

# *Commercial World of Mancherji Khurshedji and the Dutch East India Company: A Study of Mutual Relationships*

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## **Introduction**

On April 1st 1768, a Parsi servant of Mancherji Khurshedji, a merchant and -broker of the Dutch Company, came to Surat to whom another Parsi servant of Dhanjishah, a merchant under the English protection, asked wherefrom he came and without any further argument he inflicted a blow with his fist to the first mentioned who then fell down and meanwhile he gave him a slap, then the defender inflicted two pricks with his knife to the offender, many people witnessed this fight, and the Parsi who still had the knife in his hand, was attacked with bamboos with such force that the knife fell from his hand, he was further beaten up till he fell down.<sup>1</sup>

What followed this tiny incident was something very serious. Mancherji was arrested and after a show of armed strength between Surat's Governor and the Dutch, his house was brought under the Company's possession. It initiated a legal battle on the question of rights and privileges of the Dutch Company at Surat and the legality of the exercise of its powers on the native merchants. The Company claimed a legal right to send armed men either to provide security or if necessary to take possession of the property belonging to the merchants under the Dutch protection. This claim was even more

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Note: All references to the Dutch sources are from the National Archives, The Hague, except wherever indicated.

<sup>1</sup> VOC 3238, Proceedings of the Dutch Council at Surat (hereafter Proceedings at Surat), 3 April 1768, ff. 264b–265a.

justified in this case, as Mancherji had a huge outstanding debt to the Company.

This episode gives feeling of a volatile environment at Surat and merchants' susceptibility to it, in the second half of the eighteenth century. It also reflects upon the commercial rivalry and tension among the Parsis as a merchant community,<sup>2</sup> the nature of relationship between the Company and its Indian associates, as well as between European Companies and the local administration.

This paper is an attempt to illuminate the multifaceted world of a merchant and ship-owner Mancherji Khurshedji, whose career reveals a great deal of dynamism and presents an interesting trajectory. In 1750, when he was appointed as the second broker to succeed Kishordas Wanmalidas, a Bania, he was already a leading merchant of Surat and perhaps the richest among Parsis.<sup>3</sup> Since then until his death in the mid-1780s, he combined his trading activities with that of broking for the Dutch East India Company. During this long period, he experienced immense prosperity, enjoyed political networking, and association with the local authorities, suffered adversities by losing fortunes, and finally on his death, he had a huge outstanding debt to the Company. What follows here, is an attempt to explain his successes and failures in the context of Surat's changing political economy.

Eighteenth-century Gujarat witnessed political uncertainty and lawlessness of an unprecedented scale. Repeated extortions, first under the late-Mughal regime and later under the Marathas, created consternation among the people especially those in pursuit of

<sup>2</sup> In the eighteenth century, the Parsis emerged as a dynamic community of merchants and entrepreneurs which by all means made the best use of the prevailing circumstances not only to survive but even to dominate the political economy of Western India. The role of this community in the Surat's struggle for survival as the commercial entrepot of Western India is as crucial as their contribution to the rise of Bombay in the late eighteenth and nineteenth centuries. A good deal of literature is available on the various facets of the Parsi community at Surat and Bombay. See for instance Dosabhai F. Karaka, *History of the Parsis*, 2 volumes (London: MacMillan, 1884); P.S.S. Pissurlencar, *Portuguese Records on Rustumji Manochji, the Parsi Broker of Surat* (Nova Goa, 1933); Stephen M. Edwards, *The Rise of Bombay; a Retrospect* (Bombay, 1902). For an excellent analysis of the Parsi commercial activities in early eighteenth-century India see David L. White, 'Parsis in the Commercial World of Western India, 1700-1750', *The Indian Economic and Social History Review* (Hereafter *IESHR*) Vol. 24, No. 2 (1987), pp. 183-203.

<sup>3</sup> In the list of leading merchants of Surat he appears as the one having a capital of Rupees 100,000 (HRB 838, *Memorie van Overgave, Jan Schreuder, 1750*, Lettra B, pp. 23-32). For his position among the Parsis of Surat, see Jivanji Jamshedji Modi, 'Anquetil Du Perron of Paris: India as seen by him (1755-60)', *Journal of the Bombay Branch of Royal Asiatic Society*, Vol. XXIV (1917), pp. 341-2, 349-50.

commerce.<sup>4</sup> Affluent merchants were easy prey to the local regimes, which, in their attempts to survive, acted as greedy wolves. Ship-owners, mainly Muslims, suffered not only from the Europeans, chiefly English, who introduced new rules of the game, but also from a mushroom growth of pirates along the Western Indian Ocean littoral. Surat tended to lose accessibility to its interior, while coastal trading remained no longer safe for ordinary merchants. Shipping along the ports of the Kathiawar peninsula, the Gulf of Cutch and Sind declined and Surat became increasingly isolated from some of its favourite destinations.<sup>5</sup>

These adverse circumstances certainly affected the trading networks, but did not altogether uproot them. The practitioners of commerce knew very well how to adjust to the new conditions and lacked no potential to tune their activities and if necessary, restructure their scale and scope of operation. This resilience was undoubtedly the greatest strength of the early modern Indian economic system. Some did certainly succumb to the new pressure and lost their fortunes, some went into hibernation anticipating that this uncongenial phase would soon be over. There was still a considerable section of Surat's mercantile community, which put up a brave face and did everything for its survival and active continuity. For such merchants protection became a keyword and many of them individually and collectively as well, rushed for association with the prospective 'players' in power politics of Surat. The Dutch, and the English companies, having consistently played crucial roles in the commercial life of Surat, and also being increasingly interested in its politics, were deemed as protectors. Consequently, some leading merchants of Surat sought protection from either of these, which was eventually

<sup>4</sup> For an eyewitness account of these developments see, Ali Mohammad Khan's *Mira't-i Ahmadi*, Vol. 2, Syed Nawab Ali Edition (Baroda: Oriental Institute, 1927–28). Ashin Das Gupta has illuminated the commercial life of Surat in the seventeenth and early-eighteenth centuries in his various essays. For the implications of political breakdown in Mughal north India in the early eighteenth century, see 'Trade and Politics in Eighteenth-Century India', in *The World of the Indian Ocean Merchant, 1500–1800: Collected Essays of Ashin Das Gupta*, Compiled by Uma Das Gupta (New Delhi: Oxford University Press, 2001), pp. 141–79; See also his seminal work on Surat, *Indian Merchants and the Decline of Surat, 1700–1750* (Universitat Heidelberg: Wiesbaden, 1979).

<sup>5</sup> Traffic between Surat and Sind, for instance, declined ten times by the mid eighteenth century. In a report on Sind, the Dutch authorities complained that whereas earlier 100 ships sailed between Sind and Surat, now only 10 might be seen (VOC 2909, Louis Tallefret, to Jacob Mossel, Governor-General and his Council at Batavia, Surat, 14 May 1757, pp. 10–14).

also granted.<sup>6</sup> Protection did not necessarily imply patronage or an unequal relationship; it was rather contractual and based on mutual trust and cooperation. Whether it was formalised in a written declaration from the merchants, we do not know. Apparently the merchants promised to behave themselves strictly in accordance with the commercial interests of the Company which would in turn ensure protection and other facilities. Whereas the Europeans always invoked legal values to such arrangements, the merchants interpreted these as purely negotiable.<sup>7</sup> The companies, in view of growing competition and problems of logistics, also vied with each other to secure this commitment from the leading merchants of the city. Concomitantly both, the merchants and the Company, benefited from these complementarities. By 1750, however, a large number of merchants did not throw in their lot with any of the Companies and remained rather as free merchants. Mancherji Khurshedji was one such merchant who carried on trade independently.

<sup>6</sup> Merchants' choice was, however, not uniform and depended much on their commercial requirements. For some merchants, like Mulla Fakhruddin, and the Chalebis, options were limited. As their interests directly clashed with those of the English, they had to fall back on the local political elites (Michelguglielmo Torri, 'In the Deep Blue Sea: Surat and its Merchant Class during the Dyarchic Era (1759–1800)', *IESHR*, Vol. XIX, Nos. 3 & 4 (1982), p. 267). Baniyas were won over by the English, to the extent that there emerged, what Lakshmi Subramanian has called the 'Anglo-Bania Order' (Lakshmi Subramanian, *Indigenous Capital and the Imperial Expansion, Surat, Bombay and the West Coast* (New Delhi: Oxford University Press, 1996), pp. 119–71; Also from the same author, 'Capital and Crowd in a Declining Asian Port City: The Anglo-Bania Order and the Surat Riots of 1795', *Modern Asian Studies* (Hereafter *MAS*), Vol. 19, No. 2 (1985), pp. 205–37; 'Baniyas 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. 21, No. 3 (1987), pp. 473–510. Her identification of three interest-groups namely Muslims, Baniyas and the Dutch and its allies appears to be a bit problematic, though she is not unaware of the fractured voice at least among the Baniyas in this regard. Even in the second half of the eighteenth century some Parsis, Jews, and even Baniyas were equally enthusiastic in seeking association with the Dutch, as the others were with the English. For a criticism of the Anglo-Bania Order, see, Michelguglielmo Torri, 'Surat during the Second Half of the Eighteenth Century: What Kind of Social Order?', *MAS*, Vol. 21, No. 4 (1987), pp. 679–710, and 'Trapped Inside the Colonial Order: The Hindu Bankers of Surat and their Business World during the Second Half of the Eighteenth Century', *MAS*, Vol. 25, No. 2 (1991), pp. 367–401.

<sup>7</sup> The only reference to the terms and conditions of such protection comes from the statements of the Dutch authorities at Surat regarding the non-compliance of these by their broker Mancherji Khurshedji (VOC 2967, Proceedings at Surat, 18 September 1758, David Kellij to Louis Tallefert, Surat, 13 September 1758) This also illustrates how differently the two parties interpreted the implications of someone being in the protection of the Company.

Intense commercial rivalries, coupled with the interplay of all kinds of tricks and intrigues in trade, to let the other one down, sometimes forced merchants to forge such association with the Company. Parsis, more than the Muslims, were the archrivals of the Banias since they, being free from all sorts of conventional or religious restrictions, indulged in professions considered to be a domain of the Banias, especially the role of a broker to the Company.<sup>8</sup> Being a prominent merchant of Surat, having ships and conducting large-scale trade all along the Indian Ocean, Mancherji was naturally a commercial magnate to be reckoned with. His bitter experience in 1748 might have given him initial motivation for the exercise of power, which the association with a company would entitle him to.<sup>9</sup> It is also important to note that he was already close to the local Muslim government of Surat and quite rightly thought that an association with the Dutch company would provide further scope to negotiate with the authorities and use political connections to ensure his own security and protection against his rivals.<sup>10</sup>

### Mancherji's position vis-à-vis the Company

In 1750, Jan Schreuder, Director of the Dutch establishments at Surat, appointed him as the second broker to look after the Company's interests together with Rudraram Raidas, the first broker.<sup>11</sup> Despite apprehensions among the Dutch authorities, on having two brokers,

<sup>8</sup> By the late 17th century, the Banias had come to dominate this profession (Lakshmi Subramanian, *Indigenous Capital and Imperial Expansion*, p. 124) Real challenge to this monopoly came from the Parsis who often competed with the Banias for this position. Mancherji Khurshedji, replaced Kishordas Wanmalidas, a Bania, as the second broker of the Company in 1750 and as has been reported by Jan Schreuder, he had intense commercial rivalry with the then broker of the Dutch Company, Rudraram Raidas (HRB 838, pp. 353-8; HRB 844, *Memorie van Overgave, Louis Taillefert, 1760*, pp. 459-60).

<sup>9</sup> For a brief analysis of political developments in the 1740s and the 1750s and Mancherji's political activism see Michelguglielmo Torri, 'Mughal Nobles, Indian Merchants and the Beginning of British Conquest in Western India: The Case of Surat 1756-59', *MAS*, Vol. 32, No. 2 (1998), pp. 257-315.

<sup>10</sup> He had many rivals from his own Parsi community as well. Dhanjishah Manjishah played active role in the castle revolution and remained politically and commercially dominant in the 1760s and 1770s, which adversely affected the fortunes of Mancherji Khurshedji (M. Torri, 'Surat during the Second Half of the Eighteenth Century', pp. 691-93).

<sup>11</sup> Govindram Rudraram could assume official position of a broker only after his father's death in 1762, and since then he is always referred to as the 'second' broker.

each from a rival sect or caste, it was nevertheless deemed fit for the Company to have him as broker since he was the best and most appropriate and above all was a man of affluence and credit.<sup>12</sup> Moreover, being close to the local authorities, he would be of service to the Company better than any one else, in negotiating with those in power.

To Mancherji, this offer meant a long-term commitment and better professional security. Being broker of the Company would entitle him to all facilities, financial and logistical, that the Company offered to the merchants under its protection. It would also guarantee the Company's support in all kinds of legal, political, and commercial disputes. Further, as a monopolist purchaser of Company imports, he would enjoy control over a large network of merchants spread over different parts of Surat and its interior. This would leave him with considerable power to bargain both with the Company and the merchants. From 1750 for more than three decades, Mancherji remained at the helm of affairs and quite successfully used his position as a broker to further his own commercial interests as well.

The activity of brokerage between buyers and sellers, although inevitable in the conduct of trade, enjoyed no particular respectability at least in the seventeenth century. Early European travellers and Company servants have attributed all kinds of negative characteristics to brokers.<sup>13</sup> Serving as broker to the European Companies was, nevertheless, considered as a dignified position and in fact some merchant families of Surat displayed their utmost desperation to obtain it in the late seventeenth and early eighteenth centuries such as the house of Laldas Vithaldas Parekh and the Parsi family of Rustamji Manikji.<sup>14</sup> The eighteenth-century brokers to the English or the Dutch Companies were different from their seventeenth-century

He was thus neither a co-broker in the 1750s nor was he senior to Mancherji as Torri has suggested (M. Torri, 'Mughal Nobles, Indian Merchants', pp. 263-4, 281-2).

<sup>12</sup> VOC 2786, Proceedings at Surat, 17 January 1750, pp. 312-13; VOC 2930, Louis Taillefert to Jacob Mossel, Surat, 25 December 1758, ff. 13a-13b.

<sup>13</sup> For a detailed discussion on the brokers, see A.J. Qaisar, 'The Role of Brokers in Medieval India', *The Indian Historical Review*, Vol. 1, No. 2 (New Delhi: Indian Council of Historical Research, 1974), pp. 220-46. For an analogous discussion on the role of brokers in the sixteenth-century, see M.N. Pearson, 'Brokers in Western Indian Port Cities: Their Role in Servicing Foreign Merchants', *MAS*, Vol. 22, No. 3 (1988), pp. 455-72.

<sup>14</sup> Ashin Das Gupta, 'The Broker in Mughal Surat, c. 1740', in Das Gupta, *The World of the Indian Ocean Merchant*, pp. 399-409. See also 'The Merchants of Surat, c. 1700-1750', in the same collection, pp. 323-7.

predecessors in various respects. The range of activities, the nature of the contractual relationship, forms of remuneration, and the mode of operation all seem to have gone far beyond the conventional definition of a broker. Mancherji, although referred to in our sources, as 'makelaar' (broker) or 'bediende' (employee/servant) of the Company, hardly qualifies to be called as such. He was primarily a ship-owning merchant and conducted trade on a large scale. As a broker to the Company, he was a principal buyer of merchandise from the Company. He also negotiated with suppliers for the procurement of textiles and at times his agency was used by the Company to make representations and negotiate on its behalf with the local authorities.

There had already been a great deal of discussion among the Dutch authorities on the position and functions of the brokers.<sup>15</sup> By 1750, the brokers were conceived by them as 'factotum' or instruments with which everything had to be done. Concerning the position and usefulness of the brokers for the Company, Jan Schreuder, the outgoing Director (1750), writes in his report about Surat, 'they [the brokers] have to be present when the goods were assessed for tolls, at the time of sale they strike the bargain, and with the purchase [of textiles] they make contracts and also stand surety for money advanced [to the suppliers], if something goes wrong with the local administration, they are the first ones to be called for advice and assistance], every request or proposal can be made and effected only through them, in sum everything the Company does at Surat happens only through the channel of the brokers'.<sup>16</sup> It also appears from this report that the brokers essentially bought merchandise from the Company on behalf of others, and also provided suppliers to contract for the procurement of textiles. They enjoyed 1½ per cent on all sales and 3¼ per cent on purchases.<sup>17</sup> The actual practice, however, demonstrates that Mancherji and his colleague Rudraram Raidas did neither always mediate between the Company and the buyers nor did they act as agents, buying on behalf of other merchants. They did not even enjoy a fixed commission from both the parties on all transactions. They also bought commodities themselves, brought by the Dutch Company from other parts of Asia and Europe, primarily as

<sup>15</sup> Such details can be seen in the Memoirs of some of the Dutch Directors of Surat Factory, which are also helpful in tracing the evolution of the institution of broking over the seventeenth and eighteenth centuries (HRB 836, *Beschrijving van Suratta, Jan. Schreuder, 1750*; HRB 844, pp. 232–351).

<sup>16</sup> HRB 836, item 252.

<sup>17</sup> *Ibid.*

wholesale merchants and later sold them to other merchants who possibly acted as retailers.<sup>18</sup> Soon after the arrival of ships, they forwarded to the Company, a price list that was discussed in the meetings of the Council and if members agreed to it, a contract was then confirmed under the condition that the brokers would be obliged to collect all the contracted merchandise and pay to the Company within a given time. It is, however, strange that in the contracts, of which some copies have survived in the archives, nowhere the quantity of merchandise thus sold, has been mentioned. It was perhaps understood that Mancherji and his colleague undertook to collect whatever quantity the Company received. Theoretically the Company lost every right to sell goods already contracted for with the brokers to any other merchant. We have very few references where the Company sold a part of merchandise already contracted, from its warehouses to any other merchant. Once in 1759, Louis Tallefert sold about 400 canisters of castor sugar to a Bania merchant, probably under English protection. He takes pride when he mentions in his memoir, that by doing so he taught a lesson to the brokers.<sup>19</sup> In 1772, when M.J. Bosman, Director at Surat, tried to sell some merchandise, already sold to the brokers, to other merchants, he was severely opposed and condemned by his subordinate A.J. Sluijsken.<sup>20</sup>

Neither was the Company obliged to sell all commodities to its brokers, nor were the brokers under any compulsion to buy everything from the Company. The process was quite non-exclusive and each had the right to select goods depending upon the logics of trade. We have several references where the Company exercised its rights to retain certain commodities for sale at the next appropriate occasion, especially if the prices were not up to the expectations. Brokers too, sometimes, did not contract for some goods if the sale prospects were rather bleak. Merchandise thus left out of the contract, had to be disposed of to other merchants. Normally, it may be presumed, such arrangements were made with the help of the brokers. From the sale contracts for arrack, and other minor commodities, with other merchants of Surat, however, it is hard to deduce such an impression. The possibility of sales having taken place outside the network of

<sup>18</sup> VOC 3068, Translation of what the Nawab demands from the Dutch (1762), p. 122, item VI; VOC 3549, Proceedings at Surat, 23 March 1779, ff. 234b–235a.

<sup>19</sup> HRB 844, p. 281.

<sup>20</sup> HRB 863, *Justificatie van de Secunde, Sluijsken, A.J. Sluijsken to Jeremias van Riemsdijk, Governor-General at Batavia, Surat, 23 November 1777, Bijlagen, Lettera B, Copia 4.*



Mancherji or his partner Rudraram, cannot entirely be ruled out. In sale contracts concerning arrack, for instance, there is no reference to broker or brokerage, although the buyers were mostly Parsis and possibly associates of Mancherji.<sup>21</sup> It is a curious position where the broker would interpose himself in such arrangements in order to ensure his commission, while the Company's interest would be better served if the sales took place without him.

Mancherji, after contracting to buy merchandise, took advantage of the rather inexplicit nature of the terms of contract. He collected them from the Dutch warehouse at his convenience, but quite often did not do so, unless he found prospective buyers.<sup>22</sup> The difference between the purchase and sale prices constituted his profit. Much depended on his ability to bargain with the Company for low prices and sell them at higher prices. The brokers had to bear all risks of bad sale due to a large supply of goods by other Companies and merchants, and in the case of consequent fall in prices, had to suffer losses.<sup>23</sup> Compliance with the terms of the contract depended much on the congenial trade atmosphere. Whenever there were troubles such as calamities, blockade of the city and consequent obstructions in transportation of goods to the interior, there were no buyers for the merchandise and the brokers consequently were unable to collect these from the Company.<sup>24</sup> It appears that the Company happened to be the ultimate sufferer since in no way it was able to compel the brokers to abide by the terms of contract. The sense of indignation of the Dutch authorities, in this regard, is often reflected in the letters and resolutions where they accuse the brokers, especially Mancherji, to be in connivance with the local authorities, although they were not

<sup>21</sup> Interestingly in a sale contract, we see for the first time in 1787, names of actual buyers appearing with those of the brokers. This clearly indicates that these brokers enjoyed a brokerage of 1½ per cent on the sales. VOC 3805, Proceedings at Surat, 3 April 1787, pp. 106–8; VOC 3805, Proceedings at Surat, 24 December 1787, pp. 325–6.

<sup>22</sup> VOC 3117, C.L. Senff to Van der Parra, Governor-General at Batavia, Surat, 31 December 1764, ff. 154b–156a.

<sup>23</sup> VOC 2842, Proceedings at Surat, 19 May 1753, pp. 169–70. As happened in 1767, when they bought iron at Rs. 14½ per 100 lb. from the Company and later due to a large shipment of iron from Europe by the English and the Portuguese prices fell down and they were forced to sell it at Rs. 10 per 100 lb. (VOC 3207, C.L. Senff to Van der Parra, 30 January 1767, ff. 14a–b).

<sup>24</sup> VOC 3437, M.J. Bosman to Van der Parra, Surat, 25 December 1775, ff. 39b–40a.

ignorant of the prevailing uncongenial climate, to which they attribute such non-compliances.<sup>25</sup>

Brokers were not the employees of the Company, although they are referred to as such in Dutch correspondence. They also appear among the native employees of the Company (*inlandse dienaren*). We have, however, no evidence to suggest that they were remunerated through a fixed salary on a permanent basis. The 1½ per cent '*makelaardij*' (brokerage) and 3 per cent *rabat*<sup>26</sup> that they enjoyed on all purchases were rather allowances for undertaking to buy merchandise in bulk and binding themselves for timely collection of goods and payment to the Company. The brokers were also spoken of as responsible for bringing in people who might conclude a contract for the supply of export goods, mostly textiles.<sup>27</sup> In all contracts made with the suppliers, Mancherji (so also Rudraram Raidas and after him his son Govindram Rudraram) is one of the signatories. It is hard to explain what role Mancherji played in these arrangements. It is also difficult to presume that he mediated between the Company and the purveyors. Like the two brokers, the Company enjoyed the services of two purveyors (*leveranciers*), almost on a regular basis, throughout the period under consideration. These purveyors undertook to supply all textiles required by the Company at prices offered by them and agreed upon by the Dutch authorities. Mancherji simply stood as a witness and surety to the contract. Apparently the brokers did not get any fixed commission on the Company's procurements through tenders. They were possibly remunerated for their efforts in negotiating the contracts, through a commission mutually agreed with the purveyors, which sometimes was as high as 3¼ per cent.<sup>28</sup> Allegedly, the purveyors could then recompense themselves by charging the Company for this amount, or even more. Consequently, in 1758 it was decided that the brokers would henceforth get one per cent on all purchases done through their help from the Company.<sup>29</sup> In the Dutch official contracts with the purveyors for the procurements of export goods, no

<sup>25</sup> Louis Taillefert in fact found himself helpless to bring Mancherji under control to the better service of the Company because of his close association with the successive governors Safdar Khan and Ali Nawaz Khan (VOC 2930, Louis Taillefert to Jacob Mossel, Surat, 25 December 1758, ff. 11a–15a).

<sup>26</sup> A reduction if payments are made in cash immediately after they received the merchandise or within a stipulated time.

<sup>27</sup> HRB 836, item 252.

<sup>28</sup> HRB 843, pp. 68–9; HRB 836, item 252.

<sup>29</sup> HRB 843, pp. 68–70.

reference is made to the broker's commission. From the rather obscure nature of the evidence, it might be construed that the brokers had a kind of informal agreement with the purveyors, which they deemed unnecessary to disclose to the Company. Mancherji, therefore, could exert his influence on the suppliers to procure textiles for his own consignments or to persuade them, on behalf of the Company, to supply certain textiles, which they were otherwise reluctant to deliver owing either to scarcity of that stuff or to price rise.<sup>30</sup>

These merchants, it may be concluded, in their relation with the Company acted rather as wholesale merchants. They first estimated the total possible sale in a year, placed the demand before the Company and finally bought the imported goods by undertaking to pay to the Company at the prices agreed upon. At what prices they then sold these goods to other merchants was none of the Company's concern. Mancherji Khurshedji (as also his partner Rudraram Raidas) was actually a 'merchandise-farmer' and not a broker in the sense it is understood.

The institution of broking seems to have undergone a process of evolution and over a period of time, numerous functions were subsumed within that of a broker which originally meant a simple mediator, who brought the buyers and sellers together and earned a commission on transactions. It grew more and more sophisticated and diversified incorporating multiple dimensions of early-modern Asian commercial systems. The term 'broker' or 'makelaar', however, continued to be used in the contemporary writings and no sophisticated term was coined which could be in tune with the changing nature of the activity. Even the local Persian term 'dalal' is no more appropriate for this in the middle of the eighteenth century. Another term, *wakil* (representative) comes a bit closer but does not have the richness of meaning that would fit a profession like that of Mancherji.<sup>31</sup>

<sup>30</sup> In a report concerning the problems of textile trade at Surat, written in 1759, Mancherji has been accused of procuring textiles first for his own ships so that they depart to their respective destinations on time, rather than for the Company (VOC 2930, Louis Taillefert to *Heeren XVII*, Surat, 1759, ff. 4b-9b). On another occasion, he has been applauded for persuading the purveyors to supply some textiles for which they had some pretensions (VOC 2967, Louis Taillefert to Jacob Mossel, Surat, 12 April 1759, p. 117).

<sup>31</sup> His English counterpart, Manikji Nowroji, was called as *wakil* (representative) and Jagannathdas Parekh was referred to as the *marfatia* (agent) in the English Company records. See Ashin Das Gupta, 'The Broker in Mughal Surat', pp. 406-8.

Being a native merchant of considerable credit and possibly close to the local political elites, Mancherji was certainly very important for the Company. In him, the Dutch Company got a promising buyer of bulk merchandise and a trustworthy merchant whose agency could always be invoked while negotiating with the political powers as well as with the larger community of merchants, especially the bankers.<sup>32</sup> For nearly 35 years, he, together with Rudraram Raidas and later with his son Govindram Rudraram, bought almost all major commodities from the Company.

Mancherji, in his new position, anticipated his commercial security and the continuity of his trade on a large scale. It ensured him, apart from allowances, a considerable profit from the sale of goods to the merchants. It also entitled him to privileges not enjoyed by ordinary merchants, like exemption from internal tolls, etc. He could also use his new platform to safeguard his interests in cases of commercial or political disputes.<sup>33</sup> Moreover, to Mancherji, it was a means of spreading risks, which every affluent merchant looked for in order to avoid sudden and complete ruin in an uncertain commercial environment. He could, therefore, combine his own trading activities with that of farming the Company's imported merchandise. As a portfolio entrepreneur, presumably, he also invested at least initially in the war operations of his favourites like Safdar Khan and then his son in law, Ali Nawaz Khan, expecting in return, political support which would ultimately yield commercial advantages and high monetary dividends or at least immunity from arbitrary extortions to which many of the affluent merchants were subjected in the early

Whereas, the English had already in 1738, abolished the broker's office at Surat, Jagannathdas, however, was still referred to in the Dutch records as '*makelaar*' of the English in the 1750s. (*Ibid.*, p. 406). The Dutch seem to have a separate agent who represented the Company to the political authorities at Surat as well as to the Marathas at Pune or Baroda, etc. as the Company's '*hofganger*' (a *marfatia* or agent) in the person of Mohammad Aref.

<sup>32</sup> In times of need, the Company could also raise funds by borrowing money from the bankers and use his credentials as surety.

<sup>33</sup> In 1753, a *batila* (small ship) belonging to him was captured by the Portuguese at Goa against which the Dutch wrote a protest letter to the Portuguese factors at Surat, but to no avail, then it was decided to write a letter to the Portuguese king in this matter (VOC 2823, Proceedings at Surat, 2 March, 1753 pp. 337–8). Also, in 1760, when his ship *Faiz Bahadur* was detained at Bombay by the English in view of the complaints from some Parsi merchants having some financial claims against Mancherji, the Dutch intervened and wrote letters to the English asking them to send the ship with its cargo to Surat and settle the claims there (VOC 3026, Proceedings at Surat, 6 November 1760, pp. 298–9).

1750s.<sup>34</sup> He seems to have carried on his political associations with the local governors as his serviceability to the Nawabs of Surat was acknowledged in 1786 by the then Nawab Qaim al Daulah.<sup>35</sup> In this respect Mancherji comes quite close to the position of a 'portfolio-capitalist' a term that has been used by Sanjay Subrahmanyam and C.A. Bayly for the merchants who combined politics with trade.<sup>36</sup>

### Mancherji and his Commercial World

Mancherji's early life is not known except that he was the son of a Parsi priest (*Mobed*) and he himself continued the legacy of his father as he was considered to be the leader of his sect called *Shahanshahi* as against the *Kadami* sect led by Dastur Darab.<sup>37</sup> This, perhaps, provides initial context for his association with the local administration. Being leader of a commercially vibrant community at Surat, Mancherji, it may be presumed, must have been crucial in crises management, like negotiations in cases of dispute involving his community.<sup>38</sup> As a merchant with considerable credit, he was quite active in the city's commercial life. We are short of information about his early trading activities and extent of his involvement in

<sup>34</sup> VOC 2930, Louis Taillefert to *Heeren XVII*, Surat, 27 November 1758, f. 13b. In a detailed report about the extortions from such merchants, Mancherji's name is conspicuously absent. This may be attributed to his association with the political leadership at Surat (VOC 2863, Proceedings at Surat, 7 September 1754, pp. 110–13).

<sup>35</sup> Mancherji provided interest-free loans to the earlier Nawabs in lieu of which he got exemptions from customs (British Library, Factory Records: Surat (hereafter FRS), No. 64, Proceedings of the English Council at Surat, 28 November 1786, pp. 419–20).

<sup>36</sup> See Sanjay Subrahmanyam and C.A. Bayly, 'Portfolio capitalists and the political economy of early modern India', *IESHR*, Vol. 25, No. 4 (1988), pp. 401–24, reproduced in Sanjay Subrahmanyam (ed.), *Merchants, Markets and the State in Early Modern India* (Delhi: Oxford University Press, 1990), pp. 242–65. I have preferred to use the term portfolio entrepreneur, instead of 'portfolio capitalist' in order to convey a closer meaning to the enterprise that Mancherji thought to indulge in, in the 1750s.

<sup>37</sup> Both the sects were actively hostile to each other. See, J.J. Modi, 'Anquetil Du Perron', pp. 349–50, 432.

<sup>38</sup> In 1775, a Dutch traveler, John Splinter Stavorinus, notes that Mancherji and Dhanjishah are the chiefs of the Parsis who dwell in and around Surat, both are chief ecclesiastics or priests (of the Shahanshahi and Kadami sects respectively) and they likewise settle disputes among them and all parties must submit to their decisions (J.S. Stavorinus, *Voyages to the East Indies*, (tr.) Samuel Hull Wilcocke (Robinson, London, 1798), Vol. III, pp. 1–2).

various commercial practices. Like any affluent merchant of Surat, his commercial enterprise seems to have been quite diverse. Apart from carrying trade on a large scale, he also invested a part of his capital on bottomry loans.<sup>39</sup> Contest for power between Mian Achan and Safdar Khan, and ensuing civil war in the late 1740s perhaps necessitated him to seek protection from the Dutch in 1748.<sup>40</sup> Soon after he was subjected to imprisonment and extortions by his political rivals, especially the Marathas, and only after a strong show of indignation and protest by the Dutch, was he set free and were Rs. 50,000, extorted from him, given back.<sup>41</sup> It is, however, a hard to determine whether the political party he chose to support was his personal choice or whether it went automatically to a party supported by the Company.<sup>42</sup>

He, anyhow, entertained political connections with Safdar Khan and his successor Ali Nawaz Khan, Governors of Surat and also exerted his influence to further his commercial interests at least in the 1750s.<sup>43</sup> There are frequent complaints in the Dutch records about his political influence and its exertion to dissuade other merchants from buying directly from the Company. In a letter to Jacob Mossel, the Governor-General at Batavia, Louis Tallefert complains about

<sup>39</sup> Bottomry is a form of commercial investment whereby one lends money to others to carry on a sea-voyage, against an interest rate which was usually 9 per cent per month but was mutually negotiable. In a collection of some Dutch documents (mostly legal in nature) now preserved in the Tamil Nadu State Archives, Chennai, India, fortunately, one reference survives that tells us that he together with Lala Shiv Narain, invested Rupees 300 as bottomry loan on the ship *De Hope*, going to Mombassa, against an interest rate of 15¼ per cent (TNSA 1644, Doc. No. 32, pp. 127–9, dated 10 February 1749).

<sup>40</sup> In 1748, he was granted protection for himself, his whole family, his employees/servants, ships, goods, money, and everything belonging to him. He was entitled to enjoy all the prerogatives, privileges, and benefits of a private or free merchant. In return, he promised not only to be thankful to the Company forever, and to obey the instructions of the Company, but also subjected everything belonging to him to the laws, customary rights, and arbitrations of the Dutch Company (VOC 2967, Proceedings at Surat, 18 September 1758, David Kellij to Louis Tallefert, Surat, 13 December 1758).

<sup>41</sup> VOC 2724, Jan Schreuder to Van Imhoff, Governor-General at Batavia, Surat, 29 May 1748, pp. 84, 105–6, 116–17.

<sup>42</sup> Despite all official pronouncements of maintaining complete neutrality, the Dutch were, nevertheless, concerned with Surat's political affairs and at times had to succumb to the intimidations from one of the contesting parties. Mancherji once reported to have committed on behalf of the Company to support Safdar Khan, but the Dutch Director declined invoking their pure commercial orientation and general policy of neutrality (VOC 2842, J. de Roth to Jacob Mossel, Surat, 16 April 1754, pp. 718–22).

<sup>43</sup> J.J. Modi, 'Anquetil Du Perron', op.cit., pp. 341–2.

the merchants' reluctance to participate in public auctions and to buy anything directly from the Company. He writes, 'the Company's second [broker] Mancherji Khurshedji, has found opportunity to make himself indispensable with the administration, and although he holds no public office, he is so much penetrated in the governing of the city that he is commonly considered as one of the real administrators', now since few years not a single merchant has dared to present himself to buy anything from the Company outside their [brokers] channel, going their timidity so far that not only even at Company's public auctions no native [merchants] dares to bid if they are not stimulated/urged upon by the brokers'.<sup>44</sup> In another letter he writes 'the Company's brokers especially the second, Mancherji Khurshedji, have managed to insinuate and to make themselves indispensable with the city administration that by interposing [themselves] they have managed to build up their authority to the extent that they have become tyrants of the trade, and there is hardly any one merchant in the whole city who dares to make any contract to buy from or sell to us'.<sup>45</sup>

His mercantile ventures were multiple and included that of overseas trading, plying his ships on freight, apart from his main engagement as 'broker' to the Company. As a merchant, he was involved in large-scale export trade sending his merchandise, especially textiles, to different parts of the Indian Ocean, such as Bombay, Bengal, Siam in the east, Basra, Bandar Abbas in the Persian Gulf, and Mocha in the Red Sea.<sup>46</sup> While his own ships mostly sailed to Siam and Batavia, he sent his goods to other destinations in the ships of Mannik Dada, the Company's modi.<sup>47</sup>

Shipping was his chief enterprise and involved large investment and high risks. This must have yielded enormous dividends. His ships not only contained his own cargo but also from others who freighted their goods to the planned destinations. We do not know the freight charges for the East and Southeast Asian, most favourite destinations. Given the amount of risks involved in it, and the high returns, this must have

<sup>44</sup> VOC 2909, Louis Tallefert to Jacob Mossel, Surat, 14 May 1757, p. 17.

<sup>45</sup> VOC 2930, Louis Tallefert to Jacob Mossel, Surat, 25 December 1758, ff. 11a–11b. VOC 2937, Louis Tallefert to Jacob Mossel, Surat, 15 April 1758, p. 64; VOC 2939, Louis Tallefert to Jacob Mossel, Surat, 14 April 1758, pp. 34–6.

<sup>46</sup> VOC 2967, Proceedings at Surat, 18 September 1758.

<sup>47</sup> *Ibid.* Between 1755–1758, we have some figures of his exported textiles mostly in the ships of Manik Dada (VOC 2967, Proceedings at Surat, 18 September 1758).

provided him with sufficient means to continue with such activities. He owned several ships, big and small, suitable for high-seas trade as well as coastal shipping. In 1757, his ship *Faiz Bakhsh* sailed to Siam via Malacca where his agents bought another ship, called *Faiz Bahadur*.<sup>48</sup> In 1760, *Faiz Bahadur* sailed to Siam and returned with a cargo consisting of his own goods as well as freight goods belonging to other merchants of Surat.<sup>49</sup> In 1769, another ship called *Khuda Bakhsh* was sent to Batavia that also contained goods belonging to A.J. Sluijsken, Second and in charge of the Warehouses.<sup>50</sup> He managed these voyages by entrusting the cargos to the *nakhodas*, who were responsible for the sale of merchandise and procurement of return goods. Normally, the *nakhodas* were trustworthy persons and performed their responsibilities quite diligently. Being themselves merchants, they sometimes fell prey to the temptations of earning through short-cut means and that led, sometimes, to disputes.<sup>51</sup> Such cases were, however, generally submitted to the arbitration of some notables mostly merchants, nominated by both the parties. His other ships frequently sailed to Bhavanagar on the western side of the Gulf of Cambay, and Thatta and Sind to the further north-west of the Gulf of Cutch, also, carrying his own goods as well as those belonging to other merchants buying from him.<sup>52</sup> To ensure safety of goods and security of ships, he often requested the Dutch for convoy, which was usually provided.

As an entrepreneur, he had to depend on an extensive network of merchants who could be instrumental in disposing of the merchandise in the interior. We have evidence regarding the advances he received from such merchants or otherwise, their willingness to buy merchandise from him.<sup>53</sup> There was a group of rich merchants associated with him and to whom he sold the merchandise. We know that prior to English take-over of the Dutch establishments at

<sup>48</sup> TNSA 1654, Doc. No. 40, Surat, 1763; Doc. No. 55/pp. 91-2, Surat, 1763. Another ship named *Emmody* sailed to Siam in 1760 (*Ibid.*, Doc. No. 56).

<sup>49</sup> VOC 3026, Proceedings at Surat, 6 November 1760, pp. 298-300.

<sup>50</sup> VOC 3268, M.J. Bosman, and A.J. Sluijsken, to Van der Parra, Surat, 15 December 1769, ff. 7a-9a, 13b.

<sup>51</sup> One such case can be found in a dispute between Mancherji, the owner of the ship, and his *nakhodas*, Mokarram Abdul Rasool and Mohammad Shahid (TNSA 1654, Doc. Nos. 40 and 55, Surat, 1763).

<sup>52</sup> VOC 2863, Proceedings at Surat, 1755, pp. 147, 176-7; VOC 3155, Proceedings at Surat, 7 February 1764, pp. 79-80; VOC 3576, Proceedings at Surat, 6 October 1780, ff. 251a-251b.

<sup>53</sup> VOC 3268, M.J. Bosman to Van der Parra, Surat, 15 December 1769, ff. 8a-8b.



Surat in 1781, the duo, Nandram Bhatt and Kishandas Kishordas, had extensive dealings with him and bought commodities to the amount of about four hundred thousand Rupees.<sup>54</sup> Another merchant, Ratanji Gokul, and several other city merchants acted as buyers of merchandise in bulk from Mancherji.<sup>55</sup> The brokers at other places such as Bhavanagar, Bombay and etc. are spoken of as his agents and possibly acted as reference persons to a large number of merchants engaged in local trade in imported goods like sugar, copper, iron, etc. In a report about the textile trade at Surat it has been remarked that the small brokers in different parts of Gujarat are in fact the creation of the chief ones at Surat and are important links in the network extending into the interior. These agents not only facilitated trade by rendering crucial services but also provided all kinds of logistical and financial assistance. When the Dutch representatives visited Bhavanagar to explore the potentialities of trade in 1784, local Banias and the agents of Mancherji, took care of the delegation and looked after their comfort and logistics and provided them with necessary information about the possibilities of trade.<sup>56</sup> Such networks were also useful for gathering information regarding the prospects of sale and purchase. The Company's annual demand for goods from its headquarters at Batavia, depended, to a large extent, on the feedback the authorities received from the brokers. Mancherji, with the help of his local agents could estimate the extent of demand for imported goods in a year and placed them before the Company. In times of uncertainties, commercial success depended much on the quick and reliable information about the incidents taking place in and around Gujarat. In 1766, when the Ghareek factory in the Persian Gulf was taken over by one of the local Persian political groups led by Mir Mahanna, information about it reached the Company through the network of brokers. Narottamdas, a broker of the Europeans at Muscat, wrote to Nanna Bhai and Basroorji, agents of Mancherji at Bombay, who then immediately wrote a letter to their patron

<sup>54</sup> FRS No. 59, Proceedings of the English Council at Surat, 18 July 1781, pp. 156–7.

<sup>55</sup> In 1780, Mancherji and his co-broker Govindram Rudram sold copper and cloves to the amount of Rs. 165,000 and Rs. 225,000 respectively to Nandram Bhatt and Kishandas Kishordas, while mace and nutmeg worth Rs. 6,000 were sold to Ratanji Gokul (*Ibid.*, p. 158).

<sup>56</sup> VOC 3670, Report to the Director, ff. 38a–38b.

informing him about this incident.<sup>57</sup> His entrepreneurial success in the 1750s and 1760s depended, to a large extent, on the extensive and efficient network that he controlled.

Mancherji had to share his enterprise as an associate to the Company, with his co-broker, Rudraram Raidas and later the latter's son Govindram Rudraram. While each of them had his private trade independent of the other, both jointly concluded contracts with the Company to buy merchandise in bulk. Unfortunately, information is not coming up about their mode of operation. Issues like the sales management, creation of clientele of merchants, as well as their proportional share in the total investment and benefits, remain obscure. There might have been a kind of formal agreement between them concerning joint ventures. As partnership trade was quite rampant in the trading world of early modern India, the two men appear to have had mutual understanding about sharing the profits in proportion to their respective investment. It is remarkable that despite all apprehensions among the Dutch authorities about their mutual enmity and commercial rivalry, both displayed throughout the 1750s, 1760s and 1770s, extreme professional ethics and mutual understanding transcending all barriers of caste and creed.<sup>58</sup> This represents a curious example of partnership trade where every transaction had to be monitored and recorded for the final settlement of accounts at the end of the year.

It is also very suggestive of a changed social and commercial environment at Surat. Gone were perhaps the days when friendships and enmity were based on religious and caste affiliations. If, Mancherji had Dhanjishah Manjishah, a Parsi, and Jagannath, a Bania as his rivals, he had Rudraram Raidas, another Bania, as his co-entrepreneur. In the late eighteenth-century Surat, interactions, mainly commercial ones, were determined more through political associations, although such associations were also initially motivated by already existing professional jealousy and commercial rivalry among the merchants. Once a merchant was declared under

<sup>57</sup> VOC 3179, C.L. Senff to Van der Parra, Surat, 10 April 1766, ff. 413a-413b. Govindram Rudraram also received letters from Narottamdas (*Ibid.*, ff. 405a-406a).

<sup>58</sup> This is in sharp contrast to the business partnership of the two Parsi merchants and associates of the English Company, Dadabhai Manikji and Edul Dada, which broke up in 1779. Both jointly contracted for the English procurements of export-goods from 1767 to until 1779, when they quarreled and split and their fortunes declined. See M. Torri, 'Surat during the Second Half of the Eighteenth Century', p. 691.

protection of a Company, he had to lose all possible chances of having commercial dealings across party affiliations. We have references to intense rivalry between Mancherji and Jagannath, the English broker, who is often reported to have exerted his political influence to force the weavers of some villages around Surat, not to work for the Dutch. Such intensity can also be seen in the episode quoted above involving Mancherji and his Parsi rival Dhanjishah Manjishah under the English protection. The Dutch attempt, in this case, to take possession of Mancherji's house was apparently a measure to protect him and his property.

Under such conditions, it is quite probable that the ordinary merchants too might have been forced to choose their patron and to associate themselves with a particular network dominated by either of the chief entrepreneurs at Surat. Jealousy and commercial rivalry based on political affiliations at Surat, therefore infiltrated down to the lowest level of the network. The extent of exclusiveness or rigidity must have varied as one moved to the interior. Depending upon local circumstances and trade logistics, such relations were, nevertheless, negotiable. Commercial networking and creation of clientele, both among merchants as well as among consumers producers, constituted crucial aspects of the trading strategy of the European East India Companies. We find, therefore, principles of heredity frequently invoked to forge long-term associations between the Company and the native merchants, producers/consumers. Thus, the weavers of particular villages or families are spoken of as working for the Dutch Company from generation to generation.<sup>59</sup> A similar sense of possessiveness can also be seen in the efforts of the Dutch authorities at Surat in 1794, to continue with the procurements of textiles despite financial difficulties, just to keep the weavers, dyers, and others working for the Company.<sup>60</sup> The authorities believed that the loss of these workmen to other 'nations' i.e. the English, French and Portuguese, could have more serious consequences for the Company than the temporary loss in case the textiles had to be sold at Surat itself at a loss.

The principle of heredity though applied in normal circumstances, as in the cases of the two purveyors and the modi, was not without exception. Mancherji's adopted son Bahmanji Khurshedji, could not

<sup>59</sup> VOC 3063, Proceedings at Surat, 5 August 1761, pp. 234-6.

<sup>60</sup> *Formalige Nederlandse Bezittingen in Voor-Indië*, No. 137, Proceedings at Surat, 15 February 1794, pp. 18-19.

make it to succeed him as the Company's broker, although this may be attributed to the utter failure of his house to meet the mounting debts to the Company. A positive aspect of this kind of political determinism was the forging of convenient associations among people belonging, for example, to the Dutch Company to carry on trade in their personal capacity as individual merchants. Mancherji, Kashiram, the Persian scribe of the Dutch, and the Company's modi, Manik Dada, could easily manage their trade by providing supplementary services to each other.<sup>61</sup>

### **Mancherji and the Dutch Company: Their Relationships**

In a situation where the Company had already withdrawn its subordinate factories from many parts of the interior that had served for more than one and a half centuries as collection and distribution centres, the role of brokers became increasingly crucial. By the mid-eighteenth century, it began to be debated among Dutch authorities as to what mode of operation was to be adopted to keep the Company commercially active in Gujarat. Being confined at Surat meant greater dependence on the brokers. From Jan Schreuder (1750) to A.J. Sluijsken (1792) every Director of the Dutch establishments at Surat had different views about the methods of operating the Company's trade. Jan Schreuder (1745–50) and C.L. Senff (1764–68) were in favour of conducting trade from Surat, with the help of rich merchants who, according to Senff, were willing to invest a large capital in buying from and procuring for the Company. Others were not rigid in their behaviour and tried to find solutions as the circumstances allowed them to do. Mancherji's relations with the Company, therefore, depended much on the role that he played in the politics of Surat and the ensuing commercial environment there. It also depended on how much he could exert his influence and make the Company dependent on him or otherwise how much control the respective Dutch Directors could exert and how far they could bind him to the terms and conditions favourable to the Company. As a merchandise-farmer, Mancherji wanted to ensure that major goods were sold only to him on favourable terms. Throughout his tenure as

<sup>61</sup> In the 1750s, they could annually send their goods comprising mainly textiles to overseas destinations in the ships owned by Manik Dada and Mancherji (VOC 2967, Report from the *Fiscaal*, David Kelly to Louis Taillefert, Surat, 13 December 1758).

broker, Mancherji exerted a sort of monopolistic rights over the sale of merchandise by the Company. Without exception, and despite all attempts to open up to all the process of sales, he happened to be the highest bidder and therefore major goods were always sold to him. In the 1750s and early 1760s, he could exert his political influence to keep other merchants away from competing with him, while on the other hand, apprehending extortions many merchants preferred to maintain a low profile and to avoid bidding for the Company's goods.<sup>62</sup> Such merchants either advanced money to the broker to ensure their share in the purchased merchandise or later on bought from him. These secondary buyers enjoyed certain privileges such as exemption from tolls on transportation of their merchandise to other parts of Gujarat. They also were entitled to facilities like convoys extended by the Company on the request of the brokers.

Initially, the Company could not force the brokers to commit themselves through a contract, to collect merchandise within a specified time period. In cases where the brokers could not collect goods on time, the Company had to bear maintenance costs and share risks of loss by damage, theft, etc. until these were finally weighed out.<sup>63</sup> In the memoirs of Louis Tallefert, one can feel his desperation to free the Company from its dependence on the brokers, in particular on Mancherji.<sup>64</sup> In 1764, when C.L. Senff assumed office of the Director, he tried to bring them under control and in order to do so he introduced new policies. He alleged that the brokers took much liberty from the previous Directors and bought goods at lower prices. He, therefore, tried to sell goods through public auction to which many of the rich merchants of Surat were invited. Subsequently, amidst many merchants of Surat bidding for the merchandise, Mancherji and Rudraram happened to be the highest bidders. Senff also introduced the system of written contracts binding Mancherji to a definite time-frame for the collection of and payments for the merchandise. At the same time, he also introduced a method by which the brokers were obliged to pay to the Company for the merchandise weighed to them, by the end of August every book-year. Mancherji, however, had the liberty not to commit himself with the collection within the stipulated

<sup>62</sup> HRB 844, pp. 287–8; VOC 3328, M.J. Bosman to Van der Parra, Surat, 22 December 1771, ff. 4b–5a.

<sup>63</sup> VOC 3117, C.L. Senff to Van der Parra, Surat, 31 December 1764, ff. 154b–156a.

<sup>64</sup> VOC 2909, Louis Tallefert, to Jacob Mossel, Surat, 14 May 1757, pp. 10–14; VOC 2930, Louis Tallefert to the *Heeren XVII*, Surat, 25 November 1758, ff. 11a–15b.

time, especially if the sale prospects for some goods, especially spices, did not justify him to do so.<sup>65</sup> Despite all efforts, Senff could not steer the Company out of the problems of delayed payments and mounting debts to the brokers, particularly to Mancherji.<sup>66</sup> This in turn affected the prospects of procurements of textiles, as the Company then found it difficult to advance money to the suppliers. In 1769, another system was introduced by which the brokers were obliged to pay for the merchandise delivered to them at the end of every month.<sup>67</sup>

Every new method proved to be more a matter of convenience in account-keeping rather than actual solution to the problems. By then the debt to the brokers had gone up to Rupees 203,904, and was still growing.<sup>68</sup> M.J. Bosman, the new Director, tried to recover the outstanding debt and he went to the extent that he forced them to submit to the Company a written affidavit from the prospective buyers to pay money directly to the Company.<sup>69</sup> Mancherji even ceded his ship, *Khuda Bakhsh*, which had sailed to Batavia at that time, relinquished his share in the cargo together with all profits on that, in favour of the Company.<sup>70</sup> It seems that Mancherji could not clear the debts and his ship, renamed as *Wilhelmina*, still remained in the possession of the Company in 1772.<sup>71</sup> From a letter written by A.J. Sluijsken to Governor-General at Batavia in 1777, it appears that Bosman had some private commercial interests and did not even hesitate to connive with the brokers particularly with Mancherji, to accomplish his personal ambitions.<sup>72</sup> He was, therefore, unable to exert pressure on the brokers to clear their debts to the Company before weighing goods out to them further. Mancherji took the liberty and allegedly freed himself from the controls that C.L. Senff had tried to bring him under.<sup>73</sup> He perhaps very well knew that the

<sup>65</sup> *Ibid*; VOC 3408, M.J. Bosman to Van der Parra, Surat, 2 January 1775, ff. 89b–90a.

<sup>66</sup> In 1769, they were indebted to the Company by Rs. 203,904 (VOC 3268, M.J. Bosman to Van der Parra, Surat, 15 December 1769, ff. 7a–7b).

<sup>67</sup> VOC 3354, M.J. Bosman to Van der Parra, Surat, 21 December 1772, ff. 58a–58b.

<sup>68</sup> VOC 3268, M.J. Bosman, and A.J. Sluijsken to Van der Parra, Surat, 15 December 1769, ff. 7a–7b.

<sup>69</sup> VOC 3354, M.J. Bosman to Van der Parra, Surat, 21 December 1772, ff. 58b–59a.

<sup>70</sup> *Ibid*, ff. 7b–8b.

<sup>71</sup> HRB 863, *Justificatie van de Secunde, Sluijsken, Lettra E. Copia Memorie*.

<sup>72</sup> He seems to have invested an enormous amount of Rupees 170,000 on bottomry.

<sup>73</sup> HRB 863, *Justificatie van de Secunde, Sluijsken, Lettra E. Copia Memorie*.

Company would not be able to find alternative means to dispose of the imported merchandise. The Dutch authorities too, and even Sluijsken, could probably apprehend the implications of any attempt to eliminate these brokers. In 1778, Van de Graaff, Bosman's successor, even sought permission from his superiors, permitting brokers to send some goods freight-free to Batavia, which would possibly enable them to clear their debts.<sup>74</sup> Debts could be recovered only if no further goods were delivered to them on credit, a proposition that was practically impossible for the Company. This was the dilemma the Dutch Company at Surat had to confront with. All efforts to recover debts, therefore, went in vain and both the brokers remained indebted to the Company for the rest of their life. Mancherji, in particular, remained in trouble since the late 1760s, as the Company's debts increased day by day. His credentials suffered heavily also from political circumstances which adversely affected his fortunes. By the time he died, his house was greatly indebted to the Company and his credit fell so much that his nephew and adopted son was not allowed to succeed him as the '*makelaar*' of the Company.

Was it an error of judgement on his part to be associated with the VOC and seek its protection? It is true that the VOC was undergoing a difficult phase in the middle of the eighteenth century; the future was nevertheless unpredictable. Mancherji, quite rightly expected good prospects from being associated with the Dutch who, unlike the English, had a purely commercial orientation and apparently had no political pretensions. In 1750, none could have anticipated the political changes that occurred in Surat in 1759 and the political role the English came to play in the subsequent period. It was unfortunate for him that his political connections were weakened when his political associates were overwhelmed by their rivals in the events leading to the 'castle revolution' of 1759.<sup>75</sup> Even this did not affect his fortunes so much, since up to 1770, he had no major difficulties in conducting his trade affairs. Failure, I think, lies probably in the adverse commercial circumstances that prevailed in the 1770s and 1780s. His adventure with the farming of merchandise in bulk and its subsequent sale to other merchants, a part of which he also sent to other parts of Gujarat on his own account, went on quite well as long as the interior was safe and protected, and remained connected

<sup>74</sup> VOC 3521, Van de Graaff to Reinier de Klerk, Governor-General and his Council at Batavia, Surat, 28 December 1778, ff. 12b-13a.

<sup>75</sup> HRB 844, pp. 367-70.

with Surat. In the late 1760s and onwards, the interior was more and more disconnected from Surat. Presence of Marathas in the suburbs of the city and frequent blockades of routes leading to the interior, as well as the Anglo-Maratha wars created a condition where merchants were unable to transport their goods to different parts of Gujarat.<sup>76</sup> The Deccan, which was the principal consumer of Japanese copper, was already becoming inaccessible to Surat merchants since 1750s.<sup>77</sup> On the other hand, the English, French and the Portuguese put severe competition, by supplying to Surat commodities in which the Dutch had so far enjoyed a monopoly like copper, sugar, and of course spices.<sup>78</sup> Coupled with certain privileges, like exemption from local tolls and other logistical supports, the English goods definitely had a premium over those of the others. The Dutch, on the other hand, were bound to follow the dictates of their superiors at Batavia or at Amsterdam in matters of prices and had never had the authority to play a little with them even if the local circumstances required them to do so. Privilege is a logical corollary of power and quite often, it is obtained by exerting it. Once power, political or economic, is lost, privilege always follows it. The Dutch also experienced a similar metamorphosis in the post castle-revolution period. With the ascendancy of the English to power at Surat after the occupation of the Mughal fort in 1759, the privileges

<sup>76</sup> VOC 3063, Jan Drabbe to Van der Parra, Surat, 22 December 1761, pp. 93–4; VOC 3063, M.J. Bosman to Van der Parra, Surat, 5 February 1772, ff. 9a–9b, 21b–22a; VOC 3437, M.J. Bosman to Van der Parra, Surat, 25 December 1775, ff. 39b–40a, 57b–58a.

<sup>77</sup> VOC 3065, Jan Drabbe to Van der Parra, 22 December 1761, pp. 167–8; VOC 3094, Jan Drabbe to Van der Parra, Surat, 12 January 1763, pp. 59–60; VOC 3092, Jan Drabbe to Van der Parra, Surat, 30 April 1763, pp. 53–4. Japanese copper was one of the mainstays of the Company's trade at Surat and since the Dutch enjoyed a sort of monopoly over its import, it was highly profitable. One finds references in the Dutch correspondence about the problems in the Deccan and subsequent difficulties in the sale of copper. Total annual Dutch request at Surat for Japanese copper from Batavia consequently declined in the 1760s and 1770s.

<sup>78</sup> Large imports of Swedish copper and spices by the English and sugar mainly from Mauritius, by the French, as well as by the Portuguese, adversely affected the sale prospects of the Dutch Company at Surat (VOC 3122, Proceedings at Surat, 18 March 1762, pp. 72–3; VOC 3122, *Brieven van Souratta*, C.L. Senff to Van der Parra, 9 April 1764, pp. 3–4; VOC 3122, C.L. Senff to Van der Parra, 20 July 1764, p. 23). In 1773–74, the poor sale profits, have been attributed to the continuous troubles in the interior and to a large import of Swedish copper by the English with its deflationary consequences at Surat (VOC 3437, M.J. Bosman to Van der Parra, Surat, 25 December 1775, ff. 57b–58a). Cf. Holden Furber, *John Company at Work: A Study of European Expansion in India in the late Eighteenth Century* (Harvard University Press, 1948), pp. 102–3.



like exemption from the local tolls, so far enjoyed by the Company, began to be challenged and even withdrawn. The Nawab of Surat, probably at the instance of the English, imposed additional duties in the early 1770s.<sup>79</sup> While merchants under Dutch protection had to pay duties on transporting what they bought from the Company or its brokers, to the interior, their English counterparts were still exempted from this. The latter therefore had considerable advantages (in terms of disposing of goods at competitively lower prices) over those who bought from the Dutch.

Mancherji under these circumstances had to share the declining fortunes of the Dutch Company. As its imports to Surat, especially those of sugar, copper, and iron, quantitatively declined, Mancherji also tended to lose his fortunes. With a limited supply of goods, Mancherji perhaps could not bargain with the Company in his favour nor could he keep his clientele within his control any longer. It is quite probable that the merchants, already disappointed with the unsettled conditions in the interior, would have preferred to buy from the English at relatively cheaper prices. The scale and scope of his entrepreneurship as a buyer of merchandise in bulk did certainly suffer, but he was not by any means completely ruined. Even in 1779, one finds him bidding for the commodities, although the range of articles offered by the Company had become by now limited to sugar and camphor. Further, he was also persuaded to buy 20,000 lb. cloves and 10,000 lb. nutmegs from the Dutch but circumstances did not allow him to commit himself to collect and pay for them within a specified time.<sup>80</sup> In 1780 too, Mancherji (together with his colleague) bought almost all major merchandise, such as sugar, lead, tin, alum, tortoise-shells, and elephants-teeth to the amount of Rupees three lakhs for cash whereas for copper and spices he had to commit himself for collection and payment within the stipulated time period.<sup>81</sup> But this time he had to lure his buyers by giving a two per cent discount

<sup>79</sup> See the list of goods and duties imposed on them (VOC 3437, M.J. Bosman to Van der Parra, Surat, 25 December 1775, ff. 89a–91a). The problem arising out of this imposition of additional tolls and further troubles on its pretext by the local administration, occupies considerable space in the Dutch correspondence. See, for example, VOC 3437, M.J. Bosman to Van der Parra, Surat, 19 April 1772, ff. 143a–156b.

<sup>80</sup> VOC 3549, Proceedings at Surat, 23 March 1779, ff. 248a–248b.

<sup>81</sup> FRS, No. 59, Proceedings of the English Council at Surat, 18 July 1781, pp. 157–8.

on the net sale prices.<sup>82</sup> Absence of a long list of commodities with offered prices now, that characterised most of the contracts in the 1760s, clearly testifies not only to the waning commercial empire of Mancherji but also to the dwindling state of affairs of the Dutch East India Company.<sup>83</sup> In 1781, when the Company's entire possessions in India, including those at Surat, were taken over by the English, in view of the Anglo-Dutch war, his fortunes must have been severely affected since for at least three years the Company did not exist at all.<sup>84</sup>

How far he could continue with his private trade we do not know. Despite all inconveniences, he seems to have survived all adversities and did not absolutely succumb to the contingencies of time. Even in the 1770s, he was actively involved in the high-seas trade of Gujarat, fitting out his ships to as distant a destination as China.<sup>85</sup> Being indebted to the Company was never perhaps considered by him as a sign of weakness. It could have very well served as a means of exerting his influence on the creditor, i.e. the Company, and of making the latter more and more dependent on him. We do not know what happened to his ships and the wealth that he had in the form of running capital in the later years. From the circumstantial evidence after his death and after the restoration of the Dutch factory in 1784, it appears that his family lost every thing. His nephew and the adopted son Bahmanji, under severe pressure from the English in connivance with other creditors, left Surat for Colombo in Ceylon. In the absence of Bahmanji his brother and a representative Edelji Koudji took care of the property left behind by Mancherji. The latter's widow, with her two daughters, found herself in utter penury and having no means of subsistence asked Dutch intervention in securing a monthly income

<sup>82</sup> VOC 3576, Proceedings at Surat, 11 December 1780, Copy of the contract, ff. 298a-298b.

<sup>83</sup> VOC 3549, Proceedings at Surat, ff. 260b-261a.

<sup>84</sup> On 14 June 1781, all the Dutch possessions at Surat were taken over by the English (VOC 3594, Van de Graaff to the *Heeren XVII*, Surat, 16 June 1781, f. 17a). These were restored to the Dutch only on 15 January 1785 (VOC 3670, Proceedings at Surat, 31 December 1784, f. 265a. Copy of a written declaration from A.J. Sluijsken of receiving back the Factory). This also blocked the channel of our information about Mancherji. By the time peace was concluded, and the factory and other belongings of the Dutch Company were restored to them and the Company could resume its activities, he was no more alive.

<sup>85</sup> In 1774, for instance, a ship belonging to him returned from China with a cargo of 200 chests of silk, 37,000 lb. quicksilver, 140,000 lb. candy-sugar, 35,000 lb. alum, and 10,000 lb. camphor (VOC 3408, Shipping List, ff. 310a-312a). Probably, this cargo included some freight-goods from other merchants of Surat as well.

of Rupees forty from Bahmanji.<sup>86</sup> With much effort the latter was persuaded to provide subsistence comprising a monthly payment of Rupees thirty-five and in addition to this Rupees three hundred as marriage expenses for each of the daughters from the property of the deceased.<sup>87</sup> We do not know how much wealth he left for his family, but keeping in mind the range of his activities and the amount of money Mancherji pumped into his business ventures, it must have been considerably large. Perhaps as a form of investment he also extended interest-bearing loans to other merchants; many of them still had outstanding debts in the 1790s.<sup>88</sup> Such loans, nevertheless, helped Bahmanji clear the debts of the Company and facilitate his return to Surat. Bahmanji at Surat seems to have regained the lost glory of this house in the last decade of the century. Now under English protection, Bahmanji Mancherji was the richest Parsi merchant of Surat, and held contracts for the English Company's procurements for the years 1794–95.<sup>89</sup>

### Conclusions

Mancherji's failure in the last phase of his life, may not have to be attributed to his own political reversals or that of the VOC, rather it has to be explained in terms of a general economic and commercial recession all over Gujarat in the 70s and early 80s of the eighteenth century. Despite political triumphs of the English, leading merchants under the English Company's protection or having close associations with it, shared the same fate. An almost simultaneous collapse of some prominent commercial houses like that of Dhanjishah Manjishah, of Manikji Nowroji and Edul Dada, and of Jagannathdas Parekh as well as similar others associated with the English Company, suggests that the reasons behind the 'temporary' failure of the house of Mancherji

<sup>86</sup> VOC 3899, A.J. Sluijsken to Arnold Alting, Governor General at Batavia, Surat, 15 December 1790, ff. 72b–73a; VOC 3899, Proceedings at Surat, 19 July 1790, ff. 210a–212a.

<sup>87</sup> VOC 2983, Proceedings at Surat, 3 May 1792, p. 111.

<sup>88</sup> One such debtor was Kishordas Kishandas who in 1790 had an outstanding debt of Rupees 6,811 ½ besides the interest on it (VOC 3899, A.J. Sluijsken to Arnold Alting, Surat, 15 December 1790, ff. 40a–40b). A merchant ship-owner Saleh Chalebi also owed a debt to the family (*Ibid.*, ff. 41a–42a).

<sup>89</sup> M. Torri, 'Surat during the Second Half of the Eighteenth Century', p. 693.

must be explained beyond the framework of European Companies and their political and commercial enterprises.<sup>90</sup>

From this modest scrutiny of documents mainly from the Dutch archives, it can be inferred that Mancherji, throughout the period of his association with the Company, actually exercised near-monopolistic rights over its sales and purchases. Despite all apprehensions and subsequent efforts, the Dutch authorities could not steer the Company out of its dependence on the brokers, especially on Mancherji. This does not, however, mean that it was always to the disadvantage of the Company. To Mancherji the Company was inevitable, in the same way as he was indispensable for the Company. The Company provided him a platform to carry on his extensive enterprise and assured him of necessary protection whenever his interests were threatened from any corner. On the other hand, the Company could manage to conduct trade, even if the conditions were entirely uncongenial, through his agency. Each, therefore, served the other and each happened to be mutually dependent on the other. This curious position appears to be in sharp contrast to what was going on between the English Company and its brokers in the middle of the eighteenth century. The English, with a great deal of success, could contain the authority of their broker, by defining and redefining his position and by changing the nomenclature of the office from broker to *wakil* and then to *marfatia*.<sup>91</sup> This represents a position quite unprecedented in the history of such relationships and perhaps a major shift from the previous century, when the brokers, even though inevitable for the Company, were never so dominating. In the context of the 'eighteenth century' Mancherji's consistency in exerting his near-monopolistic rights over the Company's sales and purchases is exceptional and reflects upon his entrepreneurial potentials.

<sup>90</sup> The succession crises after the death of Peshwa Madhav Rao I, and consequent wars in the mid-1770s and early 1780s, coupled with natural calamities in 1775 caused great devastation and dislocation in trade and production. See Torri, 'In the Deep Blue Sea', pp. 267-99; 'Surat during the Second Half of the Eighteenth Century', op. cit., pp. 692-3.

<sup>91</sup> Ashin Das Gupta, 'The Broker in Mughal Surat'. Even the English brokers in Bengal who were rich merchants and played a crucial role in handling the Company's investments, were totally at the mercy of the Company. They could be recruited, removed and reinstated in the position whenever the authorities wanted. See Sushil Chaudhry, *From Prosperity to Decline: Eighteenth Century Bengal* (Manohar, New Delhi, 1999), pp. 49-65.

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