5 Patterns of circulation and business organization in two merchant networks

The Shikarpuri and Hyderabadī networks displayed largely similar spatial configurations, in which the network centres were separated from the actual places of business by vast distances. This spatial configuration in its turn largely shaped the way business was organized. Although such a physical separation between the network centres and the actual places of business was not unique to those two networks, the solutions elaborated by the merchants of Sind to deal with the problem were fairly specific. The major device used by the Shikarpuri merchants, who were the first in the field, was a system of partnership known as the šah-gumastsah; the Hyderabadī merchants adopted it at first, but gradually modified it. Distance, with the attendant problems of communication it posed, dictated a pattern of functional specialization, by which only a limited number of financial operations, such as accounting, took place in the network centres, while all the commercial operations and some types of financial operations were performed in the actual place of business. This dissociation implied a pattern of regular circulation between the two poles. This was a multiform and multilayered circulation, in which financial and manpower flows did not move along the same lines. While capital flowed unidirectionally from the centres to the actual places of business (to return only in the form of remitted profits), manpower constantly moved to and fro between the two poles. However, this human circulation was socially stratified: the owners of capital as a rule did not circulate much, being content with providing capital and supervising operations from their residence in the network centre. The actual circulating was mostly done by their agents and employees. Other flows of circulation concerned short-term credit (in contrast to long-term capital) as well as information and knowledge. In this chapter, we shall look in detail at this varied pattern of circulation, which was the lifeblood of the two networks, and at the way in which it influenced the forms of business organization. In Shikarpur and in Hyderabad, a small group of capitalists residing in the network centre were able to maintain control over financial and commercial operations which took place in widely dispersed locations. In a manner which may appear paradoxical, it was in as much the existence of “traditional” institutional mechanisms as the advent of “modern” technological developments which made it possible. The focus of the analysis in this chapter will therefore be the various types of institutional mechanisms through which strong links were forged and maintained over time between the merchant capitalists in the network centres and their partners and employees in the dispersion.

Circulating capital and resident capitalists: the role of the šah-gumastsah system

The development of long-distance financial and trading networks in which capitalists remained based in Sind was made possible by the existence of a specific system of partnership known in Shikarpur as the šah-gumastsah. Variants of the system existed in other South Asian merchant networks. Thus, among Narutottai Chettiaris, “proprietors left the daily operations of their overseas business firms to hired agents (melals) and field staff (kattu hanubapillai) while they stayed in India.” However, the Narutottai agents were not partners in the same sense as the Shikarpuri gumastsah. The Shikarpuri system developed in a much earlier period, although the exact temporal and causal sequence is not known: did the system exist prior to the development of long-distance networks or was it invented, so to speak, by the merchants in the course of their ventures? It seems to have been ultimately derived from the system known in Arabic as mudaraba, but reached Sind most probably through Persia. The vocabulary definitely points towards a Persian origin. The term ‘gumastsah’ was in widespread use in the Indian subcontinent from at least the seventeenth century onwards to designate an agent; on the other hand, the use of the term ‘šah’ for ‘principal’ seems idiosyncratic, and it has not been possible to trace its origins. It is interesting that Hindu merchants in Sind used a partnership system which came from the Islamic world, and had been specifically devised to be in conformity with the šari‘a. In Europe, this form of partnership was adopted very early and evolved into the commenda of medieval Italy, and ultimately into the joint-stock company, but in Sind no such evolution is noticeable. Admittedly, the mudaraba system of partnership

1 See Rothney, Caste and Capitalism, p. 114.
3 On the different offshoots of mudaraba in Europe and Asia, see M. Cernea, A Comparative Evolution of Business Partnerships: the Islamic World and Europe, with Special Reference to the Ottoman Archives, Leiden, 1996, pp. 30ff.
lent itself particularly well to being used by merchant networks, in which there was a clear-cut demarcation between organizing merchants who stayed in the network centre, and travelling merchants. Armenians, in particular, are known to have used it to organize their worldwide trading operations from their centre of New Julfa.4

The system was firmly established in Shikarpur by the time different travellers reported on the Shikarpuri merchants in the first decades of the nineteenth century. It allowed a small group of sarafis and suhbaran located in Shikarpur itself, a group which, according to the census taken in 1840, did not consist of more than a hundred men, to control financial and commercial transactions over a vast area encompassing Khorassan as well as Turkestan. Each of these men had a number of agents spread over various localities. One could wonder why it was so necessary to dissociate the fiduciary circulation of capital from the physical circulation of capitalists. Several answers can be provided. First, one would have to take into account the sheer physical obstacles to circulation prior to the advent of modern transport in the second half of the nineteenth century. At the time when the system was set up in Shikarpur, it was difficult and dangerous to travel to Central Asia. The existence of a sophisticated hundi system made it possible to avoid transporting specie in large quantities along the danger-ridden routes linking Sind with Central Asia and thus limited the necessity for bankers themselves to travel frequently to the area. Capitalists, however, needed trustworthy agents on the spot to conduct transactions, and that was basically the function of gamastras. The availability of such men, ready to bear the physical risks of dangerous travel for a reward which was necessarily unpredictable, could be explained probably by the demographic situation. The influx of displaced bankas of various origins into Shikarpur during the second half of the eighteenth century must have created a pool of relatively cheap mercantile manpower ready to try the adventure of Central Asian travel.

The sarraf or suhbarar was the merchant capitalist or shah: he advanced the funds to his gamastras, who were remunerated in the form of a share in the profits of the financial and commercial operations they undertook for him. From the limited amount of evidence available, it is not possible to say definitively whether, prior to the advent of British rule, contractual arrangements between shahs and gamastras in Shikarpur were oral or written. But in the British period, written contracts became the rule and were often used as evidence in court cases. As to the exact pattern of sharing of profits, it does not seem to have been fixed by custom, but to

was apparently no charge incurred either. Frauds were made practically impossible by the use of a special form of the banis Sindi script as well as of specific marks which were very difficult to imitate.5 Defaulting on a
handi would have been such a breach of merchant etiquette that it was
not a risk worth taking into consideration.

In Hyderabad there developed over time a kind of dual system which
combined features of the traditional shah-gumastha with traits borrowed
from European commercial practice. From partnerships, which were by
definition temporary, there emerged gradually a number of firms which
perpetuated themselves across several generations. For purposes of
clarification, it is necessary to distinguish between two meanings of the
term ‘partnership’. On the one hand, in India ‘partnership’ was a legal
term, used for a specific form of business organization, which was
different from both the proprietary firm and the joint-stock company.
Practically all businesses in Shikarpur and Hyderabad adopted this
specific legal form, which offered a number of advantages in terms of taxation and
avoided public scrutiny. But here partnership is used, not in a strictly
legal sense, but in a more technical sense, as meaning the association of
one or several shahi or capitalist partners with one or several gumasahs or
working partners. By ‘firm’, on the other hand, is meant a form of
business organization in which there was a head office and branches,
whatever legal status it had. In Sind most firms were legally ‘partner-
ships’, but technically these firms represented a modification of the
original shah-gumastha system of partnership. The reasons why firms
were able to consolidate in Hyderabad, in apparent contrast to the case of
Shikarpur, have probably much to do with some of the specificities of the
trade carried out by the Sindwark merchants. While the Shikarpuri
network was basically self-financing (even if, from the late nineteenth
century onwards, Shikarpuri bankers in Russian Central Asia tended

5 For an account of Shikarpuri handis in the 1870s, see Burston, Sind Reviewed, pp. 252–5:
The handi, this trade instrument in which the Shikarpuri Rachakali worked a short
document, in the usual executory stenography, laboriously scribbled upon a square scrap of
flimsy bank-note paper, and couched in the following form:

1/4 True is the daily Shell
1. To the worthy in every respect. May you ever be in good health! May you always be
fortunate! Our brother Jumudda.
2. From Shikarpur, written by Kioodas, read his compliments.
3. And further, sir, this handi of one thousand rupees I have written on you in
numerals and in letters, Rs 1600, and the half, which is five hundred, of which the
double is one thousand complete their labour, which was actually a form of
highly skilled labour, implying commercial experience and knowledge of
markets (although this was not specified in the contracts). The duration

This was characteristic of the other major Islamic system of partnership, known as
muhandesa. See Uvedale, Partnership and Profit.
### Table 5.1. Characteristics of partnerships in Hyderabad

<table>
<thead>
<tr>
<th>Date</th>
<th>1906</th>
<th>1917</th>
<th>1920</th>
<th>1925</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of firm</strong></td>
<td>Khanband &amp; Co.</td>
<td>H. Vihindus</td>
<td>K. N. Dhanamall</td>
<td>Primal &amp; Sons</td>
</tr>
<tr>
<td><strong>Place of business</strong></td>
<td>Cairo</td>
<td>Tiemsin, Shanghai</td>
<td>Jawa, Japan</td>
<td>Colen, Panama</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>Rs 15,000</td>
<td>$ 20,000</td>
<td>n.a.</td>
<td>Rs 37,000–47,000</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>5 years</td>
<td>5 years</td>
<td>5 years</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Capitalist’s share of profits</strong></td>
<td>7 annas out of 10 pices</td>
<td>5 per cent</td>
<td>75–80 per cent</td>
<td>8 annas out of 10 pices</td>
</tr>
<tr>
<td><strong>Share of working partners</strong></td>
<td>4 annas-6</td>
<td>25 per cent</td>
<td>10–30 per cent</td>
<td>3 annas</td>
</tr>
</tbody>
</table>

- **Sources:** (1) Copy of partnership deed concluded in Hyderabad on 1st October 1906 between Shri Khanband Manghlah, Kudhalam son of Ramchand and Narandandas son of Khishinchan, presented as evidence in ‘R. Khanband and Kodanam, plaintiffs, vs. Narandandas, Khishinchan, defendant,’ civil case no. 134 of 1998, PRO, Foreign Office Records, Cairo Consular Court Records, PO 94/101.
- **(2) Deed of partnership concluded on 12 August 1917 between H. Vihindus, Narandandas Gehimal and Gul Hassan Shab, PRO, Foreign Office Records, China Consulates, Personal Estates Correspondence, PO 97/2/2946.
- **(4) Petition of Jamun Bahagalia Khirnami to the collector of Hyderabad, September 1927, enclosed in collector of Hyderabad to commissioner in Sind, 8 November 1927, copy in IOR, Public & Judicial Department Collections, L/P&P/8/728.**

...continued...
However, renewed, and profit calculations could therefore be made over a longer period. Taking a fairly general view, three of the contracts appear rather shrewd in particular as the Rattan Sub-firms loosely controlled from Hyderabad; and clearly biased in favour of the capitalists. The reason why working partners were able to obtain such relatively advantageous conditions has probably to do with the state of the labour market in Hyderabad: competent and trustworthy gomasthas were in great demand and short supply, and could therefore impose their conditions. This seems also to indicate the existence of a surplus of capital in Hyderabad, keen to invest itself in Sind work because of the hope of good remuneration. In Hyderabad, it would seem, capital was relatively abundant, and managerial talent ready to expatriate itself relatively scarce, including through the kin network. Hence the need to attract it with interesting conditions.

In Hyderabad, ‘permanent’ firms developed at first from within the system of partnership, but were increasingly able to dispense with it. These firms were created by families which had large financial resources and profits. In particular, three extended kin as well as things which generally went hand-in-hand) which allowed them to recruit their working partners from their kin network and thus exercise a close degree of supervision over them. As the firm expanded, however, the kin network became insufficient, and, to minimize the risks involved in employing non-kin recruits as gomasthas, there was a growing tendency to use salaried managers. The Hyderabad firms adopted the technical system of organization by branches, which was in use in European international trading firms, as well as other South Asian firms operating in the marketplace. In the spirit of pragmatism which characterizes the entire history of the network, managing partners and salaried managers seem to have been employed rather indifferently by them. Some branches were entrusted to one or several managing partners who were remunerated by a share of the profits, and other branches were put in charge of a salaried manager. Sometimes the latter was under the authority of the former, sometimes he was directly accountable to headquarters in Hyderabad.

The exceptional longevity of many Hyderabad firms is to be explained, on the one hand, in relation to the capacity of extended families to reproduce themselves across generations, and on the other hand, as a function of the specific oligopolistic structure of the trading network. Sindwork firms, like most Indian business firms, were family affairs, and successful intergenerational transmission of assets (which was facilitated by the Hindu succession law in operation in Sind, based on the ‘Adityaarya’), as well as of expertise, was the key to continuity. The major firms remained under the control of the same family over several generations, although a partition of assets at some point was a common occurrence.

But the pattern of control could vary, be either centralized, or decentralized (as in the case of Wassianall Assomull, which was a kind of financer) or sub-firms loosely controlled from Hyderabad; most firms, however, seem to have been able to combine a measure of centralized control with a large amount of initiative left locally to branch managers. Note has already been taken of the increasing tendency of the big firms to use salaried managers, who were generally interested in the business through some kind of profit-sharing scheme. This was also practised among Natsukotai Chettiar: the agents received a salary, and, at the expiration of their contract, a bonus in the form of a share of the profits.

‘Resident’ capitalists, whether in Shikkarpur or in Hyderabad, were far from being a homogeneous social and professional group. Apart from the somehow mysterious distinction between saltuks and sarafs in Shikkarpur, they differed in terms of their wealth and the nature of their assets, etc. We are fortunate in possessing a detailed survey of the wealth of two big Shikkarpur merchants who entered into an agreement with the Government of India at the beginning of the twentieth century to conduct trade in southeastern Persia. Their assets, as described in detail in an indenture appended to the agreement,10 consisted of three different categories of properties: urban properties, a total of fourteen buildings in Shikkarpur and its immediate surroundings, valued over Rs 50,000, agricultural land, nine different plots worth some Rs 56,000, and a share in different mills worth a total of Rs 18,000. The survey excluded liquid assets, which must also have been of sizeable value. These firms were gomasthas, which developed their business in Persia, and they always remained residents of Shikkarpur. How far their portfolio was typical of big Shikkarpuri capitalists is of course difficult to say. The assets of a Shikkarpuri shah who died while on a business trip to Central Asia, on the other hand, consisted mostly of monies remitted from Central Asia, apart from the share of an ancestral house. 11

Most capitalists in the Sindwork business were content to reside in Hyderabad and spend at most part of the year in the actual place of business. Some capitalists, however, established their residence in their main place of business, but often the headquarters of the firm remained in Hyderabad. One Bhai Khanchand who died in 1909 near Karachi, the owner and principal of a firm called K. Khanchand, with headquarters in Hyderabad, and branches in Bombay, Cairo, Luxor, Assuan and

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10 Rudner, Castes and Capitalists, p. 116
11 'Indenture made on 22 September 1901 between Collector of Shikkarpur... and Setha Chinamandir and Guilaia', Appendix to Serial no. A 58, BPP, July 1904.
12 Serial no. A 17, BPP, March 1902, 'Relative to recovery of property of Nattandas alias Nauro wala) Jhunadas who died in Bahbhar on 16 June 1902', Appendix A.
Alexandria\textsuperscript{12} was described in the probate inquiry held after his death at the Cairo consular court as "having his fixed place of abode in Cairo". This seems to indicate that he moved to Egypt with his wife, now living in Cairo so as to be able to supervise more closely his business in the Egyptian capital. Jhamatnali Gurbhalml Melwani, the founder and principal of the important firm of Jhamatnali Gurbhalml, was listed in the Singapore directory of 1911\textsuperscript{13} as resident of Medan Deli, on the OostKuist of Sumatra, where his firm had its largest establishment. Most owners of firms in South Africa also appear to have established their residence in their places of business after 1920,\textsuperscript{14} probably to conform with stringent immigration laws, which made travel from India to South Africa difficult. There were even a few cases where the headquarters of the firm moved to the place of business; thus, according to the Singapore directory of 1911,\textsuperscript{15} the firm of Reloomall Baloomall & Co had its head office in Surabaya. While residing in Hyderabad during most of the year and keeping their families permanently there, the principals of the biggest firms were in the habit of conducting worldwide tours of their branches on a somewhat regular basis. Most of the circulating however was done by their agents and salaried employees.

Circulating men: pedlars, gunamathas and salaried employees

In a petition addressed to the district magistrate of Hyderabad in 1927,\textsuperscript{16} a Sindwark merchant by the name of Jhangmal Tejmal Kehrmari gave an account of his career and his voyages between 1914 and 1925. He appeared to have left India for the first time in 1914, as a partner in the firm of M. Dials & Sons, and gone first to Gibraltar, then to Tenerife, from there to Borneo, to end up in Colón at the end of the year. Having spent a few months there, he returned to India in April 1915. He does not say anything more of his travels in the service of

12 See copy of letter, Cairo, 7 January 1908, from K. Khanamand & Co, enclosed in "K. Khanamand & Co vs. Durrani Gopamall", PRO, Foreign Office Records, Cairo Consular Court Records, Suit no. 3 of 1908, PO 84/90.


15 Singapore and Straits Directory, p. 191.

16 Petition of Tejmal Jhangmal Kehrmari to the collector of Hyderabad, September 1927, enclosed in collection of Hyderabad to commissioner in Sinds, 8 November 1927, copy in IOR, Public & Judicial Department Collections, Collection 108/28 A, L/P/3/57/278.

M. Dialdas & Sons, with whom he stayed until 1920. We then find him in April 1925 in Malaga in Spain, in the service of the firm of Vircal Lilacan, from whom he separated in June of the same year in Melilla (Spanish Morocco), before moving to Colon in Panama where he established his own firm in partnership with some relatives of his. This kind of wide-ranging travel was fairly typical of the average Sindwarkie. In this particular case, spatial mobility seems to have coincided partly with social mobility as the gunamatha eventually transformed himself into a shah.

Shikarpuris as well as Sindwarkies did, on the whole, an enormous amount of travelling, either in the service of their shahs or firms, or, more rarely, on their own account. This circulation was not haphazard, but on the contrary, was a highly regulated process, in which contractual agreements, either oral or written, played a crucial role. This circulation of managers and skilled manpower was not basically different from other forms of circulation of labour, which occurred on a very large scale in the same period between the Indian subcontinent and the rest of the world, particular with Burma, Ceylon and Malaya. An important difference, however, is that, prior to the passing of the Indian Emigration Act of 1922, the colonial state was not involved in any way in this circulation, either as an organizing or even as a regulating agency. It represented a very specific form of circulation of labour organized entirely by private commercial enterprise. Similar movements existed from Gujarat and Bombay to East Africa, and from Tamliland to Southeast Asia. Altogether, this circulation of commercial manpower represented an annual outflow of a few thousand, which was largely offset by a similar number of returns. While it accounted only for a small percentage of the overall annual outflow of labour from India, it deserves notice because of its specific mode of organization by private firms, and of the skills of the departing men.

Since no agreement between shah and gunamatha dating from this period has survived, little is known of the exact modalities of the circulation of men between Shikarpur and Central Asia. Most Shikarpuiris who went to Central Asia appear to have gone there in the first place as gunamathas of a Shikarpuri merchant. Whether their travelling expenses were covered by their principal or were in the form of an advance on future profits is open to question. It is certain that, for reasons of security, Shikarpuris travelling between their native towns in South Asia and Central Asia, especially through Afghanistan and Iran, travelled either in small batches of a few men or in larger caravans. Thus, in the late nineteenth century we are told of a caravan of Shikarpuris, approxi-
A common practice for a Shikarpuri merchant was to travel to Central Asia, establish a business there and leave it in charge of one or several gomasthas. Once they were in Central Asia, gomasthas did not always go back to Shikarpur; instead, they often travelled widely in the region, and a growing pattern, in the late nineteenth and early twentieth centuries, was for them to shift from the governors of Turkestan to the emirate of Bukhara. Shikarpuris in Central Asia often became 'long-term sojourners'. Very few, however, settled for good in the region, unless they converted to Islam and married a local woman, a rare occurrence. Unmarried Shikarpuri men had to contemplate going back to Shikarpur to get married, and married ones to look after their family. The 'sexual economy' of the Shikarpuri diaspora in Central Asia (which will be analysed in greater detail elsewhere) thus contributed decisively to maintaining a pattern of circulation between Shikarpur and Central Asia.

In Hyderabad the pattern was much more fluid. Men kept leaving and coming back before going out again, and rarely did they remain in the same place for very long. Family relationships were much more easily maintained with this pattern of frequent travel than in Shikarpur. The reason for the difference between the two networks was the ease with which one travelled by sea between Bombay and practically any port of the world, as contrasted with the difficulty of travel by land to Central Asia. The obligations of a working partner in the matter of circulation between Hyderabad and the place of actual business were very precisely spelt out in the contracts. For a standard five-year contract, he was supposed to spend four effective years at the place of business, and one year on leave in Hyderabad. Travelling expenses were taken care of by the partnership.

One particular form of circulation about which little is known is that of the peddlars. In the early phase of the Sindwark trade, which has left very few archival traces, peddlars must have constituted the vast majority of men going abroad from Hyderabad. Some of them were employed by

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17 In memorandum no. P-01, 16 November 1900, addressed to the secretary to the Government of Bombay in the Political Department, the commissioner in Sindh, transmitting a petition, 7 March 1900, signed by fifteen Shikarpuri merchants, stated: six months ago about 57 men left Shikarpur via Afghanistan with the object of crossing the boundary into Bukhara but were prevented from doing so and have been obliged to stay at Ashkhabad in Afghanistan... these persons had started from Khunnum for Bukhara but were detained at the river Aras near Khafir by a Russian officer. ... The men had been about six months and a half on their journey from Shikarpur to the Amu River via Kabul. IBP, December 1900, Serial no. A 72.

18 Memorandum from India Office, 30 November 1911, JOR, Public and Judicial Department Annual Files, File J&K 4230/1911, I.B.5, 6/112.

19 Mentioned in the letter, 10 May 1907, from the British consul in Cairo to the secretary to the government in the Foreign Department, Copy in Bombay General (Miscellaneous) Proceedings Emigration, 1907, Serial no. A 112. See Chapter 4, note 19.
Hyderabad, while they could also have been recruited on the spot or elsewhere in India (particularly in Bombay), and were the recruits men who already had experience as shop assistants in Hyderabad? The first question was to be a recurring one, which would be asked of the merchants at different junctures when obstacles were put in the way of the circulation of commercial employees. To this question, the same answer would invariably be given, i.e. that only young Hyderabadis had the specific skills needed for the job, and that only they could be trusted. As we shall see later, neither of these answers is totally convincing, and another hypothesis has to be considered, namely, the role of patronage exercised by big Sindwark merchants among the Bhai band community in Hyderabad, which created for them a kind of obligation to provide work to young male members of the community. To the second question, no satisfactory answer can be given, for lack of sufficient data, but it seems difficult to believe that a middle-sized town like Hyderabad, which was not a very big commercial centre, having mostly a function as a purely regional emporium, could have generated such a pool of 'skilled' commercial manpower. It is probably that many of the young men who were hired by Hyderabad firms to work abroad for the first time had no previous experience of working as shop assistants in the semi-luxury trades belonging to Bhai band families, they had nevertheless some basic training in accounting and commerce, which meant that they were not wholly unskilled. Once again, the exact time sequence eludes us, and it is not possible to say when Sindwark employees became a standard feature in Sindwark firms.

From the evidence of contractual agreements and other materials, it is possible to conclude that a three-tier labour market existed in Hyderabad for the purpose of Sindwark outside India. The first tier was represented by the gumashtas and salaried managers, the second by the shop assistants, and the third one by a category loosely called 'servants'. The principle of segmentation was not caste, since Lobanas, and, more specifically, Bhai bands, represented the bulk of the three categories. Economic and social status must have been the key factor, as Bhai bands had discreet ways of ranking themselves. For them, status was largely based on wealth. Little information is available as to the background and specific skills of gumashtas, but it can be assumed that they were generally men with some commercial experience and some knowledge of the specific market for silks and curios, which increases the real meaning of the term 'Sindwark'. How they had acquired them in the first place is not always clear, and there must have been some

mobility between the categories of gumashtas and shop assistants. Gradually, the former tended to be replaced by salaried managers, although they never completely disappeared as a category. Unfortunately, no contract of a salaried manager has been found in the archives, and only stray information has come my way. It seems that the salaries of these managers varied widely between Rs 150 and Rs 400 per month; most of them appear to also have had a share in the profits, although little is known about detailed arrangements. Commercial directories reveal the existence of two contrasting types of profile; some managers tended to pursue the whole or most of their career within one firm, being frequently transferred from one branch to another. Thus, one manager listed in a business directory of Hong Kong of 1938 had been with the firm of Wassiamall Assoumill for all his working life, from the age of sixteen, being posted first at Penang and Ipoh for ten years, then at Bangkok for one year, Saigon for three years, Surabaya for five years, and Singapore for four years, before becoming at the age of 43 the manager of the firm in Hong Kong. Others tended to remain for long periods in the same place, shifting from firm to firm. Another manager listed in the same directory spent all his working life in Hong Kong, firstly as manager with D. Chellaram for five years, then as managing partner with M. Diaklas & Sons for six years, followed by a five-year stint with Pooboomill Bros, after which he started his own business. This shows that firms did not necessarily follow policies meant to ensure or maintain long-term loyalty of their managers. The ease with which a manager shifted from one Sindwark firm to another (while remaining always in the employment of Hyderabad firms) tends to indicate that 'poaching' was not considered out of bounds, and that firms did not really have secrets vis-à-vis other firms. This reinforces the impression of a fairly closely knit network, in which competition between firms was very much kept within the boundaries of oligopoly. The second tier in the labour market was represented by the category of 'shop assistants'. In the twentieth century, these shop assistants represented by far the bulk of the dispersed Sindwark communities across the world. Detailed data show for instance that in Gibraltar in 1939 there were ninety-nine of these shop assistants employed by Sindwark firms as against a total of twenty-five managers, i.e. a ratio of four assistants to one manager. In previous years, the ratio appears to

21 The Business Directory of Hong Kong, Canton, Macao, Hong Kong, 1938, Who's Who in Hong Kong section, entry for Harumia (7) Tsangchau, p. 1159.
22 Ibid., entry for Mehendi, Patchchand Thawaradas, p. M 90.
23 Copy of statement furnished by the Sindwark Merchants Association, Hyderabad, IOR, I/29/8/238. See Chapter 4, note 78.
have been higher, but restrictions on entry permit obliged Sindwark firms to curtail staff. Looking at the typical establishment of a branch of a Sindwark firm in a foreign locality, as it is described in commercial directories, one notices the existence of a fair degree of specialization amongst the staff. Thus, according to the Singapore directory of 1911, the local establishment of the firm of K. A. J. Chortirrnall consisted of one resident managing partner, one assistant, one salesman, one shipping clerk and bill-collector, one Sindhi clerk, one store-keeper and one 'hawterman' [sic], a total of seven. One Sindwark firm in Singapore had, besides a Sindhi clerk, an English clerk. Another firm had a specialized export clerk. The commercial directories enable us to perceive the existence of a kind of intermediate layer of employees between the managers and the ordinary shop assistants, but it has not been possible to find more detailed information about their wages or their conditions of employment. It is not known whether they were recruited already in Hyderabad with a special agreement, or whether they had, in these specific jobs once they reached the place of business. Although, at later dates, one finds a few instances of men with Muslim names, as well as some Chinese employees, these cases remained fairly exceptional. Practically all shop assistants were recruited in Hyderabad and its immediate neighbourhood, with contracts which spells out in great detail their rights and duties, as well as the financial conditions of their employment. Prior to 1922, these contracts were signed in Hyderabad, and registered with a local magistrate; they had legal value, but were purely private contracts. After the passing of a new Indian Emigration Act in 1922 (following the abolition of indentured emigration in 1917), which purported to apply to all forms of labour emigration from India, including the emigration of skilled labour, of which commercial staff represented one specific category, these contracts were signed in Karachi before the Protector of Emigrants.

Comparison of a contract dated 1901 concluded at Hyderabad with one dated 1929 concluded at Karachi shows little change in the major clauses and conditions. These clauses concerned the duration of employment, which was, in both contracts, of two and a half years; the

24 Contract between Parmal Keunnal and Messrs Poohonnal Brothers, 3 November 1901, copy enclosed in 'Poohonnal Brother, plaintiff and Fatahmed Khan, defendant', PRO, Foreign Office Records, Cairo Consular Court Records, Dossier no. 28 of 1902, FO 841/722.
25 Memorandum of agreement, made on 20 November 1929 at Karachi between Messrs Dindias & Sons and Mr Sitladas Naunmal, copy enclosed in 'Sitladas Naunmal, plaintiff and Dindias & Sons, defendant', PRO, Foreign Office Records, Bombay and Consular Archives: Egypt, Port Said Consular Court Records, civil case no. 6 of 1930, FO 846/900.

salary which in 1901 was fixed at Rs 45 to be increased to Rs 50, and in 1929 was fixed at Rs 50 from the beginning of the contract (which was in effect lower than Rs 45 in 1901); the exact nature of the duties to be performed by the employee; the manner of his conveyance to the place of business at the cost of the employer; the matter of his dismissal in case of breach of contract, etc. Supplementary clauses in the 1929 agreement covered the exact nature of the personal expenses of the employee to be defrayed to the employer (while the 1901 contract included only food, in 1929 'boarding, shaving, washing and smoking expenses' were added), the provision of medical attendance, the possibility of anticipated return to India before the expiration of the contract, and precise clauses as to the settlement of any disputes arising (which were to be referred outside India to the British consul and in India to the arbitration of Sindwark merchants). On the whole, the employee was better protected in 1929 than in 1901, but economically his situation had not significantly improved, rather the opposite in fact, which probably reflected some slackness in the demand for labour. A question arises as to whether these contracts could be considered forms of indenture, as was claimed, for instance, by Sindwark merchants in South Africa in a petition to the Cape authorities in 1907. Compared to the standard indenture contracts as they were shaped after 1862, the shop assistants' contracts were distinguished by their shorter duration (five years instead of five), and by the fact that the return passage was provided unconditionally after the expiry of the contract. Besides, the wages were much higher than those provided for agricultural labour in Mauritius for instance (Rs 6 on average). 26 Rs 45 to 50 per month in Sind in 1901 was a decent salary (the average wage of an agricultural labourer was Rs 10). 27 There are indications however, as mentioned above, that the situation of shop assistants tended to deteriorate in relative terms after the First World War. In 1929 the wages paid to a shop assistant in Egypt had not increased in comparison with 1901, and information on the level of wages in Singapore in the 1930s gathered from an enquiry conducted by local journalists indicate that

26 Memorial addressed to the Cape governor in 1907 by six Sindwark firms to protest a new Hawks Act, reproduced in S. Bhan and B. Pachai, A Documentary History of Indian South Africans, Cape Town and Johannesburg, 1976, pp. 36-37. I am grateful to Dr. P. W. G. Hoogeveen for bringing this to my attention.
28 Ibid., p. 165.
29 According to Prices and Wages in India, 19th issue, Calcutta, 1902, p. 283, the average monthly wage of an able-bodied agricultural labourer in Sind in 1901 was Rs 9 to 10, while that of a skilled artisan was between Rs 5-5 and 32-5.
30 According to an investigation by Straits Times' reporters in 1938, Sindhi merchants in
they were only Rs 30 per month. An elderly Sindwark merchant recalls that he started his career as a shop assistant in Rangoon in 1934 with a monthly salary of Rs 25. Shop assistants remained a relatively well-paid category of workers, especially given the fact that most of their ordinary expenses were paid for by the employer. But they lived in cramped and unhygienic quarters, being generally accommodated in the commercial premises themselves. It appears that they were able to save most of their wages; in any case part of their salary was generally paid to their family in Hyderabad, and most of the rest remitted there on a regular basis. The wages paid to shop assistants as well as the profits made by small merchants allowed many relatively poor Bhaiband families of Hyderabad to survive. These transfers were an important part of the remittance economy which grew in the town around Sindwark.

There was a third tier in the labour market, represented by a category of employees generally called ‘servants’. A contract signed in 1905 in Hyderabad and found in the archives of the Cairo consular court shows a certain number of similarities with shop assistants’ contracts, but also important differences. The most important ones were that the level of wages was much lower (Rs 10 for the first year, rising to Rs 12 in the second year and Rs 15 in the third year), and that the amount which was not paid to the family in Hyderabad was retained by the master till the completion of the period of service. This was undoubtedly a clause which smacked of indenture. But nothing in the contract, which was written in very general terms, clearly differentiated the tasks entrusted to a servant from the duties of a shop assistant. In practice however, and judging from the evidence of a certain number of court cases, the former tasks appear to have been more wide-ranging than the latter. A servant could be asked to perform domestic tasks in the household of the manager, including cooking, and he was also expected to perform the more menial and demanding tasks in the shop, such as cleaning the premises or polishing pearls, etc.

There seems to have been an interesting evolution over time on the question of cooks. During the 1890s it was customary, according to evidence from Australia, to have high-caste cooks from Hyderabad in a ratio of one to six members of staff, and cooks are still specifically mentioned in a list of employees in Gibraltar in 1920. Gradually the function of the cook seems to have been performed by general-purpose ‘servants’ who were certainly not high-caste people. The progressive disappearance of a specific group of cooks could be seen as reflecting a weakening of religious norms regarding purity and pollution amongst expatriate Hindu merchants, a form of ‘acculturation’. It was most probably the result of more mundane considerations, in particular of increasing restrictions on the number of staff permitted to emigrate.

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forcing the owners to cut on non-essential staff, as cooks were obviously thought to be.

Evidence from Sinkiang reveals the existence, among Shilikpuris, of a different category of 'servants', who were specifically entrusted with the task of collecting debts from the local peasants, including by force. Some of them appear to have been recruited among local 'bad characters' (badmashes), including men who had criminal records. They do not however appear to have been salaried employees. They were apparently remunerated on a kind of commission system, and constituted a specific category of gumaathas.

To account for the segmentation of the labour market between the two categories of 'shop assistants' and 'servants', a plausible hypothesis is that of a different level of skills, particularly in the matter of literacy. Shop assistants, it seems, were literate in Sindhi and even often had a smattering of English, including written English, which could be of use when dealing with an international clientele in the shops. Servants, on the other hand, were likely to be illiterate and certainly had no knowledge of English. It is also probable that 'shop assistants' were more likely to have some sort of family connection to the owners, whether as kin or affines, while servants were recruited completely outside the kin and affinal network. This raises the important question of the exact role of the kin network in the development of these long-distance merchant networks.

**The role of the kin network**

That the kin network was central to the rise and growth of merchant diasporas is somewhat axiomatic, but it is probable that its role has tended to get exaggerated. A major difficulty confronting the historian trying to grasp with this problem is the lack of reliable data. The kind of documents more widely available, such as business papers or mercantile directories are rarely explicit on this point. More detailed evidence comes from court cases and successional documents, but great caution has to be exercised when making use of them. On the basis of this limited evidence, I can only state that there was no perfect congruence between merchant network and kin network. For instance, most contractual agreements found in the archives were concluded between men who were not kin-related. Of course it could be argued that they were unrepresentative, and that it was precisely when the kin network did not operate that legal contracts had to be signed. But kindred also entered into legally binding written contracts. In the case of Shilikpur, the materials available do not permit an evaluation of the precise role played by kinship in the network, beyond the fact that shahs and gumaathas were frequently kin-related. However, in the case of Hyderabad, it is possible to arrive at firmer conclusions by looking at the information provided in the certificates of identity delivered in 1915-16 by the district magistrate to men going abroad on Sindhow. Out of a total of 572 men, 212 are described as being sons, brothers, nephews or cousins of Sindhow merchants. So less than 40 per cent of the men were recruited through the close kin network of the merchants. A certain number of men are also described as relatives of Sindhow merchants, but the majority belonged to merchant families which were not engaged directly in Sindhow. Some of these may of course have been distant kin of Sindhow merchants, or linked to them by affinal relationships. However, from the fairly detailed data provided by the certificates, it is possible to see the existence of only a limited congruence between kin network and trading network.

There are two ways of interpreting this fact. It could be claimed that preference for employing kin was not as culturally determined among merchants as is often construed, but more a matter of opportunity. In a situation in which a merchant network was not yet well established, merchants employed their own kin because they had no choice; once the labour market opened up more, the possibility arose of choosing between employing kin and non-kin, and other criteria, such as skills, became essential parameters of choice, resulting in a fairly even field. Or one could take the opposite view, that preference for kin was too entrenched 'culturally' to weaken, but that the expansion of the network forced principals to recruit agents and personnel outside the kin network, in spite of their preference for the latter. The question of preference for kin is ultimately bound up with the question of 'trust',

38 In the Kashgar diary for the period from 16 October to 31 October 1908, Captain Shuttleworth reported from Camp Ablad: 'There are a few Shilikpuris here who are embarking to collect the debts of their masters who are at Pusum and Tajarchi . . . I had a long story from one of them. He told me it was only a few Shilikpuris who had made any money in this country, most of those who were now in the country had been induced to come under false pretences. The few who had made any money had held their inducements to them when revisiting Shilikpur and told them that if they started money-lending in Turkestan they would soon become as rich as they were. They even offered to advance a little money to enable them to commence operations. Many had come here on these inducements only to find when they had arrived that they were little better than servants and that their sole duty was to endeavour to collect the bad debts of their masters.' JOR, Political & Secret Correspondence with India 1875-1911, Political & Secret Letters from India 1903-1908.

39 This was clearly stated by the manager of the Melbourne branch of Wastenamill & Partners in the above quoted letter in which he wrote: 'our assistants are men of high caste and social status, and can advance to becoming partners in the firm, being mostly relatives of existing partners'. See above note 36.
since preference for employing kin is generally ascribed to the fact that
kinsmen were deemed more trustworthy than non-kin elements. This
will be taken up again.

Circulation between the network centre and the actual places of
business was therefore not primarily organized through the kin network.
As far as Hyderabad was concerned, we have seen that all but 80 of
the 572 men who departed for Sindwark in 1913–16 were in the possession
of a contract with a firm, which paid their travelling expenses. Most of
these employees travelled in groups. It is only in the case of the smaller
firms that a high level of congruence between the firm and the kin
network existed, but larger firms did not always, in spite of claims to the
contrary on the part of the manager of one of the largest firms,\(^{40}\) give a
clear preference to the kin of the principals in their recruitment. It is
probably among those who circulated outside a firm structure that
kinship played a more crucial role in organizing circulation. One can
well imagine that most of these men who left without a contract with a
firm were financed by their kinsmen and often acted as a vanguard, in
the process typical of 'chain migration'.

The pattern of circulation of personnel in the Hyderabad network
can be seen as a hybrid, mixing traits common to South Asian merchant
networks with characteristics of European trading firms. Firms, espe-
cially the larger ones, increasingly moved personnel according to con-
 considations which did not have much to do with kinship. At the level of
the recruitment and circulation of the mature network in Hyderabad,
kinship operated as a largely residual category, and was
certainly not at the core of the logic of the system.

### Financial Flows

The circulation of men in the network was closely bound up with
various forms of financial circulation. The *shah–gumasta* system was
devised specifically to link these two forms of circulation. It could not
however encompass all the financial flows which animated the networks.

Through the *shah–gumasta*, what circulated was basically long-term or
medium-term capital, and it circulated only from the network centres to
the places of business. For short-term credit the merchants were
dependent on other circuits, which were more local. Shikarpuri succes-
sional documents show that, amongst the outstandings which were an
essential part of most successions, there was a category of 'loans to
*banias*' which was different from the category of 'loans to *gumastas*'.

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\(^{40}\) See above, note 39.

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This 'horizontal' pattern of lending coexisted with the 'vertical' pattern
characteristic of the *shah–gumasta*. In Central Asia, not all money-
lending among Shikarpurs was for the purpose of loans to the local
peasantry, although this was increasingly the mainstay of their activities.
This parallel credit network, geared to members of the community,
probably served the short-term needs of the Shikarpurs engaged in
trading and other activities outside their main moneyspending business,
but lack of data does not allow one to say more. Among Hyderabad merchants
also, this kind of short-term lending was very common,
especially in the form of advances from suppliers to their customers on
the purchase of goods. Cash advances from big firms to smaller
merchants were also fairly common. Most small and medium-sized
Hyderabad merchants purchased goods from the large firms on credit,
and the existence of this web of credit relationships was an important
element structuring the network. This credit was advanced at a rate
which was fixed by custom at 6 per cent per year\(^ {41}\) independently of the
rate of the money market at the time of the transaction. In the period
prior to 1914, this was a fairly high rate, but in the inter-war years it was
rather low.

Another very important form of financial business which seems to
have been carried out largely outside the *shah–gumasta* was the business
of remittances. A few banking firms in Shikarpur seem to have special-
ized in that kind of business, and their services were very widely used.
It must be noted that they increasingly used the services of the foreign
banks, in particular the Russo-Asiatic Bank, to transfer money to India.
Among Sindwarkies, most remittance business was also done through
the agency of the European banks, although a witness to the Bombay
 Provincial Banking Inquiry of 1930 stated that the firm of Pohoumull
Bros was also engaged in it.\(^ {42}\)

Under the overarching term of remittances were actually included
different kinds of transfers. There were the remittances sent regularly
to their families by the managers and employees of the firms, which were a
very important resource for many lower-middle-class families in both

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\(^{41}\) In a statement filed in 1918 with the Cairo consular court by the manager of the
Gibraltar branch of the firm of J. T. Channed, one could read the following sentence: 'It
is the custom of the trade of Dealers in Oriental goods to charge interest from the date
of the invoice to date of payment at the rate of six per cent per annum'. J. T. Channed &
Co., plaintiffs, v. Pribidias Rapchand, defendants', PRG, Foreign Office Records, Cairo
Consular Court Records, civil case no. 36 of 1918, FO 841/170.

\(^{42}\) When he was asked why Sindwark merchants had not gone into exchange bank
business, K. Buleland, the chairman of the Khulabadi Bhulaband Cooperative Credit
Bank, said that Meurs Pehmamal [sic] Brothers 'do remittance business while doing their
work as merchants'. Oral evidence of Mr K. Buleland, Report of the Bombay Banking
Shikarpur and Hyderabad. These served mainly to cover daily expenses, although they could be used also to pay for the dowry of a daughter, or to repair a house. Some of this money was also probably used to purchase land in the immediate vicinity of the towns. But on the whole these remittances circulated outside any circuit of capital accumulation. There was another kind of remittance, which consisted of the trading profits earned abroad and regularly remitted to the principals of the trading firms in Hyderabad. The amounts transferred were much larger than those into the first category, but cannot be quantified. Some of this money was reinvested in the trade, the rest was retained as profit by the capitalists. These were often considerable, but little is known about the way in which they were employed. A lot of money undoubtedly went into building palatial mansions in Hirabad, where the principals of the Sindwark trade had their residences. Some also went into the purchase of land, but beyond that little is known of the way in which the money earned abroad was recycled into the local economy. What is known with a degree of certainty is that no process of capital accumulation took place in the long term, by which the profits earned would have been invested in productive activities energizing the local economy. In Hyderabad itself most productive investment in the late nineteenth and early twentieth centuries went into the erection of cotton ginneries and the capital for it does not appear to have come mostly from the gains of Sindwark. In Shikarpur, there was even less productive investment. Whatever had been transferred to Shikarpur before the Russian Revolution must have been used partly to finance the expansion of the Shikarpuri financial network into India and Burma after 1920. The profits gained in Sindwark fed a consumer boom in Hyderabad, where rich merchants were known for maintaining a fairly lavish style of living, 43 dressing their women in expensive clothes and spending heavily on drink. In a medium-sized town like Hyderabad, there were thus ten importers of wines and spirits in the early 1930s, 44 who seem to have all done a thriving business. No wonder that Hyderabad was known as the ‘little Paris’ of Sind and gave travellers and officials an impression of wealth. Sindwarkies do not appear to have conformed to the ‘ascetic’ model which is supposed to have been characteristic of Hindu banias, while Shikarpuris on the whole did. The difference in behaviour

43 A witness to this period mentions that returning Sindwarkies ‘distributed exotic gifts of silks, perfumes and curios, far beyond the reach of the modest pocket-money of Amrit lips’, that ‘they sported huge diamonds on their fingers and rode in very splendid landaus’, but he added that ’they continued to live in ancestral houses in narrow lanes and congested mubreh on the north side of the bazaar in Hyderabad’. S. K. Karpalani, Fifty Years with the British, Bombay, 1993, p. 45. 44 See Jaffar’s Handbook and Directory of Sind for 1934, Karachi, 1934, p. 22–B.

The circulation of information and knowledge

Information was and is probably the most valuable input in trade, much more valuable than any given commodity.

The ways in which it circulated varied. Shikarpuri merchants were heirs to a long tradition of commercial contacts between Northern India and Central Asia and they did not have to build from scratch. When the British came to Sindh, they were not slow in recognizing the potential source of information about Central Asia at hand, and they did every thing in their power to tap that source. In the late nineteenth and early twentieth centuries, evidence from the successional documents shows that the markhars regularly exchanged the Shikarpuri panchayats in Central Asia and the corresponding panchayats in Shikarpur itself were the principal means of communication between the dispersed communities and the network centre. No detailed information is provided as to the exact mode of circulation of these markhars or to their frequency. They were probably still carried by courier, which means that they took months to travel from a locality in the Emirate of Bokhara to Shikarpur. The telegraph was used only exceptionally, because of its high price, and its limited reach in the region. The difficulty of communication between Central Asia and Shikarpur meant that the Shikarpuri panchayats in Central Asia constantly had to take business decisions without being able to confer with their principals in Shikarpur. It would thus appear that the kind of information which circulated regularly between Shikarpur and the various localities in Central Asia where Shikarpuris resided was more ‘social’ information than commercial information. The markhars concerned mostly matters internal to the Shikarpuri community, such as news of deaths or litigations, rather than

45 Sir Charles Napier himself wrote to Lord Ellenborough on 25 October 1842, from Sirdar, about the advantages to be gained from the association of Shikarpur: ‘Shikarpore contains many rich banking houses, which is a sure evidence of its being a central point of communication between the surrounding countries, and, consequently, one where the British Government would learn what was going on in Asia. The money market is, generally speaking, the best political barometer’. Correspondence relatable to Sirdar 1838–1843, London, 1843, no. 379, pp. 362–6.
information relating to prices and markets. The flow of information between the network centre and the places of business in the area of Shikarpur was limited. Shikarpuri speculations regarding the area seem to have been based more upon the wisdom accumulated by successive generations than on a constant flow of new data. Thus wisdom about the fact that the Turks repay their debts even after fifty years, which was obviously born of a long experience of contact with the region, still inspired Shikarpuris on the eve of the Russian Revolution.

In contrast, the development of the Sindwark network was based on a constant flow of information circulating between the network centre and the widely scattered places of business. The telegraph was crucial to the emergence and the consolidation of such a trading network linking Hyderabad with the principal ports of the world. It is no pure coincidence that the network developed mostly after 1880 when almost the entire world was criss-crossed by telegraph lines. Hyderabad merchants, like other South Asian merchants, were quick to see the advantages of the new technology for the circulation of information about prices and markets. The drawback of telegrams is that they were generally in English, therefore unreliable as a way to transmit information of a confidential nature, and it was only gradually that the merchants got into the habit of using codes. Apart from telegrams, there was therefore an intense circulation of business letters written in Sindhi, either in Arabic or in buna Sindhi, which were indiscernible by all but Sindhi merchants. It is amusing to note that during the First World War the chief postal censor in Sierra Leone complained to the War Office about the number of letters in Sindhi and Gujarati (by which he probably meant Sindhi letters in the devanagari script) received by the local branches of the two Sindwark firms in Freetown, M. Dialdas & Sons and J. T. Channrai & Co.44 He lamented the fact that nobody in the office could read them and that the only way he had found to enforce censorship rules was by detaining them until the following mail! Through their worldwide network of branches linked via the telegraph, the principals of the big Sindwark firms had easy access to a lot of information. An anecdote gathered from files in the Colonial Office Records will put it across very clearly. In 1934 the comptroller of customs in Lagos suspected that some Syrian traders in Nigeria were involved in illegal imports of Japanese textile goods into Nigeria in breach of quota regulations tending to restrict the entry of Japanese goods into British West Africa. To check on the source of these illegal imports, he asked the local manager of the Sindwark firm in Lagos of Chellaram & Sons to contact the manager of his firm in Kobe and in that way the source was traced.45 What is interesting is that the comptroller of customs, a British colonial official, relied on the informal information network of a worldwide Sindhi firm rather than on official channels, which would have taken much longer to activate.

One question, of course, is whether information circulated widely within the network, or was jealously guarded by firms, which were after all in competition with each other. It appears rather implausible that in small communities such as those formed by Sindwark merchants in any given locality, secrecy of any kind could have been maintained. It must be remembered that in no place in the world was the Sindwark community numerically large: Sindwark merchants often had clubs or associations where they met regularly in a rather informal manner and must have exchanged all kinds of information and gossip. These men generally lived without women and socialization with other members of their community was their only outlet. Even though there was a constant flow of information circulating through the network, it rarely leaked to outsiders. Sindwark merchants largely kept to themselves, and do not appear to have socialized much with members of other South Asian merchant communities, and even less of other communities, although there is evidence known to have maintained amicable relations with members of other trading groups.

On the other hand, information circulated very rapidly within the network from one end of the world to the other. An episode which took place in Port-Said around 1930 offers an interesting instance of it. A small Sindhi merchant sued before the Port Said consular court the owners of a local Sindwark firm for defamation,46 on the grounds that a series of letters they had written to other Sindhi firms in Kobe and Hong Kong had resulted in his suffering heavy loss and damage to his trade

44 See letter from Postal Censor Office, Sierra Leone to chief postal censor, War Office, London, 11 April 1916, enclosed in File J & P (S) 525/16, 23 May 1916, from Public Department, India Office, to director of special intelligence, War Office, copy in PRO, Colonial Office Records, Sierra Leone Original Correspondence, File 25 930, CO 267/573.

45 See minute of Mr Bunt, from the Colonial Office, July 1939, reporting a conversation with Mr Bird, comptroller of customs in Nigeria, who said that the firm of K. Chellaram & Sons had been instrumental in helping him to detect smuggling which was being carried on extensively by Syrian traders in respect of Japanese goods which were subject to additional duties. He was able to enlist the services of Messrs Chellaram in tracing these offenders, as Messrs Chellaram have an office in Kobe in Japan and they were then able to trace the sources of supply from these Syrian traders. PRO, Colonial Office Records, Colonies (General) Economic Original Correspondence, Textile Import Quotas, West Africa, Gold Coast and Nigeria 1939, CO 852/2252.

46 S. Baloomal, plaintiff, vs. Ratonmal & Sons, defendants', PRO, Foreign Office Records, Port Said Consular Court Records, civil case no. 13 of 1931, PO 846/97.
and his reputation as a businessman. They had denounced some shady practices on the part of this businessman and publicly questioned his trustworthiness, grave accusations indeed in such a small merchant world. He claimed (Egyptian) £2,000 damages and was finally awarded £400. Although the evidence in the case is not very clear, it throws an interesting light on the way in which business reputations could be made and unmade through the constant flow of correspondence maintained between Sindwork firms across the seas.

Writings on Indian merchants generally stress the importance of the pattern of socialization of the young males within the merchant family and the merchant community to the successful transmission of techniques and practices across generations. The merchant communities of Sind do not appear to have been different in this respect, except that, in comparison with the Marwaris for instance, actual apprenticeship in the firm seems to have started at a slightly later age, with formal schooling lasting a little longer. In Hyderabad at least, more emphasis seems to have been put on the acquisition of some basic literary skills, which explains that the principals and managers of Sindwork firms were often men of some sophistication, capable of putting forward their views in an articulate fashion. Wide-ranging foreign travel also broadened their horizons. However they appear to have remained rather conservative in matters of religion, and gave only limited support to reformist causes, even if some of them, particularly in Southern Africa, were active Arya Samajis. Although men, money and goods circulated widely throughout the network, ideas did not necessarily follow and the quietude of provincial life was not at any point seriously disturbed by returning Sindworkies, who seem to have moved with considerable ease between their home town and the four corners of the world.

6 The business of the Sind merchants

Shikarpuri and Hyderabad merchants exemplify in two different ways the tie-up which existed between local capital markets in India and markets for financial services and goods situated outside the subcontinent. The extent of capital resources and expertise vested in bania communities can easily explain how even small towns in South Asia could exercise a measure of economic control over vast areas outside the subcontinent. In this chapter we shall look in some detail at the precise forms of this tie-up so as to arrive at a better understanding of the business of the merchants. The lack of documents from firms is a severe limiting factor in this exercise and we shall be able to offer only a glimpse of the complex operations performed by the merchants of these two towns. They fell into two broad categories: finance and trade. Shikarpuris combined the two in varying proportions but were primarily financiers, while Sindworkies, although not eschewing finance, were specialized traders. The divergence in the trajectories of these two sets of merchants owes nothing to the existence of different predispositions, but is entirely due to a disjunction in the time sequence and to the specific nature of the economic environment in which each group had to operate.

The Shikarpuri shroffs as financiers

There is some broad similarity between the role performed by the Shikarpuri shroffs in relation to Central Asia between 1800 and 1920 and that fulfilled by the Nattukottai Chettians in South East Asia between 1870 and 1940. Both groups specialized in banking and moneylending, but the major difference is that the Shikarpuris started as totally independent operators before becoming intermediaries, while the Chettians from the outset were intermediaries for the British banks in Burma, Ceylon and Malaya. The Shikarpuris gained their prominent position in regional finance during the brief period of Durrani predominance in the second half of the eighteenth century. Their rise in this
period was directly related to their privileged links with the ruling class of the Afghan state. According to Gankovsky, Shikarpuris were prominent among the tax-farmers and conducted themselves as true rulers in their dealings with the people. Apart from their role as tax-farmers, they were also in charge of deliveries for the army and purchased, sold and resold military booty. Their role in financing Ahmad Shah's campaigns into India has already been mentioned. They were also in the business of supplying goods, mostly luxury items, to the royal court and the nobility, and lent to Afghan grandees at high rates of interest. They also lent, not always voluntarily, to the government and the provincial governors, tax revenue often being used as security on these loans. Gradually they came to occupy important posts in the state financial apparatus at the central as well as at the provincial level. Under Timur Shah, Ahmad Shah's successor, they appear to have been largely in control of state finances, as well as participants, through finance, in agricultural and artisans production. In the process some accumulated large fortunes, reaching up to the end of the eighteenth century.

After the collapse of the Durrani regime, they were able to redeploy in the financing of the caravan trade, between northern India and Central Asia, a niche previously occupied by the so-called Multanis, but vacant at the end of the eighteenth century. They financed this trade through their hundis, which, as attested to by contemporary travellers, circulated widely in the entire area between Nijmi-Nogorod and Calcutta. The Shikarpuri hundis, that "rued instrument with which the Shiikpurpui Bholetiel works", were more or less a letter of credit, or a bill of exchange nowadays given by banks to traders, basically allowing the latter to tide over the period between the conclusion of the transaction and the delivery of the goods. This, in spite of the fact, emphasized by L. C. Jain in his study of indigenous banking in India, that there was nothing in the hundi to show that it was drawn against commercial goods. The reason why, although it was such an imperfect instrument, the Shikarpuri hundis played such a role, is simply that there was no alternative instrument of credit to finance the caravan trade. As mentioned earlier, hundis circulated mostly within the Shikarpuri community; they were the device through which, without transferring bullion along the dangerous routes followed by the caravans, the Shikarpuri shroffs, through the agency of their gumaishas in Central Asia, could finance both the purchase of goods in Central Asia by Indian merchants, and the purchase of Indian goods by Central Asian merchants. Compensation would take place regularly in Shikarpur itself, where there was a kind of informal clearing house. The profits of the trade, in the form of bullion, were regularly "allowing for the hazards of the road" remitted to Shikarpur, where there was a thriving market for Central Asian gold coins. The shriffs also engaged in the business of foreign exchange, where good profits could be earned prior to the 1870s when the fall in the value of the rupee made this kind of transaction much less profitable. Shikarpuri agents in Central Asia seem also to have been involved in the taking of deposits and in advancing money to rulers and members of the elite. It is not clear how deeply they were engaged at this stage in wider moneylending to cultivators.

In the post-1870 phase the latter business became the mainstay of Shikarpuri activities in what had become Russian Central Asia, a process which I call 'Chettiarisation'. This was not a voluntary shift, but the result of new constraints. The decline in the caravan trade between India and Central Asia, which started in the 1880s and accelerated in the 1890s, dried up the major hundi business, forcing the Shikarpuris to look to other fields of activity. They also had to contend with growing competition from the Russian banks, fully supported by the czarist authorities. What saved them from extinction was the development of commercial agriculture, in the Ferghana valley, which in the Urals and some areas of the Emirate of Bukhara, which created new financial needs, which the Shikarpuri hundis could not entirely satisfy because of their lack of knowledge of the area. In spite of the hostility of the Russian authorities, the Shikarpuris managed to retain a role as financiers in Russian Central Asia; and even increased their business in other areas such as Sinkiang, Afghanistan or Iran.

Shikarpuri lending practices are known to us mainly through the accounts of Western travellers. The best description, although cursory, is found in Schuyler's account of his visit to Tashkent in the early 1870s. According to this well-informed witness, 'the Hindoos usually lend sums for twenty-four weeks, to be paid in weekly instalments of one tenga to every tilla, that is one nineteenth, making a gain as interest in the course of the transaction of five tengas, or about twenty-six per cent, which would be fully fifty-six per cent per annum'. He added that, 'as the money is thus paid back in instalments, it is evident that a money-lender with a very small capital can make a very large yearly profit'. This repayment schedule, which differed from the monthly system used in India, ensured repayment of the principal in the first nineteen weeks,
and of the interest during the last five weeks. Schuyler's account was of moneylending in an urban milieu where the Shikarpuris were far from enjoying a monopoly. Most loans appear to have been small scale, for purposes of day-to-day expenses rather than of investment, but more substantial loans were also occasionally extended. Schuyler mentions a big army contractor who was heavily indebted to the Hindu bankers of the town.\(^6\)

As regards rural loans, the perusal of successional documents yields some findings about their size. A survey of twenty-nine estates in Russian Central Asia shows a total of outstanding debts of 120,000 roubles (equivalent to £12,000), neither a small nor a very large sum. To put things in perspective, an official report put the debts of the inhabitants registered with the hazi in one month, in one village of Namangan district around 1910, in the neighbourhood of 800,000 roubles.\(^7\) Rural indebtedness in Russian Central Asia was of considerable magnitude, and it seems that Shikarpuris held only a small part of it. In some areas of the Emirate of Bukhara however, the situation was different and Shikarpuris occupied a very strong position on the rural credit market, which might have been the legacy of an earlier period.

The data available are not sufficient to allow an estimate in quantitative terms of the impact of the Shikarpuris on the regional economy. It is however possible to form an idea of the variety of the operations of the Shikarpuri moneylenders. Different kinds of documents figure in the inventories of estates: bills of exchange (hundis), promissory notes, wriis, etc. The fundamental duality of Shikarpuri activities is well captured in the following extract of an application submitted to the collector of Suktur by the heirs of one Hasomal waqad Khemchand, who died in Bukhara in 1912: "The profession of the deceased during his lifetime in Boldara was of money dealing with the Bhaihonds and of lending money to the inhabitants of Boldara and the Turks of other surrounding villages.\(^8\) Money dealings with the Bhaihonds, meaning the other Shikarpuris, was thus an activity clearly differentiated from lending money to the local inhabitants. Separate accounts were kept of

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5 According to Schuyler, ibid., there were in Tashkent a total of 1,000 moneylenders, mostly local Muslims; only 140 were Hindus (Shikarpuri). The Shikarpuri seem, however, to have been the most active in the business.

6 Schuyler in ibid., p. 98, has this to say about one Sait Aziz, one of the leading merchants of Tashkent: "He has also engaged in the business of array contracts and has fulfilled them with great accuracy, though to do so he has been obliged to borrow much money of Hindus and others, to whom he is still largely indebted."

7 Mentioned in Pierce, Mission to Turkestan, pp. 101–2.

8 Application, 27 July 1912 from Chelkerm waqal Tezmal, merchant, shopkeeper, and heir of his maternal uncle Haso, alias Hasam waqal Khemchand to the collector of Sukkur, BPP, November 1912, Serial no. A 7.

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The business of the Sind merchants

<table>
<thead>
<tr>
<th>Type of document</th>
<th>Amount outstanding (in roubles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bills of exchange</td>
<td>2,191</td>
</tr>
<tr>
<td>Outstanding according to local custom</td>
<td>3,808</td>
</tr>
<tr>
<td>Wris</td>
<td>495</td>
</tr>
<tr>
<td>Receipts on bills of exchange</td>
<td>1,062</td>
</tr>
<tr>
<td>Total</td>
<td>7,624</td>
</tr>
</tbody>
</table>

Source: ‘Note verbale’ no. 3529, 31 May/1 June 1912, from Russian Ministry of Foreign Affairs to British Embassy at St Petersburg, enclosed in dispatch no. 182, from O’Beirne, Embassy staff, St Petersburg, to secretary of state for foreign affairs, copy in BPP, July 1912, Serial no. A 54.

The two kinds of transactions, the former written in the *baniya* Sindhi script, the latter in the local language (Tajik rather than Uzbek). It is easy to infer from it that different rates of interest also applied to these different types of transactions. Within the Shikarpuri community transactions were conducted mostly through the medium of *hundis*, thanks to the compensation mechanisms which existed in Shikarpur, although cash transactions also existed. Transactions of non-Shikarpuris were also sometimes conducted through *hundis* in the native tongue, but more often through other kinds of documents such as promissory notes or ‘créances d’après la coutume du pays’, in the French of Russian official documents ("outstandings according to local custom"). There were also wriis issued in application of judicial decisions. An idea of the respective importance of these different types of documents is given in Table 6.1, which reproduces the composition of the debt portfolio of a Shikarpuri banker of Namangan (Perghana valley) at the time of his death in 1907. This table suggests a more or less balanced ratio between transactions ‘internal’ to the Shikarpuri network, represented by bills of exchange and receipts on bills, and transactions with ‘outsiders’ ("outstandings according to local custom" and wriis). Examination of other debt portfolios however yields different results, and it seems that the situation varied considerably from one area to another. In Bukhara, where Shikarpuris were thicker on the ground than in the gubernia of Turkistan, they often had larger transactions with their own coreligionaries than with the local inhabitants.\(^9\)

Only an examination of the books of some of these moneylenders could tell us exactly to whom they lent and for what purposes. Stray

9 Thus the Mohandas Janjmal estate, the largest in my sample, was characterized by the predominance of outstanding due from ‘gantranths and Ajans’ over those due by ‘Turhis and Pathans’ . See Chapter 3.
indications in successional documents point towards the predominance of relatively small loans, rarely higher in value than 20 rupees or a few hundred tenguas.\textsuperscript{10} There is also evidence of larger loans granted to Russian or indigenous Muslim merchants.

The substantial estates left by the Shikarpurs in Russian Central Asia tend to suggest that the profitability of their moneymolding operations was fairly high. European observers as well as the Russian authorities were even of the opinion that the Shikarpurs lent at exorbitant rates and gained extravagant profits. Shikarpurs in the Kavakurana area of Samarkand district agreed to lower their rates from 60 per cent to 30 per cent to comply with demands from the new Russian administration,\textsuperscript{11} but it seems that the move was mostly tactical, to ward off a threat of expulsion. Rates of interest in Central Asia remained extremely high up to the Russian Revolution, and besides, the rate of recovery was also high on outstanding debits, judging from the evidence of successional documents, particularly so in the case of the Kavakurana area. It seems that the pous and saasi were good at squeezing the peasantry. The overall level of risk in moneymolding operations in Central Asia was therefore relatively limited, especially in comparison with the situation as it stood in Sind at the time. No fortune could be gained in advancing money to the Uzbek and Tajik peasantry of Turkestan, but a regular and substantial income could be earned without too much difficulty, although not totally without danger. Murders of moneylenders were as common an occurrence in Central Asia as in Sind, but Shikarpurs were not deterred.

In neighbouring Sinkiang, according to the evidence in the Kashgar diaries, Shikarpurs lent at even higher rates, although the official level of interest fixed by the Chinese authorities was 33 per cent per annum.\textsuperscript{12} During a tour of southern Sinkiang in 1908, the British consular agent heard from the local inhabitants a string of complaints against the Shikarpurs, who were accused of charging exorbitant rates, of not

\footnotesize{\textsuperscript{10} Two brothers who died suspiciously at the same time in the town of Morgul in Pershina left, among other things, one 96 letters de change pour la somme de 1803 roubles 60 kopeaks, and the other 37 letters de change pour la somme de 523 roubles 60 kopeaks. Notes from the Russian embassy in London to the Foreign Office enclosed in Foreign Office to India Office, 28 October 1892, IOB, Public & Judicial Department Annual Files, File 172/202.

\textsuperscript{11} Mentioned in E. C. Ranger-Thompson, HBM's corral at Meshed to the secretary to the Government of India in the Foreign Department, 24 June 1893, IOB, Political & Secret Correspondence with India 1875–1911, File 4/771.

\textsuperscript{12} Kashgar diary entry for 18 July 1903, IOB, Political & Secret Correspondence with India 1875–1911, File 4/771. It was however reported in the entry for 20 October 1908, L/PKS/7/223, that a man called Soha Singh who lent a sum of 5,151 tenguas in 1902 asked for repayment of 84,221 tenguas six years later! And it was reported in the entry for 2 February 1921, in Political & Secret Subject Files 1902–1931, L/PKS/7/ 976 that Shikarpurs in Sinkiang charged an average 12 per cent per month on loans.

\textsuperscript{13} For 2 November 1908, L/PKS/7/225.


\textsuperscript{15} Mentioned in Nedestinsky, Bukhara, p. 59.}
The business of the Sind merchants

Bank rate at Bombay was generally 2 per cent below the rate at Rangoon.\footnote{Report of the Bombay Provincial Banking Enquiry Committee, 1929–30, vol. IV, Evidence, 'Evidence from the Shikarpuri Shroffs' Association', pp. 336–44.}

The rates of interest charged ranged from a low of 9–13 per cent at which rate most business was done to a maximum of 24 per cent on small loans with little security. These figures are much lower than those quoted for Central Asia, confirming that the rates in that region had been particularly high. As to the net income of the bankers on their capital, estimates varied between a low of 7–8 per cent according to the Shikarpuris themselves\footnote{Report of the Madras Provincial Banking Enquiry Committee, p. 188.} and a high of 9–12 per cent according to the Report of the Madras Provincial Banking Enquiry Committee, a discrepancy which is fairly small and easy to explain.

All reports noted a marked shift in the operations of the Shikarpuri shroffs from deposits, which had been an important area of activity prior to 1914 (as is seen clearly in the Central Asian succession documents), to hundis, the cheques which were considered a simpler and more efficient way of making money. In Shikarpur in the inter-war period, even ordinary lower-middle-class people were in the habit of purchasing hundis, because they got interest in advance, and after sixty-one days could renew them and receive interest again. There was thus in Shikarpur a thriving business in hundis originally underwritten by Deccan agriculturists or Bombay traders and industrialists which, after having been sold and resold in Shikarpur, were re-exported to the Deccan and Bombay by the shroffs, thus depriving local agriculture and trade of much needed capital.

In the long term, it appears that the role played by Shikarpur as a centre of international and interregional finance resulted in a certain amount of decapitalisation, as funds borrowed locally were systematically transferred to other places. On the other hand there were regular remittances, but after 1920 their amount seems to have diminished, as the Shikarpuri bankers increasingly used Bombay as the main base and treated Shikarpur only as a place of residence and a secondary financial market. The decentralised position of Shikarpur in relation to the new areas of activity of its bankers favoured a gradual shift of the centre of gravity of the network towards Bombay. Shikarpur had thrived as the gate of Khorrassan, but the partial end of the Central Asian connection dealt it a blow from which it never really recovered, in spite of the talents of its bankers and of their attachment to their native town. The record of the Shikarpuris remains nevertheless impressive: in spite of the losses suffered in the Russian debacle, they were able to reinvent themselves as the foremost community of 'indigenous bankers' in India, challenging...
Gujaratis and Marwaris on their own ground. Their major assets were their reputation for scrupulous honesty (no Shilapuri banker ever defaulted on a huma), which ensured wide acceptance for their bills, including from European banks, and their flexibility, their readiness to move humas quickly from one place to another to take advantage of differences in interest rates. It explains largely how, in spite of their limited capital resources due to the relative poverty of their native town, they could play an important financial role in a very extended area over a long period of time: the rapidity of circulation of their humas had a multiplier effect, allowing them to cover many transactions without mobilizing too much of their own capital. It is obvious that accounting skills were an important component of their expertise, although little is known in detail of the specifics of their accounting system. They combined, to an astonishing degree, a strong conservatism with a remarkable capacity for adaptation to changing contexts and conjunctures. Their Hyderabadi colleagues were less conservative, but did not show a similar capacity for sudden shifts; their story is rather one of gradual change.

From niche traders to global players: the evolving nature of the Sindwork trade

If Shilapuri remained basically a community of bankers, the Hyderabadi merchants known as Sindwork merchants or Sindworkies, who came from the same background, developed over time a specialization in certain branches of trade which were highly specific. Their trade, known as the ‘Sindwork trade’ represented a rather unique mix, combining international import-export trade with wholesaling and retailing, dealing in luxury as well as in ordinary goods, bringing together a highly specialized, the silk trade, and a much more undifferentiated one which went under the generic appellation of curio trade. Gradually the Sindwork merchants emerged as global players on the world textile markets.

Originally the term ‘Sindwork trade’ covered all kinds of craft productions of Sind, particularly Lower Sind, which found an outlet on the Bombay market, mostly with a European clientele, following the annexation of Sind to the Bombay Presidency. It was basically an itinerant bazaar trade in which unbranded goods produced in small workshops by Muslim craftsmen working at home or in very small workshops were sold by hawkers, who received them from merchants who advanced money to the craftsmen. No material dating from these early days of the trade has come to light, and nothing is known of the exact way in which the merchants organized the trade.

At a later stage, silk and silk goods entered the repertoire of the Sindwork merchants. Originally they seem to have procured the silk and silk goods from India, particularly from the Punjab and from Benares, but from the 1890s onwards, Chinese and Japanese silks and silk goods figured with increasing prominence in inventories of shops and lists of goods traded. This specialization in the silk trade is somewhat puzzling. Silk is a highly specific line of trading, which necessitates knowledge and skills acquired over long periods in tightly knit merchant communities, as was the case in China, Japan, France or Italy. There is moreover no indication of a prior specialization by Hyderabadi merchants in that line, even if different kinds of silk goods figured among currently traded items in Sind in the nineteenth century. One possible explanation for this pattern of late specialization may lie in the specific state of the silk market in India in the second half of the nineteenth century, when no hereditary group of silk traders with a clearly dominant position emerged. This relatively ‘open’ situation may have facilitated the entry of newcomers into the trade. Having gained a foothold in the silk trade in India (they appear as silk traders in Calcutta from the 1870s onwards), the Sindworkies managed to acquire the basic knowledge and skills which allowed them to extend their silk-purchasing operations to the Far East. At the time when they made this move, around the late 1880s, other groups of Indian merchants, mostly Gujaratis, were in the habit of purchasing silks in the Far East to supply the Bombay market. It is possible that, finding the Bombay market too crowded, the Sindworkies looked for outlets outside India in the countries where they had established a foothold at curio merchants. Statistics on the reexport of silk manufactures from India, mostly from Bombay, to certain destinations, where Sindwork merchants were active, can give some idea of the size of their trade. Table 6.2 presents the data.

It is worth noting that between 1893–94 and 1913–14 reexport of silk products to Malta and Egypt declined considerably, an indication that the Sindwork merchants increasingly tended to consign silk goods directly from Japan and China to these destinations, by-passing India altogether. The opening of branches in China and Japan by some of the largest Sindwork firms facilitated the trend.

In China, the Sindwork merchants were attracted first to Canton, which was less active than Shanghai in the silk export trade, but had a large trade in piecegoods for foreign markets.22 After 1920, they shifted the focus of their activities to Shanghai, where Pongees, made of tasar silk, a relatively cheap variety, were a popular item for export.23 One of

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22 Li, China’s Silk Trade, p. 73.
23 Ibid., p. 79.
Table 6.2. Reexport of silk manufactures from India to selected destinations in 1893–1894 and 1913–1914 (in rupees)

<table>
<thead>
<tr>
<th>Destination</th>
<th>1893–94</th>
<th>1913–14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gibraltar</td>
<td>65,340</td>
<td>55,185</td>
</tr>
<tr>
<td>Ceylon</td>
<td>86,015</td>
<td>87,240</td>
</tr>
<tr>
<td>Natal</td>
<td>16,729</td>
<td>98,100</td>
</tr>
<tr>
<td>Zanzibar and Pemba</td>
<td>63,861</td>
<td>102,255</td>
</tr>
<tr>
<td>East African Proteconsaes</td>
<td>n.a.</td>
<td>60,210</td>
</tr>
<tr>
<td>Malta</td>
<td>36,297</td>
<td>5,010</td>
</tr>
<tr>
<td>Portuguese East Africa</td>
<td>18,681</td>
<td>25,560</td>
</tr>
<tr>
<td>Egypt</td>
<td>87,830</td>
<td>9,585</td>
</tr>
<tr>
<td>German East Africa</td>
<td>n.a.</td>
<td>21,315</td>
</tr>
<tr>
<td>Tunis and Tripoli</td>
<td>n.a.</td>
<td>10,505</td>
</tr>
</tbody>
</table>


instance, they sold locally produced shawls known as Assuit shawls. Their venture into the lace trade seems to have developed originally as an offshoot of the establishment of trading connections with regions where there was a tradition of lace production, such as Malta or Tenerife. Some Sindhi merchants in Egypt did a thriving trade in Maltese lace, which was in great demand there, particularly from the Jewish population.

Together with these fairly specialized lines of trading went a more undifferentiated one, known as the curio trade. The exact origin of the term ‘curio’ and its use to cover a whole range of so-called ‘exotic’ goods would by itself be worthy of further research. The definition of the term could actually vary. In some cases, it included the trade in antiques and art objects, but definitely not for the Sindwark merchants, who always tended to avoid becoming involved in this highly specialized trade which necessitated a kind of knowledge which they did not possess. In Egypt they left that line entirely to the Armenians, the Levantines, the Greeks and the Jews, and concentrated instead on the lower segment of the market represented by ‘tourist’ goods, which did not appeal to the same extent to connoisseur taste. These goods had various provenances, and were meant to satisfy a clientele of tourists and travellers.

Ultimately it is the specific nature of the demand on the part of European and North American tourists and travellers which shaped the particular mix of goods on offer in the Sindwark shops. This type of customer was not interested in buying in large quantities, and was not too demanding as regards quality either. Travel purchase is a very specific branch of the trade, where a lot of the usual constraints on the seller are attenuated. The customer is more ready to buy than in the course of ‘normal’ shopping, and, since the purchases are generally part of a separate budget earmarked for travel, he or she is not inclined to look too closely at the price. In any case they have only limited time, generally while the ship is at anchor. International long-distance ship passengers were generally taken to the shops by tours, and represented a kind of captive market. Compulsion to buy was strong, as returning home empty handed from a long voyage to the Orient would have been seen at home as unworthy. On the other hand, they rarely had a very precise idea of what they wanted to buy. Hence the importance of developing persuasion techniques to cater to this kind of clientele. Before the era of mass advertising, it could be done only through personal contact. It was therefore necessary to have managers and shop assistants capable of talking customers into buying the most expensive items, which put linguistic skills at a high premium among Sindwarkies. Since demand was not highly focused on specific items, actual purchases
were easily influenced by the availability of supplies. It was advisable to always have a wide range of goods available in large quantities during the high season. That is why a large stock-in-trade is characteristic of all shop inventories found in the archives. Shops did a particularly brisk trade at the height of the tourist season (winter in Egypt), a period during which turnover had to be very high to generate good profits. Besides, such a trade was very sensitive to even small fluctuations in the number of tourists and travellers, and also highly dependent on largely unpredictable changes in fashion and taste. It was characterised altogether by a high degree of uncertainty and risk.

To mitigate the risks, Sindwork merchants tried to escape an exclusive reliance on the tourist trade and sought to develop more regular lines of trade with more permanent customs. Given the kind of goods they traded in, they found that clientele mostly among the resident European population of colonial and semi-colonial countries, like the British in Egypt, Dutch settlers in the East Indies or French colonists in North Africa. British troops were also an important market, as officers and soldiers liked to bring back souvenirs from their years of service in the East. All these uprooted Europeans were good customers because they combined an often high purchasing power with a taste for the ‘exotic’. In places like Singapore, customers were also found among wealthy non-Europeans, mostly Chinese. At a later stage, as the range of goods sold in the shops broadened to include different kinds of textiles besides silk, more ‘native’ customers were attracted to the Sindhi shops.

Pricing policies followed by Sindwork merchants did not conform to the usual bazaar practice of not having fixed prices and of underselling to dispose of limited stocks as quickly as possible to ensure a rapid turnover. On the contrary, in their shops, there were prices which were fixed and quite high, and bargaining was not an accepted practice. These shops were actually modelled on the ‘oriental’ shops which were mushrooming at the same time all over Europe and North America, and there was a deliberate attempt on the part of the Sindwork merchants to appear different from the stereotypical ‘oriental’ trader, so as to gain respectability and inspire confidence in a mostly European clientele full of racial prejudice. They made it a point to behave in an European a fashion as possible. For instance, they avoided selling on credit as much as possible, which was done in every case when customers were often ship passengers ready to depart.

Location and presentation were two very important factors in ensuring a steady volume of sales. Generally Sindwork merchants had their shops in prestigious locations, either in some of the main commercial thoroughfares, or in big hotels and in the main tourist areas. In Cairo, their shops were spread between the major hotels and the principal tourist bazaar, the Khan-i-Khalil. In Singapore, they were mostly in High Street, in Saigon on the rue Canton. The shops were generally rented, and rents represented a large part of the overhead costs of the Sindwork firms. They were reluctant to buy because real estate prices were generally very high in exclusive shopping areas and they liked to keep their assets as liquid as possible, to facilitate mobility.

If a wealthy clientele was easily drawn into well-located shops, the quality of internal arrangements was essential to further capitalize their attention. Sindhi merchants, influenced by the example of the new ‘oriental shops’ in the great capitals of the world, appear to have paid a lot of attention to that aspect, with results which could be impressive. One of Rangoon’s main Sindhi shops, that of T. K. Tejoomal, so much impressed visitors and resident Europeans that it was even the subject of a poem published in the Rangoon Gazette in July 1922.26

If the specific nature of demand largely dictated the assortment of goods which were on offer in the shops or which were hawked by the peddlars, supply was an equally important factor in shaping the trade. The originality of the Sindwork merchants in this matter is that they systematically attempted to control the entire supply chain. In an early phase, big Sindwork firms had their own workshops in Hyderabad for the production of certain kinds of goods. Thus in 1899 both Pohonoomli Bros and Wastammal Assoomal advertised themselves as manufacturers of tulip embroidery, a traditional craft of Sind. This direct link to craft production snapped as the productions of Sind were replaced by those of other areas. It is worth noting however that in 1930 Hyderabadi merchants were mentioned as financing craft production in Kashmir on a significant scale. At various moments, Sindwork firms purchased small factories in different locations,27 but such direct forays into

26 The poem reads:
Mr. Tejoomal stands and smiles
On the steps of his bazaar store
Looking you into the silken pile
And the glitter of gems gleam.
28 The firm of D. Kundaomal & Co. was listed in the Trade Directory of Japan, Calcutta, 1940 under ‘silk and rayon goods manufacturers’. The firm of J. Kinnaral & Co., according to the entry on Seth Sohrab Jhamatmal, proprietor of the firm in the Who’s Who in Sind, Karachi, 1944, owned a silk mill in Ahmedabad.
The business of the Sind merchants

production were rarely successful. Apart from these failed attempts, the main thrust of the Sindwark merchants was towards controlling the entire supply chain, from the workshop or the factory floor to the ultimate customer, and to cut out the middlemen as much as possible. Only firms of a certain size however attempted to perform all the operations in the chain, from wholesale purchasing at the factory floor to retail selling in shops via exporting, importing and wholesale distributing. In this respect, Sindwork firms could be divided into two broad categories: truly ‘global’ firms which were exporters as well as importers, wholesalers and retailers, and smaller firms which operated only at the importing end of the chain.

Out of a total of Sindwork firms which, in the 1930s, was much more than 100, only about 50 were listed as exporters from Japan and China, which were by then clearly the major sources of goods for the network. There were also a few firms which exported only from India, but Indian goods accounted for a diminishing share of the total supply. In the big exporting firms, different branches handled different types of operations: the Yokohama branch would do the wholesale purchasing and exporting, the Balkh branch the importing and wholesale distributing for the Western Mediterranean and the Atlantic, while retail selling could be done in many locations, either in shops or by hawkers.

A survey of some twenty firms listed as exporters from Japan in 194290 shows that they operated mostly in the textile trade. A broadening of the range of goods they exported is however noticeable, as most firms added cotton and rayon piece-goods to their traditional trade in silk piecegoods. On the other hand, only two firms are listed as curio exporters, which may be due to underreporting. Sundry goods, such as bandbags, hosiery goods or parasols are also listed among goods exported by these firms, which confirms the trend towards a broadening of their range.

Evidence from Southeast Asia reinforces this impression. In the 1920s and 1930s the big Sindwork firms, such as K. A. J. Chotirmall, K. Chellaram and Poonamul Bros. began to engage in the multilateral trade between Japan and the Netherlands Indies, exchanging Indian raw cotton for Japanese textiles which they sold in the Indies.91 The firm of K. A. J. Chotirmall was particularly active in this process of ‘globalisation’. In the 1920s it broke into the German and Swiss textile markets, and played an important role in the textile trade between French Indochina and the rest of Southeast Asia. Allied firms Lachland and Recan-
The business of the Sind merchants

The retailing end of the chain. Altogether, intra-network transactions seem to have been more important than transactions with outsiders but the latter were nevertheless crucial to ensure a regular supply of goods to the entire network.

Why did the big firms try to control the entire supply chain? One of their motivations may have been the desire to keep transaction costs low, but other possible motives may have been the will to exclude outsiders, and the desire to give employment to townspeople. Controlling the entire supply chain had its costs: it meant fulfilling different specialized functions, such as exporting, importing and wholesaling which demanded specialized skills and stretched to the limit the human resources of firms which were, after all, by the standards of world capitalism, medium-scale operators. Such lack of specialization did not facilitate calculations of cost and of margins, and may have been a drag on profitability. On the other hand, it probably brought in side benefits which were not negligible, such as the possibility of playing on currency fluctuations between different trade zones. It seems that in the 1930s, in particular, foreign currency operations accounted for a growing share of the profits of the big firms. Controlling the supply chain also gave a lot of flexibility and allowed them to respond quickly to shifts in demand from one type of goods to another. But the ultimate explanation for this desire is probably to be found in the precarious internal balance of the network. Only by controlling the supply chain could the big firms maintain their overall dominance, which was constantly threatened by the emergence of new players. Control of the supply chain was thus clearly linked to the oligopolistic nature of the network. Oligopoly had to be constantly reasserted, for it could have been eroded by the natural dynamics of the trade. Since the dominant players could not use a hierarchical caste structure to their advantage, they had to manipulate market factors to reach their aims.

Lack of quantitative data hampered any attempt at evaluating the overall importance of the Sindwark trade. An estimate of 1936, already quoted, mentioned a total turnover of Rs 20 crores. The big seven firms must have accounted for a large share of it, which means that, with a turnover of more than Rs 1 crore each, these firms were among the largest Indian commercial firms at the time.

As regards profits, no overall estimate is available. Stray indications in archival sources suggest wide variations in rates of profit, depending on

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39 The profits of Messrs. K. Dhanamall & Co. were at 300,000 Dutch guilders on a capital of 351,000 guilders in 1920. Available from Naraindas Titchmarsh, 22 October 1923, PRO, Foreign Office Records, Embassy and Consular Archives: Japan, Yokohama, PO 908/8.

40 Calculated from information contained in the pension of Jangirpal Tejmal Khamrais to the collector of Hyderabad, September 1927, IOS, L/P&O/6727.

41 From deposition of Naraindas Khairchand, one of the partners of the firm of K. Khairchand & Co. in "K. Khairchand and Kodnomal vs. Naresundas Khairchand", PRO, Foreign Office Records, Cairo Consular Court Records, suit no. 134 of 1908, PO 841/10.

42 An award given by an arbitrator in a dispute between a hawkier and his supplier included the following rubrics: ‘Loss of profit on missing goods at the rate of 10 per cent on their cost price’, Award enclosed in "Ushandas Siganavmal vs. Tarachand Mulchand", PRO, Foreign Office Records, Cairo Consular Court Records, suit no. 18 of 1907, PO 841/ 92.

43% In "Grandhadum: In History and Implications", by Bhau Praput Diadals, in Samrat Enterprises Corporation Ltd., Grandhadum, Bombay, 1951, pp. 8–12. A "large part of our people were not dependent for their livelihood on the soil of Sind. In fact they fed Sind with an annual stream of wealth calculated to be at least five to ten crores of rupees." Bhau Praput Diadals was the principal of the firm of M. Diadals & Sons.

44 Mentioned in Brown, Capital and Entrepreneurship, p. 208.

45 From Chapter 4.

46 The profits of Messrs. K. Dhanamall & Co. were at 300,000 Dutch guilders on a capital of 351,000 guilders in 1920. Available from Naraindas Titchmarsh, 22 October 1923, PRO, Foreign Office Records, Embassy and Consular Archives: Japan, Yokohama, PO 908/8.

47 Calculated from information contained in the pension of Jangirpal Tejmal Khamrais to the collector of Hyderabad, September 1927, IOS, L/P&O/6727.

48 From deposition of Naraindas Khairchand, one of the partners of the firm of K. Khairchand & Co. in "K. Khairchand and Kodnomal vs. Naresundas Khairchand", PRO, Foreign Office Records, Cairo Consular Court Records, suit no. 134 of 1908, PO 841/10.

49 An award given by an arbitrator in a dispute between a hawkier and his supplier included the following rubrics: ‘Loss of profit on missing goods at the rate of 10 per cent on their cost price’, Award enclosed in "Ushandas Siganavmal vs. Tarachand Mulchand", PRO, Foreign Office Records, Cairo Consular Court Records, suit no. 18 of 1907, PO 841/ 92.

50 In "Grandhadum: In History and Implications", by Bhau Praput Diadals, in Samrat Enterprises Corporation Ltd., Grandhadum, Bombay, 1951, pp. 8–12. A "large part of our people were not dependent for their livelihood on the soil of Sind. In fact they fed Sind with an annual stream of wealth calculated to be at least five to ten crores of rupees." Bhau Praput Diadals was the principal of the firm of M. Diadals & Sons.
Sind. Recent estimates of the wealth of Indian expatriate business families in the United Kingdom place the Chanrai and Chellaram families, with respective fortunes of £60 million and £30 million among the richest. Both made their fortune in Sindwork with the firms of J. T. Chanrai & Co. and K. Chellaram & Sons. This gives an idea of the kind of fortune which could be made in Sindwork. Sight must not be lost of the fact that a lot of money which had been invested by returning Sindworkis in land and real estate in and around Hyderabad was wiped out at the time of Partition in 1947–48. Smaller merchants could also build up wealth on a significant scale. Hyderabad was known, prior to 1947, as a prosperous city, and a significant part of its wealth had its origins in the gains of the Sindwork trade. But, if the profits of the trade were fairly high, they were far from equally distributed. The owners of the big firms accounted for a big share of them, but there were also marginal operators who never made much profit. In the Japanese silk trade, some of the smaller traders made their actual profit not on the sale of the silk but on the resale of the wooden cases in which the silk was shipped.

To illustrate the highly diverse and changing nature of the Sindwork trade, two case studies will be presented of Egypt and West Africa.

The Sindwork trade in Egypt c. 1900–1930

In Egypt, during the first three decades of the twentieth century, Sindwork merchants were typical niche traders, who specialized in some lines of trade, but do not appear to have had a global impact, despite the large-scale operations of some firms. It is significant that the literature on trade in Egypt makes no mention of this group of specialized Indian traders. Compared to Greece, Levantine, Jewish and Armenian merchants, they must have been fairly inconspicuous. Court cases before the Cairo consular court give some idea of their business, and are particularly informative on the smaller traders. Many of the cases concerned disputes between hawkers and the merchants who supplied them with goods. They often include detailed descriptions of hawkers' between India and England in the 1930s. While the ship was passing through Port Said, Nazim invited all the first class passengers, 500 in all, to dinner at the Casino and paid a bill of £15,000, an enormous sum in those days, 'without so much as batting an eyelid'.

44 Craig, The Nis Matanijieh, p. 92.
45 Kirpalani, in Fifty Years with the British, p. 365, tells the story of a school friend of his, Payamani, who, after a career of three decades in Sindwork in Trinidad, came back with some US $200,000 which he invested in a piece of landed property. He lost his fortune when he had to leave Hyderabad in 1948.
46 Mentioned in Chandra, "The History of Indians in Japan".

bundled presented as evidence in court. In this way it is possible to know what kind of goods the Sindhi peddlars sold in Egypt in the early twentieth century.

An analysis of four bundles belonging to three different hawkers shows that all silks and silk goods, including painted silk, crepe silk, plain silk, striped silk, silk hucksters, silk kimonos and silk blouses, were of Chinese or Japanese origin, while the bulk of non-silk goods were of Indian origin, including Madras brass and mamelpieces, Ludhiana curtains, Aga cushions, Delhi tables, etc. There were also 'Tirzah', Maltese, Egyptian and Sudanese goods, as well as many objects of unknown provenance, indicating that Sindhi merchants in Egypt sourced very widely. The hawkers, most of whom were on contract with a merchant, appear to have travelled all across Egypt and even in the Sudan. It is probable that most of their customers were Egyptian, Europeans in Egypt being few outside Cairo, Alexandria and the Delta provincial towns. The existence of these hawkers and the range of their travels testifies to an attempt on the part of the Sindwork merchants to avoid being too dependent on the tourist trade with its high seasonal fluctuations. It is clear that they succeeded in capturing some market share in a country where there were already many active trading communities. Their major asset appears to have been their trading connections with India and the Far East, which no other community in Egypt had at the time. But they also sold local goods, which reveals the existence of trading connections in the region.

Some cases in the Cairo consular court records throw a vivid light on the activities of small traders. Thus the story of a firm called K. Khan
chand & Co can be largely reconstructed from the evidence contained in several cases which came before the court between 1906 and 1913. The firm had been constituted in 1904 apparently as a partnership between four merchants for a period of four years, but after two years three of the original partners withdrew, and the remaining one concluded a new partnership agreement with a Hyderabad capitalist. The founder remained as a working partner and a second partner was brought in from Hyderabad. According to the terms of the partnership, a sum of Rs

47 List of goods entrusted to 'Irashand Miluchand', in 'Daransmall Chellaram vs. 'Irashand Miluchand', FRSC, Foreign Office Records, Cairo Consular Court Records, notario, file no. 10 of 1904, FO 841/80; 'list of goods entrusted to same', in 'Udhandas Singhram vs. 'Irashand Miluchand', ibid., suit no. 18 of 1907, FO 841/92; 'list of goods missing from the bundle of Dettam Chamshaim', in 'K. Khan
chand & Co vs. Dettam Gopornam', suit no. 3 of 1908, ibid., FO 841/96; 'amount sent by plaintiff in partnership with defendant', in 'Kosilbhan Dwarkram vs. Dettam Watamsam', suit no. 47 of 1908, ibid., FO 841/97.
48 Partnership agreement reproduced in Appendix III.
15,000 was invested in the purchase of goods. The firm had two shops in Cairo 'for the purpose of trading in Indian goods and curios', one of which was on the premises of the Bristol Hotel, and the other one in the Khan-i-Khalili, the main tourist bazaar in Cairo. One of the partners was in charge of the main shop in the bazaar, the second one in charge of the other shop. The former left for India in April at the end of the busy season and took the books with him to show them to the principal in Hyderabad. The latter, who was eighty years old, came to Cairo on an inspection tour, but, having fallen ill, had to go back to India and died on the ship before reaching Karachi.

The probate enquiry into the goods of the deceased included a list of the creditors of the firm at the time of the principal's death. Interestingly, of the fifteen names on the list, only two are those of Sindhi firms. The largest creditor was a Muslim merchant, and there were also European creditors (including a firm in Vienna, Austria). Money had been borrowed from non-Sindhis. A small Sindhi firm in Cairo had a wide range of suppliers and creditors, indicating a good insertion into the local trading milieu. But the partners and employees were Hydrobadis.

Some indications are also given of the profits of the firm: during the first winter season, they were high (Rs 6,000–7,000 on an investment of Rs 15,000), but in the following summer season, as debts had to be repaid to merchants, there was a loss of Rs 1,000. This illustrates the highly seasonal nature of the Sindwork trade.

An interesting aside is the mention in one document of a reverse flow of goods from Egypt to Calcutta and Singapore for an amount of Rs 1,000. No details are given, but this piece of information confirms the opportunism of the Sindwork merchants, who never neglected a possibility of making profits even outside their usual lines of business.

Another court case gives interesting information on the way in which a small Sindwork merchant was supplied with goods. He arrived in Egypt in October for the beginning of the tourist season, bringing with him £35 worth of goods from India, consisting of jewellery and other goods. He also got £80 worth of goods from Yokohama, £20 worth of goods from China and £12 worth of lace from Malta, all payable on delivery, not on credit. He also bought some goods locally on credit, apparently from a big Sindwork merchant who later sued him for non-payment. Such operators who came to Egypt just for the tourist

Table 6.3. The sales account of a Sindhi merchant of Port Said in 1930–31

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales (in £, Egyptian)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1930</td>
<td>536</td>
</tr>
<tr>
<td>April</td>
<td>584</td>
</tr>
<tr>
<td>May</td>
<td>352</td>
</tr>
<tr>
<td>June</td>
<td>266</td>
</tr>
<tr>
<td>July</td>
<td>372</td>
</tr>
<tr>
<td>August</td>
<td>500</td>
</tr>
<tr>
<td>September</td>
<td>412</td>
</tr>
<tr>
<td>October</td>
<td>515</td>
</tr>
<tr>
<td>November</td>
<td>628</td>
</tr>
<tr>
<td>December</td>
<td>566</td>
</tr>
<tr>
<td>January 1931</td>
<td>392</td>
</tr>
<tr>
<td>February</td>
<td>232</td>
</tr>
<tr>
<td>March</td>
<td>599 (partly due to credit collecting)</td>
</tr>
<tr>
<td>April</td>
<td>244</td>
</tr>
<tr>
<td>May</td>
<td>330</td>
</tr>
<tr>
<td>June</td>
<td>222</td>
</tr>
<tr>
<td>July</td>
<td>312</td>
</tr>
<tr>
<td>August</td>
<td>301</td>
</tr>
<tr>
<td>September</td>
<td>133</td>
</tr>
</tbody>
</table>

Source: 'S. Baloomal vs. Rationool & Sons', PRO, Foreign Office Records, Port Said Consular Court Records, civil case no. 13 of 1931, FO 846/97.

season were an important component of the Sindworkie community. It is significant that the same merchant acknowledged that he did not keep books. He must have hawked the goods, but he was no salaried hawker, rather an independent operator who had some capital since he could pay for goods on delivery.

More detailed information on the operations of a small merchant comes from the minutes of a case before the Port Said court. This merchant was suing his ex-employers, a Sindwork firm of Port Said, for defamation and he produced books showing the amount of sales in his shop between March 1930 and September 1931. The figures are reproduced in Table 6.3.

The wide fluctuations in the volume of sales reflect on the one hand the precariously position of the margin operators, highly dependent on the volume of passenger traffic passing through the Suez canal and on the purchasing capacity of the passengers, and on the other hand the growing impact of the world depression on the volume of sales. A more detailed look at the monthly fluctuations reveals two peaks of

47 Probate enquiry into the goods of Bhai Khanuchand, deceased, PRO, Foreign Office Records, Cairo Consular Court Records, dossier no. 103 of 1899, FO 841/107.
48 'Diallus Kalachand vs. Kodoomal Ramchand', PRO, Foreign Office Records, Cairo Consular Court Records, Dossier no. 14 of 1911, FO 841/118.
activity, one in April 1930, which coincided with the end of the busy season and probably some liquidation of stocks, and one in November–December 1930, which corresponded to the height of the tourist season.

It is interesting to note that even small operators of this kind, whose annual turnover was around £1,500, managed to get credit from the banks. The local manager of Barclays Bank in Port Said, testifying before the court, stated that S. Baloomal, the small merchant, had a bank balance which varied between £100 credit and £40 debit. He was given an overdraft of £39, and the bank occasionally discounted drafts for him. The manager had no complaint about the behaviour of the merchant during the six-month period when he kept an account with the bank.

A list of suppliers supplied by him included only names of Sindhi firms in Shanghai, Hong Kong and Yokohama, suggesting that the merchant specialized in the sale of ‘Oriental’ goods to ship passengers passing through Port Said.

In Egypt the Sindwork trade was an umbrella term for a variety of trading operations performed by different types of merchants. The overall rate of profit on these activities seems to have been fairly high prior to the First World War, and still satisfactory in the 1920s. The world depression dealt a severe blow to the Sindwork trade in Egypt, from which it really never recovered.

In contrast to the case of Egypt stands West Africa, where the Sindwork trade became much more diversified at an earlier date.

**Sindwork merchants as global operators: the big firms in the West African trade**

West Africa offers a completely different story. In that part of the British colonial empire, the Sindworkies had very little scope to develop their traditional lines of trade. They never became niche traders, but operated as general traders. Three of the big seven firms, J. T. Channari, K. Chellaram and M. Dialdas were active in the region and for the first two, West Africa emerged clearly in the 1920s and 1930s as their main area of operation. Of the three territories, Nigeria, with its large population and vast resources, became the most important for both Channari and Chellaram. In the Gold Coast, the depression brought about the closure of the local branches in 1935 of Dialdas and Channari, but in 1948 the industry entered the fray and by 1948 it had clearly ensured a dominant position for itself. In that territory, however, there were many small operators, most of whom seem to have been ex-employees of the big firms who then tried their luck on their own.

West Africa offers a good vantage point from where to chart the rise of some Sindwork firms to the status of global traders. Nowhere else did Sind workhouses deal in such a variety of goods of such diverse provenances. If goods from India, in particular the famous Madras kerciefs, figured at first prominently in the trade of the Sind merchants, they were quickly supplemented by various kinds of British and continental goods which the Sindwork firms procured from their depots in Gibraltar and in the Canary Islands. In the 1930s the Sindhi firms became the main suppliers of Japanese textiles to West Africa, a move which testified to the global nature of their operations. It was in connection with their West African operations that Messrs K. Chellaram & Sons became the first Sindwork firm to open a branch in London in the 1930s. This led to a new stage in globalization, as the firm started procuring textiles in the UK for sale abroad. 80

On the West African coast, the Sindwork merchants played the role of general traders, largely modelling themselves on the big European firms such as the United Africa Company, although they operated on a much smaller scale. A detailed look at an advertisement for the firm of M. Dialdas & Sons in the Sierra Leone Handbook published in 1925 shows the diversity of the goods they traded in. On the one hand, one finds listed the kind of goods which were typical of the Sindwork trade: Silk, linen, cotton, embroideries and drawn-thread work made by hand; also Maltese, Spanish and Madeira laces of all descriptions. Ornaments of all sorts were on sale in great variety. Curios, arts and objects made of ivory, mother-of-pearl, tortoise-shell, satsuna, denuen work, ebony, sandalwood, brass, copper, gold and silver jewellery. The only original feature was the addition of Spanish and Madeira laces to the usual Maltese ones. Besides the firm also stocked ‘English fancy goods for ladies and gentlemen’, undoubtedly for the local European population.

These were the goods sold in their main store in Freetown. But they also had a wholesale and retail provisioning store in town, where they sold groceries, which were not part of the usual repertoire of Sindwork merchants.

In the 1930s, the Sindwork firms on the West African coast, particularly Channari and Chellaram, became active in the import of Japanese goods, mostly textiles which the devaluation of the yen made highly competitive on external markets. From 1934 onwards, with the passing by the British colonial authorities of an ordinance imposing quotas on

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80 In January 1946 the London branch of K. Chellaram & Sons applied for a licence to export a large quantity of wooden goods to Afghanistan, JOR, Political & Secret Department Records, Political External Files and Collections, L/P66/121116.

81 The Handbook of Sierra Leone, T. N. Goddard (comp.), Luton, 1925.
their good knowledge of the specific needs of that market (they had goods manufactured specially in Japan) and to their good connections with Japanese mills. They were thus able to take advantage of opportunities created by shifts in demand and prices.

In West Africa, the Sindwark traders departed at a relatively early date from the classical pattern of the Sindwark trade centred on silk and curios. They dealt in a much broader range of goods, and this worked to their advantage in the long term. In West Africa, particularly in Nigeria, Sindhis have become an entrenched business community and play an important role in various sectors of the economy. Their achievements were obtained at the expense of both the Europeans and the Lebanese. It was in the 1960s that they really emerged on the scene in a big way, but the foundations for their success had been laid down by the endeavours of a few firms in the 1920s and 1930s.

This West African success story, in a region situated so far away from their base home, shows that by the 1940s the Sindwark merchants had become a group of truly global operators, capable of dealing in a great variety of goods across the entire world. Although textiles were still their major field, they had a breadth of vision which would keep them in good stead when, in the aftermath of Partition, they would face the task of reorganizing their network to adapt to a new phase in the history of world trade.

This survey of the business activities of two groups of Sind merchants has tended to emphasize the differences between them; these should not however be exaggerated. The banias of Shikarpur and Hyderabad basically belonged to the same mercantile culture, used the same accounting techniques and had largely similar forms of business organization. Both groups combined trade and finance in varying proportions. If the Shikarpuins were mostly financiers, they did not eschew trading altogether. On the other hand, financial skills were crucial to the success of the Sindwarks as traders: the ability to arrange finance for their trade and to speculate on commodities as well as on currencies contributed greatly to their success. The differences between the two groups ultimately had a lot to do with differences in the political environment in which they operated. The political dimension of the history of these two networks cannot be ignored.

52 G. F. Hunt & Sherwin, solicitors (on behalf of Messrs K. Chellaram & Sons) to the secretary of state for the colonies, 22 October 1934, same to the under-secretary of state for the colonies, 5 December 1934; same to same, 10 December 1934, PBO, Colonial Office Records, Colonies (General) Economic Original Correspondence, "Textile Import Quotas West Africa 1934", CO 325/1305/4.

53 Officer administering government, Nigeria, to Sir Philip Culmiche-Lister, secretary of state for the colonies, 20 December 1934, ibid., CO 852/1934.

54 Imports of cotton piecegoods from India into Nigeria, which were insignificant in 1929 represented 5.8 per cent of the total value of imports in 1933 and 20.8 per cent in 1938. M. Perham (ed.), Mining, Commerce and Finance in Nigeria, London, 1948, Table XV, p. 99.