INDIA’S TRADE WITH EUROPE AND AMERICA IN THE EIGHTEENTH CENTURY

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The history of India’s foreign trade in the eighteenth century, roughly speaking from 1707 to 1813, can be conveniently studied in three distinct periods, — the first from 1707 to 1757, the second from 1757 to 1793 and the third from 1793 to 1813. During the first period, the trade of the English East India Company in India gradually prospered, in spite of some adverse circumstances such as wars in Europe and India from 1740 to 1748 and in India only from 1749 to 1754, disturbances caused by Marāthā inroads into the Carnatic and Bengal, occasional interruptions from some local officers, and then competition of the Armenians, the French and the Dutch, though French trade in Bengal began to decline after the transfer of Dupleix from Chandernagore to Pondicherry in 1741. The private trade of the Company’s servants was growing. But the Company took “all the caution possible” to “prevent private Traders interfering with the Company’s Trade”.1) The factories of the English East India Company in Bengal and at other places were growing in number. We read in contemporary correspondence between the English East India Company’s officers in Bengal and their masters in England that the chiefs and officers of the respective factories were subject to the strict control of the Council in Calcutta, the goods supplied by them were carefully scrutinised, and they were frequently instructed to improve the quality of goods. To procure sufficient quantity of exports, the English Company sometimes advanced money (dādūnī) to the dālāls (brokers), merchants and manufacturers. They were thus “invested with a previous right in the goods for which they contracted; and hence their purchase in India acquired the name of investment”.2)

1) Letter to Court, 16th January, 1733, para 98.
2) Grant, A Sketch of the History of the East India Company, p. 67.
In spite of various precautions on the part of the English East India Company to secure timely supplies of goods, the merchants occasionally failed to make good their contracts and pressed for more dādhi. So from June, 1753, the Company changed their method of procuring investments in Bengal. Instead of entering into contracts with the merchants for their supply, they began henceforth to collect these direct from the aurrungs through their own gomastās or agents.¹) The changed method had immediate success for the English Company. Referring to it, the Court of Directors wrote to the Council in Calcutta on the 11th February, 1756: “It is with great satisfaction we observe the success your new method of providing the investment by gomastās at the aurrungs has met with, as it is a plan that hitherto seems to be the best calculated to answer every desirable purpose, not only with respect to the quality and price, but likewise the quantity of the goods to be provided”. ¹)

But ultimately this method produced baneful effects. Through it the gomastās and the agents of the Company frequently abused their powers, as Verelst writes with local experience, “to their own emolument; and an authority given to enforce a just performance of engagements, became, notwithstanding the utmost vigilance of higher servants, a source of new oppression”.²) In the post-Plassey period their influence “proved so destructive of industry” that the Council in Calcutta “restored the old method of forming the investment, by contracting solely with merchants in different parts of the country”.³)

The chief exports of the European Companies from India were cotton and silk piecegoods, raw silk, saltpetre, sugar, opium and pepper from Malabar, and indigo till 1724 and again after the outbreak of the War of American Independence. The principal articles which the Dutch imported from Europe were precious metals especially silver, and woollen goods. They imported copper from Japan, tin and spelter from the Malayan Peninsula, and pepper, cloves, mace and nutmegs from islands of the Dutch East Indies. They also brought bullion in large quantities. The imports of the English Company were very much the same as those of the Dutch. Between 1708 and 1756 the proportions of bullion to merchandise

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¹) Letter to Court, 18th January, 1754.
³) Ibid.