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THE DUTCH EAST INDIA COMPANY AND ITS COROMANDEL TRADE 1700–1740

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THE DUTCH EAST INDIA COMPANY AND ITS COROMANDEL TRADE 1700-1740

Historians of the Dutch East India Company (V.O.C.) and its activities generally view the 18th century as a period of steady decline and deterioration of this Company's commerce in Asia.¹ The widespread acceptance of this view has kept them from looking too closely at Dutch trade in its multifarious comptoirs and factories of Asia in this period. While this view is generally sound, looked at from a long historical perspective, and is authenticated by an overall picture of the Netherlanders both at home and abroad, it should not blind us to the fact that for a greater part of this century the V.O.C. maintained its substantial participation in Asian commerce. It would be misleading, for students of Asian commerce, to dismiss Dutch activities as on the decline and concentrate their attention solely on the expanding commerce of the English and the French. It is of course true that while Dutch trade had stopped growing, that of their two competitors was expanding rapidly. The English expansion, in particular, had left the Dutch behind in many important sectors of Asian commerce. But this did not mean a fall in the volume of Dutch trade. The Dutch were able to more than hold their own in their share of the trade in the face of fierce competition. In absolute terms, as will be shown in this article, the extent of Dutch participation in one very important region of this trade — the Coromandel Coast — is as high as at any period of their prosperity.

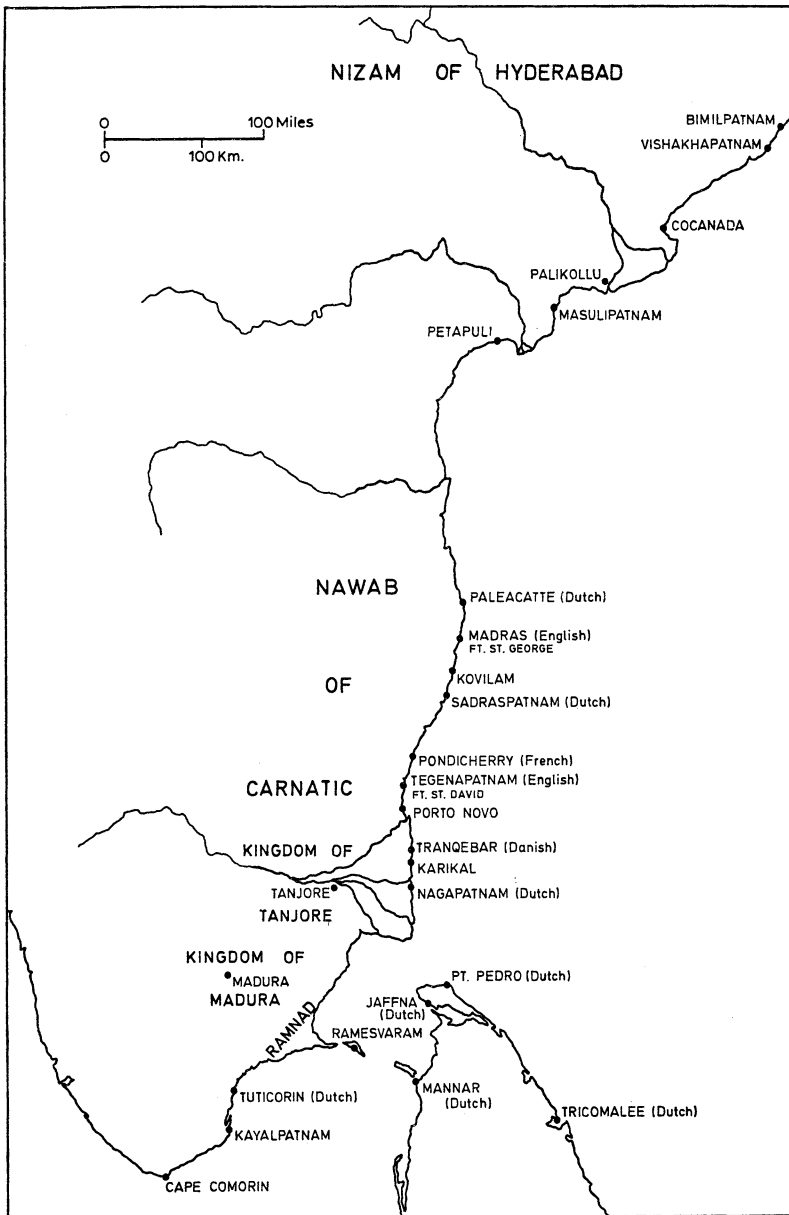
The expansion of the activities of the European competitors of the V.O.C. thus seems to have not been achieved primarily at the expense of the V.O.C. itself. Nonetheless it affected the fortunes of the V.O.C. and its trade. The increase in participation of diverse European companies seems to have been achieved mainly at the expense of Indian

¹ Two studies that propose this line of argument are: K. Glasmann, *Dutch Asiatic Trade 1620-1740* (Copenhagen - The Hague, 1958) *passim* and T. Raychaudhuri, *Jan Company in Coromandel* (The Hague, 1962) pp. 73-74. Dutch decline is discussed in a broader economic and political perspective in C. R. Boxer, *The Dutch Seaborne Empire 1600-1800* (London, 1965) pp. 268-294.

overseas trade and shipping. These latter tend in this period to restrict their activities to brokerage and supply to these European traders. Too many people now were chasing the restricted supply market in some special finer varieties of textiles suitable for the European market. The forces of production could not extend themselves to absorb this specialised demand. On the contrary, in this period, because of political unrest and administrative confusion, there is evidence of the closing down and decline of former centres of production. Such conditions were bound to leave their mark on Dutch investment. At the other end of the trade, the profits on textiles in Europe were also adversely affected as European markets were flooded with Indian textiles. In spite of these handicaps, the Dutch in Coromandel seem to move into the first half of the 18th century with business on a scale which matches their operations of the preceding decades.

The period surveyed is one of acute competition in the Coromandel trade between the two great East India Companies, the English and the Dutch, with the French rapidly bridging the large gap that existed at the beginning of the period between them and the two older Companies. Further the Ostend Company made periodic appearances on the coast in the years 1719-1722 and tried to penetrate the trade. The competition was witnessed on many fronts. It was keenest for the export market in various kinds of textiles, only slightly less so in the sale of copper and other metals, different kinds of spices and pepper. In both the export and the import trade, the market was a contracting one. We hear of a good many flourishing market towns and trading emporia closing down and left deserted. It was a situation where, to stay where one was, one had to keep running. To keep the trade going was an uphill struggle against so many unfavourable odds both to the European traders as well as the Indian brokers and producers.

Some general trends were already visible at the turn of the century. Changes in the control of markets had already taken place towards the end of the 17th century, at least as far as the English and the Dutch were concerned. For a greater part of that century the northern Coromandel centres had offered some of the best markets for both the English and the Dutch. Now there is seen a decline in the Dutch hold on these markets. The English had expanded their activities there at the expense of the Dutch. They had been able to secure better relations with the native administrative authorities and received concessions that put them at an advantage over their rivals. They dominated the trade of Masulipatnam, one of the most flourishing ports



Ports and Trading Stations on Coromandel Coast 1700-1740.

of the textile trade in the whole coast. This English dominance was helped by the ill-advised shift of Dutch capital in Coromandel from Paleacatte to Nagapatnam in the far south in 1690, at the instance of Adrian van Rheede who had been designated Commissioner by the Directors to look into and reform Dutch administration in South Asia.

At the end of the 17th century the V.O.C. had a number of trading factories and fortified strongholds on Coromandel. Paleacatte, a fortified port, had been the seat of the Dutch Governor and administration. After the shifts of the administrative capital to Nagapatnam in 1690, its strategic importance was reduced but it continued as an important centre of trade. Throughout the 17th century it had been the most important trading factory on Coromandel, both for purchase of textiles and for the import trade. It had a number of weaving villages in the hinterland noted for the fineness of the quality of linen and painted goods. The Dutch had a toll-free trade here, under the relatively secure conditions of the fort of Paleacatte and wide jurisdiction over the native inhabitants of the city. In the 18th century, owing to various factors we shall note later, its trade had declined and it does not occupy an equally important position as it did earlier. The transfer of the V.O.C. headquarters from Paleacatte to Nagapatnam was criticised by Pieter van Dam, the Company's official historian, writing soon after the event, on the ground that Paleacatte was a much better place to manage the Coromandel trade.² This view is more forcefully reiterated by a recent historian who describes the shift as a 'grandiose gesture' to arrest the declining fortunes of Dutch Coromandel trade. He considers it a major contributory factor to the decline of this trade.³ Undoubtedly Paleacatte had some obvious advantages over Nagapatnam as the headquarters of the textile trade. It was closer to the traditional centres of production and inland markets. It was geographically better placed to manage the Coromandel trade. A study of Dutch trade in the subsequent decades, however, does not substantiate the view that the shift had any appreciable effect on the nature of this trade. The sources of difficulty for this trade were to be found elsewhere. What was lost in the northern markets was soon made good by more intensive exploration of the southern markets. The southern factories recorded increased turn-over of trade after the capital was taken to Nagapatnam.

Nagapatnam was situated in the Kingdom of Tanjore. Dutch rights

² Pieter van Dam, *Beschryvinge van de Oostindische Campagnie, Tweede Boek, Deel II*, uitgegeven door F. W. Stapel (The Hague 1932) p. 110.

³ Raychaudhuri, *op. cit.*, p. 74.

there were established by the conquest of the city and fort from the Portuguese in 1658 and thus did not depend on the uncertain favours of native monarchs. It was a strong and well-defensible castle. Over the years the Dutch had secured from the Nayaks of Tanjore, the rulers of the hinterland Kingdom, the lease of surrounding villages for which they paid an annual quit rent of 4800 pardau and an elephant.⁴ Here too they had wide administrative jurisdiction over native inhabitants. An *adigar* or chief administrative officer for native affairs was appointed by the Dutch Governor. One advantage of the transfer of capital was to bring it closer to the centre of Dutch sea power in and around Ceylon. In times of war with European powers, their vessels could repair to the safety of this castle against enemy warships. This was demonstrated when war broke out between Holland and France in 1702.

A number of other factories, to the north and to the south, served as collecting centres for cloth and markets to dispose of imported goods. In the north, the most important Dutch factory was at Masulipatnam. In this major trade emporium of Eastern India the English, the Dutch and the French together with a host of other private traders, Indian and European, carried on an unrestricted trade. To the north of Masulipatnam, the Dutch had a factory at Bimilpatnam, important mainly for the supply of cloth. It was situated near the English factory of Vizagapatnam. Also north of Masulipatnam there were two Dutch factories Palicollu and Dacheram. The inland factory of Golconda, in the heart of the Moghul province of Golconda, had already been withdrawn. Generally the northern factories were subject to a number of inconveniences and encumbrances, the result of internal disturbances and decline of local authority.

To the south of Paleacatte there were a number of factories. A few miles away from Madras there was Sadraspatnam which was opened in 1668 with great promise for the cloth trade. Its importance prompted the Dutch to negotiate with the native Governor to take the port and the neighbouring villages in lease in 1701. The lease of the whole area was secured for 3500 pardau from the Moghul Diwan of South Coromandel.⁵ Near Sadraspatnam the Dutch had a residence at Conjimere where trade was sporadic. Further to the south there was the factory

⁴ *Corpus Diplomaticum Neerlandico-Indicum*, Uitgegeven door J. E. Heeres (The Hague, 1934) Vol. III, pp. 35-39.

A *pardau* is equal to approx. 3 Guilders.

⁵ *Corpus Diplomaticum* - - - Vol. IV, pp. 201-2.

of Tegenapatnam, situated right by the English Fort St. David. The English were able to purchase the village where the Dutch factory was from the Nayak of Gingee in 1690. This had led to a dispute between the English and the Dutch who had to continue only as tenants of the English.⁶ The trade here was poor and the factory was maintained solely to keep watch on the English trade. A few miles south of Tegenapatnam there was Porto Novo, a centre of the country trade of the southern area where every European trading nation had its factory and carried on unrestricted free trade. Further south the Dutch had secured Karaikal, at the mouth of the Kaveri river, from the Nayak of Tanjore, and had a factory there. Nagapatnam was the southernmost station on the eastern sea-board.

European competition, from centres close to traditional Dutch markets, was more intense in the 18th century. While, in the official letters of the preceding century, the perennial complaint was Indian competition, now the main source of worry is the increasing presence and investment of European traders. English investment in Fort St. George at Madras showed a steep rise in the first decade of the 18th century. Dutch officials were able to see the effects of this increase on the cloth market. The expansion of Madras was a factor in the decline of Paleacatte. In our period Paleacatte had declined considerably as a centre for the purchase of cloth from the pre-eminent position it held in the second half of the 17th century. In the north, the English had better relations with the provincial authorities of Golconda and better contacts in the trade. They were more deeply entrenched at Masulipatnam and were able to get some special varieties of cloth not available to their competitors.⁷ Their presence at Fort St. David had rendered ineffective the Dutch factory of Tegenapatnam.

French trade was beginning to be effective in the early years of the century. The return to them of Pondicherry in 1699 and the wise management of their Governor François Martin (1699-1706) had paved the way for profitable trade and investment. Orders comparable to those of the English and the Dutch now begin to be made from 1710 onwards, though they were not as regular and were dependent on the

⁶ English attempts to exercise their rights over the Dutch factory led to some dispute. A letter of Yale, Governor of Madras to Pit, the Dutch Governor, dated 17 February 1690 (India Office Library, Hague Transcripts, First Series Vol. 46) enclosing a copy of the deed of sale of Tegenapatnam protested at Dutch intransigence and quoted the case of Bantam where the roles were reversed.

⁷ This cloth is described in the Dutch records as *pattemarappu* and is evidently

arrival of ships and capital from Europe. The Danish Company had its fort and factory at Tranquebar, near enough to distract the markets that usually fed Nagapatnam. Danish Coromandel trade at this time was sporadic but, whenever an investment was made for the European market, it was big enough to leave an impact on prices and supply. To add to the difficulties of the Dutch, the merchants of Flanders who formed themselves into the Ostend Company tried to break in on the Eastern trade. They tried to establish themselves at Kovilam, a coastal village embarrassingly close to the Dutch factory at Sadraspatnam. Their officers landed here in 1719 and appealed to the Nawab of South Carnatic (Sadatullah Khan), in the name of the Hapsburg Emperor, for land to construct a factory and for freedom of trade in his lands. The Nawab had long desired to build this well-situated village into a trading emporium and so he gave them some land together with some toll privileges. A handful of European officials and some native servants remained there making some purchases for their Company.⁸ It was expected that this initial effort would be augmented with support from Europe but such support did not arrive for a long time. The officials of the Company are described in 1720 as destitute and forced to live on charity; no ships arrived from Europe and the establishment at Kovilam died a natural death.⁹ It caused the Dutch some anxiety and some expense in bribes to local officials to discourage them from helping the new Company. Some years later, in 1739, the French who were now well entrenched in Pondicherry and on good terms with the Nayak of Tanjore were able to secure Karaikal, near Nagapatnam, from this monarch and fortify it. The Dutch already had a factory here and protested vehemently, to no avail, with the Nayak.¹⁰ If we add to these the numberless European private traders, the country captains and fidalgos of this period, we will get some idea of the intense competition in the Coromandel trade in all its ports and outlets.

Viewed from the Dutch point of view, this competition was incon-

a special variety of fine cloth of which there were several in the Telugu and Tamil country. The securing of such rare varieties depended on access to traditional weaving centres. Governor General and Council of Indies to Directors, 1 December 1700 (Koloniaal Archief, the Hague, 1520) (294).

⁸ Governor and Council of Coromandel to Governor General and Council, 29 October 1719. Kol. Arch. 1816 ff. 24-26.

⁹ Governor and Council of Coromandel to Governor General and Council, 31 October 1720. Kol. Arch. 1830 f. 129.

¹⁰ Memoir of Jacob Mossel, Governor of Coromandel, to his successor, 20 February 1744 (India Office Library, Mackenzie Collection - Private, No. 55, pp. 101-3).

venient and irksome. In times of competition, a successful trade depends on flexibility and adaptability to changing conditions. Dutch subaltern administrations were burdened with regulations, set procedures and fixed prices. These worked to their disadvantage in many ways. Dutch officers were forbidden from giving advances to merchants or weavers while the English would generally give advances up to 20 per cent. Bad debts incurred were chargeable to the officer in charge of the factory.¹¹ This tightness on money was restrictive of trade. The investments were large and merchants did not have so much capital available to advance on their own. This was the reason why both the Dutch and the English tried to amalgamate merchants into joint-stocks so that they could pool their resources. But after 1730 even the capital of these joint-stocks was small. Further, the Dutch would make purchases only on contracts and would not do *ad hoc* buying. This was all right in times of stable and expanding trade. But in those troublous and competitive years, it was difficult to make and enforce such contracts. Dutch records are full of evidence of unfulfilled contracts and because of reliance on such contracts it was generally too late in the year to supplement with off-hand purchases. Other European buyers combined contracts with off-hand purchases so that one would supplement any lack in the other. The Dutch had an edge on their competitors in the import trade. They had virtual monopolies in certain East Indian spices and Japanese copper. But this monopoly was less effective in the 18th century than it had been in the 17th. The English in particular were sometimes able to bring in these articles and under-sell them in Coromandel factories. Thus the close juxtaposition of the European rivals, their growing influence with native princes and their challenge of traditional Dutch markets and articles of trade made them a more serious problem to be reckoned with by the V.O.C. in the Coromandel trade of the early 18th century.

In all the districts of Coromandel where the Dutch were trading, they faced difficulties and conflicts with native administrations in varying degrees of intensity. The reign of Aurangzeb (1658-1707), the last of the Great Moghuls, was coming to a tottering and senile end. His recently established authority over the Carnatic was hardly consolidated or unchallenged. The superimposition of yet another layer of imperial authority over the conflicting claims of traditional overlords

¹¹ For example, when Adrian Visser retired as Governor of Coromandel in 1720 a sum of 4044 pagodas was sequestered from his assets, being debts owing to the V.O.C. from Nagapatnam merchants in his tenure (Kol. Arch. 1824 f. 659).

had only complicated the situation as far as the conduct of trade and collection of tariffs and land rents were concerned. In the north the confusion was the worst. Here the old Hindu feudal chieftains and scions of old ruling houses struggled to keep what they held against the new Muslim overlords. *Firmans* and charters given by one were not respected or were directly contravened by another. Such firmans of trade obtained from any one or the other ruling power was no guarantee of peaceful and undisturbed trade. A few instances will illustrate the nature of such difficulties.

In 1702 the factory at Sadraspatnam was abandoned temporarily on account of the extortion of the *fausdar* of the place. He had to be pacified by a bribe of 857 Rixdollars, whereupon his superior officer, the Diwan, too demanded money.¹² On account of this the trade was suspended there for two years. In Paleacatte there was trouble of a different sort between the *hawaldar*¹³ of that place, Alibeek, and a neighbouring Hindu ruler, Accappa Naik. The Dutch were able to maintain their neutrality with difficulty but the trade suffered.¹⁴ In Bimlipatnam the Hindu chief refused to recognise concessions given by the Imperial Officials. He extorted a forced loan of 500 Rupees from the Dutch, asked for more, and in the ensuing conflict trade had to be stopped there for a year in 1701.¹⁵ In Palicollu, the Hindu ruler Ramarasu was a source of irritation for some years in 1725-30. His misgovernment obstructed trade in that area. He finally attacked and plundered the Dutch factory at Dacherom in 1728. The raid cost the Dutch 13,500 pagodas in goods and damage to property.¹⁶

The most serious difficulty in these years arose from trouble with Moghul Imperial authority. After a number of unpleasant incidents in and around Surat, on the west coast, the Dutch decided to blockade this port in 1704 to put an end to these irritants. This sparked off a conflict between the Dutch and the Moghul authorities and an Imperial *hasb-ul-hukm*¹⁷ was issued forbidding all trade with the

¹² Governor General and Council to Directors, 30 November 1702. Kol. Arch. 1453 ff. 155-7. A Rix Dollar was equal to approx. 3 Guilders.

¹³ The Governor of a sub-district in Moghul administration.

¹⁴ Governor General and Council to Directors, 1 December 1700, Kol. Arch. 1520 f. 299.

¹⁵ *Ibid.*, f. 296.

¹⁶ Governor General and Council to Directors, 30 November 1729, Kol. Arch. 2005 ff. 2874-9. A pagoda is equal to approx. 6 Guilders.

¹⁷ A royal order or command, given in this instance by the Moghul Emperor.

Dutch in Moghul domains.¹⁸ This was of no practical effect in the factories of the far south but in the north it did create serious difficulties. Trade was practically at a standstill in 1705-6. But it was possible to offset the ill-effects of this prohibition by bribing the Diwans of North and South Coromandel. This was done through some Indian merchants intermediaries.¹⁹ Aurangzeb died soon after (1707) and the country was plunged in civil war. Soon an embassy was projected and sent up to the Imperial court at Lahore to settle differences and reconfirm the privileges and concessions enjoyed throughout the Moghul dominions. This was successfully accomplished by Joan Ketelaar in 1711-13. All previous charters relating to Coromandel were reconfirmed and the legality of Dutch trade reinsured.²⁰

Another source of trouble for trade came from tax farmers and marauding armies. Moghul local officials adopted the practise of auctioning the revenues of districts under them to adventurers and speculators for the highest sum. When such speculators had an army behind them to support their claims they ran through the areas under their jurisdiction. Market towns and ports were ideal places for their tax extortions. Dutch records of the time are full of complaints from officials in many factories of unreasonable demands on the Dutch or, what was equally disastrous in its effects, extortions from merchants, brokers, weavers and others important for the trade. After the death of Aurangzeb, Mahratta forces reappeared in the Carnatic to prey on what was left behind by Moghul armies. Factories where there was little or no trade could not be withdrawn for fear of antagonising native officials. Conversely, these officials pressurised the Dutch into establishing trading centres in places under their jurisdiction in the expectation of benefiting from tolls.

Trouble with native officials broke out over a host of reasons. In Paleacatte the Dutch had serious differences with native authorities. There were disputes with the Diwan over jurisdiction that broke out frequently. The Nawab of Carnatic had added two more villages near Paleacatte to what they already held in 1706. But they were seized by his subordinates. The *fausdar* ²¹ entered those villages and seized goods

¹⁸ Governor General and Council to Directors, 30 November 1706. Kol. Arch. 1608 ff. 230-3.

¹⁹ Governor General and Council to Directors, 15 February 1707, Kol. Arch. 1626 f. 71.

²⁰ *Journal van J. J. Ketelaar's hofreis naar den Groot Mogol te Lahore 1711-13*, Uitgegeven door Dr. J. Ph. Vogel (The Hague 1937) *passim*.

²¹ Moghul military governor of a city.

belonging to the Company's merchants.²² Such attacks were continued on all those serving the Company. In 1716 the dispute broke out into armed conflict between the Dutch and Moghul officials after which a settlement was effected.²³ Some Indian merchants of Tegenapatnam became indebted to the Company. The Dutch officials set about to take action on the guaranteed effects of those merchants to reimburse the debt. Those effects were at Porto Novo and when they tried to secure them the *fausdar* of that place intervened and forcibly prevented such seizure (1717).²⁴ Nor was the seat of the Coromandel government free of such troubles. In the 17th century Dutch had generally very good relations with the Nayaks of Tanjore and had secured many privileges in Nagapatnam. In the early 18th century the position changed. The then Nayak Sarbojee took offence over many issues. He was dissatisfied over presents given to him at his accession and at the quality of elephants given to him as annual tax of recognition. In 1712 he repudiated the tariff concessions given to the Dutch and imposed full tolls on goods brought into Nagatpatnam.²⁵ The Dutch also had difficulties with some Tanjore native governors and paddy merchants. Some of them had defaulted over the delivery of rice and could not be apprehended. They were persons of influence in the Kingdom and no action could be taken against them.²⁶ The final blow came when the Nayak offered the French the ownership of Karaikal, thus ending the virtual monopoly of Tanjore markets enjoyed so far by the Dutch.

Among political and military obstacles to trade in this period must also be reckoned the European war and its eastern repercussions. The war of the Spanish Succession (1702-13) in Europe soon had its effects on the Indian Ocean. The Dutch feared French attacks on exposed and undefended trading stations, particularly those close to the French stronghold of Pondicherry. They withdrew from the fort and factory of Conjemere in December 1703, removed all its effects and evacuated Dutch soldiers to Nagapatnam.²⁷ It was rumoured that the French

²² Memoir of Joannes van Steelant, Governor of Coromandel, to his successor, 30 September 1710 (I.O.L. - Mackenzie Collection - Private, No. 47) p. 344.

²³ Memoir of Daniel Bernard, Governor of Coromandel, to his successor, 12 February 1716 (I.O.L. - Mackenzie Collection - Private, No. 48) pp. 223-4.

²⁴ Governor and Council of Coromandel to Governor General and Council, 29 October 1719. Kol. Arch. 1816 f. 10.

²⁵ Governor General and Council to Directors, 15 November 1712. Kol. Arch. 1706 ff. 264-5.

²⁶ Governor General and Council to Directors, 29 December 1710. Kol. Arch. 1673 f. 209.

²⁷ Governor General and Council to Directors, 1 December 1703. Kol. Arch. 1560 f. 145.

were soon expecting a grand armada and all Dutch stations were put on alert. A valuable ship *de Gouden Phoenix* with the Commissioner Bernard Phoonsen on board was captured off Coromandel in 1704 by four French vessels. Later he and the crew were released. A truce arranged with the French Governor at Pondicherry (François Martin) by the Coromandel officials was repudiated by the Governor General and Council of Batavia and the Commissioner Phoonsen who had been sent with wide powers over the South Asian region was relieved of his command and recalled.²⁸ The loss of this vessel made the Dutch very wary of sending ships with bullion to Coromandel. The English and Danes, contrary to the alignment in Europe, appeared to be friendly to the French in India and the Batavian Government complained against their collusion in trade with the French. The French were out to seize Dutch vessels taking the annual returns to Europe or those coming with valuable merchandise from the China-Japan trade. Dutch ships sailing from Batavia to Coromandel were instructed to call at Point Pedro or Trincomalee, two safe ports in Ceylon, and from there ascertain the situation on the seas before proceeding.²⁹ After a lull in the Eastern war, news came to Batavia that French trade in the East had been revived by a new Company of Lyons merchants which had sent a good deal of money and many ships to India. Again Dutch shipping along the coast became unsafe. The French seized a native vessel hired by the Dutch to bring their goods from Bimilpatnam to the capital. In August 1709 the arrival of two capital warships worsened the position. A new Dutch *hoeke*, *Schagerlaan*, with a cargo of wood, yarn and cloth was seized by these ships off Tranquebar.³⁰ The Dutch were not in a position to equip a fleet from Batavia for the protection of their trade.³¹ Two other vessels, *Overwinnar* and *de Kievit* also fell to the French. Four more French warships arrived at Coromandel in 1710. They hindered the movement of small cargo vessels from port to port. Even an attack on Nagapatnam was feared. All ships standing in the roads were unloaded and goods stored in the fort. The French sank the Dutch sloops *de Malaxe Kruisser* and *the Crown Prince of*

²⁸ Governor General and Council to Directors, 30 November 1705. Kol. Arch. 1588 f. 178-181.

²⁹ Governor General and Council to Directors, 25 November 1708. Kol. Arch. 1641 f. 157.

³⁰ Governor General and Council to Directors, 30 November 1709. Kol. Arch. 1655 f. 566.

³¹ Governor General and Council to Directors, 29 November 1710. Kol. Arch. 1673 f. 100.

Bantam. A number of small boats were also seized.³² They backed up this show of armed might with strong diplomatic efforts to secure strongholds in the Kingdoms of Tanjore and Madura and further to the north in the Moghul dominions. These activities were a serious blow to Dutch prestige and influence in this region. Though nothing tangible emerged immediately from French diplomatic efforts, they paved the way for the growth of French trade and influence in the next few decades. The whole war also cost the Dutch a great deal in loss of ships, cargo and trade.

Despite these frequent interruptions and hardships to trade, the V.O.C. shows a remarkable record of trading activity in our period. Textiles continued to be the staple of the Coromandel trade. The amount exported showed considerable fluctuation from year to year and is indicative of the generally uncertain conditions for trade. The figures for the total export of the cloth from Coromandel for the period under review are as follows:

QUANTITY AND VALUE OF CLOTH EXPORTED FROM
COROMANDEL 1700-1740.

Year	No. of Bales	Value (Guilders)	Year	No. of Bales	Value (Guilders)
1700	4216	1,395,979: 19: 8	1721	5429	2,134,336: —: 4
1701	4866	1,699,771: 12: 8	1722	5402	2,133,227: 15: 10
1702	3166	1,647,238: 6: 12	1723	4844	1,865,478: 16
1703	5330	1,560,719: 14	1724	4933	1,852,323: 14: 8
1705	2127	759,320: 14: 8	1725	4972	1,977,078: 18: 10
1706	2604	1,073,942: 17	1726	4408	1,839,471: 17
1707	4307	1,635,813: 8	1727	4483	1,654,036
1708	5575	1,991,109: 12: 4	1728	4973	2,318,719: 5
1709	5607	2,138,198: 12	1729	3588	1,382,337: 9
1710	5073	1,905,173: 1: 15	1730	3724	1,996,727: 3
1711	4419	1,760,407: 2: 4	1731	2099	1,136,308: 7
1712	5155	2,037,519: 18	1732	1977	1,153,000
1713	5301	1,834,596: 1: 6	1733	2208	1,053,929: 2: 4
1714	5509	2,215,877: 9	1734	2998	1,164,791: 5
1715	5052	1,840,968: 17	1735	2630	1,278,269: 5
1716	3160	1,175,060: 9: 1	1736	4952	1,901,423: 13
1718	2661	1,038,929: 2: 4	1737	6718	2,574,902: 17: 8
1719	2737	1,077,474: 14: 9	1738	3728	1,459,664: 15
1720	4022	1,433,283: 4: 12	1739	3386	1,423,049: 12
			1740	2703	1,030,249: 9: 8

(Source: Memoir of Jacob van der Waeyen, 15 November 1757. A bale (in Dutch *pack*) generally consists of 110 pieces of a variety of cloth.)

³² Governor General and Council to Directors, 30 November 1711. Kol. Arch. 1691 f. 213-5.

After the difficulties caused by the Moghul-Mahratta wars of the Carnatic in the last decade of the 17th century, the trade picked up and the export of cloth in the years 1700-1703 was reasonably good. Then came the troubles with the Moghul Empire and the war with the French which put Coromandel in turmoil. It was also at this time that widespread corruption was discovered among Dutch officials. Governor Comans (1700-1705) was charged with falsifying the alloy of pagodas in the Nagapatnam mint. His wife was alleged to be engaged in private trade and he was accused of having allowed the extortion of money from merchants and others.³³ The Imperial *hasb-ul-hukm* prohibiting trade had its effects for some time. In 1707 the trade picked up again. From 1708-1715 there was a continuous export of cloth running into over 5000 bales each year, with the exception of 1711 when it was only slightly less than that figure. During these years the reorganisation among suppliers effected by Governor Steelandt (1705-1710) took effect. Though the north still continued in unrest, centres in the south more than fulfilled the demand. The annual value of the investment on cloth from 1700 was between 1 million and 2 million Guilders, with the exception of the two bad years 1704 and 1705. In the years 1709, 1712 and 1714 the sum invested exceeded 2 million Guilders per year.

From 1716 there is again a recession in the trade and this lasts for four years. Besides the perennial factor of political unrest, this recession is also caused by factors intrinsic to the trade. Because of the excessive competition in the cloth market, the quality of cloth produced was declining. The Dutch were insistent on good quality and quite often rejected cloth that was not up to specifications. There were three grades into which cloth was generally divided. The English would generally accept cloth not up to the required standard and assign it to a lower grade, paying the merchants accordingly. The Dutch did not do that and would reject the cloth outright. So Indian suppliers were reluctant to supply the Dutch and left the trade in large numbers. The situation was serious enough for the Batavian Government to order a thorough investigation. Dutch officers went inland to some weaving centres and discovered that the combs of many looms in production had to be changed.³⁴ The weavers were not inclined to do

³³ Governor General and Council to Directors, 30 November 1705. Kol. Arch. 1588 f. 207.

³⁴ Governor General and Council to Directors, 6 December 1718. Kol. Arch. 1791 f. 172.

this as business was brisk and the demand was heavy. Painting was also seen to be of bad quality.

From 1720 the trade picks up again and the favourable supply position continues till 1730. This was indeed a good decade for Dutch cloth trade. Over 4000 bales of cloth are supplied each year, sometimes the annual investment going over 2 million Guilders. But this cloth is purchased dearly in terms of money and effort. It is a period of steeply rising prices. Each year the merchants demanded increases on the previous year's price. The price increase embraced all categories: the commoner coarse cloth and guinee cloth as well as the finer *salem-pories* and *baftas*. The rising price of cloth was caused by the rise in price of cotton, yarn, indigo and rice, the staple food of the land. Prices of cotton and yarn collected by the Dutch officers in two markets — Sadraspatnam and Porto Novo — over a period of 5 years (1726-31) bear this out:

LIST OF PRICES OF COTTON AND YARN IN TWO COROMANDEL PORTS 1726-1731.

<i>Porto Novo</i>			<i>Sadraspatnam</i>		
Year	Cotton (Pagodas per 100 Dutch pounds)	Yarn (Pagodas per 100 Dutch pounds)	Year	Cotton (Pagodas per 100 Dutch pounds)	Yarn (Pagodas per 100 Dutch pounds)
1726	4 ¹ / ₆	9 ¹ / ₆	1726	3 ² / ₃	8 ² / ₃
1727	4 ³ / ₄	9 ¹ / ₄	1727	4 ² / ₃	9 ¹ / ₂
1728	5 ¹ / ₄	9 ³ / ₄	1728	4 ³ / ₄	10
1729	5	9 ¹ / ₄	1729	5	10
1730	5 ⁵ / ₆	11 ¹ / ₂	1730	7	13 ¹ / ₂
1731	6	12	1731	7 ¹ / ₂	13 ¹ / ₂

(Source: Memoir of prices of cotton and yarn in the Comptoirs Porto Novo and Sadraspatnam, Kol. Arch. 2135 pp. 629-631.)

These figures show increases from 50 to 100 percent over this 5 year period. When this is supplemented by the increasing price of rice one understands the constant refrain in the Dutch official correspondence that the merchants are obstinately demanding price increases and refusing to contract at the previous year's prices. By this time Dutch cloth trade had been largely centralised in Nagapatnam. The northern comptoirs did supplement a little, but the main delivery was from

Nagapatnam, Sadraspatnam and Porto Novo where merchants had been organised into joint-stock supplying companies.³⁵ The turnover of trade in these years is comparable to any in what are held to be the prosperous decades of the seventies and eighties of the 17th century. The trade figures of this time and the tremendous Dutch efforts to achieve them are an antidote to any attempt to pre-date the decline of Dutch trade in India.

The year 1731 begins a downward trend again which continues for five years. This seems mainly to have been caused by successive harvest failures and near famine conditions in South Coromandel. After many lean years 1732-33 saw the worst famine of that region for some time. Even the kingdom of Tanjore, the granary of the south, was effected. The tendency of rising prices of textiles was sharply accelerated because these prices were closely linked to the cost of rice on which the weavers, dyers, painters and their labourers depended. The scarcity led to the abandonment of villages and of traditional occupations. It was said that because of the famine the merchants dared not invest money among weavers for the money would be used by them to buy food rather than cotton and other things necessary for production. Merchants themselves declined in affluence, were unable to subsist and spent their energies trying to procure food for themselves and their families. So we see many of the earlier flourishing joint-stocks of Indian merchants dissolving or just disappearing from view. Merchant brokers had to be searched for in all comptoirs with great difficulty and would enter into contracts only with utmost persuasion and encouragement. Quite substantial advances of cash had to be given and these were subject to heavy risk.³⁶

In 1736 there is again a revival in cloth export which keeps up till 1740. In these years the position in the north improves. The northern factories, as seen above, had been affected by political unrest and bad relations with native officials. There had even been a suggestion to take retaliatory action and attack these troublesome rulers by sea. But the example of Surat in 1703 and the losses suffered at that time was very much in the minds of the Batavian Government which refused

³⁵ For a detailed study of the working of these Indian supply companies in their dealings with the Dutch, see S. Arasaratnam, *Role and activities of South Indian merchant communities 1650-1750. Proceedings of the International Conference of Tamil Studies*, Kuala Lumpur (forthcoming).

³⁶ Governor General and Council to Directors, 30 November 1734. Kol. Arch. 2190 ff. 1313-1319.

to consider any forcible action.³⁷ After the damaging attack on Palicollu by Rama Rasu the two factories of Dacherom and Palicollu were abandoned in 1729. Later good relations were established with Nizam-ul-Mulk and his Nawab of North Coromandel requested the Dutch to reopen the closed factories. They decided to reestablish trade at Jagernaikpuram, an island at the mouth of a river and strategically situated for defence. A *parwana* guaranteeing freedom of tolls was given.³⁸ This reopening of contact with the northern markets was partially responsible for the improvement in cloth supply after 1736. In fact the export figures for 1737 of 6718 bales at a cost of Guilders 2,574,902:17:5 are the highest on record for the 18th century. After 1740, however, there is a definite and permanent decline in the export of cloth. Though off and on an odd year produces a fair supply, generally the previous figures are never matched in a consistent way.

The relative position of the Coromandel factories in the V.O.C.'s overall textile trade is difficult to establish without a thorough investigation of the ledgers of the Company. Glamann in his study of the period 1620-1740 makes out that the great period of Coromandel textiles was the 1680s and that thereafter a slow decline is registered. He asserts that Bengal begins to overtake Coromandel as the chief textile market. There is a great deal of truth in this, of course, but one feels that the ascendancy of Bengal over Coromandel in the matter of textile exports is not as complete as Glamann asserts. In attesting his conclusion he has chosen a year unsuitable to reflect the true position. He quotes the following breakdown for the export of piece goods to Europe in 1697:³⁹

GEOGRAPHICAL ANALYSIS OF PIECE-GOODS IN
RETURN CARGOES 1697.

Bengal	1,297,161 fl.
Coromandel	626,879
Tongking, China, Japan	283,570
Tuticorin	101,117
Surat	44,078
<hr/>	
In all	2,352,805 fl.

³⁷ Governor General and Council to Directors, 30 November 1729. Kol. Arch. 2005 ff. 2882-9.

³⁸ Memoir of Elias Guillot, Governor of Coromandel, to his successor, 19 September 1738 (I.O.L. - Mackenzie Collection - Private, No. 50) pp. 85-6.

³⁹ Glamann, *op. cit.*, pp. 143-4.

Both 1697 and the succeeding year were lean years for the Coromandel textile trade. The total export both for the European and Asian markets were respectively 1554 bales and 1386 bales. A glance at the table of exports for the period under study will show how these figures of 1697 and 1698 do not at all reflect the true potential of the Coromandel supply in those years. The Coromandel continued to be an important textile market for the V.O.C. right up to the middle of the 18th century.

The Dutch import trade into Coromandel continues to be rigorous in the first half of the 18th century. There is no visible change in the pattern of this trade. The articles it embraces and the markets it exploits continue to be the same as in the preceding century. Imports of bullion and gold are the mainstay of the trade and constitute a large proportion of their total imports, though now not in the same ratio as before because of the increasing sales of other goods. As Glamann shows there was a good deal of loss on the sale of gold but there was always a small overall profit.⁴⁰ Baron van Imhoff, Governor of Ceylon (1736-1740), complained that for the Madura coast the profits on gold and mint transactions recorded in the account books were chimerical and unreal. What was gained in the minting of fanams — the standard coin of Madura — was lost in the high prices of cloth and a continued reduction in the quality of cloth because of the declining value of the fanam. In a very detailed and masterly survey of the Company's trade in the southern coast of India, he vigorously asserted that the general rise in prices in the area was mainly caused by the depreciation of the coinage. He shows that some of the standard coins of South India such as the *pagoda*, *fanam* and the copper *kasu* were being minted far below their previous intrinsic value. This had led to increased taxation by native governments and was reflected in the general increase in prices of all commodities. He puts the currency question at the heart of the Company's declining trade.⁴¹

Of the goods sold in Coromandel, the most important were copper, pepper, a variety of spices such as cinnamon, cloves, mace and nutmeg, arecanuts and tin. Japanese copper has always been an important item of Dutch Indian trade. The favourable situation of the Dutch in the Japanese trade gave them a commanding position in the import of copper. In the 18th century, sale of copper in Coromandel increases appreciably. The quantities sold vary from 200,000 pounds to 400,000

⁴⁰ *Ibid.*, pp. 68-70.

⁴¹ Consideration over den Lijwaat Landel ter Madurese Custe - - -, Baron van Imhoff, 22 November 1738. Kol. Arch., Hooge Regeering 557, pp. 16-83.

pounds per year. Sometimes the English, who were periodically able to get copper through their China trade, undersold Dutch copper in their Madras factory and this was a setback to Dutch sales. When this happened the Dutch had to reduce the price such as in 1719 when, even at the reduced price of 66 pagodas per bhar (of 480 pounds), no improvement in sales was recorded. Consequently in 1721 orders were issued to dispose of copper at any price. A general price reduction was effected in 1723. When the demand improved in 1725 the price was increased to 68 pagodas with orders to go up to 70 pagodas if this was possible.⁴² In the 1730s sales were very good.

In spices Dutch had a virtual monopoly and profits were excessive. A certain fixed quantity was sold every year. Prices of spices were fixed very rigorously so that it may not be profitable for competitors to buy spices and sell them in other places where the Dutch had factories. But if prices were fixed too high then it did affect sales. It was found that the prices fixed in 1697 were too high and reductions were made in cinnamon and cloves. Occasionally the English brought spices through their Sumatran factories to Madras and when this happened the sale of Dutch spices was adversely affected. But these English sales were sporadic and generally the Dutch could dictate prices and sell a constant quantity of these spices. Cinnamon was not sold in Ceylon by the Dutch to private traders but was only sold in the Coromandel factories. The English were sometimes able to bring Malabar and Indonesian cinnamon but the quality of this cinnamon was so inferior to the Ceylon cinnamon of the Dutch that it left no impact on Dutch sales. When prices were reviewed in the 1730s the following rates were fixed for the main spices: ⁴³

Mace	— 160 stuivers a pound	Nutmeg	— 72 stuivers a pound
Cloves	— 100 stuivers a pound	Cinnamon	— 60 stuivers a pound

Pepper was a more difficult commodity to sell, though it had a wide demand. The Dutch had no monopoly of pepper even in the 17th century and in the 18th their hold on Malabar pepper was more tenuous. The English and later the French were able to get pepper here and bring it for sale to Coromandel. Pepper was also brought overland to South Coromandel which the Dutch could not prevent. Indian traders were prohibited from bringing Malabar pepper by the Dutch and the Straits of Ramesvaram between India and Ceylon was strictly guarded.

⁴² Governor General and Council to Directors, 30 November 1725, Kol. Arch. 1711 f. 697.

⁴³ Memoir of Elias Guillot, 19 September 1738, p. 115.

There were frequent quarrels with the Thevar of Ramnad, the prince who controlled the lands round the Straits, over the right of free passage. In spite of these precautions, Dutch competitors, both Indian and European, were able to sell a good deal of pepper. Sale of pepper in Ceylon to Indian merchants was also regulated so that they could not compete in the Coromandel factories. Similar efforts were made to sell arecanuts of which much was expected in the 17th century. It was thought that all the Coromandel factories offered great opportunities for the sale of this article of common use. In Ceylon arecanuts had been declared a Dutch monopoly in 1670. The competition of Malabar nuts brought by private traders, Indian and European, was intense. The prohibition of boats with arecanuts through the Straits of Ramesvaram was specifically laid down in a treaty with the Thevar in 1684.⁴⁴ But all this was of no avail and in the 18th century Dutch share in the sales of this commodity in Coromandel was negligible.

The volume of the import trade may be gaged from the sale of goods in Coromandel in a moderate year (1730) when the following items and quantities were sold: ⁴⁵

Pepper . . .	661,085 pounds	Cloves	35,752 pounds
Japanese copper	362,896 pounds	Mace	4,117 pounds
Lead	103,277 pounds	Chinese allum .	2,520 pounds
Nutmeg	32,768 pounds	Spialtler	648 pounds

The pattern of the trade does not change appreciably in our period. In good years more sales are affected than in others. The proportion of sales remain the same. The one remarkable fact about the import trade is that, contrary to the trend in the export of cloth, there is a perceptible increase from the 1720s. At a time when the cloth trade is undergoing difficulties, the sale of Dutch commodities is prospering. This is borne out in the following figures of decennial averages of profit on the sale of goods in Coromandel:

Years	Profit on goods (annual average)
1700—1709	327,874 fl.
1710—1719	364,813
1720—1729	605,383
1730—1739	865,600

(Source: Memoir of Governor Jacob Mossel to his successor, 20 February 1744.) ⁴⁶

⁴⁴ *Corpus Diplomaticum* - - - III, p. 375.
⁴⁵ Governor General and Council to Directors, 28 December 1731. Kol. Arch. 2065 ff. 1588-9.
⁴⁶ India Office Library - Mackenzie Collection - Private, No. 55.

In fact the figures for 1735-1739 show an all time record in sales. The annual average profit for these years is 955,905 Guilders.

Rice was a major commodity in the trade of the area. As a staple food of the area, its ready availability and price was crucial to prosperity and industry. Tanjore was a great rice exporting kingdom and together with Canara on the west coast were the markets for Dutch purchase of rice. Rice was important to the Dutch in two ways. On the one hand the price of cloth was closely tied to the price and availability of rice. Wages of all labour connected with the textile industry was dependent on this. On the other hand the Dutch themselves made large annual purchases for their consumption in Ceylon. The provision of rice for Ceylon was very important. Here there was a large Dutch establishment of civilian and military personnel whose needs in rice could not be secured from Ceylon. Besides, with the declining rice cultivation in Ceylon, even large segments of the indigenous community, especially in the coastal towns, depended on rice imports. There was a standing order for 500 to 600 lasts of rice to be bought in Tanjore every year for Ceylon's consumption and in the later part of our period this was increased to 1000 lasts.⁴⁷ An obstacle to the purchase of rice in Tanjore was that this was a virtual monopoly of a few powerful officials of the Nayak's government who either owned large tracts of land or had in lease the land-rents of large districts and thus mastered all surplus crop. They were not always reliable or honest in their dealings and because of their influence with the Nayak they could not be brought to book. The Dutch at Nagapatnam lost a good deal of money in advances and unfulfilled deliveries to these people.

One of the most significant features of the economic history of India of these years is the phenomenal increase in the price of rice. By piecing together fragmentary evidence we are able to statistically establish this increase in some way. W. H. Moreland, speaking of the early 17th century, says that the general price of rice was about 65 pounds (avoirdupois) for a Rupee (or 50 Dutch pounds for a Guilder) and that except for bad seasons price was generally stable.⁴⁸ At the beginning of the 18th century, the standard price seems to have been about 40 (Dutch) pounds for a Guilder. This was the price at which rice was obtainable in a year of good harvest. Such years were rare and, from the available figures, one sees wide fluctuations in price ranging

⁴⁷ A *last* is about 4800 Dutch pounds.

⁴⁸ W. H. Moreland, *From Akbar to Aurangzeb* (London 1923) p. 171.

from 40 pounds per Guilder to as high as 5 pounds per Guilder. In some years no rice would come to the market and purchases had to be made at higher prices on the western coast or supplies sent to Ceylon at great expense from Batavia. Towards the end of our period, the standard price had risen to 25 pounds per Guilder. In fact when one takes the entire Coromandel region into consideration the first half of the 18th century appears a period of steadily rising prices in all commodities.

Dutch commercial activities in Coromandel in the period studied are of dual significance. In the first place they are of importance in showing the considerable Dutch share of the Europe-Asia trade of that time. Secondly they are important for their impact on Indian trade and on Indian economic life. The Dutch were most knowledgeable in Indian trading methods, very proficient with the Indian market. They still had some influence with Indian native rulers and their officials. It was these factors that contributed to their staying power in the trade in the first half of the 18th century against very unfavourable odds. What was achieved in these years was achieved with the utmost strain and energy. The year 1740 saw the beginning of the Carnatic wars between the English and the French. It also saw these two powers drawing ahead of their European rivals in political power and influence on the Carnatic. It is difficult to escape the conclusion that this expansion of their political power had a great deal to do with the decline of Dutch trade in the second half of the 18th century.

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