

The Political Economy of Textiles in Western India: Weavers, Merchants and the transition to a Colonial Economy.

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In 1800, local merchants working for the English East India Company's contracting brokers and the Commercial Board in Surat complained that 'people employed by one Vamal the broker were continually growing into every quarter where the workmen reside and by offer of a higher price were clandestinely carrying away from them all the cloths. They also carry away cloths giving ready money. Thus unless checked, will hamper Company investment'¹. This complaint was forwarded along with the declaration of one of Vamal's men, Bhagawandas Nanabhai, who declared that he had been employed to go to the house of Hussein Mohammed and receive charge of a designated consignment and send it on to a local broker Rasikdas, and that he had been in this business for some time. The Company authorities were not entirely taken aback at this admission – their own private operations had rendered them complicit with a range of commercial activities that deflected the official requirements of the English Company which at the same time had been struggling since the late 1770's to affect major changes in the structure of the procurement business of textiles. The result was the generation of a huge corpus of archival material, which when carefully read facilitates an enquiry into the political economy of textile manufacture in western India, the linkages between political power,

¹ Public Department Diary of the Bombay Government (hereafter P.D.D.) No.147 of 1800. Pp.627-630. Letter and enclosures from Surat read by the Bombay Council on 2 April 1800.

ritual status and commercial developments in configuring the structure of the manufacturing sector and the strategies that merchants and manufacturers adopted during the century of transition to colonial rule. It is in this context that the paper attempts to analyze the structure of the textile business in late eighteenth century western India, to understand the responses of merchants and manufacturers to the disciplining weight of the early colonial state and how this was fundamentally different from the pre modern political dispensation and whether this had long lasting consequences for the region's commercial society.

Scholarship on weavers and artisans of early modern India has tended by and large to fit into the larger context of political and economic change that accompanied early colonial rule in India. Predictably, there were regional variations in the story – the Bengal weavers remaining the most visible subjects of ethnographic and historical attention². More recently we have the writings of Prasannan Parthasarathi who looks at the Coromandel and the weavers of South India and attempts to link the decline of the weavers and artisanal activity with the structural changes that English East India Company introduced in their relations with labour and contrast it with the situation in pre colonial south India³. The more interesting aspect of Parthasarathi's work relates to the greater bargaining power that weavers enjoyed in pre modern South India and how this changed with the introduction of Company rule. For western India, we do not have specific studies looking at weaving and artisanal activity in the eighteenth century- here the assumption is that the region accommodated a greater level of merchant and manufacturing autonomy that survived the early colonial

² Hameeda Hossain, *The Company weavers of Bengal. The English East India Company and the Organization of Textile production in Bengal 1750-1813*. Delhi, 1998.

³ Prasannan Parthasarathi, *The Transition to a Colonial economy Weavers, Merchants and Kings in South India 1720-1800*. Cambridge, 2001

regime and responded creatively to the imperatives of modern capitalism⁴. Taking the cue from Parthasarathi, this paper attempts to examine the nature of relations between labour and capital in the half century of transition, to identify the strategies that both groups deployed to deal with the changing situation and how these reflected the inherent vulnerability and anxiety in coping with the imperatives of transitional politics. It plots the crisis from the middle of the eighteenth century, when it was the declining Mughal darbar and their competing Maratha adversaries who initiated and oversaw the alterations in the organization of weaving activity in the region. Specifically, the paper looks at Surat and its immediate vicinity in south Gujarat - the principal manufacturing centre for cotton textiles - and which escaped the direct subjugation of British rule. The fragmented authority of the English Company in the power structure of the region, it will be argued, was a key factor in facilitating the merchants and especially manufacturers to retain their autonomy and succeed in maintaining the asymmetrical nature of labour contracts that transferred at least partially the risks to the merchant-broker⁵.

Commercial Society in Western India

Western India or more specifically the suba of Gujarat was arguably, the most well developed commercial region of Mughal India. The region commanded a distinct maritime profile with Surat, its principal port dominating the overseas trade of Mughal India in the 17th and early 18th

⁴ The contributions of Douglas Haynes on the emergence and organization of power loom manufacture in the nineteenth century deserve special mention here.

⁵ Some of these issues have been explored in my essay 'Power and the Weave: Weavers, Merchants and Rulers in Eighteenth Century Surat', in Rudrangshu Mukherjee and Lakshmi Subramanian, (eds.) *Politics and Trade in the Indian Ocean. Essays in honour of Ashin Dasgupta*. Delhi, 1998. Pp.52-79.

centuries. A number of commercial, and manufacturing centres turned out an impressive array of export goods, the most significant of these being textiles of different assortments and varieties catering to diverse markets both domestic and export. West Asia in particular was the most sought after market for Gujarati textiles.

Commercial society in Gujarat was a multi-tiered one, accommodating a miscellany of castes and ethnic groups. The business of shipping and seafaring was by and large restricted to Muslim groups including Bohras, Sunnis, Muslims of Turkish and Persian extraction. Shippers and export merchants functioned closely with shore based brokers and bankers located in market towns and major centres like Surat and Ahmedabad, Broach, Baroda, Jambuser and Navsari. Brokers were both Parsi and Hindu and were in terms of strength and capital outlay of different categories. The business of brokerage was stratified and operated through dense networks of kin relations and commercial intelligence. Ashin Dasgupta referred to the general broker whose business was make good available for his client – the shipper and export merchant and also to market their import consignments⁶. The general broker worked through a network of commodity brokers who specialized in specific commodities and who in turn worked through sub brokers or under dealers (as they are described in Company documentation). These under-dealers were located in primary production centres and were in close proximity to the producers and supplied them with the necessary advances. The strength of the under-dealers would appear to have derived from their ability to supply weavers with regular advances and not so much to enslave them in permanent debt obligations. In fact Company documentation suggests that these men were men of small means

⁶ Ashin Dasgupta, *Indian Merchants and the Decline of Surat 1700-1750*. Wiesbaden, 1979.

and it was their proximity to the weavers and their quotidian life that made them so central in the textile procurement business. Weavers were dependent on the advances, which they used as working capital to buy raw material (yarn) and to support themselves during the manufacturing season⁷. Weavers in Gujarat were largely urban based, weaving on a full time basis and able to move quickly and migrate along the familiar axis. Surat for example was the metropolitan market of three small weaving towns within a distance of twenty miles – Bardoli, Navsari and Gundavie. The same was the case with the other major centres of Gujarat, such as Ankleshwar, Braoch, Dabhoi, Baroda, Nediad, Dholka and Ahmedabad.

The organization of the weaving industry in the eighteenth century in western India was characterized by an unusual degree of specialization that followed caste and community lines. A miscellany of castes and communities – Hindu, Muslim and Parsi – were involved in the actual manufacture of textiles and were known to guard their reserve quite fiercely. As the Surat factors commented to their superiors, ‘each branch of the manufactures of this place is confined to one set of people who by tradition and religious custom can never be persuaded to change their occupation’⁸. The weavers would appear to have been owners of their looms and worked along with members of the family. We do hear occasionally of master weavers who worked with subordinate labour but this by and large seems to have been the exception rather than the rule. Among the Muslim castes, the Momnas, Boras and Bhandarrahs were the most visible occupational groups engaged in the production and manufacture of both coarse cloths for domestic consumption as well as pieces that involved gold embroidery or

⁷ Commercial Department Diary of the Bombay Government (hereafter C.D.D) No.9 of 1794. P.132ff. report of the Committee appointed to enquire into the failure of the provision of piece goods or the Surat investment. This report was read on 18 March, 1794.

⁸ C.D.D. No.9 of 1792. Pp.92-93ff. Report of John Griffith dated 14 April 1792.

zari. Khatris, a Hindu weaving caste on the other hand seem to have specialized in the manufacture of fine piece goods – the red variety was especially prized – while the Koombees, another Hindu weaving caste manufactured musroo of different kinds, Patolas and Chaders with silk borders.

The manufacturing process began, not in the loom, but in the cotton marts where raw cotton was first caned. This was done by the Pirijarrahs referred to as an indigent and depressed group who purchased the cotton in small lots and frequently on credit from merchants paying a price generally higher than the market price. The cotton bales, once cleaned were purchased by the spinners, mostly women who sold the spun thread at the town gates to the Sootreahs. The Sootreahs as the name implies were dealers in thread or cotton yarn. The thread was twisted and divided into the requisite length and dimensions by workers of the Deerah caste and subsequently sent out for dyeing. Rates varied depending on the colour – late eighteenth century references talk of Rupees. 7 per maund if the thread had to be dyed blue and Rs. 10 if the desired colour was red. This was followed by the pasting process, or *tahnee* making the yarn ready for the loom⁹.

Weaving followed its own rhythm – determined largely by the timing of the export trade as well as that of the domestic market - and partly by seasonal conditions that facilitated certain stages in the manufacturing process. The best variety of Necanees, for instance was manufactured in Surat and were worked early in the year and wholly finished before the dry winds of November. Blue and Red chelloes on the other hand, were best

⁹ C.D.D. No.12 of 1796. Report of the Committee on the outlines of textile manufacture dated 24 December 1795. Pp.17-18ff.

manufactured in the rainy season, just after having been coloured in April¹⁰. Placing orders for these goods therefore had to take into consideration these factors..

The impressive levels of Western India's overseas trade reinforced the strength of indigenous commercial society in the seventeenth and eighteenth centuries. The benefits of political security enabled merchants to draw on the resources of the hinterland and operate a vigorous trade in textiles, sugar and indigo with West Asia. The fraternity of Muslim ship-owning merchants carved a special niche for themselves in Surat's trading world and were even able to deploy their informal influence in the Mughal court against the offensive of the European trading companies. Hindu and Parsi merchants too were able to develop a measure of leverage with the ruling system. The Mughal administration did not for the most part, coerce traders and barring occasional instances of personal caprice by individual governors, they oversaw a century of vibrant commerce. The profitability of Indian export trade was thus reflected in the strength of brokers and merchants as well as in the greater bargaining strength of weavers who were able to command high prices for their produce. A concrete indication of artisanal strength and solidarity was their sustained capacity to work the asymmetrical contract¹¹ to their advantage as well as to work the existing system of custom and privilege to their advantage. This meant that technically the weaver was free to cancel his contract with the under contractor and could detach himself from it by paying back the advance. This was in marked contrast to the contract the merchant or Company entered into with the broker who had to pay a penalty if he failed to fulfil his obligation. In fact the so-called debt

¹⁰ C. D. D. No.7 of 1792. Pp.87-91 for a tabular representation of the species of goods, place of manufacture and time when best made. (see enclosure)

¹¹ Prasannan Parthasarathi, *The Transition to a Colonial Economy*.

factor which subordinated the weaver to the under broker does not seem to have deterred weavers from reneging on their agreements or even from abandoning their centres and migrating to other urban centres. The contracting merchants too at least in Surat were able to put off the persistent demands of the Company to make good the penalty, which remained more of a token provision than anything else.

The Crisis of Mughal decline in Western India

The eighteenth century crisis assumed in western India the typical features of administrative collapse and political insecurity that exposed the regime to a series of damaging Maratha incursions. By the mid 1720's, the Maratha presence in Gujarat crystallized into a formal physical occupation of the Athavisis or twenty-eight villages adjacent to Surat and the establishment of revenue collection centres in Baroda, Ahmedabad in South Gujarat. For the merchants, this development had serious implications – the unsettled nature of the countryside as a consequence of Mughal Maratha skirmishes meant that trading networks were seriously disturbed. Additionally, the pecuniary demands of the Marathas on the ruling administration compelled the latter to tap sources of mercantile wealth and thereby, to tax local merchant society a time when their commercial operations were on the wane and they were facing the competition of European private trade¹².

The pressures of the situation were, however, not lost on the merchants or the manufacturers who were forced to devise strategies of survival in a complex and fluid situation, where the identity of interests or of

¹² Ashin Dasgupta, *Indian Merchants and the decline of Surat*.

adversaries was not immediately evident. For the Muslim merchants, the choice was limited as they found themselves hemmed between a besieged and revenue hungry administration and an aggressive and expanding European presence. The English East India Company by the 1730's and 40's began to articulate a definite, if limited, political agenda coveting in particular the office of the Admiralty and Qiladar and which was expected to augment their control over the region's trade with West Asia. This jeopardized the operations of the Muslim merchants who unlike their Bania and Paris counterparts, found it difficult to arrive at any compromise arrangement with the Europeans. The community of Hindu merchants, brokers and bankers did not remain unaffected either. An increasing number of bankruptcies were reported by the Europeans, interest rates rose while the disruption of links with the heartland inevitably contracted the scale of trading operations. As an immediate solution to safeguard whatever that remained, sections of the Hindu commercial population approached the English Company for protection and utilized their connection to ward off the demands of the declining Muslim administration in Surat city. The result of the changing political balance in Surat city was the castle Revolution of 1759 that introduced the English company as joint rulers of the city and more significantly, as a major interlocutor for political negotiations with the Marathas in the larger region of Gujarat. This had important implications for merchants and manufacturers.¹³

¹³ Lakshmi Subramanian, *Indigenous Capital and Imperial Expansion. Bombay, Surat and the West Coast*. Delhi, 1996.

Merchants, manufacturers and Dyarchy

The functioning of the dual government in Surat did not deflect the course of decline that had set in in the city's trading economy. The Company showed itself singularly uninterested in taking direct responsibility. At the same time, it used its political clout to monopolize the carrying trade with the Gulfs of Persia and Arabia. This threw the city's Muslim shippers out of business, while for the remaining players – small time merchants and Hindu banias who freighted their goods on English vessels, the new arrangement was a limited means to salvaging some of their trading operations. Others maintained their connections with the ruling administration as well as with the Marathas the result of which was a complex and fluid system of power equations that determined the political economy of trade and manufacture. The play of power at whatever level, directly derived from the compulsions of transitional politics – the transfer of power from the court to the castle strained existing social and economic relationships and unlike as in the Coromandel, the Company was only one among many players to affect a disjunction in existing practices and labour relationships. It took a longer time for labour in western India to come under the disciplining apparatus of the Company, and even when it did, the consequences were not entirely anticipated. Also the manufacturing population was not without agency in negotiating with the ruling administration the Mughals, Marathas and the Company to augment their immediate situation.

In terms of actual trading patterns, the second half of the eighteenth century registered earlier trends of decline between western India and West Asia as well as between Surat and Bengal. Bombay's coastal trade under the protection of the English East India Company increased significantly but the Surat Bengal trade never quite picked up. Available figures on the value of imports from Bengal that entered Surat through the Latties from 1730 to

1770 reflect a sharp drop in value from Rs.11,000,000 to Rs.3,000,000. The trade with the Gulfs demonstrated comparable figures – about Rs. 2 million per annum from the magic level of Rs. 16 million. The decline claimed several casualties but the traffic itself did not cease altogether, and in fact remained the mainstay of the region's manufacturing economy¹⁴.

The trade in textiles with West Asia along with a substantial domestic traffic in cloth constituted the most important line of business for the merchants and manufacturers of Gujarat in the decades after the castle revolution. For the greater part of the period under review, that is until the late 1780's and 90's, the official trade of the English East India Company in calicoes remained of marginal importance in both value and volume. The Company merchants often complained of the unwillingness of the local intermediaries to negotiate for the Company contract before they had completed their transactions for the gulf markets. To instantiate this point further, let us look at some of the correspondence. The Surat factors in their letter of 17 October 1764 notified their superiors in Bombay the provision of the Company's investment depended greatly on the demand of other markets, principally the Gulf markets¹⁵. The following decades saw similar admissions and even as late as 1792, the Company's official contractor expressed his inability to honour his obligations on time. In his defence, he pointed out that piece goods from the region to the amount of Rs0 lakhs every year were bought for exports to the Gulf¹⁶. Three years later, the factors once again brought attention to the fact that after 'October, ships arrive from Europe and the Gulfs, the demand for these markets became

¹⁴ *Ibid.*

¹⁵ P.D.D. of 1764. Letter from Surat dated 17 October and read by the Bombay Council on 21 October 1764.

¹⁶ C.D. D. No.7 of 1792. P.93. Representation from Mayaram Atmaram included in the enclosures from Surat read by the Bombay Council on 23 April 1792.

known, and then there begins an occupation for all classes of manufacturers and demand for all sorts of goods which occasion a increase'¹⁷.

The level of Gulf demand was, however only one of the principal determinants of the textile trade in the eighteenth century. Political factors were equally or even more important – the declining power of the ruling administration, the limited and fractured authority of the English company and the competing claims of the Marathas in the region meant that the textile business and its operating merchants and manufacturers became subject to a range of pressures that in the long run affected the organization of the industry and the status of the labouring artisan. The pressures of the political situation were compounded by the frequent bouts of famine in Gujarat and the rising prices of yarn and rice and the resultant desertion of spinners and weavers. Merchants and manufacturers were thus forced to devise strategies to maintain their own in a fluid and complex situation. Merchants and traders who were not as yet aligned to the Company preferred to work through traditional channels of patronage that were still available. In 1772, we come across a petition by Ramkisan Khatri¹⁸, a Surat based merchant who complained of having suffered 'some hard treatment from the Nawab and of being plundered of a sum of money by him at the instigation of Dhanji Shah, the principal broker of the English Company'. Ramkisan's petition was revealing; it exposed the bitter rivalries of the local merchants and coastal inhabitants who sought to deploy their respective connections with the

¹⁷ C.D.D. No.11 of 1795 P.884ff. Enclosures from Surat read by the Bombay Council on 27 November 1795.

¹⁸ For details of this affair, see P.D.D. No.61 A of 1772. P.188 Consultation Meeting of the Bombay council dated 30 June 1772. P.203 for the petition of Ramkisan Khatri, p.208 ff. for Consultation meeting of the Bombay Council dated 6 July 1772, where the letter from Surat dated 28 June 1772 was read and reviewed. See page 306 for Consultation Meeting of the Bombay Council of 31 July 1772. P.409ff. for Consultation Meeting of the Bombay Council of 10 September 1772.

Durbar and the English Company to their individual advantage. The Khatri merchant stated that Framji Jeta, a local Parsi was indebted to Ramkisan and had in that connection mortgaged his house for a year. However, he had not paid back his debts thereby forcing Ramkisan to approach his patron Chota Khan, the ruling Nawab's younger brother to intervene on his behalf and get back the loan. No sooner was this done, than Hirjee Parsi, servant of the Nawab stepped in, abused Ramkisan and released Framji Jeta. Thereafter Chota Khan took up the matter with his brother, the Nawab who reprimanded Hirjee but to no avail. Hirjee on his part approached Dhanji Shah, the Company's maruftea who threatened Ramkisan with dire consequences. This was not an empty threat, for Dhanji proceeded to persuade some fishing Coolies to complain against Ramkisan and the unfair means that he had deployed against them to realize some outstanding dues. The strategy worked; the Nawab lost no time in restraining Ramkisan, torturing him and extracting from him Rs7000 for his release.

Meanwhile, Ramkisan tried to retrieve his position and cut short his losses by approaching the English factory at Surat for redress, but here too, he found himself stymied by Dhanji Shah's manoeuvres. He decided, therefore to approach the Company authorities in Bombay directly and hoped that they would intervene on his behalf, and enable him to recover his dues and the sum of Rs.7000 that he had made over to the Nawab. The Bombay authorities, in line with their rhetoric on protection of the fair trader, looked into the matter and requested the Nawab to state his version. In a letter that the Bombay Council received and read on 15 June 1772, the Nawab outlined the details of the contretemps as follows. Some time ago, fishing men or Machhees had complained to Mr. Price that the Khatri merchants Ramkisan and Dharma Chand, demanded money at interest from them unfairly for they had already made good their previous dues. The

Nawab taking up their case ordered the city's Khatri merchants to examine and scrutinize all accounts and instituted an enquiry committee for this purpose. The enquiry, according to the Nawab revealed that all accounts had been satisfactorily settled and that Ramkisan was guilty of misrepresenting evidence. The Bombay authorities were not entirely convinced and suspected Dhanji of having doctored the evidence. For a while, they toyed with the idea of dismissing Dhanji Shah from his position. Their anxieties were not without basis for almost immediately, after the Ramkisan affair, they confronted the accusations of Sciad Hussein, a Surat merchant who alleged that Dhanji Shah misused his influence` quite openly and intercepted justice. On 31 July 1772, the Bombay Council reviewed the petition from Sciad Hussein who set forth that he had legitimate grievances against Aga Kadel Khan but that he had been denied access to the English chief for redressal by a small clique headed by Dhanji Shah and his servant Sooley. The Surat factors hotly denied these allegations and stated in their letter that the complaint was 'very unjust, malicious and that no charge advanced against any person mentioned therein, had been proved, that Ramkisan had in many respects, wilfully perjured himself, instances of which they produced, and that his accusation against Dhanji and Sooley were in no respect proved'. As regards Sciad Hussein, a proper enquiry into this depended on a careful examination of many persons, that it would take up too much time, and that it could not be carried on without the Sciad being present and who incidentally according to the factors was man of 'infamous character'¹⁹. The Bombay Council let the matter pass and continued to retain Dhanji Shah as their marufteah. The incident revealed all too clearly the web of connections between the local merchants and the Company, the Durbar,

¹⁹ Ibid.

the private trade dealings of Company servants in Surat and whose policy decisions often bypassed the official line of their superiors in Bombay, the gains made by individual merchants who, like Dhanji clearly exploited the connection with the Company. It also exposed the fragility of small time local merchants who pinned their faith on existing channels of patronage like that of the Durabr, thereby complicating the general tendency to gravitate towards the Company dispensation.

In fact, it took a considerable time for the Company to utilize its political clout to alter conditions of business or to dominate channels of procurement, which happened to be the most pressing consideration. The official investment of the Company, did not amount to very much until the closing decades of the century – it was valued at around Rs.300, 000 and Rs.500, 000 approximately and accounted for a very small portion of the region's trade. The investment typically consisted of Necanees, Large and Small, tapseils (large) Bejutapauts (Blue) Guinea) Red and Blue), Byrampauts (blue) ad Chellos (red and Blue) Until the 1760's these were procured from a number of Gujarati towns and manufacturing centres - Cambay, Broach, Baroda, Navsari and Surat. The investment was organized around the basis of a contract that the Company entered into with principal contract merchants of the city. The latter agreed to supply at the port of shipment a specified number of pieces by a certain date. The system had one obvious advantage in that it drew on the immense experience and resources of the local merchants and thus economized on transaction costs. Also the advantages of the system were evident in a situation where the investment had to be carefully and closely planned and set in motion at different times of the year depending on the items in question. For example the best variety of Necanees (large) were available in Surat and the goods were betts worked early in the year and finished before the dry winds set in

November. Likewise, large blue and red calicoes were of a superior quality in Surat and Cambay, and had to be coloured in the hot month of April while Byrampauts were available in Broach and had to be contracted for early in the year. All this meant that the investment had to be planned well in advance and had to be entrusted to local merchants who knew the season and its cadences and were, in principle at least, capable of pumping in the necessary funds for different stages of the manufacturing process.

The contract system and the procurement business worked within certain conventions- written and unwritten. The contract merchants appear by and large to have withstood any innovations on the part of the company or admit major changes in the provisions of the contract. In fact even the penalty provision for non-performance of any part of the contract could rarely be enforced. The Company authorities failed to insist on any special marks being affixed on pieces that were rejected on grounds of deficiency. In November 1766, the Surat factors informed their superiors at Bombay that the contractors had refused to 'admit of a particular chop (chhap) or mark being affixed to such goods of the investment as were rejected'²⁰. They also brought attention to the fact that the prices of late had decreased so considerably with the contractors, and that these had occasioned weavers and merchants in general to lower the manufactures in order to be able to supply at the prices the Company contractors gave. In other words, the sub brokers manufacturers were responding to the situation by turning out goods of a lesser standard. At any rate the question of sub standard goods related more to the problem of measurements than to quality and had a reasonable market among private European traders and local Bania merchants trading with east Africa.

²⁰ P.D.D. No. 47 of 1766. P.295ff. Letter from Surat dated 18 November and read in the Council meeting of 20 November 1766.

The commercial depression of the region's trade with West Asia was responsible for a general shortage of specie in the region, a fact that hampered the early efforts of the Company in procuring a comprehensive and satisfactory investment from Europe. The under contractors who were hard up for funds tended to delay advances to workmen and weavers, a fact that came up periodically in the representation of the Company's contracting brokers. In 1779, the Surat factors in their letter dated 16 April stated that their contractors had pointed out that their failure to deal with the Company investment in time, was because of the large number of bankruptcies among the brokers and agents and a scarcity of weavers²¹. The Surat Council maintained that these were lame excuses and that 'far from there having been a scarcity of weavers this season or a difficulty in providing goods, the Dutch had dispatched two ships with complete cargoes, that the Portuguese had made a large investment and that the export to the Gulf had been very great upon which they gave it as their opinion that the only effectual method of obtaining good in time would be to oblige the contractors to pay the penalty in case of failure of their agreement'²². Eventually, however, the penalty was not enforced, the Surat Council backing out saying that the 'levying of the penalty would be a step most prejudicial to the merchants'²³. The fact was that throughout the 1770's and early part of the 1780's, the Company did not feel confident about altering the procurement system. Also the presence of the Marathas in several manufacturing towns of Gujarat like Broach and Baroda not merely

²¹ P.D.D. No.47 of 1766. p.295ff. Letter from Surat dated 18 November and read in the meeting of 20 November 1766.

²² P.D. No.75 A of 1779.Pp.221-26ff. Consultation Meeting of the Bombay Council of 7 April 1779. Letter from Surat dated 16 April 1779 and discussed by the Bombay Council on 21 April 1779.

²³ Ibid. P.D.D. No.76 of 1779. Pp.294-5. Letter from Surat dated 18 December and read by the Bombay Council on 23 December 1779

hampered the movement of goods to the city of Surat, a complaint that the contractors often made, but also forced the Company to restrain their subordinates lest they provoked a confrontation with the Marathas.

The decline of the Gulf markets, the tentative efforts of the English Company to control textile supplies, along with conditions of political insecurity, rising prices of yarn and foodstuffs put extreme pressure on the smaller merchants and manufacturers. It was in this context that the ruling administration in order to pay off the Marathas. One such measure was the introduction of the Mokat that originated in 1759 and was imposed on the manufactures of the city as well as those coming into the city from outside. Mokat rates varied and yielded a revenue of Rs.9000-12, 000 per annum. The Mokats were farmed out to local merchants and tax farmers. The imposition would appear to have strained the weavers, many of whom tried to avoid the imposition if they could. They were by no means impervious to the changing balance of power or to the deployment of their bargaining skills with the local administration, the Marathas and the English Company to extract whatever leverage was possible. It is in this context that we may attempt to raise the larger issue of the location of artisans in the pre-colonial trading economy. What seems apparent from the survival strategies of weavers and artisans is the importance that customary arrangements endorsing the skills and status artisanal activity assumed in the political structure of the local regimes. The Khatri weavers, for instance, enjoyed a special status on account of their skills and monopoly control over the manufacture of red cloth, that in itself enjoyed a special status in court and religious ritual. Consequently, they were particularly successful in negotiating with the ruling administration in securing remission of the Mokat. Instead they undertook to pay an annual contribution of Rs.5 to the Mokat farmer and Rs.50 to the Nawab and to supply the Durbar and its dependents

with coloured threads and other articles as required²⁴. At the same time, their traditional rivals, the kombis who were producers of blue cloth attempted to exploit the fluidity of the situation to solicit the intervention of the Company in order to cut into the monopoly of the Khatri in the production of red cloth. The Khatri-Koombi dispute reflected in a microcosm the tensions that accompanied the dissolution of the existing social balance among manufacturing groups in Surat city. In fact, the intervention of the English East India Company, and their efforts to detach Khatri and Koombee manufacturers to work exclusively on the Company investment, reinforced pre-existing tensions.

The Emergence of Surat as a Centre of Manufacture and the Social Dynamics of textile production

It was in the 18780's that Surat began to emerge as a major production centre of textiles and the benefits of relative political security guaranteed by Dyarchy encouraged artisan groups to settle down in the city and turn out their manufactures for the local market as well as for the European trading interests. The expanding trade of private Portuguese traders from about the 1780's in textiles of the coarser variety, or what the English company designated as the 'inferior sortment' generated opportunities for the weavers and put pressure on the English factors in Surat. The factors repeatedly emphasized to their superiors in Bombay that a very small proportion of the weavers in Surat could manufacture the kind

²⁴ For details on the Mokat, see P.D.D. No. 120 of 1796. Pp.2232-2242. See account on 'An estimate of His Highness, the Nawab of the losses of a remission of his Moucats on the probable investment of the following year. The report traces the antecedents of the Moucats, the rates at which these were levied and the exemptions enjoyed by certain manufacturing communities of Surat.

of goods that the company specified, and that there was an enormous demand for 'piece goods of quality ever so inferior' and that 'only the young and strong could reach the excellence of the Company's fabric whereas old men, women and children can make such goods as foreigners and native merchants will purchase²⁵'. As mentioned before, the manufacture of piece goods was a highly specialized business characterized by an unusual degree of specialization and division of labour. A number of communities – Paris, Hindu and Muslim – were involved in the production process and were known to guard their skills and preserve quite fiercely. Manufacturers with specific skills like the Khattris who specialized in the manufacture of red cloth; gummed silk goods strenuously disallowed any other manufacturing group to engage in the business and often used their influence with the higher authorities to stake their claims to a monopoly control over certain branches of the manufacture. By the 1790's the city boasted of a total of 15,777 looms worked by specific weaving groups who turned out particular varieties of cloth; we have for example references to 849 looms worked by the Boras who manufactured Pachoras, Putkahs, Turbans and Doria of various sorts for immediate consumption in the city while other varieties like Salloes, Seylas and Dhotis also turned out by the same looms were exported to Muscat and Malabar. The Koombees and Khattris dominated the business of manufacture and worked on a large number of looms and turned out cloth specifically for the export market. The introduction of the mokat, according to the Enquiry Committee (instituted in 1795 to examine the textile manufacturing business) affected the trade and manufacture of piece goods. Piece goods were under this arrangement subjected to a duty of one and

²⁵ C.D.D. No.9 of 1794. Results of the Enquiry Committee instituted by the Surat Council to examine the problems of investment. Pp.134-135ff.

half percent and was collected from the under dealers who constituted the vital link between the weavers and the merchants.

The earnings of the weavers varied according to their skill and the kind of cloths they undertook to manufacture. The committee of enquiry in fact estimated the actual net cost of a piece of each sort of cloth included in the Company's investment and stated that the weaver manufacturing a piece of chelloes blue and white of 11 vees and 24 guz dimensions was given one quarter while the piece itself cost, in terms of raw material, labour and fees of the under dealers around Rs.5. Weavers working on bejutapauts blue and white of 10 vees and 24 guz dimensions were given 3 quarter and 50 reas while the finished product cost Rs.4²⁶. Skilled weavers like the Koombees were on the lookout for improving their material status by encroaching into the manufacture of goods that were in greater demand or fetched higher prices in the market. This was only to be expected in a situation of extreme pressure when the under dealers were sparing with advances and the English Company imposed inflexible standards of fineness. As it happened, the raw materials for weaving were provided by the under dealers themselves who in most cases in this period prepared the looms. Weavers who operated their looms independently and bought their own raw materials were few and far between. In fact the Enquiry Committee suggested in 1796 that more weavers ought to be encouraged by the company to work their own looms, admitting that this was a difficult thing to achieve. Most weavers admitted that they were critically dependent on the under contractors and that their advances enabled them to buy grain and support their families.

²⁶ C.D.D. No.12 of 1796. Report of the Committee on the outlines of textile manufacture in Surat dated 24 December 1795. PP.17-18ff, pp.29-30. Also see p.40 for point made on the weavers' dependence on the under dealers.

The English East India Company and the Problems of Procurement

It was in the latter decades of the 18th century, that the English East India Company began to seriously consider the possibility of altering the procurement system to their advantage. Scarcity of merchant capital, the inadequacy of advances and the increasing tendency of the under contractors to withhold advances to workmen resulted in problems of procurement. This combined with the expanding trade of Europeans, notably private Portuguese merchants encouraged the weavers to deliberately turn out inferior cloth and sell them to the highest bidder. Deficiencies in quality and measurement thus became a major and recurrent problem in the 1780's and 90's, forcing the contract merchants to put pressure on the under dealers and weavers, forcibly collecting their goods and maintaining tighter controls over the advances. In 1790, Mayaram Atmaram, the Company's contract merchant complained that the Surat factors had been tardy about advances and that this was creating problems. He had tried to salvage the situation by advancing some money from his own pocket but this was not sufficient. Also he pointed out that the Company had on very flimsy grounds rejected substantial portions of the investment forgetting that it was not possible to secure identical pieces from so many hundred different workmen, some of whom will naturally be inferior to others'. Other purchasers, Mayaram mentioned, had enthusiastically bought up the rejected pieces, 'the number of which was equal to that of workmen. "You cannot be ignorant of the great encouragement given by foreign nations, the Dutch, French and the Portuguese as well as native merchants to workmen to fail in their engagements with the Company for pieces inferior in every respect and particularly in point of dimension, where the Company are very strict, they will give 4 p.c. more than Company prices by which it become the weavers'

advantages to have the pieces rejected”²⁷. These complaints were frequently heard even as the Company authorities failed to dispense with the contracting merchant and penalize him for non-performance. In retaliation, in 1790-91, the Company attempted to retain the rejected goods so as to intimidate the weavers but to little effect. The contract merchant urged the Company to remain flexible in their approach and admit of delays in the contract²⁸.

The situation took a turn for the worse in the following year when cotton production was badly hit by lack of rains. Cotton and indigo was not procurable at any price. Mayaram mentioned in his petition that the general failure of rains had caused untold misery among the poor and that thousands had perished. The mortality among weavers was especially visible with thousands dying daily. The under contractors frequently absconded with advances causing great ruin to Atmaram and his colleagues and at the same time, depriving the indigent weavers of their habitual occupation²⁹. In 1792, the Company authorities in Surat had once again occasion to comment on the subterfuge of the wavers and on their clandestine trade with foreign merchants, notably the Portuguese and other European private traders who bought up extensive quantities for the African markets. Their brokers employed a good number of Surat weavers to work on this, while at the same time, the rejected pieces of the Company investment found their way into the hands of the brokers working for the foreign traders. The factors were duly cognizant of the fact that manufactures for the African markets constituted only a small proportion of the total manufactures and that the goods of the finer variety for the Gulf

²⁷ C.D. D. No.5 of 1790. Letter from Mayaram Atmaram. P.97ff.

²⁸ Ibid.

²⁹ C.D.D. No.6 of 1792. P.268ff for Petition of Mayaram Atmaram.

markets and those for the Europe investment accounted for the bulk of the city's production. What was difficult was to persuade local artisans to work on specific goods exclusively for the Company. In 1792, John Griffith, the chief commercial representative in Surat suggested that the only way out of the impasse was for the Company to make use of its political influence. The Company had to insist on being given preference; compel a set of weavers to work for the Company on account of the special influence it enjoyed.

This was, however, easier said than done as the Surat factors realized. In fact, even extreme pressure failed to persuade weavers to change their branch of specialization. Occasionally weavers responded violently to the growing controls that the Company attempted to put in place. The riots of 1788 and 1795 were marked by the large-scale participation of weavers with most of the victims being contract merchants working for the Company. Our evidence does not say much about the linkages between under dealers and weavers in organizing resistance or indeed of the connections between the under contractors and contract merchants working for the Company in enforcing control mechanisms over the weavers. In 1735, rioting by the weavers assumed serious dimensions as they joined elements with the disaffected elements in the administration and attacked the houses of the city's bania merchants³⁰. The 1795 riots jolted the Company of its complacency and forced the authorities to reconsider the situation, to consider alternative modes of procurement and to detach weavers to work for the Company manufacture on new terms. During the riots and their immediate aftermath, the Company had failed to get a single weaver to work for almost twelve days, not to speak of the Muslim weavers

³⁰ Lakshmi Subramanian, *Indigenous capital and Imperial Expansion*. Pp.206-231. Also see Lakshmi Subramanian, 'The Eighteenth Century Social order in Surat: A Reply and an excursus on the Riots of 1788 and 1795', *Modern Asian Studies* 25,2,1991.

who struck work for even longer³¹. This in fact was the turning point – the target was no longer the contract merchant and the penalty provision but the weavers themselves and the under contractors who were to be bypassed altogether.

The intention was clear but the execution would take more time. In October 1795, the Surat factors pointed out that they had tried through their contracting merchant, to secure exclusively for the Company the labour of the resident Khatri weavers in Surat who were skilled in the manufacture of the finest assortment of goods³². Engaging their skills for the Company's investment was not easy as they specialized in making silk goods, which earned them better prices. The factors tried to assure the Khatri that if they had consented to work for the company, they would enjoy the benefits of Company protection and would suffer no oppression. It was also suggested that after proportioning among them a certain quantity of the investment according to their number, they would be permitted to take up the silk business and no further demands made on their labour. Accordingly, on 5 October 1795, the Patels or headmen of the Khatri weavers presented an arzee stating their consent to work exclusively for the Company until their business was finished³³. The apparent success of this negotiation encouraged the factors to approach other weavers. The following year, on 8 April 1796, an agreement³⁴ was signed between manufacturers and under dealers and the Company's contract merchants wherein the former agreed to accept Company protection and promising not to work for any other party.

³¹ C.D.D. No.11 of 1795. The Contractors reply to the Chief's Minute. P.1006.

³² Ibid. P.778ff. Letter and enclosures from Surat read by the Bombay Council on 27 October 1795.

³³ Ibid.

³⁴ P.D.D. No.127 of 1797. P.181ff. Letter and enclosures from Surat discussed by the Bombay Council on 3 November 1797. These enclosures included the agreement signed on 8 April 1796 by the principal manufacturers and merchants working for the Company.

This agreement became a sore point with the other buyers in Surat who approached the Nawab and complained of Company intimidation of weavers. The Company dismissed these charges as baseless; instead they alleged that the Portuguese brokers had impeded weavers and even taken goods from the looms on the pretence that they were Portuguese weavers. The authorities held their own as they persuaded the Nawab to take off the Mokat from the piece goods entering the Company's investment and designed a system, divided the investment into several categories of standard and inferior assortments, thereby preventing weavers from deliberately turning over sub standard goods and selling them to other foreign merchants, engage brokers who were attached to the Commercial resident and given peons to collect goods from the manufactures the Company justified these new arrangements to the Governor General in Council arguing that the system was not unduly restrictive. In September 1797, answering the Portuguese charges, the Commercial Resident argued that it was an invariable practice for the Company to use peons to collect goods and that the mixed nature of the government in the city enabled any and every one to assume authority to the extent of his means to employ peons in the transaction of business³⁵. On another occasion, he maintained that the company could not afford to dispense with the peons at the height of the season when the chances of clandestine trading increased. Under-contractors tended to hoard up quantities to dispose of at higher prices and it was necessary to intercept them by collecting the produce directly from the weavers. The new brokers working for the Commercial resident were in a

³⁵ Ibid. Letter from the Commercial Resident to the Chief of Surat dated 20 August 1797. Also see C.D.D. of 1797. P.111ff. Letter and enclosures from the Commercial board at Surat read on 3 February 1797.

position over the manufacturers in general from the rapacity of both as well as of the interference of native government³⁶.

In its essentials, the new system aimed at binding the weavers to their engagements with the Company and preventing them from entering into fresh engagements until they had discharged all their debt obligations to the Company. All engagements were henceforth to be made in writing attested by two creditable witnesses. Weavers under engagements to the Company and who did not wish to avail of themselves of fresh advances in the future had to give a fortnight's notice of their intentions. In cases of weavers failing to deliver by the stipulated period the cloths for which he had engaged, the Commercial resident was given the liberty to place his peons upon the erring manufacturer. Weavers guilty of clandestine transactions were liable to prosecution and would have to forfeit to the company all the produce of the cloths sold. The native servants in the Company's employ guilty of changing Company cloth or accepting advances were also liable to forfeit double the amount of the value of the property or money that they may have embezzled. At the same time, the regulations endorsed the primacy of the commercial resident in the business of procuring the Standard Investment. In fact, the system was perceived as an important beginning in paving the way for the abolition of a contractor or any intermediary. For the rest, the Investment was to be subdivided into distinct branches and let out by public advertisement to contract merchants³⁷.

In practice, these regulations do not seem to have eased the Company's situation. The problem of clandestine purchases continued unabated particularly in the last years of the century when there was a marked expansion of Portuguese trade. The use of peons was not restricted

³⁶ Ibid.

³⁷ C.D.D. No.16 of 1797. Pp.932ff and pp.942ff.

to the Company servants – the practice seems to have been well established among other traders. The Commercial resident found it impossible to bypass the medium of local contract merchants who had the necessary access to under brokers and producers and their headmen. The merchants on their part continued to vigorously resist the penalty clause, and while there is every reason to suppose that they were operating amidst conditions of insecurity, rising yarn prices, it is also true that they held their own in the negotiations with the company³⁸. It was not before 1802 that the Company was able to move in decisively into the supply market and undermine the position of intermediaries. By that time the trade in textiles was already on the wane.

The working of the new system: merchants and Manufacturers

Where did the new system leave the merchants and manufacturers? The division of the investment into various categories of Standard and Inferior, the organization of separate contracts for these varieties, the provision of the Standard Investment remaining with the Commercial resident who was expected to deal directly with the manufacturers, the imposition on paper of a higher rate of penalty on the contracting brokers, the permission to use armed peons to retrieve goods from the artisans who were obliged to commit their produce to the company exclusively until the completion of the investment were significant alterations and expected to produce favourable results. As yet, however, there was no attempt to dislodge or bypass the under contractors who continued to liaise between the contract merchants and the manufacturers. The penalty clause

³⁸ Lakshmi Subramanian, 'Power and the weave'. Pp.64-75.

continued to be resolutely opposed while on the ground the Company's demand did not absorb the bulk of the city's supplies. The Surat factors insisted repeatedly that the Company investment did not engross all the labour of Surat and that a very considerable body of manufacturers was required to furnish goods for the yearly trade to the Gulfs. As far as the under brokers were concerned, the new regulations were irksome but not impossible to get around. Indeed, the fragmented and fractured nature of Company authority in Gujarat, the expanding demand for piece goods among foreign and native merchants enabled under contractors to evade the tyranny of Company schedules and to continue exploiting the artisans. In 1797, the proceedings of a prolonged and protracted dispute with the Portuguese Resident over the use of armed peons revealed that brokers working for the Portuguese were guilty of corrupting the 'weavers and under brokers supplying the company, inducing them to 'sell them goods they finish in which they allow prices for inferior quantities equal to the standard of Company investments and needless for me to repeat, they are successful³⁹. It was much later that the English Company's attention was drawn to the oppression of the under dealers and to the necessity of restraining them.

The Company was soon forced to get into action when they discovered that the Khattris were shirking their obligations and ignoring the earlier agreement. The brokers confessed their inability to persuade other manufacturing communities to turn their looms over to the manufacture of fabrics required by the Company. They had tried to procure large supplies from areas where the Khattris could not exercise their influence, but the quantity received had been inadequate. A long spell of rain and floods had

³⁹ P.D.D. No.127 of 1797. Representation by the English Commercial resident as part of enclosures from Surat received by the Bombay Council on 3 November 1797.Pp.1811ff.

resulted in large-scale destruction of looms and weavers' dwellings and this along with rising yarn prices once again raised doubts about the annual investment. The contracting brokers stressed in their representation to the Surat Council in 1798, the recalcitrance of the Khattris, 'who were an untractable set of people and act as they please from knowing the dread in which all others stand of their revengeful and too generally successful malice'⁴⁰. Moreover the headmen of the Khattris who had been responsible for the contract with the company had died and the brokers found themselves helpless in exercising any control over the weavers. Closer investigations revealed that the Khattris were exploiting the position vis a vis the Company in forcing an old and outstanding dispute with their traditional rivals the Koombees⁴¹.

The Khatri-Koombee dispute reflected all too clearly the ramifications of the eighteenth century crisis and the range of responses it generated from artisan groups in Surat. Rioting and violence was but one aspect of their response to a situation where Company controls threatened to erode their autonomy. Another option seemed to be in deploying existing political connections with rival contenders, notably the English company, the Durbar and even the Maratha power on the fringe. The Khattris and Koombees were especially adept at these negotiations and used their customary status to extract privileges relating to control over the city's looms. The Koombees appear to have taken advantage as early as 1759, when they appealed to the ruling authorities seeking permission to work on the manufacture of silk cloth, which traditionally remained the Khattris prerogative. The dispute was resolved ultimately to the satisfaction of both parties, with the Koombees agreeing to pay Rs45 annually to the Khattris and in return secure their

⁴⁰ C.D.D. No.17 (I) of 1798. P.134ff. Representation of the Contracting Brokers.

⁴¹ Ibid.

consent in working a limited number of looms for the manufacture of silk goods.

Relations between the two groups, however, remained strained especially in the wake of the Company's efforts to control the manufacture of fine goods that made up a proportion of the Company's investment. The Khattris raked up the dispute in 1798 when they refused to honour their contractual obligations to the Company and demanded absolute control over the manufacture of all silk goods and a revocation of the privilege extended to the Koombees⁴². The Commercial Board as much as admitted in 1800 that 'experience of the past ten years having shown that to provide the red goods required by the Company without the Khattris is impracticable, that no other caste of weavers, whatever will work them through fear of the Khattris, the Coolmbess wish to avoid working them and that the Khattris will not work them otherwise than on being restored the paper by which they are as they say unjustly deprived of a part of their privilege to work exclusively the piece goods called Deryaye a kind of silk cloth prepared with gum and that this paper is no more than said to have been obtained some years back to manufacture all silk goods in which they have included the profitable kind Deryaye to that time exclusively wrought by the Katreess'⁴³. The Commercial Board also agreed that depriving the Koombees of the manufacture of Deryaye would not prejudice their interests much; besides 'all other kinds of silk goods, musroo, kincobs, cora reshmi etc they are known still to gain a livelihood in great measure and besides, agriculture is still their main profession'⁴⁴.

⁴² P.D.D. No.147 of 1800. P.627. Letter and enclosures from Surat read by the Bombay council on 2 April 1800

⁴³ Ibid. P.628.

⁴⁴ Ibid. P.630ff

The following years did not see a marked improvement in the Company's investment position. The activities of the Portuguese traders and their brokers and under dealers continued to skim a considerable portion of the city's manufactures. Clandestine trading was the order of the day and peons were hopelessly inadequate to intercept the traffic. Weavers and under brokers employed innovative means for this; one strategy was as follows: eight or nine people went out together with four or five of them fastening a piece of cloth around each leg and the others fastening a price list around their waists. They were escorted by a small party of Parsis armed with sticks. They sang and danced thereby drawing public attention and eluding the Company's peons in the bargain⁴⁵. Among the under dealers who took an active role in such clandestine sales, was Vamalchand Bania who drove a thriving trade in supplying textiles to the Portuguese. In 1800, the Contracting Brokers stated that the agents of the Portuguese had for the past five years carried a traffic not less than '25 to 40 lakhs of rupees per annum'⁴⁶. What was necessary, therefore, was to exercise judicial authority over weavers committed to manufacturing for the Company, a course of action that was facilitated by the annexation of Surat by the English East India Company. Under the new regulations, defaulting weavers and manufacturers were liable to prosecution at the Adalat in Surat⁴⁷. At the same time, the company successfully detached large sections of weavers and persuaded them to work on parts of the Company investment. The Khatri resistance was broken while the Commercial resident was given greater powers of surveillance over weavers. The numbers of

⁴⁵ C.D.D. No.25 of 1800. pp.125-126ff, pp.1150-151. Representation from the Contracting Brokers dated 10 November 1799.

⁴⁶ C.D.D. No.27 of 1800. PP.558-559ff. Letter in reply to the Commercial Board at Surat dated 26 December 1800.

⁴⁷ Ibid. Also see C.D.D. No. 36 of 1803. P.698 for a list of the establishment required for the office of the Commercial Resident.

superintendents was increased to go daily around different streets and visit houses of merchants and manufacturers, to keep regular accounts of the time when 'each weaver placed in his loom a new piece of good and when it was taken up and carried to the company's warehouse'⁴⁸.

The new regulations however did not extend to the under dealers. As the Commercial board observed in 1802, the new regulations could not be of much efficacy 'when applied to Banyan merchants who neither weave nor have looms in their houses and can consequently be under no check were peons to be placed over them'⁴⁹. It was therefore, essential to introduce the Bengal system of procuring the investment directly from the weaver. "Some means", it was argued, "had to be devised of breaking the claims these intermediate agents have upon the weavers from the debts they nearly one and all are involved in for advances made to them at different times"⁵⁰. The Company now emerged as the champion of the oppressed weaver who had to be rescued from the clutches of the rapacious bania. If the weaver instead of the bania received the advance, he would be able to save a portion, liquidate his previous debts and improve his material position. Weavers were, therefore, approached to come forward to accept company advances and work on the investment.

The benefits of the system do not appear to have convinced all segments of weavers. We come across instances of weavers deserting their looms in search of alternative employment in the Company's army, which was perceived as a more stable occupation. The declining importance of textiles in the Company in the first quarter of the nineteenth century

⁴⁸ Ibid.

⁴⁹ C.D.D.No. 35 of 1802. Pp.1196-1197. Consideration of the Commercial Resident's measures by the Governor General in Council.

⁵⁰ Ibid. Pp.1282-84ff. Minute of the Commercial Resident considered on 16 November 1802.

rendered much of the new system redundant. If anything the crisis had turned full circle as weaver and merchant, principal and intermediary were reduced to the position of disfranchised dependents under Company sovereignty.

Conclusion

Revisionist historiography on the eighteenth century has tended to foreground the merchant-financier in the political economy of the successor states. The experience of the merchant groups in Western India certainly endorses this position – here, intermediary merchants and brokers were able for some time to resist the attempts of the company to introduce structural adjustments in the existing system of procurement and commerce. This did not, however, mean that merchants and manufacturers were operating from vantage positions of great advantage; in fact the prevailing conditions of political insecurity, shortage of money, rising prices of yarn owing to erratic supplies, combined with the company's policy of trying to restrict the mobility of weavers constituted very major problems that found reflection in business failures, resistance and desertion by weavers. What little remained of their bargaining power was tied up with the limited extent of Company power in the region. Once this changed, and Surat was annexed and the clarion call given to the 'thrust to the Northward', political equations changed leaving merchant, banker and artisan exposed to the full weight of Company hegemony.