This paper is concerned with the activities of one of the leading merchants of Bombay and his associates, in the early years of the nineteenth century. It sees these activities within a specific historical situation, that of the developing colonial economy in western India. We hope to form a clearer view of the entrepreneurial environment of the region. At the same time, it may be possible to see some of the ways in which business activity in this part of India supported the mercantile and credit institutions of Britain at a crucial period of her economic development.

Bombay Merchants
At first sight, the Indian mercantile community in Bombay in the early nineteenth century, appears to have been dominated by a group composed very largely of Parsis. This impression may be due to the fact that the Parsis have a comparatively well-documented history. But the more substantial explanation perhaps is a historical one. Bombay was pre-eminently a colonial city and the Parsis performed an important role as brokers to the British. The rewards they received in wealth and prestige were correspondingly high.

Among the Parsis were some of the largest land owners of Bombay and Salsette, many of whom had acquired their property as inam grants in the eighteenth and early nineteenth centuries, a time when Bombay was surrounded by hostile territory, and the British were perhaps anxious to foster a class of loyal landed gentry. The Wadias, for instance, had formed a specially close connection with the Bombay authorities when they invited Lowji Wadia from Surat to become the master builder at the Company’s dockyard in 1735. The skilled ship-builders and craftsmen of the Bombay dockyard served the East India Company, built and repaired ships for the Royal Navy and also built many ships for private merchants. Between 1767 and 1791, twenty-seven ships, ranging between 300 tons and 1000 tons had been built at Bombay. The total tonnage they represented was
The defeat of Tipu greatly helped this activity by providing access to the forests of Malabar and Mysore from where, until they were severely depleted in the next forty years, there sprang a steady stream of teakwood to the Bombay dockyards. Certainly France, Britain's principal rival for empire, did not enjoy a comparable base in any of her colonies. During the wars with France, Lowji Wadia's sons and grandsons rendered especially valuable service by repairing the ships of the Royal Navy. They were rewarded, in 1783, with *inam* grants consisting of extensive rice fields at Parel in the heart of Bombay Island.

Besides holding *inam* lands, many Parsis invested their incomes in real estate. Framji Cawasji Banaji used a part of his fortune to acquire a vast estate at Powai where he embarked on a series of horticultural experiments. The adjoining villages in Vihar had been granted in 1829 to Merwanji Rustomji, the Company's cotton agent in Gujarat. The most impressive Parsi properties, however, were not in the environs of Bombay but on the island itself. In 1814, Pestonjee Bomanjee Wadia was said to have been the largest landowner on Bombay Island.

Although the prominence of Parsis is very evident in the upper echelons of Bombay's business community, we do notice there at least a few others besides. One of them was Dhackjee Dadajee, a Prabhu, who held hereditary agricultural lands in Thana. Dhackjee's chequered career mirrored a whole epoch of colonial history. Early in the eighteenth century, his grandfather moved to Bombay where Dhackjee started life as a small police officer. It was this position, perhaps, which helped him to become an *arhatiya*, or commission agent to the East India Company's merchantmen. At various times, he was a broker to Rivett Wilkinson & Co., Government's Native Agent at Baroda, and financial broker to Forbes & Co. and Leckie & Co. In 1834, he was made a Justice of Peace but, not long afterwards, fell foul of the Bombay authorities, and died a broken man some

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2. Cf. Rear Admiral Sir Thomas Trowbridge to Jamsetjee Bomanjee, Master Builder, Bombay, 14 June, 1802, "...Timber I presume can now be had in abundance from Tippoo's country". *Memorial of the Lowjee Family to the Hon'ble the Court of Director, 1841* (Bombay), p. 19.
3. Evidence of Nathaniel Wallick, Supdt. of Botanic Garden, Calcutta, 14 Aug., 1832 "... the forests that used to supply the Bombay docks and the dock at Calcutta with Malabar teak ... had fallen off from the extreme exhaustion of those forests ..." Q. 2368. Minutes of Evidence Select Committee 1831-32 (Hereafter *Mins. of Ev. 31-32*). *British Parliamentary Papers; Colonies East India*, Vol. 7. Irish University Press, 1970 (hereafter B.P.P.).
time in the mid-1840’s. Dhackjee was unique in a number of ways. He was one of the few Maharashtrians in the world of business, his entry into it was perhaps facilitated by his official position, and he was one of the few men in that world for whom we have evidence of an earlier foothold in the agricultural economy.

Another prominent Maharashtrian was Jagannath Shankarsett, son of the well-known eighteenth century banker, Shankarsett Baboosett. Jagannath Shankarsett was not a trader so much as a landowner in the city, moneylender and banker.

There was another section of the Indian business community which was extremely important, although it is less easy to identify its individual members. This was composed of those whom, for want of a more precise description, we may call the grassroots merchants, moneylenders and bankers.

Valuable evidence of the close association of the two sections is found in a petition which the prominent Indian merchants who traded with China, submitted to the Governor of Bombay in 1829. Of the forty-four signatories, twenty-six were Parsis. The two Muslims included the Konkani Nakhoda, or shipowner-captain, Mohammad Ali Rogay. One was a joint Hindu-Parsi firm, one probably a Jew. The only Maharashtrian Hindu was Dhackjee Dadajee. The remaining thirteen were seemingly Gujarati Hindus or Jains among whom was the well-known Jain merchant of Ahmedabad, Motichand Amichand. It was this latter group, we may conjecture, which represented the indigenous financiers, with their origins in old-time trade and money-lending, and their links, perhaps, with the agrarian economy through mal zamini. Almost certainly it was they who provided credit to the European firms, with the Parsis generally acting as guarantors.

The special requirements of Bombay Presidency as a region chronically short of revenue, as much as their own financial capabilities, combined to make its shroffs and bankers unusually effective in winning terms which elsewhere would perhaps have been unthinkable. On one occasion, Himmatram Mayaram, a leading shroff of Surat insisted that the bills he had bought from the Bombay government be discounted at the Surat Treasury not in Bombay rupees, in keeping with an official proclamation, but in

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9 Petition of Framjee Cawasjee and others, 11 May, 1829, _Commercial Dept._, 1830, Vol. 50, pp. 121-28, M.S.A.
Surat or Broach rupees. A lengthy correspondence followed. In the end, not only was his demand conceded but he was also paid interest for the delay in the discounting of the bills.\textsuperscript{10}

More remarkable still was the case of the \textit{sahukars} of Broach and Jambusar who, at a time when there was a shortage of silver coins for the payment of land revenue, offered to do so by means of \textit{hundis} on Bombay. The government was determined not to accept \textit{hundis} unless they were written on stamp paper as prescribed by a recent law. The \textit{sahukars} of Broach, Jambusar and Surat had formed a combination not to use stamp paper even if it were supplied to them free. Eventually, the government gave in and allowed them to use unstamped paper.\textsuperscript{11} In this case, incidentally, the connection between \textit{mal zamini} and local banking is clearly visible.

Indigenous financiers were, of course, far from homogeneous in functional terms. The general descriptions of some western Indian districts at a somewhat later date, place them in a graded order, leading on from the villages to the \textit{qasbas} and towns and finally to the cities and port towns.\textsuperscript{12} Credit flowed, along these channels, it linked agricultural production with capital invested in internal and overseas trade.

Besides being prominent landowners, the leading merchants of Bombay were engaged in guarantee brokerage for European merchants, banking, commission business, and the interlinked activities of overseas trade, shipping, shipownership, ships' agency and insurance. Indeed the merchants of Bombay had an important share in the shipping of Calcutta. It was claimed, “... almost all the country ships of Calcutta are owned by natives of Bombay...”\textsuperscript{13} At Calcutta, the Bengalis owned only small vessels used in river traffic, or in short voyages along the coast. The owners of large vessels engaged in long distance shipping were, “Englishmen, or Foreign Merchants, Arabs or Persians (i.e., Parsis) resident for the time in the neighbourhood of Calcutta.”\textsuperscript{14}

It will be apparent that in terms of their entrepreneurial characteristics, these activities embraced a fairly wide spectrum. Those merchants who put their savings in owning ships, made a fair bid to being quasi-independent entrepreneurs, giving employment to ships' crew and conducting the business of running their ships. The efficient management of a shipping business required a close and up-to-date knowledge of the commercial world and sometimes enabled enterprising persons to develop novel channels of trade. The shipowners of western India in the eighteenth and early nineteenth centuries included not only famous old families such as

\textsuperscript{10}Financial Dept., 1832, Vol. 2, pp. 91-138; 1833, Vol. 4, pp. 1-29, M.S.A.

\textsuperscript{11}Financial Dept., 1833, Vol. 4, pp. 33-34; 1834, Vol. 3, pp. 73-163, M.S.A.

\textsuperscript{12}Gazetteers of the Bombay Presidency, Vol. 4, Ahmedabad (1879), pp. 64, 69-70.

\textsuperscript{13}J. to Sir Charles Forbes, 30 Jan., 1834, J.J.L., Vol. 351, p. 33.

\textsuperscript{14}J. Pearson, Advocate General, Bengal, to H.T, Prinsep, Secretary to Government, Bengal, 14 June, 1830, Commercial Department, 1830, Vol. 50, p. 108, M.S.A. (Parenthesis mini—A.S.).
the Banajis but also a considerable number of Konkani Muslims, as well as Gujarati Hindus, Muslims and Jains. Indeed, we may look upon these shipowners as prototypes of the entrepreneurs of a later age.

In contrast to shipping, such activities as guarantee brokerage to European mercantile firms represented a more dependent economic relationship. While the income from it contributed to the fortunes of such wealthy men as Hormasji Bomanji Wadia, broker to Forbes Forbes and Co., it was also the undoing of others such as Hormasji's grand-nephew, Dadabhai Pestonjee Wadia who was ruined when he was obliged to pay the debts of Fergusson Turner and Co., and Syers Livingstone and Co.¹⁵

Certain other features about the world of money and trade in western India in this period are noticeable. The predominance of Gujarati names among the financiers tends to confirm the impression that Gujarat furnished a large part of the financial resources for the trade and development of Bombay.

It is not easy to determine the degree of functional specialisation achieved in the early nineteenth century. A very large number of moneyed men seem to have engaged in a variety of activities, and to have invested their savings in several different sectors. Nevertheless, as we shall see when we study the career of Jamsetjee Jejeebhoy, there were at least some, however few, who deliberately sought to develop particular lines of business.

In the first quarter of the century, there was, on the whole, little conflict between Indian merchants on the one hand, and, on the other, European merchants and the Bombay Government. The Indian merchants, along with the members of a small group of European agency houses, with whom they were often intimately connected as brokers or business partners, formed a remarkably close-knit oligarchy which governed both the island and its overseas trade. At the beginning of the century, the city's official power structure bore the imprint of its mercantile origins. The European merchants held the key posts in the Government of Bombay. Patrick Crawford Bruce and Henry Fawcett, senior partners of Bruce Fawcett and Co., were Accountant General and Mayor of the town, respectively. The Mayor's office was all important as the Mayor's Court was the principal court of justice. Another important merchant, Alexander Adamson was Transfer Master and Assistant to the Treasurer.¹⁶ After 1806, East India Company servants were not permitted to trade. This disability may have served to strengthen the bonds between them and the Indian merchants with whom many of them kept their savings to be invested in trade and remitted to England. Such connections formed in the early years of the century endured long afterwards.

Matters of mutual interest could be happily arranged within this close-knit group. On one occasion, in 1829, in order to prevent "Foreigners and Free Traders" from glutting the China market with cotton, the Indian and European merchants resolved to keep their cotton screws closed between the 31st of August and the 1st of February each year. Framjee Cawasjee and others appealed to the government to keep the Company's screws also closed for cotton shipments to China during this period. The Company's own cotton exports to China being very large, it had an interest in keeping up the price in China. The Bombay Government readily conceded the merchants' request.17

Under such conditions, monopoly trade was nurtured, competition among the participants perhaps not being too sharp. The situation was epitomised in the advice which Charles Forbes gave to his friend and broker, Hormasji Bomanji Wadia, that he should not be too anxious to provide for his sons who would make their way in the world as he himself and Hormasjee had done.18 Merchants generally referred to their business associates as "friends" and to other trading houses as "neighbours". Their relations were governed partly by written contracts, such as respondentia bonds or loan agreements. But unwritten conventions were on less important in their dealings. There seems to have been, for instance, a well-weathered usage, that if a broker or shroff found himself in difficulty, he could expect his friends and patrons to assist him. Thus in 1833, Jamsetjee Jejeebhoy, Hadow and Matheson advanced more than one lakh of rupees at low interest to Hormasjee Dorabjee, to enable him to pay his creditors who "... being mostly Banians, (were) not so liberal..."19 On another occasion, Charles Forbes came to the rescue of a Bombay "merchant", Premji Purushottam, by paying £1500 when two bills on him were refused by a London firm.20

There was another reason why the early years of the nineteenth century were propitious for many Indian merchants. The relaxation of the Navigation Laws during the Napoleonic wars enabled them to trade freely with Europe. Some of them, such as Jamsetjee Jejeebhoy, took advantage of this opportunity by buying ships and exporting cotton to England.21

The intimate world of "friends" and "neighbours" was shattered by free trade. By the middle of the century, the old inter-Asian or "country trade", had almost disappeared. Bombay was flooded with new European firms, many with bases in the rising industrial cities of Liverpool and Glasgow rather than in London.

17Commercial Dept., 1830, Vol. 50, pp. 139-49, M.S.A.
19J. to James Matheson, Aug. 1833 (exact date not known, manuscript damaged) J.J.L., Vol. 351, p. 5.
21Mody, J.R.P., The First Parsee Baronet, Bombay, 1866, p. 32.
The importance of India's "country trade" to Britain and to the East India Company is well-known. Indian exports to China provided the means for the purchase of Chinese tea to be shipped to England. The East India Company encouraged the trade but allowed it to remain largely in the hands of private merchants who were expected to hand over to the Company's Treasury at Canton, the proceeds of their Indian cargoes in exchange for bills of exchange on the Court of Directors or on the Indian government at Calcutta. Indian exports to China consisted mainly of cotton and opium; of these opium became far more important in the first half of the nineteenth century.

Jamsetjee Jejeebhoy: The Main Features of his Business

Among the merchants of western India who came to have a large share in the opium trade was the well-known Parsi, Jamsetjee Jejeebhoy, whose firm a contemporary described as "the best managed business this side of the Cape." It was a mark, perhaps, of Jamsetjee's efficiency that copies were kept of the private and business letters written by him and by his firm. Fortunately, many of these letter books have survived. They provide an almost continuous and remarkably detailed account of the inner workings of the Jejeebhoy business. Not the least value of these letters lies in the fact that they are personal testimony: they record, often with impassioned candour, the strivings, problems, successes and failures of an extraordinarily dynamic Indian entrepreneur. In doing this, the letters throw light on the wider parameters of Jamsetjee's economic environment.

We shall briefly review the main features of Jamsetjee Jejeebhoy's business, especially his opium trade, and focus on one of his most perplexing problems, that of remitting the firm's funds back to India. At the end, we shall try to outline the circumstances in which India's "country" shipping declined.

The son of a poor weaver of Navsari, Jamsetjee lost his parents at an early age, and came to Bombay at the turn of the century to live with his maternal uncle, a seller of bottles. Ties of kinship and community certainly helped him in the early stages of his career although, as we shall see, before long he developed intimate business connections with persons belonging to almost every community and religious group. The details of his earliest activities are obscure. But we know that, in the first decade of the century, he made four voyages to China as an agent of various Parsi merchants including his cousin, Merwanjee Maneckjee Taback. During the Napoleonic wars, he amassed a fortune, estimated at two crores,
exporting cotton to England.\(^{26}\) Jamsetjee's biographers have given vivid descriptions of his misadventure when the *Brunswick*, on which he was a passenger, was captured by a French warship in the Indian Ocean.\(^{27}\) They have not mentioned an event of far greater moment to his future career. On the *Brunswick*, Jamsetjee made the acquaintance of the ship's assistant surgeon, the young William Jardine.\(^{28}\) The friendship blossomed, some years later, into a business arrangement. Along with James Matheson, Jardine established the most successful opium business at Canton, and Jamsetjee became their principal collaborator in Bombay.

It may have been his association with Jardine and Matheson which induced Jamsetjee to alter the structure of his business in a number of ways. In his earlier years, he appears to have exported goods, mainly cotton, to Forbes Forbes and Company of London on which the latter earned a commission.\(^{29}\) He had, besides, similar relations with his friend, the Chinese Hong merchant, Howqua. We find him selling cassia and silk for Howqua in Bombay, and procuring pearls for him and shipping them to Canton.\(^{30}\) In the early 1830's, he seems to have given up commission business, and the exclusion of this category of business, namely, buying and selling on commission, became an accepted principle of his firm.\(^{31}\) So also, Jamsetjee declared he had "laid it down as a rule to which I have ever adhered, never to advance money to any private individual..."\(^{32}\) Besides, there was another category of business of which we find no evidence in Jamsetjee's correspondence, namely, guarantee brokerage, the staple business of so many of his contemporaries, especially Parsis. Consequently, he did not suffer as many of them did, when they had to pay the debts of bankrupt European firms. Nor did he, being an exceedingly careful man of business, invest in the kind of reckless speculation which brought ruin to many of his generation. Jamsetjee put large scale trade and shipping at the centre of his activities, and stood out apart from those businessmen who were occupied mainly in money lending and various forms of brokerage. Perhaps the stakes he set were influenced by his experience of freedom and success in trade during the period when the Navigation Laws had been temporarily suspended. His career enables us to identify the wider historical constraints under which he functioned.

\(^{31}\)M.S.A.


Jamsetjee's Opium Trade

In the first quarter of the century, shipments of western India, or Malwa opium, had outstripped those of cotton. They had increased from 1,346 chests in 1800-01 to 21,988 chests in 1838-39. A considerable quantity of Malwa opium was finding its way out through the Portuguese port of Daman, as well as through Karachi. The Government of Bombay at first tried to control the outflow of Malwa opium by buying up the entire crop and conducting monopoly sales at Bombay as was the practice at Calcutta. We first catch sight of Jamsetjee Jejeebhoy in 1826, at one such sale of which he wrote a vivid account to Jardine.

The experiment with monopoly sales of Malwa opium was given up, and was replaced, in 1831, by a system of passes whereby opium could be exported from Bombay on payment of a duty. At first fixed at Rs. 175 per chest, the duty was revised several times afterwards. By 1845 it had been increased to Rs. 300 per chest. In 1848-49 the revenue of the Bombay Government from this duty amounted to Rs. 8,870,000.

The Government's failure to create an official monopoly of opium in western India reflected the power and influence of the network of opium dealers and merchants in this part of the country. This also made it difficult for Europeans to penetrate the opium market in the interior. When Forbes and Co., sent their agent, Mcleod, to Indore, an important centre of the opium trade, Jamsetjee commented, "Mr. Mcleod doing nothing but visiting the country and it would not answer to Europeans to establish as agent because that country belonging to native Prince and great objectionable to them to allow Europeans..."

Again and again we catch glimpses, whether at Surat, or at Ahmedabad or at Indore, of well entrenched merchants and bankers confronting and often defying foreign penetration.

The earliest accounts of Jamsetjee's opium trade reveal a part of his network of connections. One of his oldest friends was a Goan resident of Bombay, Sir Roger de Faria, owner of several ships including the Don Manoel, and a large exporter of opium. Perhaps the ship Castro too was his. It sailed for Macao from Daman on the 29th of April, 1823, with 1,103 chests of opium on board, of which 537 belonged to de Faria.

Through de Faria's influence, Jamsetjee and his friends obtained permission from the Portuguese authorities at Daman, to ship opium from that port.

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33Greenberg, op. cit., p. 106.
34Ibid., p. 221.
From the veiled references in one of his letters to de Faria we are introduced to the other participants in this trade. Perhaps the most important of them was Motichund Amichund who was for some time Jamsetjee's partner. "... the Marwaddies and Ahmedabad merchants," declared Jamsetjee, "would always willingly follow Motichund's advice, you are perfectly aware of Motichund's influence over them."\(^{41}\) We find Motichund ordering opium from Malwa and exporting it from Daman and Karachi.\(^{42}\)

Another close associate of Jamsetjee, one who remained his partner all his life was the Konkani Nakhuda, Mohammad Ali Rogay. Among the European firms of Bombay, he has a particularly close association with Remington and Co., the successor to the old firm of Bruce Fawcett & Co.

With the introduction of the pass system in 1831, nine tenths of Malwa opium began to be exported from Bombay while earlier one third had passed through Bombay and two thirds through Daman.\(^{43}\) Jamsetjee Jejeebhoy now endeavoured to have as much of the supply as possible consigned to Jardine Matheson and Co., at Canton. He was participating in a massive combination for monopolising the Malwa opium trade.

In the lists of consignments, we find the names of those who were shipping opium through Jamsetjee. Among them were some of the leading Jain merchants of Ahmedabad: Hutheesing Kessreesing, Vakatchund Khooshalchund and Currumchund Premchund. Hutheesing was the son of a well-known banker, Kessreesing Khooshalchund. Vakatchund, the nagar Seth of Ahmedabad, was the descendant of the famous Shantidas Jhaveri of Akbar's time, and the ancestor of the present Nagarsett family of Ahmedabad. Currumchund was the great grandfather of Ambalal Sarabhai. With Jamsetjee acting as go-between, vast quantities of wealth accumulated in old time trade and banking were poured into the colonial mercantile network.

So successful was the combination that, at its height, something like one third of the entire quantity of opium to leave the shores of Bombay was going to the warehouses of Jardine Matheson and Co., at Canton.\(^{44}\) The combination was perhaps not altogether rigid for, in 1838 we find Jamsetjee shipping opium from Calcutta to Russel and Co., at Canton.\(^{45}\) Nevertheless, the bulk of the firm's shipments went to Jardine's. This was not only because of long standing connections and exemption from commission charges, but perhaps also because Jardine Matheson and Company came to handle the largest stocks of Chinese tea exports to Britain, after the East India Company's monopoly of the China trade


ended in 1834. This enhanced their effectiveness as a clearing house for Indian produce: they were in a unique position to barter opium and cotton for tea when other mediums of exchange were not easily available.

Apart from opium, the other major item of Jamsetjee's exports from Bombay was cotton. Besides, he regularly exported opium and cotton from Calcutta, as well as cotton from Madras. His income was derived from five interlinked items: the profit of trade on his own account, the income from hiring freight on his ships, interest on loans to shippers, dividends on shares in marine insurance companies, and commission on the sale of his own bills. Perhaps, though we do not find explicit references, the Malwa opium syndicate may have been something like a limited joint-stock venture in which resources were pooled and profits distributed among the partners. Jamsetjee seemed to be acting more as a partner than as an agent. While he negotiated with the shippers to consign opium to Jardine Matheson and Co., the latter waived their commission on Jamsetjee's own consignments, and often also on those made in the name of "Jamsetjee Jejeebhoy's friends." From the guarded reference in one of his letters, it appears that Jamsetjee often himself enjoyed the benefit of this latter indulgence. But on certain occasions, as for instance when he was anxious to provide for the needy family of Sir Roger de Faria, he used the concession to help his friends.

The items we have enumerated exclude Jamsetjee's income from non-mercantile assets. These, consisting mainly of Bank of Bengal shares, Company's paper, shares in the G.I.P. Railway Company, and real estate, were very considerable. In 1854, his property in Bombay had a monthly rental value of ten and a half thousand rupees.

The Profit on Opium

When we consider the reputed profitability of the China opium trade, it comes as a surprise that the figures for calculating the return on opium

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46 Greenberg, op. cit., p. 187.
49 The existence of substantial inter-regional inputs in foreign trade and shipping throws doubt upon the validity of models such as that of Dr. A.K. Bagchi, who uses the figures of the export surpluses as an index of the degree of colonial exploitation in eastern and western India, respectively in the nineteenth century. (Bagchi, Occasional Paper No. 5, Centre for Studies in Social Sciences, Calcutta, 1976). Not only did Bombay merchants own almost all the "country" ships of Calcutta, they also invested in commodities exported from Calcutta.
50 Cf. Greenberg, op. cit., p. 146.
53 J.J. to James Matheson, 14 April, 1840, J.J.L., Vol. 385, pp. 93-95.
indicate a relatively modest rate of return. Frequent fluctuations in cost price and sale price make it difficult for us to calculate the actual return. Nevertheless, it is possible to cite some figures picked at random. A number of shipments made in 1838, consisting of 247\frac{1}{2} chests cost Spanish $ 641 per chest, at Rs. 206 per $ 100, inclusive of all costs in India and China.\textsuperscript{54} This opium had been bought at a high price, with an eye to the sale price in China which had been $ 720 per chest.\textsuperscript{55} At the latter price, for a total investment period of somewhat less than a year, the return would be about 12 per cent. It is true that, some time earlier, the cost price had been lower, and the sale price higher. The decline in price had been the result of a great expansion in supply. A prominent feature of the mode of trade, was the use of fast moving ships, such as the clippers, which could make as many as three trips in one season.\textsuperscript{56} A number of sales made in 1838, ranged from $ 615 to $ 640 per chest. At this sale price, the profit would of course be much less.

Though not altogether spectacular, the return from opium was perhaps higher than that to be expected from other areas of investment. The rate of interest on loans on good security was 9 per cent. In 1814, the return on the eight largest properties on Bombay Island ranged from 4\frac{1}{2} per cent to 10 per cent.\textsuperscript{57} The total return on opium, moreover, could be fairly sumptuous for those who could corner the supply and be the first to deliver it in China to their agents so as to monopolize the market there.

On an over-all view, it may be conjectured, that in a period when Indian textile production was rapidly declining there was probably a surplus of capital which, in western India, found an outlet in the China trade, especially opium. Further research is required inorder to enable us to determine more clearly the process of the decline of the textile trade and of its foremost centre in western India, Surat. An integral part of this process, very probably, was the flight of capital from Surat to Bombay and the shift to investment in opium.

It was against this background that the opium trade expanded so enormously, even though it involved a number of serious hazards. There were, first of all, the political risks of a contraband trade. In 1839, the cargoes of opium surrendered to the Chinese, belonged mainly to Indian merchants of Bombay, who were only partially compensated several years later.\textsuperscript{58}

Further, as in all of consignment trade, the risk of a fall in sale price was borne by the shippers and was all the greater in distant markets with which they could not easily communicate. In fact, the shippers were at

\textsuperscript{56}Greenberg, \textit{op. cit.}, p. 140
\textsuperscript{57}Warden, \textit{op. cit.}, pp. 96-99.
\textsuperscript{58}The total number of chests from each place of origin for which compensation was paid were: Patna: 5,614; Banaras: 1,128.75; Malwa: 13,487.68; Turkey: 53. Owen, \textit{op. cit.}, p. 191, fn. 41.
the mercy of the agency houses to whom they had consigned their goods and had no way of questioning the price at which their cargoes had been sold. The agency houses, on the other hand, operating on the capital of the shippers, happily collected their commissions and ran no risk. They liked “pure commission business,” in which, “income comes to you without asking in the snug way of the China trade.”

In short, for the East India Company, and British agency houses, there was a threefold advantage in drawing Indian merchants into the opium trade. It saved them from the political embarrassments of directing participating in a trade that was illegal in China, it effortlessly channelled Indian financial resources into this trade, and it placed to burden of price fluctuations and exchange difficulties on the shoulders of the Indian merchants.

The Payments Arrangements and the Remittance Problem

The most difficult problem which Indian merchants such as Jamsetjee Jejeebhoy encountered, and one which became increasingly acute with the abolition of the Company’s monopoly of the China trade, and the subsequent commercial expansion, was that of routing their funds back from China to India. Two interconnected developments in the history of the payments arrangements associated with the China trade were important. One was that Indian merchants tended to be excluded from the market for bills of exchange. In the second place, India’s China trade came to be balanced increasingly by means of the import of silver from China. Of these, the second is well-known, but its economic significance does not appear to have been acknowledged. For the first development, namely, the mounting pressures against Indian merchants in the bills market, we find ample evidence in the letters of Jamsetjee Jejeebhoy.

In common with other merchants, Jamsetjee preferred to have his China funds remitted through bills. The advantage of bills, over bullion, was that it involved less risk in shipment because of the system of sending triplicate copies of each bill. Besides, good bills were almost as good as paper money; they were simple to negotiate and had a known value reckoned in terms of the actual return in bullion. Jamsetjee found bills on the Court of Directors most convenient. These bills could be sold in India to persons wishing to make remittances to England. In July, 1826, for instances, he sold bills on the Court of Directors from China, amounting to £20,000, “to my friends.” His next preference was good private bills on London. One method of transfer he was able to employ was to sell the bills of his own firm to Europeans in Bombay and Calcutta, to be

59 James Matheson, quoted in Greenberg, op. cit., pp. 148-49.
62 Ibid.
discounted by his agents in London who, received funds for the purpose from his account with Jardine Matheson and Co. On these bills, Jamsetjee probably earned a commission, and his extensive contacts with Europeans facilitated these operations. We find among his papers many lists of such bills.

The difficulty of buying bills on the Court of Directors at Canton arose from the fact that the requirements of the Company's Treasury at Canton were relatively limited. The sums it required for its export cargo, over and above the value of its imports, could generally be obtained by bills on the Bengal treasury.63 The China traders vied with each other to obtain Court of Directors' bills. We find Jamsetjee urging Jardine to use his good offices with the chief of the Canton factory to obtain these bills for him.64

The expansion of trade and of British banking in the 1830s greatly aggravated Jamsetjee's difficulties. For, he now had to face competition from the Liverpool merchants, and this made it extremely difficult for him to get his funds back at a favourable rate of exchange. The competition was felt both in China and in India. In China, the brisk demand for bills and sycee, Chinese ingots of Silver bullion, made the rate of exchange unfavourable for remitters; in India, the Liverpool merchants undercut the bills of Indian merchants.

At the root of these difficulties, was the development in these years, of those interlocking credit networks, with their nerve centres in Britain and America, which sustained the international economies of these countries.

American traders had been in the habit of bringing South American silver to Canton in order to purchase tea and silk. The expansion of trade, and with it, of the demand for means of remittance, led the American to offer at Canton, bills of exchange on London. What took shape was another triangular traffic whereby American traders at Canton began to purchase tea and silk by means of bills on London banks and mercantile houses, to be balanced by the shipment of American cotton to England.65

This exchange network was ill-suited to the purposes of Indian merchants who wished to get their funds back home. While European remitters eagerly sought American bills, Jamsetjee found these bills difficult to sell in Bombay, and poor in exchange value.66 In 1835, for lack of good bills to India, a very large part of his funds had been sent from Canton to London.67

66It is a point worth considering how far the mutual interests of American and British banking and mercantile firms embodied in this network placed American cotton at an advantage over Indian cotton in the English market.
He was particularly anxious to avoid this expedient and urged Jardine to send him bills on the Supreme Government at Calcutta, and sycee. Repatriating funds via London not only involved delay but was becoming increasingly difficult because it was no longer easy to sell bills on London in India. Jamsetjee wrote:

The sale of Bills on England is now a days very precarious, as you will perceive from the fact that since we commenced drawing on new account for 1835-36, we have hardly realized £ 1000 since September last. The practice of the Liverpool merchants of drawing against shipments of cotton and ca. is very much against us—as they care but little for the rate of exchange, provided they can get purchasers of their bills, trusting that the loss on the Exchange will be made up by the profit on the venture, but for ourselves, we are differently situated, and cannot consistently increase our drawing rate. I therefore apprehend that we shall not be able to draw nearly so fast during the coming year, as we have hitherto done.

The fact that Jamsetjee operated on short term credit made matters that much worse when he was unable to get his funds back to India promptly. He said, "... we have always pursued the practice of never keeping any individual fixed Balance in our Books, but merely open accounts with different merchants, which we have closed and paid off as our outstandings came in..."

In 1837, the American bills system collapsed. The unrestricted manner in which these bills had been accepted led to overspeculation and, in August of that year, a number of American houses stopped payment. It now became even more difficult to procure good bills on London in Canton. In order "... to avoid the highly disadvantageous expedient of Shipping Treasure...," Jardine resorted to a novel method for remitting Jamsetjee’s funds, that of exporting Chinese produce, mainly tea and silk to Jamsetjee’s agents in London. Although, Jardine declared, this remittance at 4s/7d to the dollar was advantageous as compared with the rate for American bills, 4s/6d, this move proved disastrous. Stocks of silk and tea on Jamsetjee’s account began to accumulate with his London agents,

Greenberg appears to have misinterpreted Jamsetjee’s motives. He had little intrinsic interest in remitting from Canton to London but did so, as long as he could sell bills in India on England, as a means of repatriating his funds to India. Greenberg, op. cit., p. 164.

70Ibid.
71Greenberg, op. cit., p. 168.
Forbes Forbes and Co., who, despite desperate reminders, would not sell and remit the funds to India. In one instance, a cargo of Chinese silk remained unsold for over two years.\textsuperscript{74} In many cases, when accounts were eventually rendered, the exchange rate at which the remittances were made turned out to be miserable. When accounts were closed for the year 1837-38 it was found there had been a debit balance.\textsuperscript{75} Jamsetjee had already informed Jardine he was not interested in shipping China produce. Once again, he sought good bills and good exchange and once again he faced fierce competition especially from Liverpool merchant.\textsuperscript{76}

We notice that other merchants besides Jamsetjee encountered similar problems. When Forbes Forbes and Co., delayed selling his goods, he complained bitterly, "... the late Hormasjee Bomanjee's misfortunes arose from the same cause."\textsuperscript{77}

Even more significant, perhaps, than the export of Chinese goods to England as a means of remittance, was Jamsetjee's move to import British goods inorder to reroute his funds back to India from England. In September 1838, he ordered from Forbes Forbes and Co., as an experiment, a variety of cotton textiles.\textsuperscript{78} In the following months, he placed a much larger order, not only for several kinds of cotton fabrics, but also for iron bars and copper.\textsuperscript{79} He wrote, "... we give you full authority to buy such goods as you may think will pay us best... You are of course aware that it never was our intention to have our funds returned to us in produce, and we merely now resort to this mode in consequence of the rate of Exchange being so much to our disadvantage."\textsuperscript{80}

These arrangements reveal the critical features of an unequal economic relationship. For although we have been concerned with the experiences of an individual merchant, his problems reflect wider developments in the structure of Indo-British trade. The expansion of British commerce facilitated, and was in turn the consequence of Britain's growing command of international credit resources. With a worldwide field of operations, British mercantile and banking houses were able to buy and sell bills of exchange at rates which Indian merchants, with a much narrower area of activity, could not afford. Such were the altered terms of trade that Indian merchants were having to import British textiles and metals as a means of remittance. We are led to conclude that the import of British goods into India was developed not only by means of direct control of the market which political hegemony made possible, but also fostered indirectly.

through the rates of exchange which in turn influenced the form of remittance.

Meanwhile, as far as remittances from China were concerned, the difficulty of obtaining bills at favourable rates continued well into the 1840’s. Although on occasion Jardine Matheson and Co., did procure good bills on London for Jamsetjee Jejeebhoy, a large part of his funds had to be repatriated in silver to India and to England where, because of its high gold content, sycee had a good market.81

India’s trade with China as a whole, we know, was balanced by very large imports of silver. To sum up, we must emphasize three facts. First, Indian merchants would have preferred to receive their remittances in bills rather than in bullion but, as we have seen, bills were either not available, or were too expensive. Second, the predominance of the British and the Americans in the bills market helped to amplify the range of their transactions and buttressed their international credit and trade networks. Third, in India, the value of the silver rupee as against gold had been declining since 1793, a trend which may be taken as an indication of the simultaneous decline of silver in terms of gold.82 In effect, therefore, India’s trade balance was being realized in a depreciating medium. This must have had an adverse effect upon India’s terms of trade.

British domination of India’s trade and finance was exercised through a combination of direct and indirect means. Prominent among the institutions which embodied this domination was the consignment trade.

The Consignment Trade

At the core of the system of colonial commerce was the consignment trade as it had developed into the period of Britain’s triumph as the world’s prime maritime and commercial power. Certain structural features of this trade were carry-overs from older times. In the altered political and economic environment of the early nineteenth century, they ensured optimum benefit to the metropolitan centre.

It is well known that much of medieval and early modern European and Asian trade had been financed by means of respondentia bonds, whereby the shippers provided the capital, whether borrowed or their own, and bore the financial risk of the venture. The traders, adventurers or supercargoes, as they are variously called, ran the physical risk of the voyage and, if the venture was successful, earned a proportion of the profit. Being based on high interest, short term credit, the supreme objective in such enterprises was for the supercargo to sell the goods as quickly as possible and return with his ship.

81Sycee was made of indigenous Chinese silver which contained an average of 12 grams of gold per pound of silver, whereas Mexican silver contained about 4 grams. *Mins. of Ev. 31-32*. Evidence of John Horsley Palmer, Qs. 1286, 1305-1308, B.P.P., Vol. 7.

As far as British trade was concerned, in the late eighteenth and early nineteenth centuries, the institution of supercargoes had been partly replaced, at Indian and Chinese ports, by resident agent, or agency houses, manifestations of Britain's growing commercial and maritime strength, and harbingers of her territorial ambitions. The role of the agency houses in providing long term activity and wider scope to British enterprise is well known. It needs to be stressed that the credit resources and commercial structures of India were important constituents of their economic base. Jamsetjee Jejeebhoy's letters show that the cargoes consigned, through his firm, of opium to China and of tea, silk and cotton to London, were financed by Indian shippers on short term credit characteristic of their operations. The consignment trade, simply because the shipper bore the entire risk, in effect provided the agency houses both with working capital free of interest, and with stocks, the property of the shippers, which they could sell as they pleased. The consequences for the shippers were doubly disadvantageous. They bore the brunt both of price fluctuations and, as Jamsetjee and his clients discovered, of manipulation on the part of their agents in the accounting of sales.\(^{83}\)

It may be noticed that these arrangements were a sharp contrast to those of the East India Company as they stood on the eve of the cessation of its commercial activities. The Company's cargoes of cotton from Bombay to China were sent not on consignment, but were under the charge of the captains of ships who acted as supercargoes. In letter after letter of instructions, the captains of ships sailing out of Bombay with the Company's merchandise, were ordered not to sell below the market price.\(^{84}\) Being its servants they were answerable to the Company.

The position of the Indian merchants was altogether weaker, almost wholly dependent as they were upon the goodwill of their agents in China. Jamsetjee's letters to Jardine Matheson and Co., invariably ended with a declaration of confidence that their friends would dispose of their cargoes as they would their own. The breathless frequency of these declarations tells its own tale of the anxiety which Jamsetjee felt. With time, the grounds for confidence were eroded. Jamsetjee particularly regretted William Jardine's departure from China in 1839, and his untimely death four years later.

The bickerings and ill-feeling which marred the relations of the two firms in the years that followed were the result partly of the snapping of a personal link, and partly of altered circumstances. From the modest position they had occupied at the time when Jamsetjee first became associated with them, Jardine Matheson and Co., had become the wealthiest and most powerful European commercial house in China, having


accumulated vast profits and having acquired the major share of the tea trade with Europe.\textsuperscript{85} They were far less dependent now upon their Indian friends for capital and for supplies. In the attainment of this happy situation they had been helped, in no small measure by the consignment trade with India.

For the shippers, by contrast, the consignment trade involved yet another hazard. When goods on their account were consigned to England as remittance and not in response to an actual demand, the disadvantages were compounded. This happened, as we have seen, to some of Jamsetjee's shipments of tea and silk. In these years, it been noticed had tea became the common man's drink in Britain. It is worth suggesting this happened not only, as is argued, because incomes went up,\textsuperscript{86} but perhaps also because it became cheaper as a consequence of the stocks that were poured in as remittance.

To recapitulate, the over-all function of the consignment system was to provide Britain with cheap credit and cheap produce from India and China. By so doing it helped to build the capital stocks of British banking and trading houses, the cumulative consequence of which was the strengthening of the London money market.

The consignment trade, together with official monetary controls, and the pressure of India's obligatory payments to Great Britain, appears to have exercised a sustained depressive influence on the prices of Indian produce during this period.\textsuperscript{87}

\textit{The Decline of Country Shipping}

In the early 1840's Jamsetjee appeared anxious to sell off his ships. A decade later, his impressive fleet had been reduced to two, the \textit{Charlotte} and the \textit{Good Success}. When the \textit{Charlotte} was wrecked in the Bay of Bengal in 1855, he had only one ship left, the \textit{Good Success}, the first ship to have come into his possession.

The fact that the eclipse of country shipping almost coincided with the advent of steam ships would perhaps lead us to assume this was the result of the technological superiority of the latter. This assumption is not quite borne out by the evidence. For, it seems, country ships were losing out, in the initial stages, not to steam ships, but to sailing ships owned by "free traders".

Jamsetjee was amazed to find free traders could sail their ships to England at £ 3 or £ 4 per ton whereas he could barely sail his own for £ 7 to £ 9.\textsuperscript{88} In a composite business, shipping costs, of course, were not

\textsuperscript{85}Greenberg, op. cit., pp. 185, 187.
\textsuperscript{87}I have discussed these subjects in "Money and Prices in the Earlier Stages of Empire; India and Britain, 1760-1840." \textit{The Indian Economic and Social History Review}, 1981, XVIII, 3-4.
unconnected with successful trade and with access to convenient payments arrangements. We have noted some of the difficulties under which Jamsetjee laboured. But shipping had its own special problems besides. In order to operate efficiently, it was important to widen the scope of activity so that losses might be counterbalanced. Country ships carrying opium and cotton to China encountered an acute lack of return freight. In the early 1830's, it was observed, imports from China had greatly diminished and ships were often obliged to return empty to Bombay.\textsuperscript{89} One reason for this may have been a falling demand in India for commodities, such as alum, used in the manufacture of textiles. Meanwhile, the need for economy became all the greater because of increased competition and because of the new duties introduced in 1834. Ships to China were now required to pay a tonnage duty as well as import and export duties on goods. In Bombay, it had become increasingly difficult to procure cotton cargoes for export. The agency houses from Liverpool and Glasgow were bartering piece goods and other European staples at throw-away prices for cotton, and in this way cornering cotton supplies.\textsuperscript{90}

To a man of business as efficient and perceptive as Jamsetjee, it was obvious the way to combat these difficulties was to extend the range of his trading activities and, among other moves, to sail his ships with freight from China to England. So, in April, 1834, he resolved to send the \textit{Fort William} with tea on freight from Canton to London.\textsuperscript{91} On this occasion, the plan was given up for fear the ship would lose its passage to China in the coming season. Later on, the bitter experience of sending some of his ships to England induced Jamsetjee to remark, “The result that always attends our country ships going to England would almost lead one to think that some evil destiny was attached to them, as we find the Free Traders can sail very cheap while our ships are burthened with immense expense.”\textsuperscript{92} There was a widespread prejudice, he declared, “... against our country ships and the surveyors will purposely make all sorts of objections.”\textsuperscript{93} No sooner did a country ship arrive in London, than clerks, brokers and tradesmen set themselves to make money by running up bills at the expense of the owners.\textsuperscript{94} Jamsetjee had hoped this could be avoided through the vigilance of the captain and of his agents in London, and that a country ship making a round voyage from China to London and back to Bombay, would do as well as other ships.\textsuperscript{95} But these hopes were belied when a voyage of his ship, the \textit{Earl of Balcarres} to London cost him £ 5000 instead of the estimated £ 2000.\textsuperscript{96} In the face of such high

\textsuperscript{89} J.J. to Sir Charles Forbes, 30 Jan., 1834, \textit{J.J.L.}, Vol. 351, p. 35.
\textsuperscript{90} J.J. to Sir Charles Forbes, 30 Jan., 1834, \textit{J.J.L.}, Vol. 351, p. 35.
expenses he was forced to the conclusion that it was not advisable to send country ships to England.\textsuperscript{97}

In Bombay, ships were no longer easy to maintain. There were so many ships now, that crew were difficult to get.\textsuperscript{98} In 1841, Jamsetjee had to send the Fort William to England at “very very heavy expense”, in order to procure European seamen which a ship was required to have under the law.\textsuperscript{99} Indian crew too were not easily available because of the large number of ships competing for their services.\textsuperscript{100}

The big country ships, such as the Fort William of 1200 tons, had been bought for the transport of cotton, a bulky commodity. The cotton trade was on longer profitable, and the maintenance of these large ships was costly and difficult. Jamsetjee confined to an associate he had been refused docking facilities to repair the Fort William.\textsuperscript{101} He wrote to a former captain of the ship of “the great difficulty of ever obtaining the use of the Docks. Since the steam communication our Docks have been constantly occupied by Government.... We are now very badly off in this respect.”\textsuperscript{102}

Clearly, the favoured treatment at the hands of a friendly Bombay Government, which had enabled country shipping to flourish, was no longer available under the new dispensation.

The smaller ships were more economical. And so, for a while, a fine small country ship like the Good Success could do “as well as neighbours notwithstanding all the disadvantages under which she labours.”\textsuperscript{103} Nevertheless, country ships as a whole, faced unrelenting competition. Jamsetjee wrote to a friend in London.

“... we have now in Bombay harbour an immense fleet of free traders, who are willing to take cotton on to China for the very lowest freights, at which it is impossible to sail a country ship. Last year many of our fine teak ships were laid up, and this season have gone at miserably low freight.”\textsuperscript{104}

People, complained Jamsetjee, would not give them China freight; they were “afraid to come near us.”\textsuperscript{105} With the abolition of the Navigation Acts, the situation became difficult for now the port was freely accessible to American as well as to European ships. Jamsetjee’s son wrote of “the utter inability of our Indian shipping to compete with the Free Traders and Yankees which flock here.”\textsuperscript{106} Freight to China had fallen to Rs. 5 per

\textsuperscript{105}J. to C.B. Skinner, 10 July, 1845 \textit{J.J.L.}, Vol. 354, p. 131.
candy for cotton and $21 per chest for opium, less than a half and a quarter, respectively, of the lowest rates which country ships could offer.

Meanwhile, as if to confirm Jamsetjee's premonition that an evil destiny threatened country ships, a new menace made its appearance. In June, 1842, the crew set fire to two ships in Bombay harbour and attempted to burn a third. Exactly a year later, the Thomas Grenville, about to set sail for China with a full cargo was destroyed by fire. "There is not a doubt," declared Jamsetjee, "that it was by design, but nothing can be proved." Two years later, the crew of Jamsetjee's ship, the Charlotte loaded with cotton for China tried to set fire to it, but the act was checked. Desperate arrangements had to be adopted in order to guard against "incendiariism", Jamsetjee began to employ hired porters, rather than the regular crew, to load his ships. But within a short while the malady had spread to Calcutta where, in 1846, his ship the Bombay Castle, was burnt. In the decade between 1841 and 1851, seven ships had been burnt in Calcutta and eight in Bombay by "lascar incendiaries". The total estimated loss was over half a million sterling.

What was the motive that prompted the burning of so many fine vessels? When the first incident took place, Jamsetjee remarked the crew had burnt the ships, just when they were about to sail, in order to save the two months' wages that had been advanced to them. With an abundance of ships in the harbours, sailors perhaps reckoned it would not be difficult to find employment and better wages. But the large number of burnings that took place for several years raises the question whether there may have been a design to destroy country shipping and ruin the insurance companies in which many owners of country ships had shares. A third possibility must also be considered. There had been a precedent going as far back as the seventeenth century, for owners of old ships to arrange to have them burnt and claim insurance. We know the owners of country ships were finding it extremely difficult to sell their ships. Whatever the real motives, insurance offices were no longer willing to underwrite "lascar manned vessels."

By the middle of the century, there was no "country service" left "almost all the old Bombay vessels having been burnt, wrecked or sold in England." English vessels now had "almost all the Trade to them-

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107 Ibid.
113 J.J. to A. Matheson, 21 May, 1845, J.J.L., Vol. 354, p. 103.
114 The Bombay Times Calendar and Directory for 1853, Bombay, p. 103.
The striking feature of the picture of shipping in Bombay that emerges from Jamsetjee Jejeebhoy’s letters is that before steamships fully established their dominance, country ships had been ousted by English sailing ships. The victory of English shipping, in other words, was not simply a technological one. Just as their links with the dominant international networks, of commerce and banking, centred in Britain, enabled the Liverpool trading houses to sell bills of exchange at rates which Indian merchants could not afford, so also were English ships able to offer freight far cheaper than what Indian ships could do. For those who enjoyed patronage and protection in their home base in Britain, and at the imperial outposts in India and China, it was feasible to practice economies of scale and unleash cut-throat competition.

The other side of the picture seems equally clear. Jamsetjee Jejeebhoy’s career shows that in western India, at this time, neither financial resources for business enterprise, nor entrepreneurial initiative and skill were wanting. He and his friends attempted to build a business of shipping and long distance trade. Their endeavours were stifled because they came into conflict with British shipping interests which, increasingly from the 1830’s onwards, came to have official backing. On this count, and on others, the “age of reform” was, for India, one not simply of hiatus but of regression.

Before the middle of the century, the fortunes of some of the older merchants had declined. Framjee Cawasjee and Dadabhoy Pestonjee had lost heavily, the former in speculation, the latter in his obligations as a guarantee broker. For certain reasons, which space does not permit us to discuss here, in the 1840s and 50s there was a marked trend towards speculative trade. Some of the prominent speculators of these years were Jamsetjee’s former friends and associates, among them, Hutheesing and the sons of Motichund.

Besides, other alignments seemed to be taking shape. Frequent references in Jamsetjee’s letters to Marwaris holding up stocks of opium suggest they had strengthened their position through control of the produce at its source. Although hampered by the Taipeh disturbances, the opium trade continued to be profitable. New groups were moving into it, often operating in Bengal opium in order to keep up the price of Malwa. In 1854, some of the principal shippers were Marwaris, Khojas and Baghdadi Jews. Fifty years later, just before the opium trade came to an end, the drug importers at Shanghai included the Sassoons and other Jewish firms, as well as a number of prominent Parsi firms, Cawasjee Pallonjee and Co.,

117 Ibid.
Tata and Co., and P.B. Petit and Co.\textsuperscript{120} It is not clear to what extent the financial and commercial arrangements of these traders differed from those of Jamsetjee Jejeebhoy. It is true that, unlike him, many of them sent their own agents and relatives to China. How did they overcome the remittance problems of which we find extensive evidence in Jamsetjee's letters? His difficulties, we have argued, arose in part from the fact that the trade he managed was based on high-interest credit characteristic of medieval commerce. Did the opium traders of later times have access to easier credit associated with more modern forms of banking? It would perhaps be possible to answer these questions if detailed records of their business, such as those we have for Jamsetjee Jejeebhoy, were available for study.

One feature of change in the opium trade is nevertheless noticeable. It was no longer a monopoly trade dependent on the delivery of cargoes by an independent shipping service. From mid-century onwards, Malwa opium was shipped by the "regular monthly steamers"\textsuperscript{121} and the bulk of the earnings from freight went to the coffers of the P. and O. Company, the largest shipping company in eastern waters.

\textsuperscript{120}Petitions of opium merchants trading at Shanghai, Finance Dept., Government of India, Separate Revenue-A. Proceedings, Sept., 1907, Pro. 386, N.A.I.

\textsuperscript{121}Cursetjee Jamsetjee to C.B. Skinner, 19 Dec., 1851, \textit{J.J.L.}, Vol. 364, (page number not known, manuscript damaged).