Ocean of Trade

South Asian Merchants, Africa and the Indian Ocean, c. 1750–1850

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South Asian merchants such as Lammchand Motichand had been active in the ports of the Indian Ocean for centuries, participating in long-distance trade where routes criss-crossed the waterways of the ocean. Merchant networks involved groups that were drawn from different areas of the subcontinent, such as Chudas and Sindhis; however, it was merchants from Gujarat, both Hindu and Muslim, who for centuries had been perhaps most prominent in commercial exchanges throughout the Indian Ocean. Indeed, as a region marked by movement and connection to the oceanic space in which it was embedded, Gujarat is rightfully identified as "a land of the Indian Ocean as well as of India". In early periods, close commercial ties between ports in Gujarat, Kutch, and the western Indian Ocean saw merchants visit and trade with ports in the Persian Gulf and Red Sea, as well as along the coast of the Horn of Africa.

This has been the focus of most scholarship that has studied these merchants. However, from the late seventeenth and early eighteenth centuries, as this chapter will show, Gujarati merchants forced out of these traditional markets to varying degrees began to turn their attention increasingly towards Southwest African markets.

Their interest in African markets was not new to the early modern period, though, as South Asian merchants appear to have been present on Solotra Island, located a short distance from the Northeast African coast, as early as the fourth century BCE. But over the following centuries

1 David Ludden, "Preliminary Address: Maps in the Mind and the Mobility of Asia", The Journal of Asian Studies, 62, 6 (2003), 1068. See also Ludden, "History Along the Coastal Zones of Southeast Asia", paper presented at the South Asia Seminar, Columbia University, 18 October 1999.

1 Merchants of the ocean
they were more frequently regular visitors to the Persian Gulf and destinations in the southern Arabian peninsula such as Aden, where Gujarati merchants had established firm trading ties by the ninth century CE. Early in the twelfth century, Indian traders were active at Kilwa (at the entrance to the Persian Gulf), and by the fourteenth or fifteenth century significant numbers of merchants were trading in Muscat, an important entrepôt for South Asian trade. At the end of the sixteenth century, an Indian mercantile presence was reported in Massawa on the African coast of the southern Red Sea. Gujarati merchants also broadened their networks across the eastern reaches of the ocean to Southeast Asia where early in the sixteenth century they traded with Malacca in competition with Tamil, javanesic and Chinese merchants. Ahoi and the other North Sumatran ports, Kidah and Bantam, were regular destinations for Gujarati textiles and other exports such as wheat, iron and steel, while in return goods including pepper, cloves, ivory, gold and silver bullion and specie were shipped to India.

By the seventeenth century, Gujarat and Gujarati merchant networks thus effectively operated as linchpins of trade in the Indian Ocean, and while their relative importance may have changed over time (in relation to Hadrami or Kuchi Bhtiyai merchants, for example), they played one of the most important integrative roles in its culture and economy as mediators of cross-regional contact and as facilitators of long-distance commerce.

Increasingly, however, Gujarati merchants concentrated their investments in the western Indian Ocean. Although Southeast Asian ports in the Malaka Straits and West Java remained of commercial interest to them until the last decade of the seventeenth century, from around mid-century they began to focus on Middle East markets as commercial opportunities expanded in Mocha and elsewhere under the encouragement of Qaisari rule in Yemen. This was a period of marked growth for Gujarati trade, as Surat replaced Cambay as the pre-eminent Mughal maritime commercial centre and emerged as the pre-eminent port on the west coast of India. Other Gujarati ports such as Daibol also featured significantly in the first half of the century in the long-distance oceanic trade of Gujarati merchant networks in the northwestern Indian Ocean. They were also active in the early eighteenth century in the southern Red Sea where Mocha and other ports such as Aden provided them with their principal markets. Sources suggest that these Gujarati merchants overwhelmingly came from Diu, an island-entrepot located a short distance from the southern coast of the Kathiawar peninsula that had been under Portuguese imperial administration from the mid-seventeenth century. Some were from Daman, another Portuguese territory to the south of Surat that served also as an important shipbuilding centre for Portuguese and Indian merchants alike in the eighteenth and nineteenth centuries (Map 1.1). In Mocha, Viniyā worked as brokers, organized the banking sector and were prominently involved in the bulk trade with India. As consuls of gold and silver from Europe, the eastern

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7 Further details are provided in Arndt, Maritime India and in the many works of Anshu Das Gupta collected in Uma Das Gupta (comp.), The World of the Indian Ocean Merchants, 1500–1800 (New Delhi: Oxford University Press, 2001).

8 Although the meaning of the term "Viniyā" has proved somewhat difficult to define accurately, I have understood it to mean a caste-occupation category. For a detailed discussion, see Lalbhai Subramoniam, "Indian Ocean Capital and Empire" (1996); idem, "The Eighteenth Century State of the World: A产后 on the Relationship Between the Mughal Empire and the East India Company, 1700–1857" (Modern Asian Studies, 25, 2 (1991), 323.


Mozambique Channel. Gujarati merchants had visited and traded with the coast prior to the seventeenth century, of course; for example, at the end of the fifteenth century, Indian merchants from Cambay were trading with Malindi, Mombasa, Kawa and Zanzibar in commercial exchanges that appear to have been firmly established by this time.11 But despite this earlier presence, it would seem that regular and sustained Gujarati contact with Africa became a reality only from the seventeenth century and was mostly focused on the northern Swahili coast.12 These merchants went as far as in southern Arabia and the Red Sea, primarily Vänjåh from Diu.13 Yet, it was the markets of Jidda and elsewhere in the Red Sea, and the trade of ports such as Mocha and al-Shihār in Hadrama'ut that remained central to Vänjåh networks for much of the century.14 This changed dramatically in the first quarter of the eighteenth century, however, particularly in the vibrant entrepôt of Mocha, as conditions became restrictive and exploitative in the 1720s. Legally, Vänjåh had been granted akaham or protected minority status (for which they paid a poll tax) as a “gracious act” by the imam in 1655-66 because normally this status was bestowed only on monothetic communities in territories that came under Islamic law. While it offered imperial protection, this status involved restrictions on religious and commercial practices; some of these restrictions were overlooked but many were enforced strictly, resulting in an “inherent insubility” in the status of Vänjåh merchants, traders and brokers. Moreover, in the late seventeenth century, the imam of Mocha forcibly converted or ordered the massacre – together with Jewish traders and merchants – of many Vänjåh. This was compounded by their economic exploitation and heavy-handed treatment by certain governors who demanded large cash “loans” from the Indian community whenever the Royal Treasury was depleted. They often failed to repay them. Additionally, Vänjåh were also subject to payment to the governor of Mocha or the imam of entry and exit fees every time they arrived and left the port-city, and there were even instances when merchants were subjected to acts of violence to secure funds.15

We can get a sense of the damage of this treatment and its effects on Vänjåh involvement in Mocha by considering the experiences of the leading family of “Virachand”, who originated in Diu and whose members served as important brokers and merchants in Yemen at the end of the seventeenth century. When the father and founding member, Virachand, died, the business was taken over by his son Pambar in 1711. Perhaps sensing that circumstances were worsening for Gujarati merchants and businessmen in Mocha, Pambar returned to Diu in 1716 to settle unspecified “family business” and never returned. His brother assumed responsibility for the family’s financial and commercial concerns in Mocha, but around 1725 conditions for the family and other Vänjåh had worsened to such an extent that, according to ASHIN Das Gupta, they were being “persecuted” by the authorities. As a consequence of this treatment, the family, along with other Vänjåh merchants from Diu, decided to withdraw most of their capital from Yemen and the southern Red Sea trade, and sent back to Diu what money they could.16

The 1720s and early 1730s were thus decades of Vänjåh capital flight away from southern Arabia and the Red Sea, though Vänjåh merchants did not wholly abandon Mocha or the trade of ports such as al-Shihār. Indeed, it was never possible or desirable for Qāsimi imams to expel all Gujarati merchants from Yemen because of their need for poll tax revenue and for the important financial and commercial roles such merchants performed. Some governors even attempted to entice merchants back to Mocha.17 Nonetheless, in spite of their efforts, it is clear that Vänjåh investment and involvement in Yemen and the southern

14 It is possible that there was a bifurcation or segmentation of trade in the western Indian Ocean between Dīkār merchant networks concentrated on Arabia and the southern Red Sea and those focused on East Africa. Some may even have maintained interest in both commercial spheres. However, the sources are insufficiently detailed to provide a definitive answer.
15 These three paragraphs on Um, Marshan House, 165-7.
16 Das Gupta, “Gujarati Merchants”. The example of the Virachand family is cited also in Um, Marshan House, 165.
17 When he returned for a second term as governor of Mocha in 1730, Paqī Ahmad Khanādār endeavoured to attract the Vänjåh back to the city who had suffered under his predecessor’s rule. See Um, Marshan House, 169.
Red Sea had declined markedly, if not entirely, by the beginning of the 1730s.

**Looking west, heading south**

There has been a tendency to interpret the withdrawal of Gujarati capital from Yemen and the southern Red Sea as signalling that “the role and position of the Gujarats in the region [of the western Indian Ocean] declined considerably [at this time]”, and would improve only under conditions of “commercial revival of the nineteenth century and increased British involvement in the region”. It would be only then that Vāṇījya merchants returned “solidly in a dominant position in the Red Sea and north-western Indian Ocean trade”. The withdrawal of Gujarati capital from Yemen and the Red Sea is thus equated with commercial deterioration exacerbated by growing British competition, while the later “return” of Vāṇījya merchants to ports such as Massawa on the African coast of the Red Sea from the 1830s and 1840s is viewed as enabled by a European-led commercial revival in the region. While there is certainly truth to the claim that Vāṇījya (and other South Asian) merchants took advantage of emerging new commercial opportunities created by European imperial states in the western Indian Ocean in the nineteenth century, this interpretation grossly overstates the extent of their regional “decline” in the eighteenth century and fails to consider the commercial opportunities that merchants actively identified and exploited in markets elsewhere in the ocean from mid-century, particularly as this book shows, in Southeast Asia.22

Much of the Vāṇījya capital that left the Red Sea region, according to David Hardiman, was transferred to Gujar, where it was “manned ... increasingly to internal enterprise” and a rising proportion used to finance the “routine expenses of the day”. This may have been the case but only partly so, for Vāṇījya merchants did not retreat from the western Indian Ocean; instead, they redirected their commercial interests and reemployed considerable capital resources to the Mozambique coast. As previously noted, merchants from Diu, and to a certain degree Daman, had been active along the East African coast for much of the seventeenth century, and as their involvement in the northwestern Indian Ocean came increasingly under strain from the beginning of the eighteenth century, they redirected their focus to trade along the African coast of the Mozambique Channel from their base at Mozambique Island.

This island-entrepot, the administrative centre of Portuguese East Africa, was located a short distance from the African mainland and was accessible to ocean-going ships and coastal vessels. It served as a commercial, financial and redistribution centre for oceanic imports, such as Gujarati cotton cloths, and African exports that included ivory and slaves.23 In basing their African trade on Mozambique Island, Gujarati merchants were able to channel their investments into the East Central African interior and, eventually, into the Zambezi Valley of central Mozambique.

If Vāṇījya merchants from Diu, as well as Daman, continued to call occasionally at ports such as Mocha and Jidda until the 1780s and 1790s, they complained regularly that their trade was unprofitable there as elsewhere in the region. This included Mukalla in Hadramawt and, importantly, Muscat where Vāṇījya trade faced growing competition from merchant networks from Kutch in northwestern India that had become increasingly influential in the commerce of the Persian Gulf from mid-century.24 Kutch BīhāṬīyī, primarily from Mandvi, benefited especially from the development of an aggressive Omanī Bussaidi state commercial policy from the mid-1780s that was aimed at achieving a monopoly over Arabian Gulf trade. These merchants facilitated and became integral to the expanding Omanī commercial empire, supporting it financially and commercially by investing heavily in the cotton textiles export trade, notably in East Africa where burgeoning state commercial and political interests in Zanzibar resulted in the ruler, Seyyid Sāliḥ b. Sultān, transferring his residence there after 1830. The alignment of state and private merchant interests thus allowed Kutch BīhāṬīyī

22 Minns, Red Sea Gujar, 137-8.
23 Richard Pankhurst, “Indian Trade with Ethiopia, the Gulf of Aden and the Horn of Africa in the Nineteenth and Early Twentieth Centuries”, *Gazires d’Alénya Africaines*, 55, 14, 3 (1974), 459-70. An important Indian community of merchants was noted at Mocha around 1810 but these merchants were probably Kutch BīhāṬīyī. See Alim, “Indian Merchant Community.”
merchants to broaden their spheres of activity in the region of the western Indian Ocean.23

Taken together, the constraints that Viniyā were facing in the Persian Gulf and Red Sea restricted their opportunities and caused these merchants to reposition their capital and trade away from the northeastern Indian Ocean and focus their commercial interests instead in the African trade of the southwestern Indian Ocean. Indeed, from the 1740s and 1750s, Viniyā voyages to Mozambique and Southeast Africa rapidly supplanted those to the Red Sea, Yemen and the Persian Gulf as Viniyā merchants expanded their involvement in African markets and became increasingly entrenched in their commercial possibilities, particularly those connected to the ivory and slave trades in which Gujarati cotton textiles played a central role.24

This reorientation of Viniyā business to Mozambique reflected broader developments from the middle of the eighteenth century that these merchants both benefited from and helped to sustain. The Kathiawar peninsula, of which Diu formed a part and to which Daman was also closely connected, underwent a commercial efflorescence driven by robust consumer markets for the products of the Indian Ocean, and a highly productive cotton textile-manufacturing sector whose cloths were much sought-after among buyers in the western reaches of the ocean. Its mainland comprised a number of chiefdoms and principalities of varying size and political authority that, while formally under the control of the Mughals to which they paid annual tribute, were in reality under the administrative and organizational possession of local chiefs (zamindars or rajahs). However, through a process which began early in the century, smaller chiefdoms were absorbed by larger expansionist neighbours amid war and raiding caused by the disintegration of the Mughal empire.

23 Allen, "Indian Merchant Community", 41–5; and idem, "Bhopa, shers and sultanis: politics and trade in Mazar under the M.I. Bahl, 1785–1914", PhD diss., University of Washington, 1978; and Sobhanmam, Indipende Capital, 217–86; M. Reddy, Chittur, Trade and Empire in Mouse and Eastern: State of British Dominions (New York: Routledge, 1992). In the Red Sea, Viniyā merchants would also face competition in the 1730s and 1740s from Hadrami merchants who "extended their conquests in all of the ports" and in Jeddah "eventually came to engrave most of the port's trade."


25 IAG, CD 998, Saramento a Golfinhos de Sousa, 15 September 1785; CD 1001, Bichorro da Amatriz de Macau to Governor, 4 January 1790; CD 999, "Extracto da Carga de 4 navios vindos esta presente mocap de 1786, 1 de preto de Macaça e 3 da capital de Mozambique", 9 October 1786; and CD 1601, KAMAL F. NARUH, Anundji Jhin, Muli Raghunath et al. to Governor, 22 December 1786.
of the century Brazilian merchants seeking African plantation labour. For the French, slave demand originated in the establishment of sugar cultivation in the Mascarene Islands (Mauritius and Réunion), while Brazilian and Portuguese slave trading interests stemmed from southern Atlantic slave markets in Italy, Rio de Janeiro and the Río de la Plata in Spanish America. Slaves were also traded from Mozambique to labour in the Missina empire of highland Madagascar or transshipped by Swahili merchants to markets in the Arabian Peninsula and Persian Gulf. Additionally, slaves were also trafficked to the Cape colony where they were employed by the Dutch and English charter companies as well as their colonists. As with ivory purchases, slave purchases required the exchange in the African interior of Gujarati cotton textiles, and therefore ensured that Vaniyā merchants — leading cloth importers — became entrenched as vital economic actors in the commercial economy of Mozambique as it grew under extensive slave trading from the 1790s and early 1800s.

There was, though, an additional factor connected to the slave trade that made Vaniyā participation in it central to its operation in both the Indian and the Atlantic oceans. The capacity of Vaniyā merchants to accept payment for cotton textiles with silver pieces and paanas, Spanish silver dollars, that French and Brazilian slavers began shipping in sizeable quantities to coastal Mozambique was critically important to the structural dynamics of this multi-modal trans-oceanic trade. South American silver, acquired by Brazilian merchants in significant volumes through Luso-Spanish trading networks connected to the Río de la Plata in the third quarter of the eighteenth century, thus flowed into the western Indian Ocean to finance large-scale slave purchases. That Vaniyā merchants were able to sell cloth for specie was in turn related to the robust silver markets that existed in Kathiawar and Gujarat which helped finance the credit relations merchants maintained with bakers for their long-distance trade in the Indian Ocean. Silver also allowed merchants to negotiate favourable terms on financial instruments such as undas (bills of exchange) that were instrumental to the movement of capital within India and between the subcontinent and Africa. Thus, while demand for African slave labour in the southwestern Indian Ocean and southern Atlantic had spurred the growth of slaving in Mozambique, the involvement of Vaniyā merchants was instrumental to its functional dynamics.

These mutually dependent and reinforcing factors lie at the core of this book — rising African and Indian consumer demand for cloth and ivory as part of burgeoning commercial economies on both sides of the ocean, and the growth of slave trading financed by large-scale New World silver imports into the Indian Ocean. Together, they enabled the reorientation of Vaniyā interests away from the Arabian Peninsula and Red Sea and towards Southeast Africa.

Their redeployment of capital benefited, further, from changes introduced within the Portuguese imperial state to the commercial tax structure of its Asian territories. Reform of imperial commerce was a feature of this period, beginning with the “pragmatic” mercantilism of the Portuguese metropolitan reformer, the Marquis of Pombal, in the 1750s. Pombaline reforms aimed at “modernizing” Portugal and its empire by stimulating imperial trade in an effort to generate greater income for the financially weak Crown through the taxation of trade. This included an administrative separation of the African territory of Mozambique from the Estado da Índia in 1772 and the opening of Asian commerce to private metropole merchants in 1765.

Additional changes in the early 1780s, however, acted as a catalyst for commercial revival in the empire. They marked a departure from Pombaline mercantilist reforms by introducing “free” trade, which contributed significantly to stimulate “Portuguese”(this included Brazilian) trade with, and in, Asia until the 1830s and 1840s. They began in 1783 with legislation that lowered the export duty on goods from Goa to 3-4 per cent, and were followed in 1786 by the landmark Plano de Comércio that aimed to stimulate trade between Portuguese India and Mozambique through further reductions in import and export duties for Goa, Dhu and Daman. These carried advantages for Vaniyā merchants who stood to gain from the lowering of taxes on imports and exports of cotton textiles, ivory and slaves in Dhu, Daman and Mozambique. At Dhu and Daman, export duties were set at the low rate of 5 per cent, while imports 29


paid 3 per cent. 20 In Mozambique, fiscal reforms resulted in import duties being established at 10 per cent while exports were charged between 4 and 6 per cent. 21 Re-export duties from the island to "subordinate ports" (diaso, such as Quelimane and Inhambane, that were located south of Mozambique Island) were reduced from 40 to 30 per cent, and in 1793 were lowered again to 10 per cent.

The combined impact of these changes on Vâniyi merchants became evident soon after the reforms were passed – whereas two to three Gujarati vessels had been arriving in Mozambique annually from mid-century, in 1789 three vessels from Diu and five from Daman sailed into Mozambique Island. 22 But fierce debate and protestations among private Portuguese merchants in Mozambique who were concerned about Vâniyi competition resulted in re-export duties from Mozambique Island to southern ports being raised once again to 30 per cent in 1801. This high tariff was, though, often circumvented through "illegal" shipping, while customs rates to Diu and Daman for trade to Mozambique remained unchanged. 23

This may have served to offset, at least in part, the high re-export duties charged at Mozambique Island, and may thus have played a role in sustaining Vâniyi involvement in Southeast Africa into the 1830s and 1840s, when Kutchi Bhatiyai competition in the cloth and ivory trades would serve as the catalyst for another reorientation of Vâniyi commerce, a return to Red Sea ports such as Massawa, albeit in a very different commercial environment.

Business organization

The capacity of Vâniyi merchants to redeploy their capital resources to the African markets of the southwestern Indian Ocean relied, to a significant degree, on the nature of their business organization. How merchants managed and channelled their investments into commercial enterprises and transactions, considerations that were particularly important for

20 AHU, Mos., Ca 86 Doc. 22, Pedro Antonio José da Cunha to D. Rodrigu de Sousa Coutinho, 9 October 1800.
21 In 1801 imports to India were charged 4 per cent (AHU, Mos., Ca 107 Doc. 102, "Mapa de rendimentos que tiverem...", n.d. (But 1801)), and in 1813 they were set at 6 per cent (Ca 140 Doc. 8, "Rendimento de Almargues", 10 January 1812). Some officials regarded these fiscal changes as particularly favouring the Vâniyi. See AHU, Códice 1356, Luís Plino de Sousa to D. Élido de Sousa, 1796.
22 HAG, Pintura de Sáezes 2620, João Brites to João Gomes Loureiro, 1 December 1788; carta to same, 2 March 1789.
Merchants of the Ocean

Trade in cloth and all commodity purchases, along with extending credit to African and European merchants and transferring profits to India. 35

Junior members, the "travelling traders of Asia", made up the largest proportion of such firm's representatives in Mozambique, and it was they who were periodically the targets of complaints by both Portuguese authorities and private traders from the middle of the eighteenth century as their numbers and commercial importance grew in the African commercial sphere. 36 They circulated between Mozambique Island, the mainland directly opposite the island and ports along the southeastern coast such as Quelimane. Junior members were also sent regularly upriver from Quelimane to Sena, a significant trading centre in the Zambezi Valley, where Vâniyâ merchants established a presence in the 1770s to trade in cloth and ivory.

In many cases, kin members occupied the same position within a family firm's hierarchy. However, distinctions based on age, experience and reputation were clearly determined by one's place in this hierarchy. In the Punja family, for example, Pitambar Punja occupied the position of "partner" in Mozambique while his brother, Motichand Punja, served as a "clerk". While we lack details about the precise nature of, and relationship between, these positions, it appears that Pitambar had his own financial investments in the firm, in contrast to Motichand who did not have funds invested or direct access to the operational capital of the firm. 37

Kin members of family firms received some, if not considerable, training in early childhood in accounting and in the methods of the family business before leaving for Mozambique at a young age, where they were presented with an opportunity to develop their commercial skills and knowledge of the family business further. 38 The preparation of young boys for the responsibilities of a junior member was an important element of a firm's structure. Whether training was formalized, through specific institutions such as a trade school, is unclear. Certainly no evidence has surfaced for the kind of centralized training institution that existed in the

35 HAG, CDo 1067, Karaschand Harchand to Mancal Jett Goree Loureins, March 1821; ASU, Moc., Ca 005 Doc. 56, Armanchel Jadau to Governor-General, att. 7 March 1806; Ca 34 Doc. 18, Paapoom, Pemshchad Udhab, Terra Finaux, att. 24 June 1813.

36 ASU, Moc., Ca 33 Doc. 97-A, Anonymous to Governor-General, post 1799; Ca 36 Doc. 35, Jos. Per e Nôres, Duarte Anchole de Menes et al. to Governor-General, 14 July 1781.

37 HAG, Moc., Ca 128 Doc. 20, Duarte e Nôres to Antonio de Menezes de Maitzen by Pitambar Punja and Motichand Punja, n.d. (But 1809).

38 This was a common practice among South Asian merchants. See, for example, Irfan Habib, "Merchant Communities in Precolonial India", in James Tracey (ed.), The Rise of Merchant Empires: Long-Distance Trade in the Early Modern World, 1350-1750 (Cambridge University Press, 1990), 381-4.

Business organisation

seventeenth and eighteenth centuries to instruct young Julian Armenian merchants in the "arts of commerce". Merchants from Jaffa, members of a wide-ranging merchant network encompassing the Mediterranean and parts of the Indian Ocean, appear to have received training in a special trade school that had been established in the compound of the All Saviour's Monastery in Jaffa. 39 The Jaffa case, though, appears to be unique among early modern merchant networks. What occurred with Vâniyâ merchants, as it did more widely in South Asian networks, was that instruction in essential skills such as arithmetic and accounting was conducted informally by senior family members whose transfer of such knowledge among the young members of the family firm was part of a merchant's business education. 40

Young boys thus travelled with family firms' representatives to Mozambique, where they occupied the most junior ranks. A population list from 1820, for example, enumerated the number of merchant houses in Mozambique Island and each one listed its members according to their "rank". The names of the "principal" or senior merchant(s), in all but two cases the oldest members of the merchant house, were followed by their "servants" or "attendants", members of the family firm, and ranged in age from 15 to 45. Other evidence shows that as many as 20 per cent of Vâniyâ in Mozambique were boys between the ages of 10 and 19. 41 Laxmichand Morichand, whose biographical sketch began our story in the introduction to this book, was a prominent Vâniyâ merchant who (as we shall see in Chapter 5) invested heavily in the African slave trade of the late eighteenth and early nineteenth centuries. He provided credit to both African and European traders and merchants, having arrived in Mozambique in 1791 "with his family" as a young junior member of the family firm. By 1806, when he returned permanently to Jaffa for unspecified "family reasons", his reputation and that of his firm was assured as the "most creditworthy and opulent in Mozambique". 42

Vâniyâ family firms were not, however, constituted exclusively of members of the immediate and extended family. Although the evidence is fragmentary, it appears that in addition to junior family members who
travelled regularly across the Indian Ocean, Vâniyâ family firms also employed individuals from outside the family to work in the Africa trade. The use of such agents was not unique to Vâniyâ but was shared by such groups as the Chettiaris and Khojas, as well as Sindhi merchants, where it took the form of the shah-gumathâ ("credit-agent") system. Agents were, in all cases for which records exist, Vâniyâ by caste and were based primarily in Diu for reasons related to monitoring trust among merchants, a theme taken up later in the chapter. How they became part of a family firm is unclear but it is likely, given the social and commercial value placed on reputation and hence trustworthiness, that they were recruited based on their or their family’s “name.” Knowledge of an individual’s standing within the commercial milieu of Diu was shared informally among merchants through a verbal culture in which “talk and rumour” (and gambling among merchants on when ships might arrive from overseas) were apparently widespread on the island.

While this may have made obtaining reliable information about someone’s commercial history challenging, requiring reliance on a trusted source, it did allow family firms to make well-founded decisions about the individuals with whom they wished to work. Having an unsound reputation would exclude someone from consideration.

Business relationships with agents appear to have been structured around partnerships. “The Banians,” noted an observer in the 1790s, “make agreements with their correspondents who leave Diu for Africa for extended periods and send back from there ivory and other riches of the land.” Whether these were finalized orally or in writing is unclear because no partnership documents appear to have survived in the archives. Details of these terms are therefore unavailable; however, fragmentary evidence suggests that Vâniyâ merchants sent agents across the western Indian Ocean on contracts resembling the shah-gumathâ partnership, whereby, according to Claude Markovits, “capitalist partner, called shah, advanced the funds to one or several working partners called gumathas, for a specific kind of business operation for a certain duration of time, and was remunerated by a share of the profits.”

Markovits recognizes the existence of variants and makes reference to Naruvottin Camares, for which see the in-depth study by David W. Rodger, Gums and Capitalism in Colonial India: The Naruvottin Camares (Berkeley: University of California Press, 1994). For Mathur as, see Stephen Frank; Dali, Indian Merchants and Regional Trade, 1600–1750 (Cambridge University Press, 1994); and Scott Cameron, The Indian Diaspora in Central Asia (Boston: Brill, 2002), also, “Maharukh and Shatkarpur: Indian Diasporas in Historical Perspective”, in Gilbert Kool (ed.), Global Indian Diasporas: Exploring Trajectories of Migration and Trade (Amsterdam University Press, 2008), 31–43.

The agency system was also, according to Rajat Kanta Ray, “instruments in the acquisition of skills, experience and connections which...”
would eventually enable the agents to set up independent firms of their own.53 While there is no way of telling how often this may have happened among Vânjî merchants in the eighteenth century, there is evidence to suggest that it was not uncommon. Purnahum Jwoj served in Mozambique as an agent for the family firm of Anandi Jwan and once he concluded his contract, used the knowledge and capital he had accumulated from trading in Mozambique to set up an independent business with two brothers, creating a new family firm in the late 1790s.54 How agents concluded their involvement with a family firm before they were able to establish themselves independently is unclear but likely involved either an oral or written agreement acknowledging the termination of the partnership after all accounts — perhaps by presenting account books, as in the Julian Armenian case — had been settled. Failing to do so would have placed an agent at great risk of damaging his reputation, trustworthiness and credit that were essential elements of mercantile life, and for establishing a new firm.

Vânjî merchants did not, however, only establish and maintain business relationships with each other. By necessity, they had to engage African intermediaries in Mozambique who were instrumental in transporting Gujarati cotton textiles from the coast into interior markets and, in exchange, organize the purchase and delivery of goods such as ivory tusks for the Indian merchants at the coast. On Macassar, the mainland directly opposite Mozambique Island, Vânjî merchants relied on African agents called parasamas, who would travel from the coast to meet the large Yao trading caravans of the interior as well as regional Makua traders. Although its etymological origins are obscure, it appears that the term was a composite of words from one or more Indic languages and was often used to refer to a "messenger" or "courier" in southern and western India. A "pattamas" in the subcontinent was highly mobile but did more than simply transport trade goods — they played an important role in information gathering and sharing and were thus "figures central to the provision of intelligence and mediation in the mercantile and political spheres."55 It is unclear when the term began to be used in the African context but it may have been appropriated by the Portuguese in India and re-applied on the other side of the Indian Ocean where it became part of a broader

54 HAG, CO 1083, Purnahum Jwoj in Ternate General, 25 August 1796.
56 See, for instance, the discussion in Sebastiao Dalpad, Gina Lina-Azizitas, 2 vols. (Goiânia: Universidade de Goiás, 1973) 1, 186.
57 HAG, CM 1445, Vânjî merchants to Cavalcante, 12 May 1787.
58 This limitation was likely common throughout many of the lands of the western Indian Ocean, as it was in "Fakenham's Barans" in the eighteenth century. See Gigant Soedj, "Correspondence is Equal to a Meeting": The Composition and Comprehension of Letters in Eighteenth-Century Islamic Turfana", Journal of the Economic and Social History of the Orient, 50, 2-3 (2007), 175, 5.
59 Travels, Familiarity of Strangers, 155. Chapter 6 of this work provides an excellent discussion of commission agencies.
knowledge they accumulated about interior markets. This was invaluable in guiding Vśniąyi business decisions, particularly with regard to quantities and styles of cloth cargoes that were indispensable to long-distance trade and which put Gujarati trade at an advantage over Portuguese competition.

The focal location for the interaction and relationship between Vśniąyi merchants and *palamuara* were palamuara, tracts of land on the mainland opposite Mozambique Island, on which Gujaratis maintained houses for warehousing and meeting purposes. As I discuss later in the chapter, Gujaratis had acquired them in many cases as a result of Portuguese merchants (in some cases officials) defaulting on loans they had secured from Vśniąyi against the properties. Although some of the palamuara were rented from the Portuguese, they were mostly owned by Gujarati merchants. Indeed, according to one claim about Mousuri (a much frequented settlement a short distance on the mainland north of Mozambique Island), "no building had escaped possession by the Vśniąyi." 40 Although a list compiled in 1781 of owners of palamuara suggests this may have been an exaggeration based more on perception than reality, Vśniąyi ownership in Mousuri was indeed high and had been growing. In other parts of Mocambico, they owned "most of the houses, goods, slaves, cattle, buildings and palamuara." 41

These properties served essentially as trading posts where cotton textiles and other goods were stored for distribution into the interior and where ivory was brought primarily before being taken to Mozambique Island for shipment across the western Indian Ocean to India. They were also sites where detailed of *palamur* agreements were finalized and where Gujarati merchants had sexual relations with African women, the male offspring of which were often raised to become palamuara. While there are no details about how these relationships were formed or whether African children received specialized training to work specifically with Vśniąyi, they were an additional source of commercial labour from which Gujarati merchants could draw in the eighteenth and nineteenth centuries.

When the scope of Gujarati commercial activity broadened in the 1760s and 1770s to the Zambesi Valley, as part of efforts to penetrate ivory markets more directly, Gujarati merchants relied on the services of other, equally important, African agents. Vśniąyi established trading stores in Sena, a trading settlement on the Zambesi River that had been in existence since at least the fourteenth and fifteenth centuries (serving first coastal Muslim traders and later Afro-Portuguese as it became in the seventeenth century an important administrative and commercial centre, and a depository point for caravans bound for its northern and southern hinterlands), and engaged the services of professionalized African traders, the *vusambhi* (or *vusambha*), drawn from the Chikunda of the Zambesi Valley. Sena served as a base from which to organize trade into the Manica and Bunye regions of the interior, in particular to the trading fairs such as Masika that were centers of commercial enterprise. While in the seventeenth century individual Portuguese residents had sent trading expeditions from Sena, this changed in the eighteenth as increasingly trade was conducted by the *vusambha* due to political vicissitudes that resulted in powerful Rovani chiefs denying the Portuguese and others direct access to their country. In such a context, the *vusambha* emerged as the leading African agents for both Portuguese and Gujarati merchants firms. (["Their leaders", Malyn Neustitz has argued, "were able to organize porters and negotiate their passage through the lands of different chiefs. They knew the best routes to the fairs and what goods the market required." 42 This included trading to Zombo, a settlement and redistributive base far up the Zambesi River from Sena, that in the third quarter of the eighteenth century was an important centre of ivory supplies coming from the East-Central African interior. *Vusambhadi*, then, were theynchins in African trade, leading caravans through lands where travel was often difficult because of the terrain or political circumstances, and where passing through a territory always required the payment of a gift to be permitted to do so. These African agents were organized, disciplined and assumed many of the physical risks of commercial life in eighteenth-century Zambia. 43 Because they were made orally, details of the agreements reached between Vśniąyi merchants and *vusambhadi* are as elusive as they are for *palamuara*. It is possible, nonetheless, to get a sense of the nature of the relationship from scattered and partial evidence. Agreements were made verbally about such practical matters as the volume of goods to be traded but, generally, *vusambhadi* were given a great deal of latitude to achieve the best possible trading outcomes during the many months that they were away in the African interior. Gujarati merchants could not control supply

40 AHI, MG, Cat 16 Dec. 95, Jone Per? Nohens, Duarte Azevedo de Menezes et al. to Governor-General, 14 July 1781.
41 AHI, MG, Cat 16 Dec., 95, "Palmarea do Malavo e Coeru, 12 December the (palamuri) mainland for the Vśniąyi was cooccupied palm, which provided "purified" food. See "Mocambique e o Mataveri da India Portuguesa", 631.
43 Allen and Barros' *Umbanda* provide an excellent discussion of the *vusambha* in their recent history of the Chikuma from the middle of the eighteenth century to the first decades of Portuguese colonial rule in Mozambique in *Symbol and Reality: The Making of Men and Chikunda Ethnohistory in the Usualita World of South-East Africa, 1750–1920* (Portsmouth, NH: Heinemann, 2004).
Caravans led by vakhambadis from Sena in the lower Zambesi region could be attacked if there was disorder on the Sena praizes (leased Crown estates that formed the core of the Afro-Portuguese society of Zambesia) or in Barue, as often happened. Escaped slaves from the Sena praizes or dissident Barue households "building themselves strongholds in the broken escarpment country from which they could raid the trading caravans or plunder the villages of the praizes" were thus a permanent threat. Trading to Zambesi was physically challenging and involved sailing by boat up the Zambesi River to Tete and portage by land around the treacherous Cabora Bassa rapids; beyond the rapids, goods were once more transported by river port banks controlled by the Munomoapa who demanded payment from passing caravans. Additionally, caravans were attacked and robbed by starving populations whenever drought affected agricultural production, as occurred in the 1760s and again in the "great cycle of drought" that lasted from the mid-1790s until the 1830s. Under such fraught conditions, where the entire cargo of a vakhambadi's caravans could be lost and effectively spell the end of their trading season, Vâniyá agreements were informal and established under generalized terms.

An additional factor made this possible and highlighted a key difference from the relationship Gujarati merchants established with patamare: the vakhambadis were of slave status. However, they were not "enslaved" individuals in the sense that they could be sold or their movement circumscribed by a "master"; rather, social relationships were complex and slave status was, to a degree, malleable. It approximated that of a patron-client in which the former provided credit and trade goods that enabled the latter to function as a quasi-independent trader. The support and backing that Vâniyá (and Portuguese ambasadores of the praizes) provided vakhambadis, particularly during volatile periods, was an important source of both financial and—by the mid- to late eighteenth century—social and perhaps even political distinction in an environment in which being without a patron meant being vulnerable and therefore at risk. In the first few decades of the nineteenth century, increasingly this meant risk of enslavement as slave trading grew in the region for markets in the western Indian Ocean and even in the southern Atlantic.

Although there were instances when vakhambadis did not repay the goods that they had been provided on credit or absconded with cloth cargoes, the particular nature of the relationship and the economic incentives and benefits derived from continued cooperation (in particular access to Gujarati cotton textiles that were central to material exchange) mitigated against opportunistic and dishonest behaviour. Precisely how Gujarati merchants first established relationships with vakhambadis is unavailable, but in serving their patrons, these African agents were guaranteed a regular supply of trade goods in a relationship defined more by mutuality than by subservience.

Gujarati merchants also established business relationships with European merchants, especially Portuguese, French and Brazilian slavers who began to ship captives from the Mozambique coast in increasing numbers from the middle of the eighteenth century. Vâniyá had entered into partnerships with Portuguese merchants before the growth of slave trading in the southwestern Indian Ocean, of course, primarily for the supply of Gujarati cotton textiles, and some worked as brokers for high officials; these relationships developed out of necessity for the Portuguese, whose reliance on Vâniyá as importers of cloths that were considered the "currency of the land" and as providers of crucial financial services (discussed below) was inescapable. These business relationships with Europeans continued once the slave trade developed from the 1750s and 1760s, and in some cases deepened as Gujarati merchants entered into partnerships with some prominent Portuguese slavers with interests in the Mascarenes, Cape colony and Brazilian trade. Partnerships with Portuguese slavers were established for short periods and for specific voyages or purposes. For example, the prominent Vâniyá merchant Shobhachand Socawalch went into partnership with Joaquim do Rosário Monteiro in the early nineteenth century for voyages to the Cape colony where they sold slaves purchased on the Mozambique coast to Dutch and British buyers. Through Monteiro, whose mercantile connections seem to have stretched to Rio de Janeiro, the pair extended their involvement as partners in slaving to the southern Atlantic. Apart from providing financial capital for the voyages in the form of credit and textiles, Shobhachand purchased slaving vessels in Mauritius on which Monteiro sailed along

64 Bruce Hall has noted that Muslim merchants used slaves in the nineteenth-century Saharan to conduct trade on their behalf as a commercial strategy aimed at reducing risk. See "How Slaves used Islam: The Letters of Buried Muslim Commercial Agents in the Nineteenth-Century Niger Bend and Central Sahara", Journal of African History, 52, 3 (2011), 279–97; and "Buried Paths of Circulation in the Saharan Commercial Networks and Slave Agency between Ghardamer (Libya) and Timbuktu" (M.A.) in the Nineteenth Century", in Claudel et Hamou and Paul Lobre (eds.), Confins de Gabon (Pincemin: Marcus Winiars, forthcoming).

65 The details of these relationships are discussed in Chapter 5.

66 Ibid. 67 Mewle, History of Mozambique, 212. 68 Ibid., 213-16. 69 Isseman and Isseman, Slavery and Beyond.
the Southeast African coast and from which the Portuguese merchants organized the actual shipment of slaves.

As with Veniya merchants’ other trading relationships, it is unclear whether these kinds of partnerships were based on written agreements or formal contracts because none appear to have survived. Although documents detailing business relationships, such as letters of credit, bills of exchange and customs records with freighting manifests exist in the archival record, partnership agreements or contracts are conspicuously absent. It thus seems likely that, as with African agents, agreements about the terms of the partnership and its duration were verbal. As a Portuguese official suggests, merchants “meet in private at their houses and agree their business after much discussion.” While partnerships, such as that entered into between Shobachand and Monteiro, were not unique, it was only the most highly capitalized Gujarati merchants who were able to establish such agreements because they entailed significant financial contributions possible for only a few of the wealthiest Veniya family firms.

There is also evidence that Gujarati merchants sold cloth to French slave merchants on contract and may have established partnerships with Brazilian merchants from the early nineteenth century; however, its limited nature makes it difficult to arrive at definitive conclusions about how the small number of these particular business relationships were formalized. It is reasonable to suggest, nonetheless, that as opportunities arose to enter directly into the slave trade through partnership agreements, Gujarati merchants with adequate financial means would have considered such possibilities carefully in a context in which the slave trade was becoming dominant in the economy of East-Central Africa from the late eighteenth century.

Equally, this applied to the business arrangements that were developed with merchants and independent Swahili rulers of the northern Mozambique coast. Gujarati merchants had established commercial relationships in the 1760s and 1770s with “Arabs” and Swahili merchants from Zanzibar, Kilwa, Pate and the Comoros who visited Ibo, one of larger islands of the Quirimba archipelago located to the north of Mozambique Island, Quirimanga and Caboceira Pequena (settlements on the mainland opposite Mozambique Island) to purchase cotton cloths seasonally for the coastal slave trade. When available, Veniya also purchased ivory from these merchants. Elsewhere, Gujarati merchants traded regularly along the stretch of coast immediately to the south of Mozambique Island, at Sansul and Sansage that were ruled as independent sheikhdoms with whom the Portuguese had maintained strained relations. Their proximity to Mozambique Island made sailing there relatively easy, and voyages took place well into the nineteenth century under encouragement, especially from the sheikhdom of Sansage. Despite competition between Sansul and Sansage, and the disruptions that this sometimes caused to Gujarati commerce, Veniya managed to trade successfully at the latter with Makua merchants, who were leading African traders, in the first quarter of the nineteenth century.

The sustained mercantile activity with merchants in Ibo and at these Muslim settlements suggests that Gujarati merchants, at the very least, would have either entered into partnerships or reached trading agreements orally. Although trade was necessarily seasonal, Veniya were in regular contact with these areas and “carried news and information back and forth” to Mozambique Island. Unusually, in Sansage, they established a political alliance with the ruling class and managed to exert considerable political influence over the sheikhdom as it sought economic expansion. This influence, related to their mercantile capacity to supply cotton textiles that were vital for exchange along the coast and interior, may have negated the need for written agreements or contracts, as the incentives for the sheikh or Makua merchants to act dishonestly or behave deceitfully would have been low because the game could not match those from honest cooperation.

In India, also, Veniya business organization required commercial arrangements with non-Veniya, the most important of which were established with cloth brokers (dailas). These individuals served as critical intermediaries in connecting cloth weavers in Jambusar, a cotton-producing and weaving center in the interior of Gujarat that produced the overwhelming bulk of African textiles for the Mozambique trade, to Veniya merchants who through them were able to convey detailed information — likely through pattern books as I suggest in Chapter 3 — about textile styles and patterns most in demand among African consumers of the southwestern Indian Ocean. Brokers travelled to Ibo and Daman annually to collect this information, deliver cargoes, sent out outstanding debts for the advances they had made of textiles in a previous trading season or seasons and agree prices for the different types of textiles that were

53 HAG, CM 1447, António da Cruz e Almeida et al. to José Francisco Álvares Barbosa, 11 July 1656.
54 Hutton, “Trade, Society and Politics.”
sought by merchants in the following year. A broker, with whom a number of merchants could have agreements, conveyed textile orders to further intermediaries in Jambusar who in turn dealt directly with weavers. This protected weavers from direct contact with merchants and brokers, and thereby shielded them from possible harassment and exploitation in a practice that was common elsewhere in India. 68

Brokers received cash advances, and in many cases ivory trunks, as payment from Väntyő for cloth orders, though they were able also to provide textiles to merchants on credit in a system that seems to have rested entirely on verbal agreements. 69 Despite the possibility that weavers could refuse to honour their agreements with brokers (even after they had received cash advances to purchase raw materials such as yarn) and could therefore place both brokers and merchants in precarious positions, and despite the tensions that could arise between Gujarati merchants and dādāb over the settlement of payments for cloths, this aspect of Väntyő business organization operated effectively because it functioned as a mutually dependent system.

As much as merchants relied on weavers and brokers to supply them with African cloths, weavers depended on merchant capital for investment in their manufactures and for access to the ocean's export markets; in addition, they were protected from market fluctuations. Equally, brokers were reliant on the money and credit arrangements secured from Väntyő, who also guaranteed purchase, for their textile procurement in the interior of Gujarat. Shared economic interests underlay these relationships and motivated cooperative behaviour between the different parties. The economic incentives offered by repeated interaction, then, outweighed any immediate benefits that may have been derived from cheating or dishonesty.

"Not ideal men": trust, reputation and merchant competition

Central to the structure and maintenance of mercantile life, and an essential factor in long-distance trade, was trust. Commercial exchange

67 This point is developed in Chapter 3.
68 There is a similar system of "dādāb", as noted earlier in the chapter, which was limited to relatively few individuals. Gagan Sood has argued that the eighteenth-century Saurashtra and Bombay cotton industries had an even more pronounced dādāb system. See his "Correspondence Is Equal to Half a Meeting": The Textile Industry in Gujarat, in ch. 4 of the book.
70 Asianism, From the Indian Ocean, 1860.
71 Ibid., 179. The quote about Nautakhtis is from Rushdi, Cane and Capitalism, 100. See also Rushdi, "Bander's Trust and the Culture of Banking among the Nautakhtis of Colonial South India", Modern Asian Studies, 23, 3 (1989), 417-58.
to be a natural outcome of affective links, ties of family and of "closely knit communities" connected by religion, ethnicity or caste. It is thus assumed that these ties among what are often conceptualized in romanticized terms as "communities of mercantile trust" remove the need for trust-building measures. In other words, trust is seen to exist as a "self-evident attribute of a merchant community". Recently, however, scholars influenced by the New Institutional Economics have begun to explore trust as a rational calculation made by merchants in their commercial dealings and business transactions with fellow merchants. While contracting trade agreements with family, kin, caste or ethnic members may require less trust-building measures, it did not remove them entirely.

Rather, merchants involved in long-distance commercial arrangements made use of a number of measures and mechanisms to generate and regulate trust. The work of Avner Greif, in particular, has been influential in developing a reputation-based informal model of trust in which merchants are able to establish a linkage between past conduct and future utility through multilateral chains of information transmission. His examination of a particular North African Jewish group (the so-called Maghribi traders) of the eleventh and twelfth centuries revealed that merchants operated as self-interested rational actors who were able effectively "to monitor the integrity of their overseas agents" through the circulation of letters containing information about an individual's actions and commercial behaviour. merchant letters discouraged dishonesty because exposure meant sanctioning and marginalization, with the resultant serious damage to one's reputation. In this context of information transmission, trust is thus elevated from an unembellished reputation provided merchants with an incentive to conduct themselves honestly, while at the same time it offered a means by which to establish an agent's trustworthiness based on the experience of other principles. Greif was thus able to show that Maghribi traders, instead of relying on social sanctions or ethics to manage their business relationships, used the economic institution of the reputation mechanism to manage and monitor trust among members of their "cooperation". In identifying the role of reputation in regulating trust among medieval merchants and agents, Greif was thus able to demonstrate how informal institutions could play key roles in the organization and functioning of mercantile life. His insights have prompted debate among scholars about the role of institutions in long-distance trade and have generated interest among historians in how trust was actually generated and policed by merchant groups in the past. The recent work of Francesca Trivellato and Schooldi Aslanian is notable for its examination of these themes among the Sephardic diaspora of Livorno and Armenian merchant networks from New Julfa respectively in the seventeenth and eighteenth centuries. Importantly, while drawing extensively on Greif's contributions, Trivellato and Aslanian show that informal institutions, and other semi-formal or formal legal institutions could coexist in creating and monitoring trust among merchant networks.

For the Sephardi, a combination of legal mechanisms (contracts enforceable in tribunals) and "extra-legal commitments" enabled by chains of information transmission conducted in the form of letter-writing generated economic incentives and social control. Additionally, expectations were standardized by shared norms of behaviour. Among the early modern Julfa Armenian merchant network, merchants relied on an administrative and legal body known as the Assembly of Merchants to generate and maintain trust among coalition members. This body operated through formal and informal means as a centralized merchant juridical institution to establish trustworthiness and uniform business norms that enabled collective action and cooperation among merchants in Julfa and in Armenian merchant settlements in India and the Mediterranean. The Assembly of Merchants lacked written or codified rules or laws and met only as required by circumstances, for instance when a petition or appeal was filed by a merchant detailing malfeasance or some form of opportunistic behaviour.


41 Trivellato, Familiarity of Strangers, 13.


43 Francesca Trivellato, Familiarity of Strangers, 15.

44 Trumpe, "Trust in Gold".


46 Trivellato, Familiarity of Strangers.

47 For an excellent and detailed discussion of the relationship between Jewish courts (the so-called Portable Courts) and the Assembly of Merchants, as well as some of the ways in which merchants were compelled to behave in their dealings with one another, can be found in Aslanian, From the Indian Ocean, ch. 7.
Similarly, among Vâniyâ merchants, generating and maintaining trust was achieved through a combination of informal reputation-regulating mechanisms and the existence of a semi-formal institution, the Vâniyâ mahaján. Details of the former are scarce but there is enough evidence to suggest that, as with the Sephardim and New Julian merchants, the production and transmission of information through merchant letters spread knowledge about who was trustworthy and who was disreputable. Along with cargoes of ivory, cotton cloths and silver spears, Guaçar vessels carried letters back and forth between India and the African coast on which merchants corresponded with each other about commercial opportunities and conditions in Mozambique, and about Vâniyâ whose “public credit” had been jeopardised as a result of opportunistic behaviour or close association with an individual of questionable reputation. This correspondence flowing regularly across the ocean, “containing merchant information”, performed a regulatory function in spreading information about past behaviour and could thereby consolidate or undermine an individual’s reputation. It was critical for merchants to maintain their “public credit” among the commercial community because one’s “name” determined expectations about behaviour and was therefore an invaluable intangible asset in business relationships. A merchant’s reputation would indeed precede him and informed those seeking to conduct business with him as to what they could “reasonably expect”, as well as what sort of financial and commercial demands could be placed upon him for the successful completion of a transaction or business arrangement. Those whose reputations had been impugned and who were, for example, regarded as credit risks or unreliable, would be marginalized and run the risk of being unable to engage in future trading ventures.

For those with unblemished reputations, however, their creditworthiness and standing among their peers allowed them to operate widely in the Diu, Daman and Mozambique markets, and shielded them from suspicion when they suffered a setback. Kalyani Tairisi, a Vâniyâ merchant and shipowner of Diu, for example, lost a vessel in the voyage to Mozambique in the northeast monsoon of 1792. Although Kalyani suffered a financial blow as a result of the shipwreck, as a merchant “who always conserved his credit and reputation”, he was able to recover from the loss. Kalyani had insured the ship and its cargo but his creditworthiness and reputation

68 HAG, CD 1002, Diego de Melo ... to Governor, 8 February 1791; CD 1603, Chauhanco Cuney, Anantagiri Gama et al. to Governor, November 1790.
70 Mathravits, Global World, 260-1.
of accurate information — there was always much "talk" among Gujarati merchants in Diu and Daman — accusations and counter-accusations levelled by merchants were perhaps to be expected. Indeed, evidence suggests that they were commonplace, at least by the eighteenth century. In Diu, an acrimonious commercial environment had formed by the final quarter of the century, amid internal divisions and competition among Vithi merchants. Complaints and cases began appearing regularly before the Portuguese judge, as merchants levelled charges against one another. They crystallized into two opposing factions: one headed by Mulji Raghunath and the other by Kunwarji Narsinh. While it is unclear when the animosities between these factions had begun to form, the shipwreck near the Gujarati coast of a vessel owned by Mulji on its return voyage to Diu from Mozambique in 1784 revealed deep-seated divisions among the merchants. These were expressed through vehement representations to the court by both sides. They began when a number of merchants accused Mulji of ruining their "credit and honour" as the result of his "underhanded" tactics in dealing with the shipwrecked vessel's salvaged cargo. Led by Kunwarji, the "principal merchant of Diu", they charged that Mulji had been able to recover all the goods that the ship was carrying from Africa but had failed to distribute these to their owners, the consigning merchants. He was thus accused of lying about the loss of these goods, and (together with his partners) had "taken advantage of the situation [to] take nearly the entire cargo of the vessel". This had, claimed Kunwarji, resulted in significant losses of more than 500,000 sarfins for the merchants invested in the vessel. They were "ruined" as a result of Mulji's fraudulent actions, a merchant who it was claimed stood to gain handsomely from the value of the trade goods and also from the insurance payments he would receive as compensation for the loss.

Kunwarji Narsinh made a further claim in a separate declaration to the Portuguese judge that Mulji Raghunath had spread rumours about him having "cursed the vessel so that it would run aground". He was concerned that Mulji's "fraudulent" behaviour and "manifest theft ... committed with treachery and deceit of all the goods that were [carried as] cargo aboard the vessel" would severely damage his commerce; moreover, because Mulji had "defamed and insulted" his name not only in Diu but also in Mozambique by presenting "false papers about him to the Ouvedoria (sic) Geral (Judicial Court)" and had spread falsehoods about his commercial dealings on both sides of the western Indian Ocean, Kunwarji feared that his standing in the community had been irreparably damaged. Although probably tinged with hyperbolic language to sway the judge, Kunwarji even claimed that he had been caused such profound "fright and confusion" by these accusations that they had affected him physically and left him "bedridden from November [1783] to January [1784]."
The response from Mulji Raghunath was swift and presented in equally emotive language. Communicating through his partners, Tairsi Ambalvdas, Kanji Keshvari, Narlhi Samji and Premchand Sholbichand, he claimed in turn that Kunwarji Narsinh was being "aggressive" and "disruptive" of their trade, resulting in "the complete ruin of our credit and mercantile reputation". They maintained also that Kunwarji had made unfounded complaints and representations to the Portuguese authorities that were adversely affecting their "honour". Moreover, they stated that he and his partners, Anandl Ji and Ruchand Vada, were conspiring in duplicitous behaviour against them. Apart from his alleged "aggressive-ness", Kunwarji was characterized as a merchant seeking to enrich himself through the elimination of his competitors. The vitriolic tone of this response leaves little doubt about the animus that existed between the two factions.

From the perspective of the Portuguese authorities in Diu, the schism was regarded as a threat to the commercial life of the island and, by extension, to its trans-oceanic African trade. In possible consequences, a general rupture in trade, led the governor, Luis João de Souza Machado de Morões de Sarmento, to resign, his inability to resolve the differences between the merchants prompting his lament that "[W]ithout unity there cannot be commerce." Even though this may have been an exaggeration, it was no hollow statement, for the governor understood that such a deep-seated rift among merchants could jeopardize the vitality of Diu's African commerce, a branch of its Indian Ocean exchange that was vital to the Portuguese Indies state's fiscal revenues.

The surviving details of this case make it difficult to determine which of the factions, merchants aligned with Kunwarji Narsinh or with Mulji
Raghunath, were responsible for the deceit and fraudulent behaviour of which they stood accused. While on the one hand there is a suggestion in the evidence that Mulji Raghunath had the support of the "majority of merchants who cultivate commerce", there is also an indication on the other that he and his partners—as creditors of a number of merchants—had pressured and intimidated them for their support against Kunwari. Wherever the truth may lie, the possible ramifications of the situation caused the newly appointed Portugese Governor of Diu to prioritize the reconciliation of the two factions when he began his tenure in 1789. It is unclear how successful he was but at least Kunwari and Mulji appear to have made no more formal complaints to the Portuguese judge. While this does not necessarily mean that they no longer competed for predominance in the trade of Diu and Mozambique, the disruption to exchange across the western Indian Ocean so feared by the administration did not materialise. Vaniyá appear to have reached some form of resolution because Gujarati vessels continued to carry sizeable cargoes of cotton textiles to the African coast and in return ship large volumes of ivory and silver to the subcontinent after these years, as I discuss later in the book.

It is perhaps to be expected that merchants would seek to gain advantages over their competitors through whatever means were at their disposal—indeed, Ashin Das Gupta has shown, for example, that far from protecting their "common interest", Gujarati merchants in Mocha in the 1720s "saw one another as competitors rather than fellow merchants" and those who were better treated saw no point in combining with the others who had the worst of everything. Yet, the greater use of Portuguese courts and legislative institutions by Vaniyá is striking because of the existence in Diu and Daman of a semi-formal merchant institution that adjudicated disputes among its members, the Vaniyá mahajan. Mahajans had existed in Gujarat for at least eight centuries and played important organizational roles for merchants. Their precise nature has, however, been the cause of disagreement among scholars; for some, they were social organizations whose membership was restricted to narrow groups, while for others they were business organizations whose main purpose was in securing the commercial interests of a body of traders. Douglas E. Haynes has noted, though, that drawing a distinction between economic and cultural traditions is flawed because it ignores "the extent to which commercial and social preoccupations interpenetrated and reinforced each other in the culture of high-caste Hindus and Jains". Mahajan leaders were concerned with managing the collective integrity of the group "by formulating, then enforcing, codes of behaviour...[and] promoting more stable socio-commercial environment in which individual each could pursue greater security, profit and prestige."

In Surat, the focus of Heyne's work, there appear to have been two types of mahajan: an occupational mahajan that encompassed all the traders engaged in the same commercial occupation; and a Samast Vanik or "Hindu" Mahajan which was a greater mahajan involving families who belonged to a wide range of occupational groups and was often referred to as a "city" or "city-wide" mahajan. Among their commercial functions and roles, occupational mahajans were responsible for controlling who could practice a certain trade, pressured merchants to uphold their business agreements and, importantly, provided arbitration in settling trade disputes between its members. Those who failed to comply with the mahajan's ("headman's") decision could be ostracized from the community and information of their transgression and unscrupulous behaviour shared among members. The Samast Vanik Mahajan similarly played a role in managing community issues (along with other responsibilities) but because it enjoyed broader authority than individual mahajans, it was able to resolve conflicts between members of different mahajans. Both mahajans thus provided "critical arenas in which authority was generated and perpetuated."

In Diu and Daman, Vaniyá mahajans played an active role in the life of their members. Management of mercantile affairs and conflicts among Vaniyá were taken before the mahajan for resolution, and merchants deemed to have acted dishonestly faced the threat of marginalization by the community if they did not comply with its resolution. The mahajan was, however, susceptible to the influence of its leading members who, in many cases, were merchants of note with significant trans-oeconomic investments. Vejji Tairini, for instance, was a wealthy merchant in Diu who was "heavily invested" in the Mozambique trade. Vejji's status gave him an elevated position in the Vaniyá mahajan and seems to have allowed him to manipulate cases that were brought before it: "he makes grave threats and has arbitrary persuasions in his private councils called decisions of Mahazan (Mahajan)". As a merchant of considerable means, he thus

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106 HAQ, CD 998, de Sammers to Viceroy, 20 November 1785; CD 998, Kunwarji Narbhé, Elhadad Dastur et al. to Overseer Gram, 26 October 1794.
109 Both quotes come from ibid., 61.
110 Ibid. Useful also is Subrahmanya, Indusgnc Capital, 122-4.
111 HAQ, CD 1056, Luis Manuel de Moniz to Portuigal Government, 12 March 1826.
appears to have been able to exploit the mahajan to serve his own ends. This kind of opportunistic behaviour was not, however, uncommon among wealthy and influential merchants in Viniyā mahajans elsewhere in India, as competition compelled merchants to act as "not ideal men." 107)

For Vejji Tārīnu, this was further reflected in the close relationship he maintained with the Portuguese governor of Diu as a means to wield even greater influence across the island. 108

That the Viniyā mahajan was susceptible to manipulation by its prominent members may help explain why Gujarati merchants took complaints to the Portuguese juridical authorities in the eighteenth and nineteenth centuries. Even though merchants risked public exposure of their business dealings by doing so, and did not entirely abandon the mahajan for the court, merchants in both Diu and Daman increasingly brought complaints, petitions and cases before Portuguese judges from the 1750s and 1760s. This turn to the legal infrastructure of the imperial state may also have reflected a further weakening of the mahajan as an instrument for arbitration, resolution and generating trust among merchants: its inability to be exhaustive. While it functioned in principle as a semi-formal institution that could, through collective action, threaten to marginalize individual merchants who were found guilty of malfeasance, its authority and capacity to generate trust between merchants may have been more limited than is often assumed. Moreover, the "communal" or collective solidarity that was central to the functioning of the mahajan was likely insufficiently strong to prevent conflicts between parties from entering the public domain, and thus compromise business and the image of the Viniyā community. 109

Viniyā may have sought to appeal to Portuguese courts as an institutional complement to the mahajan, especially in cases where merchants were antagonistic to a particular ruling of the latter. 110

108 RAM, CD 1006, de Mattos to Provincial Government, 12 March 1826.
110 It is also possible that communal solidarity among the Viniyā was weakening at a time when the political and economic landscape of South Asia was undergoing profound change. The increasing presence of the British in Western India, coupled with the dangers of attack at sea from French and Maratha vessels, and the competition from other merchant groups in the western Indian Ocean such as the Konkan Bhātārī, may have contributed significantly to the creation of a commercial environment in Diu and Daman

Appeals to Portuguese judicial courts by Gujarati merchants reflected, further, an awareness of their rights of appeal as imperial subjects of the Crown. 111 Although Viniyā regarded certain aspects of Portuguese rule to be intrusive and overbearing, such as increases in customs rates in Diu and Daman or attempts to restrict their movement in Mozambique, they were willing to accommodate the official Portuguese presence because it provided an additional, or auxiliary, authority to which they had access as imperial subjects and which suited their needs. Particularly from the mid-eighteenth century, merchants were often explicit in asserting their rights and expressing their loyalty as subjects of the Crown in correspondence with Portuguese authorities. 112 As such, they had full rights of appeal to the legal institutions of the state. This assertion of rights was related to changes in Portuguese official attitudes to the Indian inhabitants of its imperial territories. From the 1730s and 1740s, driven by "modernizing" tendencies that predated the reformist impulses of the Pombaline policies implemented after mid-century, there was a marked shift towards dissolving the distinction between "Indian" and "Portuguese" subjects with the explicit aim of creating a subjecthood defined by equality before the law. 113 Viniyā appear to have taken advantage of this change to invoke rights as vassals of the state in their appeals, petitions and declarations to Portuguese authorities. 114

The interest from Gujarati merchants in invoking their rights as imperial subjects was sustained by the capacity of the state to enforce its authority. Although it often faced difficulties in doing so, due largely to a shortage of manpower and inadequate financial resources, merchants could benefit from the intervention of the court and other state bodies.

In 1757, "intrigue" within the Viniyā merchant community was brought in which solidarity between merchants of the same town was, paradoxically, weakened. In uncertain conditions, competition between merchants may have become heightened as economic interests were pitted against one another for a share of the ocean's markets. 115

The use of colonial legal structures was not unique to the Viniyā, of course, as the examples, among others, of Chācārī merchants in di Straits (who "were not slow to avail themselves of the low") and Yohashima Shinto merchants attest. However, in most cases, Asian merchants brought cases before colonial courts only once colonial law had become codified from the mid- to late nineteenth century. See, "Chinese Financiers", 256; Marston, Global World, 259-60.

See, for example, RAM, CD 137, Mestre to Provincial Government, 9 January 1822; CDU 1063, "Measures to prevent smuggling..." to Victory, n.d. [1813].


See, for example, MUL, Misc., C. 14 Dec. 27, "Corpo dos flançantes", enclosed in Victory to Crown, n.d. [but 1756/1757]. It is worth noting that Gujarati merchants reported a similar claim in Mozambique in the early eighteenth century in response to an edict issued by the colonial state prohibiting them from trading. See Rochelle Pinso, "State and Imperial Trade: Accounts of East Africa in Goa", South African Historical Journal, 57, 1 (2007), 91.
before the Portuguese authorities. Pursottam Jivari made a declaration to the Diu judge that his deceased employer’s widow had accused him of stealing from her. Pursottam had worked in Diu for the firm of Anandji Jivan whose business was centred on trade with Mozambique. Upon his employer’s death, Pursottam began working for an unnamed widow who, together with a kin member, Nathu Samoji, were heirs to Anandji’s holdings and property. When he was accused of stealing by her and Nathu Samoji, Pursottam left the employ of the family and moved away from Diu because they had threatened to kill him. In his absence, all his goods were “confiscated” by Anandji’s heirs and the debts owed to Pursottam were “stolen” from him.

If his safety could be guaranteed, he assured the judge, he was eager to return to Diu to prove his innocence and to resume the business and trade he had established with three brothers in Mozambique. He worried that a prolonged absence would be damaging to their business. Pursottam thus sought a licence from the court (to be administered by the military office of the Lieutenant General) to allow him to return to Diu under state protection in order to clear his name. When it was granted, Pursottam was escorted by soldiers to the island from coastal Kathiawar where he had taken refuge. Although there are no details of the evidence he may have presented to the court as proof of his innocence, it was enough to convince the judge to issue an order instructing Anandji Jivan’s heirs to cease their pursuit of him. It seems that the order was respected, for a few years later Pursottam was trading once again in Mozambique having been able to “recover his reputation [and] credit”.115

Gujarati merchants could also draw on the penal capacity of the state, limited as it was. We return to consider Kassam Manchand, who— as discussed earlier— had accused Manachand Savai publicly of dishonest behaviour in claiming to be Haribhai Kesar’s business partner. This accusation, while potentially damaging to the latter’s reputation, appears to have been part of Kassam’s modus operandi. This resulted in a large group of merchants issuing a formal complaint to the Portuguese governor regarding his “aggressive” and “intimidating behaviour” towards them. One of these merchants, claimed Kassam had attempted to destroy his credibility by spreading “false” stories about his ability to repay loans. Kassam was accused, additionally, of being a “favourite” of Judge Vicente Salvador Rodrigues, and as such was seen to exert undue influence over the court’s rulings, especially when it came to his competitors.116 Merchants were perhaps justified in their concern for how operators such as Kassam could manipulate officials who were known to engage in commercial activities themselves.117 The number of merchants making this complaint, and the evidence they were supposedly able to present, convinced the governor to jail Kassam sometime in 1820. But the judge, in a development highly suggestive of his corruption and close relationship with Kassam, secured the merchant’s release on the grounds that “the prisoner should not suffer further personal damage without guilt”.118 While the intercession of Rodrigues may have freed Kassam from jail, it likely did nothing to repair the further damage that this public humiliation would have caused to his reputation generally among merchants. Kassam may have actually tacitly admitted his guilt by not responding to the accusations and was likely marginalized by Viniyita because there is no further trace of him in the archival record.

In spite of its limited means and the corruption of some of its high-ranking officials, Viniyita’s merchants were nonetheless able to benefit as imperial subjects from their relationship to the state. They, therefore, used both their own community regulatory institution—the seabaan—and the judicial institutions of the Portuguese imperial state to serve as mediators of internal struggles and competitive disputes.

Coordinating collective action

In taking cases before the court, Gujarati merchants could also coordinate collective action to protect their interests as a group when faced with Portuguese state malfeasance. We see this clearly when prominent merchants of Diu jointly accused the state’s customs officer, Anastasio Aureliano Pinto, in 1810 of corruption and of “severe and unjust actions”; these were repeated in 1812 but supplemented with the claim that he was intentionally delaying the processing of ivory cargoes shipped from Mozambique. Goculdas Nathu, Jagivan Khushal, Virchand Anandji and Sangaji Pursottam, principal merchants of leading family firms, recounted their experiences of long delays of several weeks for their shipments, with the result that Goculdas faced having to withdraw his ship

115 IAG, CD 1066, Viniyita merchants to Governor, n.d. [but predating December 1820].
116 IAG, CD 1066, D. Lozano de Noronha to Vicerey, 21 September 1820. South Asian merchants therefore were known also to manipulate officials to their own advantage. See, for example, Marvins, Global World of Indian Merchants, 200.
as the barco de viagem for the following trading season. The perquisites afforded such a vessel in the trade with Mozambique (as I show in Chapter 2), such as being permitted to load its cargo before other vessels, gave merchants an advantage over their competitors and made the nomination of a vessel a highly sought-after privilege; relinquishing it was thus a dramatic step for a merchant to contemplate. As a result of Pina's actions, which included threatening Gocoalas with imprisonment in response to the merchants' case, the Vânia merchants sought his removal from office.\textsuperscript{119}

Merchantoppoebitum at times be directed at the highest offices, including that of the judge himself. As Capitão-Mor dos Banhães (a position created by the Portuguese for the "leading" Gujarat merchant whose role it was to mediate relations between Vânia and the imperial state), Sorechard Veljî presented the governor of Diu with a formal petition in 1816 requesting the removal of the Oudião, Antonio João Lobo, from office. Referred to in the petition as a "chief", Lobo was accused of extorting money from and inflicting "false rulings and punishments" on members of the merchant community. His actions were proving disruptive to commercial life and, it was argued, the problem could be addressed only by ending his tenure as judge. The collective pressure from Vânia merchants, evidenced through the testimony of numerous aggrieved merchants, proved decisive in the case - Lobo was relieved of his duties in the same year by Governor Maurício da Costa Campos.\textsuperscript{120}

When acting collectively to protect their commercial and financial interests, Vânia merchants were often explicit in detailing how the Portuguese imperial state benefited from their business interests. This is nowhere more evident than in a series of documents in which 17 leading merchants addressed a number of charges that had been levelled against them by the Portuguese authorities and 

\textsuperscript{119} HAG, CD 1005, Sorechard Velji, Catarineh Kusnari, Virchad Anandji et al to Coronel Castro Correia, 10 November 1810; Vânia merchants to Coronel Castro Correia, n.d. (but probably 1812). Other examples of complaints can be found in HAG, CD 986, 895, 1055-6, 1808.

\textsuperscript{120} HAG, CD 1004, Memorando da Costa Campos to Count de Sardenha, 20 May 1816.

\textsuperscript{121} AHU, Moç. Ca 35 Doc. 59, "Reposta dos mercadores ao Díz. . .", 28 June 1781; "Reposta dos mercadores aos . . .", 14 July 1781; "Reposta dos mercadores a Díz. . .", 3 August 1781; "Reposta dos mercadores a Díz. . .", 9 August 1781; "Reposta dos mercadores a Díz. . .", 4 August 1781.


\textsuperscript{123} Vânia responded to these charges with a sound appreciation of their importance to the commercial and financial viability of imperial trade, as much in Mozambique as in Diu and Daman. In a carefully worded response to the prohibition that authorities had imposed on their mobility and trade with the African interior in 1781, Vânia merchants stressed the effect of such action on the Royal Treasury: a drop in customs duties of more than 30 per cent. Should this have been insufficient to convince the governor and officials of their indispensability to the state, the merchants strengthened their case that "our commerce is the most useful to the Royal Treasury through the duties it generates," by noting that between 1770 and 1781 their trade had generated over 400 million réis in duties payments, an enormous sum. They added that, apart from the considerable risk associated with long-distance trade between India and Mozambique and the significant financial investment it entailed, they provided credit to merchants in the form of cotton textiles that was vital for the functioning of the African commercial economy.

These remarkably candid responses to what was considered an overbearing intervention by the state were intended to act as a bulwark against the threat of Vânia removal or curtailment of their business in Mozambique. Despite continued attempts in the 1780s to suppress Gujarati participation in the economy, the Portuguese were inevitably unsuccessful precisely because of the indispensability of Vânia merchant networks in the commercial spheres on both sides of the Indian Ocean, as well as their large contributions to state finances through customs payments that would remain a feature of their involvement in Sub-Saharan Africa. Vânia merchants, quite clear, were aware of their critical role and used it where necessary in ensuring the smooth running of their business ventures.

\textbf{Agents of credit and finance}

In drawing attention to their financial role as credit providers in Mozambique, Vânia merchants highlighted a key aspect underpinning the range of commercial relationships that Gujarati merchants were able to sustain. The availability and extension of credit was critical to the functioning of commerce and trade, and was therefore central to merchant life. Credit in Diu and Daman operated across all levels of commerce, from the procurement and provision of textiles in the interior of Gujarat to the
purchase of trade goods such as ivory tusks in Mozambique. Brokers who acquired cloth for the export trade and African intermediaries and traders who brought ivory and slaves to the coast all operated through the provision of credit from Vâniyâ merchants who, in turn, financed much of their business with credit from sarafî ("bankers") in Surat. Although its position in western India as a premier trading and manufacturing centre was gradually undermined by the development of Bombay from the late eighteenth century, Surat remained a significant financial centre well into the nineteenth century. A merchant’s ability to raise credit depended on their good standing, reputation and therefore associated risk among bankers and their peers, and it was thus critically important for merchants to maintain their "creditworthiness" and be under no "suspicion" in the market place regarding their capacity to meet debt obligations. Loss of credit could, at the very least, make raising capital difficult and at worst could result in such devastating consequences as the loss of one’s business.

Sarafî in Diu lent money and managed credit arrangements both with Vâniyâ merchants, Portuguese traders and officials and with local rulers in Kathiawar. Rates of credit were charged according to an individual’s reputation, and could be secured using collateral such as sailing vessels, ivory cargoes and even African slaves. Portuguese merchants could secure credit at 6 per cent, and in the mid-1790s, sarafî were willing to lend to regional rulers at rates of between 10 and 15 per cent that reflected the perceived risk of default on repayments. Rates for Vâniyâ merchants were available from these bankers at or below 5 per cent. Vâniyâ also extended credit to one another as below-market rates, with senior members of family firms providing goods on credit at favourable rates to junior members who were thereby capitalized with commodities that were in demand in Mozambique, particularly cotton textiles. With their access to extensive credit resources, Vâniyâ merchants were able to service the needs of both private and state commercial interests in Mozambique. Indeed, widespread indebtedness to Vâniyâ was a feature of the eighteenth- and nineteenth-century Mozambican economy and confirmed their prominence as financiers and suppliers of credit for the African trade. Already by the middle of the eighteenth century, financial records showed the extent of public debt held by Gujarati merchants between 1752 and 1797, for example, 73 per cent of state debt was in their hands, while in 1809 approximately 60 per cent of the credit made available to the Portuguese Royal Treasury was held by Vâniyâ. Debts to individual merchant could, however, vary enormously in scale. Jetha Raghunath was owed the considerable sum of 4,55,320 riyas in 1756, and in the first decade of the nineteenth century just two merchants, Laizmâncòotâ and Shobhâncâotâ, provided 27 per cent of the credit to the Royal Treasury. By contrast, Jetha Madhavi held debts for the small amount of 97,000 riyas, and merchants such as Anamchi Déitâcham, Amirchand Moghi and others were responsible for less than 1 per cent of credit provision to the state in Mozambique.

Private trade depended also on Vâniyâ credit, which Portuguese merchants could secure at rates of around 10 per cent. While information on the rates that African agents may have been charged does not appear to exist, they were likely higher because of the increased risk of loss of credit at 6 per cent, and in the mid-1790s, sarafî were willing to lend to regional rulers at rates of between 10 and 15 per cent that reflected the perceived risk of default on repayments. Rates for Vâniyâ merchants were available from these bankers at or below 5 per cent. Vâniyâ also extended credit to one another as below-market rates, with senior members of family firms providing goods on credit at favourable rates to junior members who were thereby capitalized with commodities that were in demand in Mozambique, particularly cotton textiles. With their access to extensive credit resources, Vâniyâ merchants were able to service the needs of both private and state commercial interests in Mozambique. Indeed, widespread indebtedness to Vâniyâ was a feature of the eighteenth- and nineteenth-century Mozambican economy and confirmed their prominence as financiers and suppliers of credit for the African trade. Already by the middle of the eighteenth century, financial records showed the extent of public debt held by Gujarati merchants between 1752 and 1797, for example, 73 per cent of state debt was in their hands, while in 1809 approximately 60 per cent of the credit made available to the Portuguese Royal Treasury was held by Vâniyâ. Debts to individual merchant could, however, vary enormously in scale. Jetha Raghunath was owed the considerable sum of 4,55,320 riyas in 1756, and in the first decade of the nineteenth century just two merchants, Laizmâncòotâ and Shobhâncâotâ, provided 27 per cent of the credit to the Royal Treasury. By contrast, Jetha Madhavi held debts for the small amount of 97,000 riyas, and merchants such as Anamchi Déitâcham, Amirchand Moghi and others were responsible for less than 1 per cent of credit provision to the state in Mozambique.

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Agents of credit and finance

The dominance of Gujarati capital in the financial sector of Mozambique reflected the extent to which credit offered by Vilaíns was central to economic life. In a context in which "formal" banking institutions did not exist, Gujarati private capital and credit resources were indispensable in facilitating exchange in the territory and, thereby, in connecting it to the broader commercial cross-currents of the western Indian Ocean and Atlantic. But for the Portuguese, this was overshadowed by a view that the state and traders had become dependent on Gujarati credit and loans. As a result, they were "ruining Portuguese trade", and Vilaíns were characterized as "birds of prey", "rapacious" and "usurious". Yet, despite attempts to curtail Vilaín involvement in the commercial economy of Mozambique by restricting movement away from Mozambique Island or to expel them from the colony altogether – an approach adopted in the 1770s and 1780s – it was inescapable that in making capital available for state and private trade, Vilaíns were indispensable to the structure and functioning of trade.

The centrality of Vilaíns' financial activity to the Mozambican trade was a reality that, if only reluctantly, the Portuguese were forced to accept: "They [Vilaín merchants] are the ones who animate commerce because the Portuguese [merchants] cannot match their financial capacity as they are few in number and have limited means to effect much [economic] impact." Thus, despite the "great sums" that they were owed by the Portuguese state and private merchants, Gujarati merchants were responsible for "sustaining" and "maintaining" the commerce of Mozambique by what they "gave on credit". Because of the nature of the structure of trade in Mozambique, in which exchange with the interior was conducted through African agents who could be away from the coast with cargoes of Gujarati textiles for two or more years and often faced the threat of theft of their goods, the capacity of Vilaíns to provide long-term credit to both Portuguese and African traders was essential.

Note: The numbers in the text correspond to the footnotes at the end of the document.
Their extensive provision of credit throughout much of the coast and interior of northern and central Mozambique meant Vânia merchant travelled regularly from their base at Mozambique Island to recover debts throughout coastal northern Mozambique. As a creditor of "most" of the Swahilis and Makua chiefs of Macauza in 1789, Naathu Vissaram was often away settling debts and managing his financial interests. This was done partly on a palmar where Naathu owned a house. He travelled also to "loans" (trading posts) in Quelimane, Sena and elsewhere in the Zambezi Valley. Increasingly, Gujarati merchants established stores from the middle of the eighteenth century as they expanded their commerce from its base at Mozambique Island and focus on Macauza and northern Mozambique. Like palmers, they operated both as traders where credit arrangements with African agents were finalized and debts settled, and as redistributive centres for trade goods. 138

A key difference, however, was that Vânia acquired palmers as the result of Portuguese merchants defaulting on loans. Although few details survive, it appears that Portuguese merchants were able to secure loans by mortgaging land and property. This gave the creditor financial control over the property and allowed him to foreclose if the debtor failed to meet their debt obligations. 140 As noted earlier, this resulted in a number of properties on the mainland opposite Mozambique Island, in Mozurit and elsewhere in Macauza, coming into the possession of Gujarati merchants from the 1750s as the commercial economy expanded around textile, ivory and slave trading. The proportion of land owned by Vânia in relation to that owned by the Portuguese thus began to grow in coastal northern Mozambique. This was augmented by Gujarati property and land purchases - for example, Vânia bought machambas and palmers on Mozurit, Lombo and other places on the northern Mozambique coast in 1804 and 1815. 141 On Mozambique Island, where they also rented properties from the Portuguese state and church, a small number of wealthier merchant owned properties in an area of concentrated Vânia residence in the east of the island-capital, the so-called "Rua dois dos Bambus." This included residences and warehouses where goods were collected and stored for redistribution and export.

138 AHU, Moz., Ca 31 Doc. 12; Antonio Manoel de Melo e Castro in Senado de Camara, 22 February 1796; Ca 101 Doc. 6; Passport for Makanaduj Merii, act. 7 August 1807; Doc. 31; Passport for Trancehad Cumpul, act. 20 August 1803; Ca 98 Doc. 67; Passport for Binhad Mini, act. 29 March 1813; Bye. 139 AHU, Moz., Ca 31 Doc. 38; Vicente Castro-Mota Voscarilhos to Governor, 1780.

140 AHU, Moz., Ca 302 Doc. 32; "Representação do Pimente Pompa," act. 2 January 1804; AHO, Fondo do Século XIX, Cédula 11-4486.
time, of a certain sum of money to a person named therein.¹⁴³|Handi| were handled primarily by sarvaj, who used them to finance commerce; they charged discounts on the bills to cover interest, the cost of insurance and the transmission of money. Because they were fully salable, a merchant with cash on hand could invest in handi by discounting them. The acceptance of handi in the market rested on the reputation of the sarvaj who issued them. Handi could also be used for cash advances and were thus a significant instrument for extending credit to merchants. Sales of handi had become so widespread in Gujarat by the eighteenth century that commercial payments were usually made in these bills and seldom in cash. They were thus used principally if not exclusively in all cotton purchases by Indian and European merchants alike, and were even integral to financing British military efforts in western India.¹⁴⁴ The reach of the handi network stretched from Surat in Gujarat to Mursidabad in Bengal, and few if any transactions were conducted in India without them because they offered merchants a more secure medium for transferring or remitting funds and specie from one location to another.

This included locations scattered throughout the western Indian Ocean, allowing merchant family firms in India to move capital safely and efficiently between networks and agents in the Red Sea, Persian Gulf and East Africa. We thus find that among Vāṇīyā merchants in Mozambique handi were used extensively in financial transactions and were key instruments for the transfer of money to and from India. Large sums were often involved - in the mid-1780s, for instance, merchants were using handi to remit 500,000-400,000 cruzado annually to Diu.¹⁴⁵ Wealthy merchants could hold several bills at any one time, as demonstrated by Laormant Motiozhi whose handi in Mozambique in 1807 were valued at the extraordinary amount of 200:05£40 nis. They were held for Gujarati and Portuguese merchants who sought to transfer capital funds within

¹⁴⁵ BHU, Moc. Ct. 47 Doc. 59, “Registo da carta que a Caintara escreveu...”, n.d. [but 1784].
markets of Kathiawar and Southeast Africa and at the same time was a key component in their development as part of burgeoning commercial economies on both sides of the Indian Ocean.

The nature of their business organization, however, provided the foundational structure on which they developed and consolidated their trade. Family firms were key units around which merchants based their commerce, where partnership agreements with agents who travelled abroad from India as well as with African agents in Mozambique were key to its successful operation. Equally important, was generating and regulating trust in business relations, either through the semi-formal Vaniyik organization, the muhajam, or the Portuguese colonial institution of the court. The latter, it has been suggested, may increasingly have supplanted the former in the second half of the eighteenth century as merchants sought to draw on the judicial authority of the colonial state as subjects of the Portuguese Crown. Although enforcement was limited due to financial constraints, merchants nonetheless brought cases against one another in the office of the Portuguese judge that could threaten to undermine or enhance the reputation, and hence trust, of an individual, while at the same time it legitimized the very existence of that office. Nonetheless, the merchant competition that prompted court cases dissolved in the face of threats to the broader merchant community.

Vaniyik merchants understood how vital their financial and commercial contributions were to the Mozambique economy and income of the Portuguese state, and used this to their advantage by coming together to communicate this to the latter in compelling language. The central place of Vaniyik merchants in propelling, and undergirding, the trade and economy of Mozambique, Diu and Daman by the middle of the eighteenth century was simply undeniable and also facilitated and was connected to Portuguese imperial trading interests.

Their success in trans-oceanic trade was related, moreover, to control and ownership of shipping vessels large enough to transport their bulk cargoes between India and Africa, and it is to this topic that we now turn.

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2 Crossings

The Indian Ocean lives of Vaniyik merchants were intimately bound up with oceanic crossings between India and Africa. They made these voyages in well-constructed ocean-going vessels that enabled regular patterns of aquatic circulation in the eighteenth and nineteenth centuries. Their ships were well equipped and manned for the long and at times arduous voyages between Kathiawar and Gujarat and the Mozambique coast. Oceanic crossings in the western Indian Ocean were a well-established part of Gujarati commerce by at least the fifteenth and sixteenth centuries, with merchants from Surat making annual voyages to Mocha and other ports in southern Arabia in the seventeenth century. Voyages to Africa, however, became a regular occurrence only from the eighteenth century as Vaniyik networks from Kathiawar expanded into the regional markets of the southwestern Indian Ocean. In most years from the middle of the century, at least three (and at times up to five) vessels were outfitted annually from Diu and Daman for voyages across the ocean, carrying large cargoes and sizeable crews. This was a greater number of ships than sailed from Goa to Mozambique and was on a par, and in some years even exceeded, the number of Lisbon vessels that arrived at the Portuguese Indian capital. Moreover, when many merchants and traders on the west coast of India were increasingly being compelled to accept English carriage services from the 1740s and 1750s as the latter assumed greater control over the freight trade of the western Indian

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2 For instance, in 1790, only two vessels arrived in Goa from Lisbon. See Cebal Pinto, Trade and Finances in Portuguese India: A Study of the Portuguese Country Trade, 1770-1840 (New Delhi: Concept Publishing Company, 1994), appendix 4, 210. There was an exceptional year, 1789, when nine Lisbon vessels arrived at Goa.