mineral and other products. Trade satisfied different kinds of consumption needs for India as compared with her numerous trading partners in the Indian Ocean region. This by itself provided an excellent basis for a significant and growing level of trade. It is really in this sense that the critically important role of India in the structure of early modern Indian Ocean trade needs to be assessed.

At the root of India's 'industrial' capability was the availability in the subcontinent of a sophisticated infrastructure of institutions and services which rendered the system of production and exchange highly efficient, dynamic and fully market responsive. The principal constituent elements of this infrastructure were things such as a high degree of labour mobility and the existence of a labour market, merchant groups capable of collective defence and good organization, development of accountancy skills, highly developed and price-responsive marketing systems and a sophisticated monetary and credit structure.

A highly developed exchange and trading network – both internal and external – served as a vital link between the agrarian and the non-agrarian sectors of the economy. Land revenue had traditionally accounted for an overwhelming proportion of state finance in Mughal India and adjustments in the procedures for assessing and collecting this revenue were a routine feature in all administrations. But under Akbar (r.1556-1605), these adjustments were rather extensive and, among other things, involved a continuing shift away from the

collection of land revenue in kind to that in cash. Both at a qualitative as well as at a quantitative level, this innovation served to promote in an important way the growth of a money economy. Quite clearly, the land revenue assesses would have been marketing a certain proportion of their gross output in any case. But under the new dispensation of compulsorily having to generate a rather large cash flow to meet the revenue demand which could be up to 40 percent of gross output, the volume of monetized transactions entered into by this group would have gone up significantly. This would have necessitated a continuously rising supply of money and perhaps an increase in its velocity of circulation. The Mughal Indian coinage consisted of the gold muhr, the silver rupee, and the copper dam or paisa. Given the almost total absence of domestic production of precious metals, the supply of gold and silver available for coinage depended almost exclusively on the volume of their import into the country. This was also true of copper, though to a smaller extent. A continuing import of these metals, overwhelmingly from the Middle East in the pre-European trade phase and, thereafter, increasingly also from Europe and Japan, had thus assumed the role of almost a precondition to the successful functioning of the monetary system and the exchange networks. It was essentially on the basis of the continuing inflow of the khalisa revenue – the share of the imperial government in the total land revenue – in cash that the elite in the heartland of the empire around Agra/Delhi could afford to constitute an important market for the industrial and other products of the outlying regions of the empire. By the same token, these regions, such as Gujarat and Bengal, would have found it impossible to generate

the revenue to be sent to Agra/Delhi without the heartland providing a substantial and continuing demand for their products enabling them to buy back, as it were, the cash flowing to the north as 'tribute'.

A highly developed credit organization also contributed to the efficient working of the system. Merchants could raise short-term loans at remarkably low rates of interest. The institution of the *respondentia* loans was also quite widespread. Funds could be transferred from one place to another relatively inexpensively by using the *hundi* which could also double as an instrument for raising short-term credit. The *sarrafs* who ran the credit and the banking structure were also indispensable to the working of the currency and the monetary system. The Mughal coinage system, with its uniform imperial standards of weights and measures, was imposed throughout the empire over dozens of local monetary systems. Centrally appointed functionaries of the imperial mints accepted bullion or coin from local *sarrafs* or other private individuals. The system of free minting ensured that the Mughal coins retained their high degree of fineness without any known debasement for nearly two centuries.

The rise of an early modern world economy following the great discoveries of the closing years of the fifteenth century brought about a significant increase in the scale and the intensity of both the intercontinental trade between Europe and the Indian Ocean as well as of trade within the Ocean. In both these branches of

trade, India played a crucial role throughout the early modern period. It was indeed a critically important coincidence that the discovery of the all-water route between Europe and the Indian Ocean via the Cape of Good Hope and of the New World took place almost simultaneously. For without the enormous quantities of American silver reaching Europe through the sixteenth century, the enhanced trading opportunities between Europe and Asia opened up by the Cape route would essentially have been frustrated. Euro-Asian trade had traditionally been one involving the exchange of luxury and other goods basically against European silver. This 'bullion for goods' pattern of trade was essentially an outcome of the inability of Europe to supply goods that could be sold in Asia in reasonably large quantities at competitive terms. Another factor working in the same direction was that at this time the bimetallic ratio between gold and silver was very different between Europe and Asia making silver much more valuable in the latter continent rendering it a preferred medium of payment in exchange for Asian luxury goods. Ever since the fourteenth century or so, the output of precious metals in Europe had by and large been stagnant raising fears of deflationary tendencies cropping up. This, coupled with bullionist inhibitions regarding the export of precious metals, would almost certainly have created a situation where the non-availability of significant additional quantities of precious metals for export to the East would by and large have rendered the opportunities opened up by the availability of the Cape route quite redundant.

While the expansion in the volume and value of Euro-Asian trade in the course of the sixteenth century was certainly important, it was only with the establishment of the English and the Dutch East India Companies at the beginning of the seventeenth century that the scale of Euro-Asian trade really picked up at a truly significant rate. The growing diversification of the commodity composition of the exports from Asia in the course of the seventeenth century further aided the English and the Dutch penetration of the Indian Ocean in search of new commodities for the European markets. Another significant development leading to the same outcome was the growing involvement of the European corporate enterprises in the Indian Ocean trade for the large additional profits that such participation promised. This practice had been started quite early in the sixteenth century by the Portuguese Estado da India. Mainly with the help of Tamil Keling merchants settled at Malacca, the Estado had managed to make its way into a complex intra-Asian trading network of goods and routes with Malacca as the centre-point. Following the growing withdrawal of the Estado from this trade in the second half of the sixteenth century, the initiative was taken over by private Portuguese traders operating under the so-called concession system. The quantum jump in the volume and value of European corporate participation in the Indian Ocean trade, however, came about only in the seventeenth century when the Dutch East India Company made a large scale participation in the Indian Ocean trade an integral part of its overall trading strategy.

This paper seeks to situate South Asia in the Early Modern Indian Ocean World by highlighting the subcontinent's role in the structure of trade in the Indian Ocean-South China Sea complex. This will be done through a detailed analysis of the trade in two key commodities – Indian textiles and Japanese precious metals, mainly silver until 1668 and gold thereafter. The 'bullion for goods' model discussed above in relation to the Euro-Asian trade was also valid in a limited way in some of the branches of the Indian ocean – South China Sea trade. Thus the Indian textiles exported to Burma were paid for largely in silver – in part produced in Pegu and in part imported overland from Unnan in China. Much more important in this respect were the Indian (mainly Bengal) silk- and fine cotton textiles together with raw silk exported to Japan in the seventeenth century through the agency of the Dutch East India Company and paid for almost exclusively in Japanese silver and gold. Indeed, through the seventeenth and the early part of the eighteenth century, Japan became an extremely important supplier of precious metals to the rest of Asia rivalling the New World in terms of the quantities made available.

II

One could legitimately argue that Indian textiles structured long distance commercial relationships across the Indian Ocean in the early modern period. If the Indian Ocean was a relational space shaped by trade, Indian textiles represented the very nature of both. The complexity and the high degree of

penetration of Indian textiles in the markets of most countries on the Indian Ocean littoral can be fully understood by considering the artifact-based research carried out in recent years by Ruth Barnes at the Ashmolean Museum, Oxford.

Indian textiles have traditionally figured prominently both in the trade with west Asia and the Mediterranean via the Arabian Sea as well as with mainland and island southeast Asia via the Bay of Bengal. The fifth century A.D. cotton fragments discovered at Berenike, a harbour site on the Egyptian side of the Red Sea, are the earliest patterned textiles of Indian origin so far recovered from an archeological context.¹ At least from the sixteenth century onward, large quantities of Indian textiles are known to have reached Persia, Baghdad and Basra where they changed hands again and reached Constantinople via Syria. These textiles were also traded in large quantities in places such as Mecca and Yemen. Textiles were also carried by Indian merchants, mainly Gujaratis, in fairly large quantities to East Africa where they also served as currency. In that role, these textiles secured the provisioning of other valuable commodities such as ivory, slaves and gum.

Perhaps the largest Indian Ocean market for Indian textiles in the early modern period was that of southeast Asia, particularly Indonesia. Textiles with designs similar to those at the Ashmolean Collection from Egypt have also been reported from Indonesia. While many of these bear the Dutch East India Company stamps, a number of pieces acquired from Sulawesi have been

carbon-dated to the 14th – 15th century.² Textiles have reigned as a dominant aesthetic in Indonesia for centuries and have played an important role in various ceremonies in the islands. Foreign textiles, mainly of Indian origin, were quickly assimilated to fit local sensibilities and subsequently were encoded with indigenous meaning. There is evidence that clothes produced in Indonesia were affected by Indian influence. This influence was manifested in terms of designs, motifs, materials and techniques of production.³

There is extensive evidence from the sixteenth century onward testifying to the central role played by Indian textiles in the economic life of southeast Asia. These textiles served as the principal medium of exchange for the most coveted product – both within the Indian Ocean as well as internationally – of the region namely exotic spices including pepper, cloves, nutmeg and mace. Among other Indian merchants, Gujarati merchants from the port of Cambay carried large quantities of Indian textiles to Malacca, the leading international port of the Indian Ocean – South China Sea complex from the fifteenth century onward where these textiles were exchanged against Indonesian spices and other goods carried there from China and the Malay archipelago. That is what made the Portuguese traveller Tome Pires remark early in the sixteenth century that “Malacca could not live without Cambay, nor Cambay without Malacca”.⁴

The export of Indian textiles to southeast Asia received a further fillip from the early years of the seventeenth century onward when the Dutch East India

Company embarked upon a large-scale participation in the Indian Ocean trade as an integral part of its overall trading strategy. As in the case of the other European trading companies, the initial principal aim of the Dutch East India Company (VOC) was the procurement of pepper and other spices in Indonesia. By the early 1620s, the VOC had managed to acquire effective monopsony rights in cloves, nutmeg and mace in the Spice Islands. But it soon discovered that traditionally Indian textiles had been used in the region as the principal medium of exchange and no large-scale procurement of spices was feasible unless the Company could lay its hands on a large amount of relatively cheap Indian cotton textiles. The Company could have obtained these textiles at Aceh and other places in the Indonesian archipelago, but its acute business instinct drove it to their source, the Coromandel coast, where four factories were established between 1606 and 1610 covering both the northern and the southern stretches of the coast. This was the starting point of the Company's involvement in the Indian Ocean trade which eventually assumed proportions as large as its Euro-Asian trade. The special privileges obtained from the petty rulers in the archipelago enabled the Company to earn considerably more than the usual rate of profit on Indian textiles. In fact, in a number of treaties the Company concluded in the archipelago, one of the clauses specified the rate of exchange between the particular commodity in which it had been granted monopsonistic privileges and important varieties of Indian textiles that it proposed to import.⁵ Another index of the crucial role of Indian textiles is the unquestioned domination of these textiles in the mix of goods the Indonesian and Malay traders carried out of Batavia,

where they had obtained them from the Company in exchange for a variety of goods.⁶

The specialization of the Coromandel coast consisted in the manufacturing of the relatively inexpensive cotton textiles which were either plain or patterned on the loom. They were often dyed in bright colours with plant dyes. The printing or painting was done in floral and a variety of other motifs. While the northern Coromandel – the area between the rivers Krishna and Godavari – specialized in the production of plain textiles, the specialization of the south – the coastal stretch between Pulicat and Nagapattinam – consisted in the production of the famous painted textiles – the pintadoes. The principal consuming markets served by the Dutch were in southeast Asia and included the Spice Islands (the Moluccas, Banda and Celebes), Java, Sumatra, the Malay peninsula, Siam and Burma. Throughout the archipelago, these textiles were used primarily as wearing apparel by all sections of the community. While the bulk of the demand seems to have been for the relatively coarser and inexpensive types, there was also a fairly large market for the more expensive and ornamental varieties. In Java, for example, the principal varieties sold were tapis (including tapi sarassas and tapi chindaes) and goulongs. While the coarser varieties of tapis were partly for ‘the peasants in the hills’,⁷ the goulongs, which were patterned on the loom and often incorporated gold thread, were obviously for the better-off sections. In a letter to Masulipatnam in 1617, Jan Pietersz. Coen, the Director-General of the VOC, emphasized that “it was essential that only the best quality goulongs and

tapi-sarassas were procured for Java since these people were very particular about the quality and, given their good buying power on the basis of the high price of pepper, would pay a very good price for the right kind of textiles".⁸ It would, therefore, be quite inaccurate to classify these markets as absorbers merely of coarse cottons. Also, each of the consuming markets, with several sub-segments, was a distinct unit with its own specific tastes and preferences with regard to the colours of the dyes, as well as the patterns and designs created through printing and painting. The orders lists sent by Batavia to Coromandel, therefore, were elaborate affairs, often running into several folios, indicating in great detail the market-wise requirements in terms of variables such as the size of the piece, the colours preferred, the size of the stripe, the pattern of the border, the exact floral design that was to be duplicated, and so on. Thus the eighty packets of tapi-sarassas asked for in 1623 were to have "bright red borders and small flower work in lively colours".⁹

The Company's trade with the other major Indian region supplying textiles to southeast Asia, namely Gujarat, was taken up in earnest only from about 1620 onward. In letter after letter, Batavia asked Surat to invest the bulk of the limited funds available in textiles for the southeast Asian markets, because "without these textiles, it was difficult to carry on trade in the southern quarters".¹⁰ Within Asia, while small quantities of textile exports from Surat went to the Middle East (Basra, Gombroon and Mocha), and Sri Lanka, the bulk of the exports were directed at Batavia. From Batavia, an overwhelming proportion of these textiles

was sent on to the Spice Islands and Malaya. According to an estimate prepared in 1623, the principal varieties that had a market in this region were baftas, cangans, chelas, cannikens and taffechelas. In the case of varieties such as baftas and taffechelas, there was a fairly large market for the medium and fine qualities. Of the Gujarat silk textiles, the most important variety procured for the southeast Asian markets was patolas. In 1621, good quality patolas with figures of elephants and humans painted on them were reported to be selling in the Moluccas at the extremely high price of 40 to 50 rials per piece.¹¹

When the Company came to Bengal in the early 1630s after establishing itself in Coromandel and Gujarat, it was also mainly in quest of goods for its Indian Ocean trade. But the commodity this time was not textiles for southeast Asia, but raw silk and silk and mixed textiles for Japan. It is important to realize that together with the spice monopoly, exclusive access to the Japan trade from 1639 onward were the two pillars behind the unusually successful run of the Dutch East India Company's participation in the Indian Ocean – South China Sea Complex trade through the seventeenth century.

The Company had a nearly captive market in the Spice Islands and exploited this advantage in full by charging prices which were considerably higher than those that other traders used to charge earlier. In fact, in 1618 these prices were reported to be so high as to be almost counterproductive in so far as they adversely affected the delivery of cloves in the Moluccas.¹² With a brisk

procurement by the Chinese, Malay and other traders, the sales in the Java market picked up considerably from the 1630s. The average rate of profit around this time was reported to be between 60 and 100 per cent.¹³ The 1641 conquest of Malacca helped, and the subsequent decades witnessed a considerable increase in the trade in Coromandel textiles in southeast Asia. Indeed, until the 1680s this market continued to be supplied overwhelmingly by Coromandel.

The only other Indian region supplying textiles for southeast Asia in any reasonable quantity was Gujarat. The bulk of the supplies received from Gujarat at Batavia were sent on to the Spice Islands and Malaya. A large part of these supplies consisted of coarse cotton, though fine cottons, silk piece-goods, as well as piece-goods made of a mixture of silk and cotton yarn, were also exported. The profitability in Indonesia was reasonable: in 1679, Surat chintz were reported to have yielded a gross profit of 100-128 per cent, while the following year carricans were sold at a profit of 70 per cent.¹⁴

The last quarter of the seventeenth century in some sense represented the peak of the Dutch East India Company's trade in Indian textiles in southeast Asia. An overwhelming bulk of these textiles originated in Coromandel. Thus of the total of f.1.26 million-worth of textiles the Batavia Council ordered for this market for 1696 from Coromandel, Bengal and Gujarat together, the respective share of the three sources was 93 per cent, 4 per cent, and 3 per cent.¹⁵ It was only from about this time onward that the Company was confronted by the

problem of growing competition in Java by the locally produced cheaper supplies of painted textiles.¹⁶ An important development characterizing the period from about 1690 onward was the growing shift in the area of procurement from northern to southern Coromandel, where textiles were available both more cheaply and in distinctly greater abundance. Districts such as Cuddalore, Salem and Tanjavur now provided a large proportion of the total amount procured. Districts such as Madura and Tinneveli, which lay south of Point Calimere and were under the jurisdiction not of the Dutch 'government' of Coromandel but of that of Sri Lanka, were also found increasingly more attractive. In southeast Asia, the Company was now concentrating more and more on the relatively captive markets of Java, southern Celebes and the Moluccas, and increasingly opting out of places such as Aceh, Johor, Kedah, Tenasserim and Pegu where the competition by Asian merchants was turning out to be crippling. A report written by the outgoing chief of the Dutch establishment in Coromandel in 1757 pointed out that from the port of Porto Novo alone, the textiles exported by Indian merchants to ports such as Manila, Malacca, Aceh, Arakan, Pegu, Mocha and those in Persia and other places amounted each year to 200,000 pagodas (or approximately f.1 million).¹⁷

A part of the Indian textiles brought in by the Dutch East India Company into Batavia was used by the Company itself. Such uses included the manufacturing of sailcloth for the Company's ships, the production of uniforms for mounted cavalry and guards, and for use by the Company's personnel on

ceremonial occasions such as processions of various kinds, conducting of funeral rites and so on.¹⁸ Another major use to which Indian textiles were put was to clothe the slave population which was obliged to wear distinct clothing provided by the Company. While Guinea cloth was part of this distinct set in the seventeenth century, in the eighteenth the qualifying varieties included only garras, fotas and niquanias. It has been suggested by F.W. Stapel that over the two hundred years of its existence, the Company provided more than one million pieces of clothing of its slave population.¹⁹

The employees of the Company at Batavia and other places all over the Indonesian archipelago were often paid a part of their salary in Indian textiles. In the Moluccas, for example, where between 2,000 and 3,000 individuals served the Company, half the salary was paid in cash and the other half in textiles. According to the estimates of de Korte, the total burden of salaries paid in Asia between 1613 and 1790 to the personnel on land and ships amounted to a whopping f.179 million. On the assumption that half the amount was paid in textiles, the total amount paid through that medium would have amounted to f.89.5 million including the Company's profit calculated at between 50 and 75 per cent on the cost price.²⁰ Finally, one might note that following the extensive and long-standing usage of luxury textiles from India in gift giving in the Indonesian archipelago, the Company had also adopted the practice on a fairly large scale. Again, according to de Korte, the Company spent a total of f.19 million in gift giving in Asia over the 177 years of book-keeping. Since luxury textiles

constituted the core of these gifts, probably many thousands of pieces of cloth would have been gifted away annually. The fact that Indian luxury textiles were at the head of the list of the most desirable gifts would be corroborated by the fact that according to an entry in the Batavia Dagh Register of 1648, a Chinese delegation presented the Dutch Governor-General with Indian rather than Chinese textiles.²¹

An overwhelming proportion of the Indian textiles imported by the Company would, of course, have been sold in the market. The single largest market for the purpose was Batavia itself from where, according to the evidence in the Dagh Registers, the bulk of the textiles would have been transported by the buyers to all parts of the archipelago. The result was that Indian textiles reached the remotest parts of the archipelago. While the luxury varieties remained confined by and large to the coastal and the urban areas, the ordinary varieties reached everywhere and constituted the everyday wear of the ordinary consumer. As pointed out earlier, the basic advantage that the ordinary Indian textiles enjoyed over their domestically produced counterparts was that of availability at a cheaper price for comparable quality. It is in that context that one can best appreciate situations arising out of interruptions in the supply of Indian textiles due to whatever reason leading to an immediate resumption of domestic production of the broadly substitute varieties. This is precisely what happened in 1617 when three of the Company's ships, the Aeolius, the Middelburgh and the Duyve – the latter two from Surat – on their way to the archipelago got

shipwrecked with large consignments of textiles aboard.²² The point to emphasize is that while the capability of producing the mass wear textiles for domestic consumption certainly existed in the system at least to a certain extent, this capability was ordinarily not used because of the availability of cheaper and better textiles imported from India. It was essentially only in situations of interruption in the supply of Indian textiles that the domestic production capacity was activated.

A particularly important destination in the Malay-Indonesian archipelago to which Indian textiles imported into Batavia were sent by the Dutch East India Company was the town of Makassar in South Sulawesi after its conquest by the Company in 1669. An immediate fallout of the Dutch conquest of the town was the initiation in 1670 by the Manila authorities of a new direct route linking Madras and Manila bypassing both the Dutch and Makassar. This trade in Coromandel cloth and Manila silver had grown by the end of the seventeenth century to an impressive over one million florins per annum. In the eighteenth century, 20 to 25 per cent of the VOC imports into Makassar valuewise consisted of Indian textiles. In absolute terms, this amounted to about 21,500 rix dollars per annum, with Chinese tobacco worth around 12,000 rix dollars being a distant second. Only after about 1780 did this figure go down to about 15 per cent. Private traders who had bought the textiles from the Company at Batavia were also allowed to bring them into Makassar. In addition, there was a certain amount of Indian textiles imported into the city "illegally" from Johor and other

neighbouring ports in the Malacca straits. The competition provided by these imports as also by the domestically produced textiles at neighbouring centres such as Selangor and Buton meant that, on an average, around 1710 the Company was able to make a profit of only around 50 percent on Indian textiles imported into Makassar.²³

While the main use to which the ordinary imported Indian textiles were put was everyday mass wear, the story was quite different in respect of the considerable body of luxury textiles imported from India into the Malay-Indonesian archipelago. While these varieties were also used overwhelmingly for wearing purposes, the occasions on which this was done were essentially ceremonial – marriages, death ceremonies and so on. The use of decorative gold thread for borders and stripes constituted a very important element in the overall status enhancing role of these textiles. Indeed, the possession of such textiles became a measure of one's wealth, class, status and power. So, often these textiles were also used as a store of value. Further, as pointed out above, the use of luxury Indian textiles for purposes of gift giving was quite widespread. In Ambon, dancing girls invited to perform on special occasions are known to have been paid in Indian textiles.²⁴

It is also important to realize that a long-term exposure of the population of the archipelago to the luxury Indian textiles led to innovations and imitations in the domestic manufacturing of similar varieties of textiles. An outstanding

example of an Indian textile leading to such innovation and imitation was the patola which inspired new motifs, designs and patterns in corresponding varieties of Indonesian textiles. The development of batik, however, is a special case because the technique of batik decorating, unlike ikat, is post-loom and seems to have involved initially the use of imported undecorated Indian textiles.²⁵

III

Next to the Malay-Indonesian archipelago, the most important Asian market for Indian textiles was that of Japan. The 'bullion for goods' model applicable to the Euro-Asian trade was fully replicated in this particular branch of Asian trade. Though not located in the Indian Ocean, Japan was a very major component of the Indian Ocean – South China Sea complex and formed a key trading area for the Dutch East India Company. As an Asian source of silver and gold, Japan had assumed extremely important proportions from around the middle of the seventeenth century, and indeed almost came to rival Europe in terms of the quantities of precious metals provided to the Indian subcontinent. The factors behind the emergence of Japan as the largest Asian provider of precious metals was the discovery there in the sixteenth century of major new mines of both gold and silver and the use of the mercury amalgamation method in refining these metals. In the early stages of the rise of Japan to this position of preeminence, the key role in promoting the trade in Japanese silver was played by the Chinese merchants, who exchanged increasing quantities of Chinese raw

silk and other goods in Japan mainly against the locally produced silver. They were soon joined by the Portuguese. But following the expulsion of the latter from the country and the promulgation of the 'closed country' era in 1639, the only two foreign trading groups allowed to operate in Japan were the Chinese and the Dutch. The Dutch used this differential privilege to its maximum and procured large quantities of precious metals in Japan in exchange for commodities such as raw silk. Information regarding the amount of precious metals obtained by the Dutch in Japan is available only from 1621 onward. According to this information, between the late 1630s and the end of the 1670s, Japan had a clear and substantial lead over Holland as a provider of precious metals to the Dutch East India Company factors in Asia.²⁶ An overwhelming proportion of both gold and silver obtained by the Company in Japan would seem to have been sent on to India for investment there in goods for both Europe and Asia. It is instructive to note in this regard that in 1667, as much as 84 per cent of the total silver brought in by the Company into Bengal was of Japanese origin, the remainder having been imported from Holland.²⁷ The ban imposed on the export of silver in 1668 obliged the Company to confine its procurement of precious metals in Japan to gold.

The principal Indian commodity the Company exported to Japan was Bengal raw silk and silk and mixed textiles. Until the 1670s, the share of goods for Japan in the total cargo the Company procured in Bengal for the rest of Asia as well as the share of Bengal goods in the total cargo sent to Japan from

Batavia was in both cases around 50 per cent. But this changed dramatically over the period 1680 to 1740. The share of goods for Japan in the total cargo procured in Bengal was not much more than a quarter in 1681-2, and it came down to under 10 per cent in the 1690s. In the 1720s and the 1730s, it fluctuated between 4 and 6 per cent. As for the share of Bengal goods in the total exports to Japan, the figure had dipped to around a third in the 1690s, with the figure in 1699-1700, the last year for which information is available, being no more than 18 per cent.

The radically altered situation of Bengal goods in regard to the Japan trade was in a good measure the outcome of certain policies adopted by the Japanese authorities in the 1680s and the 1690s. The introduction in 1672 of the system of 'appraised trade' had forced a substantial deterioration in the foreigners' terms of trade. But it had not been adequate to ensure that the annual specie loss did not assume disturbing proportions. In 1685, therefore, the system of what might be called 'limited trade' was introduced. Under the new arrangement, the Company was permitted to import annually goods whose total sales proceeds were not to exceed f.1.05 million. Further, the amount of raw silk the Company could sell during the course of a year was henceforth to be limited to f.350,000 sale value. The resultant erosion in the role of Japan in the overall trading strategy of the Company was further reinforced in 1696, when the gold content of the koban was reduced from 85.69 per cent to 56.41 per cent without a reduction in its silver price, making it a much less attractive coin to procure.

The decline of the Japan trade is apparent in the fact that the average annual value of the total Dutch exports to Nagasaki between 1686 and 1700 was reduced to f.630,000. Since the Company could not be certain of the precise quantity of raw silk that would fetch the ceiling amount of f.350,000 in Japan, and because the amount of raw silk exported to Europe was growing at a rapid rate around this time, what often happened was that the amount of raw silk sent to Japan was worth less than the maximum allowed. Throughout this period, Bengal continued to be the principal supplier of raw silk for Japan, but the absolute quantity involved had been reduced considerably.²⁸ The gross profit on Bengal raw silk was reported to be 63 per cent, 74 per cent, 85 per cent and 68 per cent in 1702, 1704, 1715 and 1717, respectively.

By forcing a rapid decline in the Dutch Company's silk trade and at the same time withdrawing the appraised trade system from goods other than raw silk, the 1685 regulations actually promoted the trade in Indian textiles. The first manifestation of this was an increase by 50 per cent in the 1686 Nagasaki orders for most varieties of Bengal textiles. Bengal amosins fetched a good profit of 137 per cent in 1702, and of 92 per cent two years later. In the early part of the eighteenth century, Bengal cotton textiles became a regular item of import into Japan. In 1715, whereas Bengal textiles afforded in Nagasaki an average gross profit of 151 per cent, those from the Coromandel coast fetched only 116 per cent, while the few pieces imported from Gujarat had, in fact, to be sold at a loss

of 67 per cent.²⁹ In the 1720s and the 1730s, the quality of the Bengal textiles sent to Japan probably varied considerably from year to year. Thus while in 1728 and 1729 the quality of the taffechelas ginghams and the tassar alachas was reported to be so poor as to have involved a net loss,³⁰ a 1731 Batavia evaluation of the lot of Bengal silk textiles received for Japan pointed out that not only had the samples on the basis of which the contracts had been put out been generally reproduced competently, but in many cases they had actually been improved upon in terms of quality.³¹

IV

This paper has sought to situate South Asia in the Early Modern Indian Ocean World by highlighting the subcontinent's role in the structure of Indian Ocean trade in textiles and silver. We have argued that what set the Indian subcontinent apart from its neighbours in the Indian Ocean littoral were its sophisticated and well-developed industrial and trade sectors. India's capacity to manufacture textiles, particularly the relatively inexpensive varieties, in large quantities and to put them on the market at highly competitive terms made it in some sense the 'industrial' hub of the region surrounded by west Asia on one side and southeast Asia on the other. At the root of this 'industrial' capability was the availability in the subcontinent of a sophisticated infrastructure of institutions and services which rendered the system of production and exchange highly efficient, dynamic and fully market responsive. The long-term and sustained

domination of the Indian Ocean markets by Indian textiles is clear evidence of the cost effectiveness of these textiles in relation to the countries where they were consumed in enormous quantities. Unfortunately, the data base available to us does not permit a more detailed analysis of the structure of costs in the Indian textile industry. There indeed is a certain amount of wage data, though of somewhat indifferent quality, available for both Mughal India and south India. Making a distinction between grain wages and silver wages, Stephen Broadberry and Bishnupriya Gupta have recently used these data in conjunction with Chinese and European wage data in the early modern period to contest Kenneth Pomeranz's well-known thesis on the 'great divergence' between Europe and Asia and to argue that such a divergence was already well underway before 1800.³² Unfortunately, the non-availability of comparable data, even of indifferent quality, for either the Middle East or southeast Asia rules out the possibility of attempting a similar exercise for the Indian Ocean region.

ENDNOTES

¹ John Peter Wild and Felicity Wild, "Rome and India: early Indian cotton textiles from Berenike, Red Sea coast of Egypt" in Ruth Barnes (ed.), Textiles in Indian Ocean Societies (London and New York, 2005).

² Himanshu Prabha Ray, "Far-flung fabrics – Indian textiles in ancient maritime trade", in Barnes (ed.), Textiles in Indian Ocean Societies.

³ Mary-Louise Totton, "Cosmopolitan tastes and Indigenous designs – virtual cloth in a Javanese candi", in Barnes (ed.), Textiles in Indian Ocean Societies; Fiona Kerlogue, "Textiles of Jamby (Sumatra) and the Indian Ocean Trade" in Barnes (ed.), Textiles in Indian Ocean Societies.

⁴ Tome Pires, The Suma Oriental of Tome Pires: An Account of the East, from the Red Sea to Japan, Written in Malacca and India in 1512-1515, ed. Armando Cortesao (London: Hakluyt Society Publications, 1944), Vol.1, p.45.

⁵ Two of these treaties – both relating to pepper – were the 1649 agreement with the Achinese dominions of Tiku, Priaman, and Indrapoera in Western Sumatra (J.E. Heeres, ed., Corpus-Diplomaticum Neerlandico-Indicum, Vol. 1, The Hague, 1907, pp.528-531) and the 1660 agreement with the ruler of Padang in the Malay peninsula (Pieter van Dam, Beschryvinge van de Oost-Indische Compagnie, ed. F.W. Stapel, The Hague 1927-1954, Vol.2, part 1, p.290).

⁶ The proportion of textiles in the total value of the cargo was 83.52% in 1659, 84.21% in 1661, 76.22% in 1670, 60.50% in 1673, 32.87% in 1674, 41.07% in 1675, 42.68% in 1680, 49.98% in 1681 and 44.62% in 1682. Calculated from the end-of-the-month statements in the Batavia Dagh-Register of the relevant years.

⁷ Nationaal Archief (NA), Coen at Batavia to Andries Soury and Abraham van Uffellen at Masulipatnam, 8 May 1622, VOC 849, ff.82v-85v.

⁸ NA, Coen at Jacatra to Hans de Haze at Masulipatnam, 30 November 1617, VOC 1067, ff.31v-35v.

⁹ “An estimate of Coromandel clothes that could be sold in a year in the Moluccas, Amboina, Banda, Java, Jambi, Patani and other southern quarters”. Prepared at Batavia, 27 April 1623, NA, VOC 1080, ff.89v-90v.

¹⁰ Letter from Coen at Batavia to Pieter van den Broecke at Surat dated 6 November 1621, VOC 849, ff.26v-27. The letter went on to say that until further orders, no funds were to be invested in any other commodity. Earlier, in his letter of 17 October 1621, Coen had told Van den Broecke to invest money in indigo only after meeting the textile orders from southeast Asia in full. The procurement of textiles for Holland was also to be postponed till such time as the availability of funds improved (letter dated 17 October 1621, VOC 849, ff.15-16v). Also see letters from Coen to Surat dated 5 May 1622, VOC 849, ff.85v-87v and 22 July 1622, VOC 850, ff.1v-4.

¹¹ NA, Coen at Batavia to Van den Broecke at Surat, 6 November 1621, VOC 849, ff.26v-27.

¹² NA, General letter from Governor-General Laurens Reael to the Directors at Amsterdam, 20 August 1618, VOC 1068, ff.218-29.

¹³ In 1633, the profit on white cloth was reported to be as much as 125 per cent (T. Raychaudhuri, Jan Company in Coromandel, The Hague, 1962, p.159).

¹⁴ V.B. Gupta, 'The Dutch East India Company in Gujarat Trade, 1660-1700: a Study of Selected Aspects', unpublished Ph.D. thesis, Delhi School of Economics, Delhi University, 1991, pp.311, 337.

¹⁵ Calculated from Pieter van Dam, Beschrijvinge van de Oost-Indische Compagnie, II.II, pp.79-80 and 220-21; II.III, pp.104-05. This is the only comprehensive list of orders available.

¹⁶ T. Raychaudhuri, Jan Company in Coromandel, p.162.

¹⁷ NA, Report by Jacob van der Waeyen dated 25 November 1757, NA, Hooge Regering Batavia (HRB) 341 (unfoliated).

¹⁸ Ruurdje Laarhoven, The Power of Cloth: The Textile Trade of the Dutch East India Company (VOC), 1600-1780, unpublished Ph.D. dissertation, Australian National University, 1994, p.338.

¹⁹ R. Laarhoven, The Power of Cloth, pp.79, 339.

²⁰ R. Laarhoven, The Power of Cloth, pp. 151, 347-48.

²¹ R. Laarhoven, The Power of Cloth, pp.97-100

²² R. Laarhoven, The Power of Cloth, p.74.

²³ Gerrit Knaap and Heather Sutherland, Monsoon Traders: Ships, Skippers and Commodities in Eighteenth-Century Makassar, Leiden, 2004, pp.38-39.

²⁴ R. Laarhoven, The Power of Cloth, p.90.

²⁵ R. Laarhoven, The Power of Cloth, p.97.

²⁶ Oscar Nachod, Die Beziehungen der Niederlandischen Ostindischen Kompagnie Zu Japan im Siebzehnten Jahrhundert, Leipzig, 1897, Appendix, Table E, pp. cc vii-viii; Kristof Glamann, Dutch-Asiatic Trade, 1620-1740 (Copenhagen/The Hague 1958); J.R. Bruijn, F.S. Gaastra, I. Schoffer, Dutch-Asiatic Shipping (The Hague, 1987) Vol. 1, Appendix 4, Table 46.

²⁷ Om Prakash, The Dutch East India Company and the Economy of Bengal, 1630-1770, (Princeton, 1985), Chapter 5.

²⁸ Thus the amount of Bengal raw silk exported to Japan had come down from 180,000 ponds in 1675 to 124,000 ponds in 1682, and to 44,000 ponds in 1693-94. The figure in 1700-01 was 60,700 ponds, in 1710-11, 42,845 ponds and in 1717-18, 33,806 ponds (Om Prakash, The Dutch East India Company and the Economy of Bengal, p.126).

²⁹ Om Prakash, The Dutch East India Company and the Economy of Bengal, p.137.

³⁰ NA, Hooghly to Batavia, 30 November 1730, VOC 2165, ff.20-21.

³¹ Evaluation done by Hendrik Haak and Anthony Jubbels at Batavia dated 20 April 1731, NA, VOC 2174, ff.2427-28.

³² Stephen Broadberry and Bishnupriya Gupta, "The early modern great divergence: wages, prices and economic development in Europe and Asia, 1500-1800", Economic History Review, LIX, 1(2006), pp.2-31.