

## CHAPTER -IV.

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### URBAN ECONOMY AND TRADE.

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An attempt is made in this chapter to understand the economic life of Chaul, which in fact was centered around trade and commerce.<sup>1</sup> At first the organisation of Portuguese trade at the factory level is discussed as it will provide us substantial background to have a clear idea of trade at Chaul. The study on this aspect will help to know the variation in the commodity composition of the Portuguese trade and its impact on the commercial enterprises of the resident merchants of Chaul. Generally, the inhabitants of territories under the Portuguese rule were free to conduct trade on those commodities that were not declared as a monopoly of the King. But at times such prerogatives were not extended to the town of Chaul, and in addition to that certain unpropitious economic measures were also taken up. The resident merchants of Chaul were the fountainhead so far as the development of this town was concerned. Their trade with Mossambique proved to be beneficial both to themselves and to the growth of Chaul. Whenever the Portuguese policies concerning the trade of Chaul with Mossambique were enforced, the economy of town was seriously affected. An attempt is made in this chapter to examine how effective the system was, and what was its actual impact on trade conducted by the resident merchants of Chaul.

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1. *B N L*, Mss. 140, fl. 135.

## I. ORGANISATION OF PORTUGUESE TRADE IN INDIA.

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To administer the Portuguese possessions in the Orient, generally designated as the *Estado da India Portuguesa* or State of Portuguese India, a systematic organisation was set up, separately for the commercial and military purposes. A similar set-up in a smaller <sup>one</sup> ~~from~~ was established at Chaul for the organisation of the Portuguese trade. It would be interesting to know both the patterns in the present context.

### CENTRAL STRUCTURE.

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The Portuguese King had appointed a representative to govern his over-seas territories and to manage his commercial enterprises. This representative was sometimes called Viceroy or Governor, and at times the same individual was entitled both Viceroy and Governor and his tenure was generally three years. He was associated in trade and fiscal administration by an advisory body that was composed of the persons of outstanding capacity. In 1510 a suggestion was made by Affonso de Albuquerque to appoint a person who would be put in charge of the trade on the Malabar coast and would supervise all other factories in the Orient. This was put into operation in 1517 when the King had appointed the first *vedor da fazenda* <sup>2</sup> or Comptroller of Finance. Henceforth he became one of the important officers in the organisation of trade. His power

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2. Mathew, *Op.cit.* p.97; In the seventeenth century, he was designated as the *vedor da fazenda de geral* or Chief Comptroller of Finance. *H A G, Mss. 2316. fl. 117v.*

and authorities were wide-ranging. He was entrusted with such duties like guiding the factors in purchase and sale of commodities, supplying necessary capital for purchasing the articles, checking the accounts of the factories, issuing the notifications to declare the *rendas* or taxes to be farmed out, payments of the salaries and so on.<sup>3</sup> In the seventeenth century, he was assisted in his duties by an official known as *superintendente do norte* or Superintendent of North, who usually resided at Bassein. He used to tour each and every Portuguese possessions in the north of Goa quite often, and submitted his report to the Comptroller of Finance.<sup>4</sup> On the basis of his reports, the latter arranged the subjects of the agenda in the Revenue Council where they were discussed and appropriate policies were formulated. After the session of the council, its clerk informed the decision taken by the council, to the Superintendent of North and all other concerned authorities in the town, for implementation.

The Comptroller of Finance was also a prominent councillor in the advisory body of the Viceroy or Governor, as the case might be. In the sixteenth century a loosely organised council was set-up which acted as an advisory council. During the first quarter of the seventeenth century, matters pertaining to the fiscal administration and trade were separated from the subjects concerning military and

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3. A H U, Mss. India Cx. 5, doc. 87; H A G, Mss. 1174. fl. 31v.

4. H A G, Mss. 1163, fls. 194-194v. The Portuguese possessions in the north of Goa were designated as the *provincias do norte*.

5. H A G, Mss. 1163, fl. 74; Mss. no. 1161, fls. 16-16v and Mss. no. 1174. fl. 31v.

judiciary. They were discussed in the conselho da fazenda<sup>5</sup> or the Revenue Council. While the matters concerning the diplomacy, judicial and the military administration were discussed in the conselho da estado or the State Council.<sup>6</sup> Both the Councils were headed by the Viceroy or Governor.

#### ROYAL MONOPOLY ON TRADE.

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The King of Portugal issued orders prohibiting the merchants and officials from carrying on the trade of certain articles, and the factories at various towns tried to implement the restrictions in this regard. The royal monopoly on pepper and other spices was introduced in the first decade of the sixteenth century. But the Portuguese could not exercise absolute control over spice trade in India. Recent researches have shown that during the third decade of the sixteenth century, over 498900 kilogrammes of pepper was carried secretly from the Malabar coast every year. And perhaps, the volume went on increasing in the subsequent decades. However, finally in 1570 the King of Portugal took some liberal steps and relaxed the monopoly control on this spice trade. It was made open to all on certain conditions.<sup>7</sup> Any one who would be interested in conducting trade in pepper and other spices should take the permission from the Controller of Finance. Otherwise the spices would be confiscated.<sup>8</sup>

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6. *Assentos do Conselho do Estado*, Vol.I, pp.329-330.

7. Mathew, *Portuguese trade...*, p.99.

8. *B.Mus*, Mss.Add.28433, fl.47v.

Tobacco was introduced for the first time in India by the Portuguese sometimes in the sixteenth century, and it became one of the principal crops in the provinces of north during the seventeenth century. Considering handsome profit that could be derived through it the portuguese decided to carry on the trade of tobacco from 1641 onwards. And in the following years tobacco worth one lakh xerafins was purchased every year from various towns on the Western coast of India.<sup>9</sup>

In 1687 the royal monopoly on tobacco was established and an officer called as the *superintendente do estanco real do tabacco* or the Superintendent of Royal Trade of Tobacco was appointed.<sup>10</sup> Money was entrusted to him to purchase the necessary stock of tobacco for Mossambique, and he was expected to supervise the sale of the same at the towns in the Northern provinces. The sale of tobacco in the towns under the Portuguese hegemony was restricted to this Board from 1687 onwards.<sup>11</sup>

#### PORTUGUESE TRADE AT THE FACTORY OF CHAUL.

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As discussed earlier a factory was set-up at Chaul in 1509, and was put under the charge of the Factor. The main duty of the Factor was to arrange the sale of the merchandise in the premises of the factory on every Sunday.<sup>12</sup> Here we shall confine our attention to study the organisation of the Portuguese trade at the factory level.

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9. H A G, Mss. 1163, fls. 194v-195.

10. For the royal ordinance see H A G, Mss. 2610, fls. 30 ff.

11. H A G, Mss, *Livro das Monções* no. 46, fl. 123.

12. A N T T, Mss. *Livro das Monções* no. 46, fl. 123.

### Pepper and other spices

Three different varieties<sup>e</sup> of pepper were available in the sixteenth and seventeenth centuries: black or round pepper (*pimenta redonda*), long or ordinary pepper (*pimenta longa*) and white pepper. The third type of pepper was generally used for medicinal purposes. Among them the first type of pepper was always preferred to be exported in great quantities to Europe and was considered to be the best.<sup>13</sup> The long pepper was generally brought to Chaul for sale from the Malabar region. Other varieties<sup>e</sup> of spices such as cloves, cinnamon and cardamom were also brought to Chaul by the Portuguese during the period under study.<sup>14</sup> Only inferior quality of spices were brought to Chaul for sale. In 1549, 415000.65 kilogrammes of pepper was sold at Chaul through their local factory.<sup>15</sup> As noted earlier, the trade in spices was thrown open to all from 1570 onwards on certain conditions. And in 1614 it was decided that the spice trade should be carried out exclusively with the ports under Portuguese dominion, obviously to collect the customs duty.<sup>16</sup> In fact such instruction was not always observed by the officials. In one instance, nearly fifty quintals of pepper was redirected from the factory of Chaul to Rajapur by the captain who appropriated a heavy sum for himself through this transaction.<sup>17</sup> In 1618, pepper and other spices

13. Mathew, *op.cit* ; p.124. Afzal Ahmad, *Portuguese Trade on Western coast of India in the Seventeenth Century, 1600-1663*, Unpublished Ph.D. thesis submitted to The M.S. University of Baroda. 1984, fls. 186-187.

14. H A G, Mss. 624, fl. 23v.

15. A N T T, Mss. *Collecção de São Lourenço*, Vol. III, fls. 285-285b.

16. *Documentos Remettidos da India*, Vol. III, pp. 163-164.

17. A N T T, Mss. *Livro das Monções* no. 29, fls. 25-25v.

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worth of 41390 *xerafins* were sold in Chaul. And in 1630, spices worth of 60000 *xerafins* were disposed off. In 1632, the factory of Chaul received 286118 *xerafins* through the sale of spices.

### Textiles.

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Textiles were another article of the Portuguese trade, in which the factory of Chaul was engaged in a major way. Some eighty to ninety varieties of textiles were exported from India by the Portuguese,<sup>20</sup> Of these the factory of Chaul<sup>21</sup> dealt only in a few varieties. *Fofolies* or the inferior quality of linen, *panos dos negros* or the cloths for slaves, *patolas*, *mauris*, *gazias*, *canquin branca* or white, thin cotton fabric, *cotonia* or the silken scarf, *bertangil vermelus* or the yellow cotton fabric, *dotin*, *chande* or the cotton cloth, *batilha* or the muslin, *bereme* or the printed cotton, *argainze* or the cotton fabric, *bertilha* or the calicos, *turnis*, *pesa de seda* or the silk cloth, *chamelote* or the cloth of camel's hair, velvet, *tafeta* or the silk fabric, *tafeceira* or the stripped cloth and guine cloth. Following table shows the area of procurement of these textiles:

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18. A H U, Mss. India Cx. 5, doc. 87.

19. H A G, Mss. *Livro das Monções* no. 13 B, fls. 546v-547.

20. Afzal Ahmad, *Op. cit*, fl. 192.

21. H A G, Mss. 624, fls. 24v-25.

## T A B L E (0.01)

(Area of procurement of textiles)

region	types of textiles
Gujarat	inferior quality of linen, cloths for slaves, silk scarfs, patolas, muslin, gazias, white thin cotton fabric, yellow cotton cloths, dhotin and cotton fabrics.
Balaghat	muslins, printed cotton cloths, cotton fabrics, turis, and calicos.
Persian Gulf	silken cloths, camel hair's cloth, silk fabrics and stripped cloths.

Sources: *H A G*, Mss. 624, fls. 24v-25.

Apart from the areas mentioned above silk from China reached<sup>22</sup> Chaul, Cambay and Dabhol quite often. Silk was also brought to Chaul from the regions of the Persian Gulf, and<sup>23</sup> was sent to Balaghat. Textiles were also produced in the neighbouring town of Upper Chaul as well as in the<sup>24</sup> Portuguese town of Chaul during the period under review.

The Portuguese could not establish direct contacts with the weavers. For their procurement of spices, gold, silver, ivory, slaves and other articles from the Malabr coast, Malacca and Mossambique they needed the textiles as medium of exchange. So they invited local merchants to supply textiles according to their demand and called them as<sup>25</sup> the *procuradores dos roupas* or brokers of textiles.

22. *B. Mus.* Mss. 28461, fls. 242-243.23. *A H U*, Mss. India Cx. 6, doc. 32.24. Barbosa, *Op. cit.*, Vol. I, pp. 159-161; *B N L*, Mss. 140, fl. 135v; *H A G*, Mss. 1129, fls. 124-129.25. *H A G*, Mss. 2316, fl. 140, 127v and Mss. 1422, fl. 65v.



Between the second and third quarters of the seventeenth century, Mohandas Kashidas and Krishna Caleane(?) were the resident merchants of Chaul who engaged in supplying<sup>26</sup> textiles to the local Portuguese factory. Textiles were supplied to the Portuguese in *corjas*, which comprised twenty pieces of any size depending on the contract. The mode of payments to the brokers was both in cash or through<sup>27</sup> supply of spices. Textiles from the region of Balaghat were supplied to the Portuguese factory of Chaul before the<sup>28</sup> middle of November. And throughout the year from the<sup>29</sup> interior parts of Gujarat. Such arrangement was essential since ships sailed to different ports according to the direction of winds. The northeast monsoon prevails from about October to March and the southwest from May-June to September, and facilitated the movement of vessels.

The Portuguese were also engaged in the spice trade with Malaca. The ships with cash reached Malaca before the month of November so as to purchase pepper and other spices from there. But many a times they were not having enough cash in the treasury of Goa. However, it was decided in 1610 that textiles should be sent to Malacca to raise capital there<sup>30</sup> itself. And to acquire textiles from India a decision was taken in 1616 that the factors at the provinces of north should obtain the same in exchange of pepper and other<sup>31</sup> spices.

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26. H A G, Mss. 7746, fl. 117.

27. A H U, Mss. India Cx. 7, doc. 27.

28. *Documentos Remettidos da India*, Vol. II, pp. 296-297.

29. B N L, Mss. 140, fl. 134v; B. Mus. Mss. 20861, fl. 229v.

30. A H U, Mss. India Cx. 1, doc. 86.

31. A H U, Mss. India Cx. 4, doc. 2.

During the second quarter of the seventeenth century, the Portuguese trade in Orient suffered considerably on account of the commercial rivalries and competitions among the Europeans. It is known that both the English and Dutch were engaged in textiles-indigo trade in Gujarat and in the trade of pepper and other spices in the Malabar coast. However, due to their involvement in these profitable trade the Portuguese were unable to procure sufficient volume of textiles from Gujarat,<sup>32</sup> which were quite necessary to them to carry on their trade with Malacca and Mossambique. So it was decided in 1625, that textiles, particularly the fine muslin (*batilha*) should be procured from the region of Balaghat, and would be sent to Mossambique.<sup>33</sup> Similarly silk should be brought to Chaul from the regions of the Persian Gulf, and would be sent to Mossambique.<sup>34</sup> The articles such as ivory and gold were brought to Chaul from Mossambique, and were sold to the merchants of Gujarat for obtaining textiles.<sup>35</sup> In 1630 hundred bundles of the fine muslin were dispatched to Mossambique from Chaul.<sup>36</sup> In 1644 twenty three *corjas* or four hundred and sixty pieces of the silken scarfs were purchased at Chaul at the rate of two *xerafins* per *corja* and were sent to Mossambique.<sup>37</sup>

#### Gold and Ivory.

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These precious articles from Mossambique were given special

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32. Afzal Ahmasd, op.cit.

33. A N T T, Mss. *Livro das Monções* no. 22, fl. 64.

34. A H U, Mss. India Cx. 12, doc. 59.

35. H A G, Mss. 23146, fl. 127v.

36. H A G, *Livro das Monções* no. 13 B, fls. 392-416.

37. A H U, Mss. India Cx. 17, doc. 65.

favour at the port of Chaul. It is estimated that during the last quarter of the sixteenth century the Portuguese brought nearly 2500 *marcos* or 573.75 Kilogrames of gold from the African coast to Chaul every year. Until the first quarter of the seventeenth century the value of trade between India and Mossambique, which was conducted by the Portuguese, was somewhere from ten to twelve thousand *xerafins*, annually. When the Portuguese empire was threatened by the north European powers there was expediency to procure pepper and other spices for the Lisbon-bound voyages. So the Portuguese entered into commercial contracts with the ruler of Kanara, Venkatappa Nayak, who agreed to supply pepper and other spices of his region. He took the advantage of the deteriorating condition of the Portuguese trade in India and offered spices at high prices to them. By 1625 the Portuguese were in debt of 20000 *cruzados* to Venkatappa Nayak, and to clear the debt they thought of giving more emphasis to the trade with Mossambique. A decision was taken in the same year that more gold was to be brought from Mossambique to Chaul and arrangement should be made for its sale at the factory of Chaul. In 1627 nearly seven boxes of gold worth 4000 *cruzados* was brought to Chaul. In 1638 about fifty *marcos* of gold were deposited at the factory of

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38. H A G, Mss. 624, fl. 11 and H A G, *Livro das Monções* no. 19 D, fls. 1196.1203. During the sixteenth and seventeenth centuries, only 2% *ad volorem* duty on importing gold and silver was levied at the port of Chaul.
39. Sasseti, p. 348 cited by V.M. Godinho. *Os descobrimento e a Economica Mundial*, (Lisboa, 1981), Vol. I. p. 205.
40. Francisco paulo da Luz, *O conselho da fazenda*, (Lisboa, 1952), p. 236.
41. A.R. Disney, *Op. cit*, p. 6.
42. A H U, Mss. India Cx. 8, doc. 116.
43. H A G, Mss. 1161, fls. 3v-4.

Chaul and was later sold by public auction.<sup>44</sup> In 1640,  
 nearly 2518.830 kilogrammes,<sup>45</sup> and in the following year nearly  
 220.950 kilogrammes of gold was offered for sale at  
 Chaul.<sup>46</sup>

After the first quarter of the seventeenth century ivory  
 became one of the principal items of Portuguese trade at  
 Chaul and was employed chiefly for purchasing textiles from  
 Gujarat,<sup>47</sup> and silk from the Persian Gulf.<sup>48</sup> Ivory was in  
 great demand at Cambay and the interior parts of Gujarat,  
 where bracelets and other items were made out of it. In  
 1667, 432000.90 kilogrammes of ivory was brought to Chaul  
 from Mossambique.<sup>50</sup> and in 1669, nearly 4152.825 kilogrammes  
 of ivory was offered for sale at the factory of Chaul.<sup>51</sup> On  
 the occasion of selling the ivory and gold, the factor,  
 treasurer and rector of the local Jesuits college remained  
 present.

#### Tobacco.

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It was one of the principal cash crops cultivated in and  
 around the Portuguese provinces of north in India from where  
 tobacco was brought to Chaul. In the first decade of the  
 seventeenth century an English agent had informed his

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 44. H A G, Mss. 1161, fls. 3v-4 and Mss. 1163, fls. 40v-41.

45. H A G, Mss. 1163, fl. 115.

46. H A G, Mss. 1163, fl. 173v.

47. H A G, Mss. 2316, fl. 127v.

48. A N T T, Mss. *Livro das Monções* no. 36, fl. 113.

49. Linschoten, *Op. cit.*, Vol. I, p. 61.

50. H A G, Mss. 1247, fl. 17.

51. H A G, Mss. 1170, fls. 93v-94.

superior in London that tobacco was available in abundance and also cheap in the market of Chaul.<sup>52</sup> The Portuguese did not impose any restrictions on the sale of tobacco at Chaul which was carried by the authorised persons who used to pay fixed amount as tax to the highest-bidder. But in the fourth decade of the seventeenth century the highest-bidders used to complain that some merchants were dealing in the selling and purchasing of tobacco without getting permission from them. To overcome it a decision was taken in the Revenue Council in 1641 that the state would purchase tobacco worth 100000 xerafins. Only factor and highest-bidder would be allowed to arrange its sale.<sup>53</sup> In 1683, nearly 55008.00 kilogrammes of tobacco was purchased and out of it nearly 11001.600 kilogrammes was given to the highest-bidder to sell while remaining 44006.40 kilogrammes was sold directly through the factory of Chaul.<sup>54</sup> In the same year 1573.943 kilogrammes of tobacco was also offered for sale at the factory of Chaul.<sup>55</sup> In 1684, 11224.51 kilogrammes of tobacco was purchased from Surat and Broach by the brokers for the factory of Chaul and 22003.200 Kilogrammes of this purchased were disposed off.<sup>56</sup>

To promote the Portuguese trade with Mossambique tobacco was declared as commodity of monopoly in 1687. An administrative

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52. F.C.Danvers.(ed.).*Letters receiced by the East India Company from its servents in the East,(henceforth Letter recived...)*, (London,1898),Vol.I,p.304.

53. H A G,Mss.1163,fls.194-194v.

54. H A G,Mss.2316,fl.127.

55. H A G,Mss.2316,fl.126v.

56. H A G,Mss.2316,fls.169-170.

set-up exclusively for tobacco trade was set-up in India, and an officer called *juize conservador do estanco real do tabacco* or Controller of Royal Trade of Tobacco was appointed at Chaul with a fixed salary.<sup>57</sup> He and the other officers of the town administration used to purchase tobacco from Gujarat through the brokers. With a formation of the Board of Royal Trade of Tobacco, prohibition of the sale of tobacco was imposed on the merchants and if at all it had to be sold out, it was to be done through the Controller of Royal Trade of Tobacco at the factory of Chaul. In 1688 nearly 50298.91 kilogrammes of tobacco was sent to Goa to be administered by the board.<sup>58</sup> In 1689 tobacco worth 600000 *xerafins* was sold at the factory of Chaul through the board.<sup>59</sup> In 1691, nearly 48140.87 kilogrammes of tobacco was sent to Goa and from there to Mossambique.<sup>60</sup> The purchase of tobacco for the board at Chaul was done through intermediaries whom the Portuguese called as the *procuradosres do tabacco* or suppliers of tobacco. Krishna Calleane and Mohandas Kashidas, the resident merchants of Chaul were engaged in supplying tobacco to the Portuguese at Chaul, and were obliged to provide the same before the month of March.<sup>61</sup>

#### Rice and other articles.

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From the very beginning the factory of Chaul was engaged in

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- 57. H A G, Mss. 2610, fls. 31 ff.
- 58. H A G, Mss. 2610, fl. 46v.
- 59. A H U, Mss. India Cx. 35, doc. 5.
- 60. H A G, Mss. 2610, fls. 92v-93.
- 61. H A G, Mss. 2316, fls. 140 and 169.

supplying the necessary food grains, particularly rice to  
various Portuguese settlements in India.<sup>62</sup> But when Chaul  
was developed as a town with considerable population rice  
was brought to Chaul from the surrounding rural enclaves.  
Rice cultivated around the town of Chaul was known to the  
Portuguese as *batte*.<sup>63</sup> In the southern part of India other  
varieties of rice such as *fino giracal* or fine quality of  
*girasal*, *meao chamacal* or medium quality of *chamasal* and  
*somenos culter* or low quality of rice were produced during  
the period under review.<sup>64</sup> Rice from Kanara was sent to  
various Portuguese settlements in India,<sup>65</sup> to south east  
Asia,<sup>66</sup> to the region of the Persian Gulf<sup>67</sup> and to Africa.<sup>68</sup>  
It was brought to Chaul from the southern part of India,<sup>69</sup> and  
sometimes even from Ceylon.<sup>70</sup> A part of the total volume of  
rice was consumed within the town itself while the remaining  
part was exported to Mossambique.<sup>71</sup> Money was entrusted to  
the factor to make purchasing of rice for Mossambique.<sup>72</sup> In  
1628 nearly 5000 *xerafins* were given to the factor and the  
amount was increased to 8000 *xerafins* by 1684. In 1628,

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62. *Cartas*, Vol. I, p. 2470; Vol. V, pp. 382-383 and Vol. II, p. 21; *A N T T*,  
Mss *Collecção de são Lourenço*, Vol. III, fls. 200-202.
63. *A N T T*, Mss. *Livro das Monções* no. 33, fl. 261v. The  
Portuguese term *batte* is not a variety of rice as  
believed to be but it is a corrupt form of the term *bhat*  
which signify rice in Konkani language.
64. *A P O-B P*, Tomo IV, Parte II, Vole. I, p. 317.
65. *A H U*, Mss. India Cx. 16, doc. 129.
66. *B N L*, Mss. 140, fl. 135.
67. *Ibid.*
68. *H A G*, Mss. 1369, *passim*
69. *H A G*, Mss. fl. 144v.
70. *A N T T*, *Livro Das Monções* no. 48, fl. 234v
71. *H A G*, Mss. 1163, fl. 20.
72. *H A G*, Mss. 2316, fl. 138v.
73. *H A G*, Mss. 1161, fl. 29v.
74. *H A G*, Mss. 2316, fl. 138v.
75. *H A G*, Mss. 1161, fl. 37v.

37405.440 kilograms of rice was purchased for Malacca. In 1652, 418168 kilograms, and in 1657, 627252 kilograms of rice was purchased at the market of Chaul, and despatched to Mossambique. In 1680, 10561.54 kilograms and in 1684, 30805.380 kilograms of rice was purchased by the factor of Chaul. Rice was sold in Mossambique in the public auction in the presence of a factor, the captain and clerk of the factory in Mossambique. Money appropriated through this transaction was used for procuring gold and ivory for the factory of Chaul.

Soon after the acquisition of Chaul by the Portuguese trade on horses was once again retrieved at the town due to its convenient location for the Persian Gulf traffic. Horses were brought to Chaul from Hormuz and Mascat. Although this trade was normally in the hands of merchants at times, the Portuguese too indulged in it. In the second quarter of the seventeenth century a number of horses were brought by the Portuguese, and twenty among them were sold at Chaul in the year 1618. Between 1644 and 1653 seventeen horses brought from Mascat were sold in the town of Chaul. In 1668 seven horses were sold at Chaul by the factor and the price of these horses varied from 60 to 160 patacoes,

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76. H A G, Mss. *Livro das Monções*, no. 22 B, fls. 383-384.

77. H A G, Mss. 1167, fl. 157.

78. H A G, Mss. 2316, fl. 14.

79. H A G, Mss. 2316, fl. 138v

80. H A G, Mss. 1163, fl. 20 and Mss. 1422, fl. 62.

81. Barros, III. II, pp. 69-73.

82. H A G, Mss. 1371, fl. 34 and Purchas, *Op. cit.*, Vole. III, pp. 82-89.

83. B. Mus, Mss. Add. 28461, fl. 243 and Mss. 20861, fl. 58; H A G, Mss. 1163, fl. 19v

84. H A G, Mss. 1159, fl. 131.

85. H A G, Mss. 1371, fl. 31v.



A merchant who desired to carry on sea-borne trade was obliged to take *cartaz* or passport of safe navigation from the Captain or the factor. He had to supply some details such as the type of ship, availability of arms and ammunition, volume of commodities, names of the soldiers and merchants on board. He had to pay prescribed fees which is shown in the table 04.02 and the guarantee that he would bring the certificate (showing the payment of the customs duty) from the clerk or concerned authority of the ports that he had visited. While taking up the passport of safe navigation the merchant concerned had to produce a *fiador* or guarantor. The merchant concerned or his principal guarantor would be imprisoned in case of violation of the conditions, and would be released only after the payment of *fiança* or <sup>90</sup>surety amount prescribed at the time of issuing the *cartaz*. The amount of surety varied according to the destination and volume of the commodities, and the amount was little higher than the customs duty that was supposed to be paid at the concerned ports. It was not essential to have the guarantor from the same town from where the ship was supposed to sail but he had to be a resident of the Portuguese territories, obviously subjected to the Portuguese <sup>91</sup>legislation.

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90. The series called *Termo das Fianças*, in four volumes, preserved in the *Historical Archives of Goa* is consulted for this purpose *H A G*, Mss. 1369, fls. 1. 13v-14, 19-20, 77v-78, 189-190, 193-193v.

91. For instance, Andre Pacheco who was resident merchant of Goa stood as surety for Jeronimo de Azevedo, the resident of Chaul who sailed for Muscat. *H A G*, Mss. 1369, fls. 189-190.

Following table shows the fees charged by the Portuguese, on issuing the cartazes at the port of Chaul.

**T A B L E (04.02)**

(charge of *cartazes*)

types of ship	capacity	destination	fees
1. <i>naus, navetas, taurim, naus of Arab, carval, gemeio of Cambay, galeota, zavaras.</i>	55.05 tons.	north	1 gold pardao
2. -do-	-do-	south	1/2 gol pardao
3. <i>Zambucos, paranone, cutia, chapana and gundia.</i>	21.68 tons.	north	-do-
4. -do-	-do-	south	1/2 xerf.
5. <i>fusta</i>	not mentioned	north/ south	-do-
6. <i>calamuta, catacolem and songuiceci.</i>	-do-	-do-	1 larim
7. <i>paraos, almadias, menchuas, galvata.</i>	-do-	up to Goa	1/2 Xerf.
8. <i>almadia, manchuas.</i>	-do-	next port	1 tanga

Source: *B N L*, Mss. Pombalina no.108, fls.71v-72.  
*H A G*, Mss.3027, fl.57v.

The fees of *cartazes* were less for those ships sailed between the south of Chaul than those moving in the northern direction. It is for various reasons. In 1595 the King of Portugal had issued an instruction that the ships sailed between the ports on the north of Goa should be called on the ports of Diu or Chaul for the payment of the customs duties. Trade in Chaul was chiefly depended on textiles

92. *B N L*, Mss. Pombalina no.108, fl.22v; *B N L*, Mss. 1973, fls. 72-74; *H A G*, Mss.3034, fls.108-111v. It is to be noted that *cartazes* were issued only at the ports under the Portuguese. For instance, the merchants from Gujarat obtained the same at Daman or at Diu. See, Boletim da Filmateca Ultramarina Portuguesa, no.27, p.336.

of Gujarat. In such cases ship from Cambay to Chaul and *vis-a-vis* always by passed the port of Diu. However, double fees was charged at Chaul itself from the ship that sailed towards the nothern direction of the port.

Merchants and rulers were obtaining the passports of safe navigation from the Portuguese to save their soul as well as goods, otherwise there would be every possibility of being attacked by the Portuguese <sup>93</sup>*armadas*. It is not right to counclude that ships carrying the *cartazes* were protected by the <sup>94</sup>*armadas*. After the first quarter of the seventeenth century other European powers also started dominating the Indian Ocean region. The merchants of Mossambique used to get *cartazes* both from the Portuguese and the Dutch for their ships to Chaul.<sup>95</sup>

The maritime trade of both Upper Chaul and Portuguese town of Chaul was conducted through the common port. The goods were loaded in small ships (*tavas*) from the port of Chaul and were taken to the jetty of upper Chaul which was <sup>96</sup>at the eastern side of the port, on other side of the river. After the relaxation of the monopoly control over the spice trade, *cartazes* were issued at the Malabar coast only to those merchants who would conduct trade of spices with the Portuguese town of Chaul, and not with Upper Chaul. And Captain of Chaul was instructed that pepper and other

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93. *Ibid*, p.245-246.

94. A N T T, Mss. *Livro das Monções* no.48, fls.320-320v; *Documentos Remettidos da India*. Vol.VI, p.466; A H U, Mss. India Cx.37.doc.78.

95. A N T T, Mss. *Livro das Monções* no.37.fl.141.

96. C A D, letter no.38.

articles would be confiscated if attempts were made to take them directly to the town of Upper Chaul.<sup>97</sup> Quite naturally, merchants from Upper Chaul frequently visited the town of Chaul to get merchandise from there. As noted earlier, some of them even settled in the town of Portuguese Chaul in order to get the privileges due to the residents of that town.

### *Armadas and Cafilas.*

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The *armadas* and *cafilas* were interlinked, the former protecting the latter against attacks and forced the ships of *cafila* to call on the ports under the Portuguese. In the first quarter of the sixteenth century the Portuguese *armadas* had diverted the horse trade to Goa from the ports on the western coast of India. Towards the last decade of the sixteenth century the King of Portugal had declared that all ships on the western coast of India should travel in *cafilas*.<sup>98</sup> The Captain-General of the *armadas* issued a declaration that on the fixed date the *armada* would sail for the north. This declaration was read at every town between the north of Goa where the *armada* of north was supposed to stop for taking the ships of the merchants under its protection.<sup>99</sup> Once the date of visiting the *armada* was announced the merchants of the respective towns kept their ships ready to sail under its shadow.<sup>100</sup> The assembly of the

97. *B N L*, Mss. 8538, fl. 6.

98. M.N. Pearson, *Merchants and Rulers in Gujarat-The response to the Portuguese in the sixteenth century*, (New Delhi, 1976). 45-46.

99. *A H U*, Mss. India Cx. 8, doc. 43 A.

100. *A N T T*, Mss. *Livro das Monções* no. 47, fls. 40-40v, 129, 24; no. 60, fl. 378; no. 59, fl. 61; *B A*, Mss. 51-VII-30, fl. 94; *A H U*, Mss. India Cx, 2, doc. 119 and Cx 8, doc. 43 A; Cx. 27, doc. 65; and Cx. 36. doc. 20. Also refer A. B. de Souza, *Subsidios Para a Historia Maritima da India*, (Lisboa. 1930), Vol. I. pp. 61, 74-75, 151, 357 and 414.

ships was called as *cafila*. The merchants of Chaul always preferred to sail in *cafilas* since they were afraid of being

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 attacked by the pirates. In case the ships were not ready on account of some reasons, the merchants themselves engaged soldiers with arms and ammunition to safe-guard their vessels till they joined the *cafila* at the nearest

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 port. The expenses of the *armadas* was generally incurred by the State, but sometimes the residents of Chaul had to contribute substantially towards it, both in cash and in  
 103  
 kind.

There were three separate *armadas* travelling towards the north, north-western and south-eastern regions of the port of Goa. The *armada* of north consisted of about fifteen to twenty *fustas*, each one carrying twenty five armed  
 104  
 soldiers. The *cafila* of the north left Goa, stopping at

every port and went further north upto the port of  
 105  
 Hormuz. It left Chaul between June and September and  
 106  
 came back between December and March. It visited Chaul

107  
 twice in a year. Another *cafila* left Goa in the days of January and in the first week of February stopping at Chaul,  
 108  
 Bassein, Daman, Hormuz, Melinde and Mossambique. The *cafila* of the Malabar and Kanara coast left Goa, reaching upto the

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101. *B N L*, Mss. 140, fl. 135.

102. *A N T T*, Mss. *Livro das Monções* no. 47, fls. 40-40v.

103. *A H U*, Mss. India cx. 23, doc. 77.

104. *A P O-B P*, Tomo IV, Parte II Vol. I, p. 243

105. *A H U*, Mss, India cx. 2, doc. 119; *A N T T*, Mss. *Livro das Monções* no. 24, fls. 59-60v.

106. Castanheda, *Op. cit*, Bk, II, p. 289.

107. *B N L*, Mss, 140. fl. 135.

108. Linschoten, *Op. cit*, Vol. I. p. 17. Danvers, *Letters received* ..., Vol. I, *passim*.

ports on South-East Asia in the months of December and March, so as to come back to the Malabar coast just before the beginning of the southwest monsoon.

#### B. TRADE UNDER THE RESIDENT MERCHANTS OF CHAUL

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As discussed earlier the town of Chaul was inhabited in the first half of the sixteenth century. The residents of the place were not at liberty to carry on sea-borne trade and hence they began to engage<sup>9</sup> in selling commodities to other merchants who visited the place.<sup>110</sup> The Portuguese officials at Chaul used to favour a few of the residents and entrusted some merchandise to them to sell at higher rates on their behalf.<sup>111</sup> It is to be noted that the King of Portugal had made it clear that merchandise should be sold in the public auction. By such means a few of the residents engaged in business and earned some profit but most of them had nothing to do. In 1545 the Council had written a letter to the King of Portugal pleading that some facilities should be given to the residents of Chaul to carry on trade with other ports.<sup>112</sup> Accordingly permission was given to the residents of Chaul to conduct coastal trade in 1546 and inform from the next year that they were allowed to carry on trade at the ports on the Persian Gulf and Africa.<sup>113</sup> Thus by mid sixteenth century, the residents of Chaul started engaging<sup>in</sup> trading ventures with other Afro-Asian ports.

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109. Pearson, .*Op.cit* pp.46-47.

110. A N T T, Mss.*Collecção de São Lourenço*, Vol, III, fls.21-21v.

111. A N T T, Mss.*Corpo Chronologico*, Pare I, Maço 56, doc.107 and Parte 15, Maço 78.doc .104.

112. A N T T, Mss.*Collecção de São Lourenço*, Vol. III, fls.22-22v.

113. *Ibid*, fls.62-62v, 196-196 and 225-225v.

The trade between Chaul and Cambay was conducted twice in a year through small ships, the principal items of imports being varieties of textiles, sugar, finished articles of ivory and indigo. Nearly ten to twelve types of textiles were sold in the market of Chaul. This trade was not only in the hands of residents of Chaul but the *Vanias* of Cambay also visited the town quite often. In 1608, Rui Preto who was a resident of Chaul brought one bundle of cloth of Gujarat, 377.12 kilograms of indigo and 1888.56 kilograms of sugar from Cambay to Chaul and exported to Hormuz.

During the first quarter of the seventeenth century the merchants of Chaul had concentrated their trade much on the ports of the middle East Asian regions. They regularly conducted trade with Hormuz, Bassara, Muscat and Mecca. The principal articles of export to these ports were rice, sugar, indigo and coconuts. In 1618 four ships of the merchants of Chaul were escorted to Persian Gulf by the armada. In 1624 there were twenty ships reported to reach the coast of Persian Gulf and some of them belonged to the merchants of Chaul. In 1634 one big ship of the

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114. *B N L*, Mss. 140, fl. 135 and Mss. 2702, fl. 40v; *B. Mus.* Mss. 20861, fl. 229v.

115. *H A G*, Mss. 624, fls. 24v-25.

116. *B N L*, Mss. *Pombalina* no. 108, fls. 35v-36v.

117. *Ibid*, fls. 50v-51.

118. *H A G*, Mss. 1369, fls. 84-84v, 91-91v and 96v.

119. *B N L*, Mss. 140, fl. 135.

120. *A H U*, Mss. India, Cx. 5, doc. 21.

121. *A H U*, Mss. India Cx. 8, doc. 43 A.

merchants of Chaul was reported to have left for Mas-  
<sup>122</sup>cat. In 1643 one big ship left for Bassara <sup>123</sup> and in next year  
<sup>124</sup>one ship to the same port while another to Muscat.  
 Between 1647 and 1648, five ships loaded with textiles from  
 Gujarat, Deccan and Balaghat reached Hormuz and Muscat from  
 the the port of Chaul. Both goods as well as the ships were  
<sup>125</sup>owned by the merchants of Chaul. Horses from these ports  
 were brought to Chaul. It is estimated that nearly 1500  
 horses reached Chaul and Goa towards the beginning of the  
<sup>126</sup>seventeenth century. The residents of Chaul were also  
<sup>127</sup>engaged in trade on horses during the period under review.  
 Other imports to Chaul were silk fabrics, velvets, camel  
 hair's clothes, stripped cloths and carpets of fine  
<sup>128</sup>quality. These articles were either sold in Chaul or  
 taken to the regions of Balaghat and to the ports on south  
 East Asia to procure merchandise from there.

Between 1597 and 1624 the State had imposed prohibition on  
 the residents <sup>of</sup> Chaul to carry on trade with Mossambique  
<sup>129</sup>directly from their own port. Once the prohibition on  
 their trade with Mossambique was withdrawn they began to  
 conduct trade with the African coast particularly with  
<sup>130</sup>Melind, Mombassa, Congo and especially Mossambique.

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122. A N T T, Mss. *Livro das Monções* no. 36, fl. 333.

123. *Ibid*, no. 60, fl. 378.

124. A H U, Mss. India Cx. 19, doc. 53.

125. H A G, Mss. 1422, fl. 19v.

126. B. Mus. Mss. Add. 28433, fl. 47v.

127. H A G, Mss. 1369, fl. 143; Mss. 1370, fl. 92 and Mss. 1372, fl. 96v; *Documentos Remettidos ds India*, Vol. VI, p. 466.

128. H A G, Mss. 624, fls. 24v-25v.

129. H A G, Mss. *Livro das Monções* no. 8, fl. 93v.

130. B N L, Mss. 140, fl. 135v; A H U, Mss. India Cx. 5, doc. 33; H A G, Mss. 1371, fls. 31v and 135v.



Textiles, rice, and tobacco were the major items of export to these ports while gold, silver, ivory and slaves were brought back to Chaul.<sup>131</sup> Between 1624 and 1693, almost every year two ships left Chaul for the African coast. Both goods and the ships belonged to the resident merchants of Chaul. In 1635 certain resident merchant of Chaul had taken 460 pieces of fine muslin from Cambay to Mossambique.<sup>133</sup> In 1646 a big ship loaded with the goods worth 4000 *xerafins* reached the port of Mossambique the entire volume of which was owned by a certain resident of Chaul.<sup>134</sup> In 1652 the residents of Chaul had taken 250 *bahars* of cloth of Gujarat to Mossambique.<sup>135</sup> The price of the textiles was never reduced by them since they knew well that it would be valued more in the interior parts of Mossambique.<sup>136</sup> Textiles sold in Mossambique paid back more than double of its actual purchasing rate in Inida.<sup>137</sup> Hence it is not surprising to note that the residents of Chaul considered their trade with Mossambique highly important. Other area of trade was towards the southern direction of Chaul extending upto the ports on South East Asian regions. The Governor Matias de Albuquerque took away the privileges of sending ships from Chaul to the ports on South East Asian regions.<sup>138</sup> So the residents of

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131. *B N L*, Mss. 140, fl. 135v.

132. For the second quarter of the seventeenth century, *H A G*, Mss. 1369, fls. 71v, 146v, 223; *B N L*, Mss. 140, fl. 135; *A H U*, Mss. India Cx. 17, doc 44; *A N T T*, *Livro das Monções* no. 23, fl. 89 and no. 59, fls. 61-61v. and for third and fourth quarters of it, *A C E*, Vol. IV, p. 350; *H A G* Mss. 1169, fl. 122v; Mss. 1170, fl. 35v and Mss. 1172, fl. 53; B.A. Mss 51-VII-34, fl. 118.

133. *A H U*, Mss. India Cx. 17, doc. 65.

134. *H A G*, Mss. 1371, fls. 66v-67.

135. *H A G*, Mss. *Livro das Monções* no. 22 B, fl. 38v.

136. *Ibid*, fl. 386.

137. *Documenta Indica*, Vol. VIII, p. 734.

138. *A H U*, Mss. India Cx. 17, doc. 44.

Chaul sailed from the port of Goa to China, Japan and  
 Philippines.<sup>139</sup> The articles such as China wood, crockery  
 essence were brought to Chaul.<sup>140</sup> Textiles from  
 Gujarat, food grains, iron, anchors and some sundry items of  
 the Middle East Asia were taken to the ports of South East  
 Asia.<sup>141</sup> Certain merchants of Chaul were also engaged in  
 the trade with the ports on the Malabar coast. Pepper and  
 other spices, coconuts, arecanuts, emery and other articles  
 were brought from there to Chaul.<sup>142</sup>

The resident merchants of Chaul conducted trade either  
 jointly or individually through their own ships. They were in  
 possession of ten to twelve ships which were carrying trade  
 with different Afro-Asian ports.<sup>143</sup> To sum up, the trade of  
 textiles from Cambay to Chaul and from there to  
 Mossambique remained active throughout the seventeenth  
 century. Ivory and gold were principal articles that were  
 procured by them from Mossambique and were taken back to  
 Chaul for obtaining cloths from Gujarat.

#### C. SYSTEM IN OPERATION AND MERCHANTS OF CHAUL

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In the second half of the sixteenth century the residents of  
 Chaul were considered the most wealthy merchants due to  
 their involvement in the lucrative trade between India and  
 Mossambique.<sup>144</sup> This prosperity brought in its wake some

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139. *H A G*, Mss. 1369, fls. 19v-20.

140. *H A G*, Mss. 624, fls. 23v-27; *B N L*, Mss. 140, fl. 135v.

141. *B N L*, Mss. 140, fl. 135v.

142. *H A G*, Mss. 1369, fls. 77v-78, 193-193v.

143. *H A G*, Mss. *Livro das Monções* no. 15, fl. 6v; *A H U*, Mss. India  
 Cx. 2, doc. 119.

144. *Stvdia*, no. 6, June, 1960, pp. 17-19.

problems for the resident merchants of Chaul. By 1580, King Philip II of Spain had ascended the throne of Portugal and crowned himself as Philip I of Portugal. These Habsburgs considered Portugal and her over-seas colonies as their own colonies and started treating them as such. King Philip I of Portugal aimed to acquire as much revenue as possible so as to use it in his fight against the Dutch both in Europe as well as in the Orient.<sup>145</sup> This prompted him to impose the customs duties on the resident merchants of Chaul, who, he felt, could afford to pay.<sup>146</sup> But the resident of Chaul had taken repugnance to the proposal and tried to evade payment of customs duties by one way or another.<sup>147</sup> However in 1595 the Captain General of the *armada* was instructed not to take any of their ship under his protection to Mossambique so as to make them aware of power of the State.<sup>148</sup> As the result of this the resident merchants of Chaul had to go to Goa to carry on their trade with Mossambique. Such arrangement was made to insist them to pay the customs duties at the ports of Goa and Mossambique.

In addition to this they had to obtain a certificate from the factor to show that the payment of customs duties has been made in Chaul.<sup>149</sup> This entire exercise was done to get revenue by way of the customs duties. A case is referred here to show how effective the system was in practice.

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145. *A H U*, Mss. 281, fl. 238v; *B. Mus*, Mss. 20861, fl. 19.

146. *H A G*, Mss. 3034, fls. 108-111v.

147. Refer chapter V for details.

148. *H A G*, Mss. *Livro das Monções* no. 8, fls. 38-38v, 93v.

149. *A P O-C R*, Fasciculo V, pp. 559-561.

A certain resident of Chaul had joined the *cafila* (returning to Goa from Mossambique) at the port of Cambay. When *cafila* reached Chaul he was not allowed to enter in to the port of Chaul. But somehow he managed to do so. While disembarking his goods at the port he was caught by the authorities of town & his goods were confiscated. He was able to take possession of his merchandise only after declaring that he had brought them from Cambay for Hormuz, and would be ready to pay the customs duties.<sup>150</sup>

It was quite inconvenient and also caused a considerable loss for the resident merchants of Chaul to carry on their trade with Mossambique through Goa. So they were pleading to have earlier facilities of playing between the port of Chaul and Mossambique. Hence in 1624 revenue Council decided to allow them to sail directly from their port to Mossambique, on the condition that they should pay the customs duty to the treasurer of Chaul.<sup>151</sup> From that year onwards, the *armada* started visiting Chaul to take the ships of resident merchants to Mossambique under its protective care.

Thus, such restriction must have hindered their trade with Mossambique between 1595 and 1624, but it did not produce adverse impacts on the economy of the town. During the same period, the resident merchants were active in trade with Hormuz, Mecca and Bassara. Apart from these foreign ports, they were engaged in the coastal trade particularly with Cambay

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150. *B N L*, Mss. *Pombalina* no.108, fls.50v-51 and Mss.2702, fls.53-53v.

151. *H A G*, Mss.1160, fls.208v-209.

from where variou types of cotton cloth were brought to  
<sup>152</sup>  
 at Chaul. Due to such negative policy of the State, the trade  
 at Chaul must have suffered to the certain extent and there  
 was a fall out in the return to the exchequer. To compansate  
 their decrease, the Habsburgs offered special permits to the  
 resident merchants of Mossambique to carry their goods to  
<sup>153</sup>  
 Chaul on the Portuguese State-owned vessels.

To protect the ships of merchants against the Dutch  
 atacks, an order was issued in 1645 by the Revenue Council  
 that all ships of the towns under the Portuguese rule would  
 gather at Goa, and from there they would be taken to  
<sup>154</sup>  
 Mossambique under the protection of the armada. This was  
 taken as an advantage by the Captain of Chaul who was  
 preventing the resident merchants of Chaul to sail to Goa, so  
 as to avail the facility of protection. On the other hand, he  
 used to send a ship every year to Goa to be taken to  
<sup>155</sup>  
 Mossambique in order to conduct his private trade. As  
 pointed out earlier, the prosperity of Chaul was largely  
 depend<sup>ent</sup> on the ivory-textile trade between India and  
 Africa. As a result of selfish nature of the Portuguese  
 official, textiles from Gujarat were taken directly to Goa by  
 other merchants and ivory was brought back to Gujarat. In  
 this situation, the town of Chaul was set aside from this  
 entire transaction. Moreover, the economic depression spread  
 in the town due to unavailability of ivory-one of the main

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152. *A H U*, Mss. India Cx. 2, doc. 119.

153. *H A G*, Mss. *Livro das Monções* nos. 29 e 30, fl. 128.

154. *Ibid*, no. 50, fls. 89, 92.

155. *H A G*, Mss. 1165, fl. 74.

items for procuring textiles. However, to overcome the situation and to bring economic normalcy in the town of Chaul, the Revenue Council had taken a decision in 1649 that the armada would be visiting Chaul to take ships of the resident merchants to Mossambique.<sup>156</sup>

Here we have seen two occasions. In the former case, it was the State that deprived the residents of Chaul from having the privilege of sending their ships directly from their port to Mossambique. This policy was enforced with a view to force them to pay the customs duties and as we have seen, it remained successful in practice. In the second case, the State was determined to protect the trade under resident merchants of Chaul against the Dutch attacks. The policy of instructing the ship to be gathered at the port of Goa was quite understandable in the prevailing situation. But at the same time, State had failed to put effective measures at town level to safe-guard the interests of the residents against the vexations of the local officials. Thus during the period between 1645 and 1649, the economic position of the residents of Chaul became less prospective. These facts clearly prove that the prosperity of Chaul was depended chiefly on the trade between India and Mossambique.

### III. PORTUGUESE TRADING COMPANY AND TRADE AT CHAUL.

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By the second half of the seventeenth century, the English and the Dutch started dominating the trade with the East and the Portuguese were relegated to the back-ground. King Dom Pedro II (1667-1707) of Portugal determined to revive the

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156. *Ibid.*

Portuguese trade with India by establishing a Portuguese Trading Company that would look after their trade between India and Mossambique. He promulgated that it would augment the economic sources of the residents in the northern provinces of the Portuguese India, provide enough means of income to maintain the towns and also engage in propagating the Catholic religion.<sup>157</sup> But unfortunately<sup>e</sup> the company failed in providing the impetus to ameliorate the slackening<sup>c</sup> trade of the residents of Portuguese India and on the contrary, it ruined them.

In his letter dated 23 March 1689 the king had ordered the Viceroy of Portuguese India to find out the possibilities for the formation of the company with the capital of the local merchants.<sup>158</sup> On Viceroy's initiative the Portuguese officials had arranged meeting of merchants at different towns and tried to persuade them to invest their money on the proposed company. Since this company was State sponsored and would be directed by the State, the merchants became suspicious and had shown very little interest in its affair.<sup>159</sup> They boldly refused to take part in this venture. By way of retaliation and to bring the merchants to their sense, the King had passed an order in 1690, whereby it was declared that the port of Mossambique would be closed for the latter.<sup>160</sup> The monopoly right to trade, between

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157. *H A G, Mss. Livro das Monções* no. 58, fls. 71-74v. Particularly clause no. 26.

158. *Ibid*, Mss. no. 54, fl. 126.

159. *H A G, Mss, Livro das Monções* no. 54, fl. 144

160. *Ibid*, Also see Mss. no. 55 A, fls. 23-24.

Mossambique and the ports of Chaul, Diu and Daman, was given to the company.

The merchants were called for a second meeting in 1690, and were made aware of the decision of the King. It unnerved them and left them with no other alternative but to invest their capital with the company. They submitted a memorandum to the Portuguese officials, in which they had put-forward following conditions:<sup>161</sup>

- 1) The company would function only for twelve years and during the said period, no other company should be floated.
- 2) They would invest 30,000 *cruzados* annually for the first three years and 40,000 *cruzados* per year during the subsequent period.
- 3) They should be given exemption from the payment of customs duties on their trade with Sofala.

But these conditions were repudiated by the Revenue Council on the following grounds: The state would not accept the tenure of the company that was laid down by the merchants. The State received nearly 40,000 *xerafins* every year by way of the customs duties at Sofala which was more than that the merchants had offered to invest in the company, for first three years<sup>162</sup>. The attempt made by the Portuguese to woo the wealthy merchants from Gujarat to invest on their company proved fruitless and so they decided to take another alternative.

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161. *Assentos do Conselho do Estado*, Vol. IV, p. 443.

162. *Ibid*, pp. 444-446.



In 1693, Dom Pedro Antonio de Noronha, *Conde de Villa*, was appointed as the Viceroy of Portuguese India, and was instructed by the King to set up the trading company by all means.<sup>163</sup>

He visited the towns of the northern provinces of Portuguese India in order to study the prospects and to seek assistance from the residents regarding the finance for the company.<sup>164</sup> In Diu, the local *vánias* had promised him that they would invest 80,000 *cruzados*, and in Daman, he received an assurance of the substantial capital for the company.<sup>165</sup>

He could not visit Chaul as a certain epidemic disease spread in the town. But as a matter of fact, the Portuguese never received the promised amount from Diu and Daman, so they decided to carry on the venture on their own.<sup>166</sup>

By the mid 1694 the company had purchased two ships and its capital reached 20,000 *xerafins*.<sup>167</sup> It was decided that the company would operate between the ports of Sofala, Mossambique and Mombassa in Africa and Diu, Daman and Chaul in India stretching further to them to East Asia and China.<sup>168</sup> Thus by end of 1694, the company started its operation. Soon after, the earlier *Junta de commercio de Mossambique* or the Board of Mossambique Trade was dissolved.<sup>169</sup>

163. *H A G, Mss. Livro das Monções* no. 58, fl. 70.

164. *Ibid*, Mss. no. 59, fl. 262.

165. *H A G, Mss. Livro das Monções* no. 59, fl. 262.

166. J. H. da Cunha Rivera, "A Índia no Governo de Villa Verde (1693-1698): A Companhia de Commercio," *O Chronista de Tissuary*, January 1868, p. 128.

167. *H A G, Mss. Livro das Monções* no. 59, fls. 262-263.

168. *Ibid*, no. 62, fls. 3v-4v.

169. This Board was established in 1673 to promote the Portuguese trade with Mossambique. Refer Dr. Oliveira Boleo, "O Regimento para o Novo Comercio de Mocambique de 1673," *Stvdia* no. 3, January-1959, pp. 90-101.

The town of Chaul was dropped from the jurisdiction of the company.<sup>170</sup> And at the same time, its residents<sup>p</sup> merchants were prohibited from conducting their trade with Mossambique.<sup>171</sup> This prohibition was in effect for four long years. Finally, on 2 October 1699, by an order of the Viceroy, the company<sup>p</sup> was closed down and freedom of trade was restored<sup>172</sup> to the town of Chaul.

In the forgoing study, we have seen that prosperity of Chaul was largely associated with its trade with Mossambique. Before the formation of the company, generally<sup>a</sup> five of six ships of merchants left every year for Mossambique from Goa, Chaul, Daman, and Diu.<sup>173</sup> From 1694 onwards, the company virtually exercised its monopoly on this branch of commerce<sup>e</sup> and hence, no ship of the merchants was allowed to touch the port of Mossambique. The King invited the residents of Portuguese<sup>s</sup> India to participate in the venture of trading company, but as we have seen earlier, the latter had shown marked apathy towards it. So, instead of taking their assistance in supplying textiles and marketing ivory, brokers from the regions of Gujarat were contacted by the Portuguese trading company. The idea of avoiding intermediaries (i.e. residents of Portuguese<sup>s</sup> India) at least in the first stage must have been the reason behind this move, besides retaliation caused by the refusal of the resident merchants in contributing funds for the company.

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170. H A G, Mss. *Livro das Monções* no. 62, fl. 5v.

171. B A, Mss. 51-VII-34, fl. 5.

172. *Ibid*, fls. 136-137v, 139.

173. *Ibid*, fl. 118.

The company needed textiles for Mossambique which was supplied by Haridas Tapidas and Bhagwandas, the Gujarati merchants of Cambay.<sup>174</sup> Rustamji Manokji, the Portuguese broker at Surat was also engaged in the sale of ivory which was brought by the company to Diu and Daman.<sup>175</sup> He was also supplying Gujarati cloth to the company.<sup>176</sup> Thus, the residents of Chaul were neither allowed to trade with Mossambique as they used to do nor their help was sought for acquiring textiles and marketing ivory. In short, the company did not enhance the economic conditions of the residents of Chaul as it was promised by the King, but it contributed a good deal in reducing Chaul from an important center of trade into a miserable one.<sup>177</sup>

Thus, the placement of trade at Chaul by the Portuguese helped in developing it as an important commercial town, and also provided wider scope to its residents in venturing into the maritime trading activities. From the very beginning, the resident merchants of Chaul were engaged in most lucrative trade of textile-ivory between India and Africa. From 1595 to

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174. P.S.S. Pissurlenkar, (ed.), *Portuguese Records on Rustamji Mnockji-The Parsi Broker of Surat*, (Nova Goa-1933), doc. no. XXVIII.

175. *Ibid*, doc. nos. XXXIII and XXXI. He also arranged the sale of article that were brought by Company from China.

176. *Ibid*, doc. XVII.

177. In 1698, the Municipal Council of Chaul wrote a letter to the king of Portugal that; "...God may give the strength to conserve especially the town of Chaul which is now on its way to decline on account of the formation of new company..." In the same letter, the Council depicted the sufferings of the local residents in a satirical manner, "...until now the wealthy have yet not become poor and poor not yet dying with hunger..." , B A, Mss. 51-VII-34, fls. 7v

1624, prohibition was imposed on them to trade with Mossambique directly from their port, hence they turned towards the Persian Gulf. Horses, silk and other articles were obtained from there in exchange of textiles of Gujarat. Despite fastening of the prohibition on Chaul-Mossambique trade, no adverse effect on the economy of the town was possible since ivory, textiles, horses silks and other articles still remained major items of their trade. Chaul moved slowly towards retaining its standard as a settlement of rich merchants towards the end of the sixteenth century. The vexation of the officials towards them, was also prevalent during this time. As long as it was within tolerable limits, it was taken very casually by the resident merchants of Chaul. But once such highhand<sup>edness</sup> reached to its peak, as it ~~was~~ happened between 1645 and 1649, the Municipal Council used to complain to the authorities and tried to protect the interests of its residents. Such things brought the collision into the trade of its resident merchants but never had enduring results. Towards the end of the first half of the seventeenth century, Mascot was skipped out of the possession of the Portuguese, which was a fatal incident of far-reaching consequence to the merchants of Chaul. For them, only two regions ~~were~~ remained open now for their trade; the region of Gujarat and ports on the African coast. Horses, silk and other items became less prominent than that of textiles and ivory. After wards, their trade was confined mostly with Gujarat and Africa. From 1690 onwards, the State had excercised

its monopoly control over trade linking India with Mossambique, and from 1694, it was transferred to the Portuguese Trading company. As a result, the resident merchants of Chaul were prohibited from venturing in their lucrative trade with Mossambique. They could have been engaged by the company in supplying textiles and selling ivory. But the company had sought the assistance from the wealthy merchants of Gujarat who acted as its broker. The tenure of the company was not regulated, hence the resident merchants started migrating to other places where they could have freedom of trade.<sup>178</sup> In short, the displacement of trade was one of the main reasons that contributed towards the decline of Chaul as an urban center on the western coast of India, by the end of the Seventeenth Century.

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178. In 1698, there were only thirty citizens left in the town of Chaul. *Ibid*, fl. 5.