The Global World of Indian Merchants, 1750–1947

Traders of Sind from Bukhara to Panama

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Among South Asian merchants and businessmen dispersed across the world, the Sindhis are probably the most ubiquitous, if not the most conspicuous. They are found in the main tourist destinations as well as in the major business centres. In the Canary Islands, which attract tourists from all over Europe, they own hundreds of bazaars in which they sell cheap electronic goods imported from the Far East as well as souvenirs. In Nigeria, they control a fair share of the country’s supermarket and have a stake in the textile and other manufacturing industries. In Hong Kong and Singapore, in spite of the Chinese domination of business, they are actively engaged in the import-export trade. In the United Kingdom, some of the richest Asian business families, whose rise has attracted considerable attention, belong to this group. There are few countries of the world where one does not come across some traders from that community. Their origins as well as the precise nature of their activities remain, however, somewhat mysterious, and they generally adopt a low profile; the expanding literature on the South Asian diaspora generally has little to say about them. And yet their business acumen is legendary, and in India they have a well-established reputation as shrewd operators.

They are Hindu, but hail from a region which is now part of Pakistan. Although they claim an Indian identity, they do not mix much with other Indians, and seem to keep a particular distance from the more numerous and conspicuous Gujaratis, who constitute the bulk of the South Asian merchant diaspora. It is often assumed that their dispersal is the result of the Partition of 1947 which forced them to flee their homeland. Perusal of a directory of Indians abroad published in the 1930s1 however alerted me to the fact that their worldwide spread much antedated the Partition and prompted me to start an inquiry into their story. I quickly discovered that most Sindhi businessmen trace their origins to one particular town in the province, Hyderabad (not to be

1 S. A. Wad (comp.), Indians Abroad Directory, Bombay, 1934.
Introduction

confused with its better-known namesake in the Deccan), now a city of more than 1 million situated 150 km north of Karachi, which was the capital of Sind during the era of the Talpur Amirs (1783-1843). Others hail from Shikarpur, a much smaller town in Upper Sind close to the regional centre of Sukkur. Prior to Partition, these two towns were home to flourishing communities of Hindu banias who were actively engaged in trade and finance on a worldwide scale. The contrast between the modest size of the towns and the considerable range of their merchants appeared puzzling and worthy of attention. These merchants seem to have been possessed of a tremendous entrepreneurial drive to seek their fortunes so far away from their home towns, often in lands where no Indians had ever set foot before. Although this is a book about traders, it is not preoccupied only with dry facts and figures about sales and profits. It aims at a global understanding of such dispersed merchant communities, of their culture, their religion, as well as of the way in which their family lives were affected by their long-range travels.

The story of these two towns and their merchants has not attracted any attention from scholars. The reasons for this neglect are manifold, the main one being that these were networks of 'Hindu' merchants in a Muslim-majority province which became part of Pakistan in 1947, leading to a mass exodus of the Hindu population towards India.

Understandably, there has been little interest in Pakistan in the history of Hindu merchants and moneylenders who are generally considered to have been exploiters of the Muslim peasantry of the province. It is worth quoting from a speech by G. M. Sayed, the Sindhi Muslim political leader, delivered to the Sind Legislative Assembly in June 1941:

During the last 40 years the Hindu has snatched away 40 per cent of land from the Moslems and this, taken together with the enormous interest and interest over interest that the bania charges, has reduced his life to a condition of utter helplessness. He earns not for himself but for the bania. Due to the control that he wields over commerce, a bania has been able to exploit for his personal gain all the wealth which in equity and justice ought to be the possession of the poor villager. As a consequence of all this, the Moslem has remained hopelessly poor. Due to this undisputed control over services, the bania has been able to collect an enormous sum of money through bribes and such other means, which he spends and displays by way of erecting bungalows and palaces and purchasing gorgeous and extravagantly decorated dresses. On the other hand, the poor agriculturist who toils days and night has neither a decent home to live in nor a decent cloth to cover himself, much less sufficient food to eat.5

Sayed's populist outpouring conveniently left in the dark the role of the Muslim landowners, the naadars, in the exploitation of the peasantry

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5 Quoted in S. Z. Lati, A History of Sindh, Karachi, 1994, p. 188.
Introduction
diaspora tend to assume the existence of one diaspora and to pay only scant attention to the role of South Asian communities in the world economy as well as to the existence of subnational identities. In his Introduction to a recent volume, P. Van der Veen, while recognizing that ‘the differences are real and important and should be taken seriously’, claims however not to ‘want to deconstruct the South Asian diaspora to the point of dissolution’.6

In this work, I intend to carry this task of deconstruction to the point of dissolution, not out of any postmodernist taste for deconstructing per se, but because I think the unitary notion of a South Asian diaspora has been conducive to a distorted view of the historical record. Arguments for the deconstruction of such a unitary notion are many, but there is also one powerful counter-argument which cannot be dismissed off hand, namely that South Asian migrants themselves used nationalism as a resource to empower themselves and fight for their rights as human beings and as citizens. The specific ‘diasporic nationalism’, which played such a role, for instance, in Gandhi’s emergence as a national leader in India, cannot be treated as only a product of the imagination. Nevertheless, the actual contribution of diasporic Indians to the rise of Indian nationalism is not in itself proof of the legitimacy of the unitary notion of a South Asian diaspora.

There are three major arguments against the unitary notion of diaspora. The first one is that at any given moment in history since the beginning of the nineteenth century, the majority of South Asians in the so-called diaspora were not permanent but temporary migrants, who left the subcontinent for only a limited period of time and with the avowed intention of returning there. Most of them did actually return, even if only to leave again. ‘Temporary’ migration accounted for 90 per cent of departures from India in the 1830–1950 period8 and, although there are no reliable figures for the post-1950 period, it still probably accounted for the bulk of departures. This throws doubt on the legitimacy of the use of the category of ‘diaspora’, which involves a long-term physical separation from an imaginary or real homeland and is not


Introduction
t really compatible with phenomena of simple transiency or sojourns. Movements of people between Asia and the rest of the world belong to the sphere of ‘circulation’ more than to the sphere of ‘migration’. This is a crucial point, which has often been lost sight of. The cursory treatment of phenomena of circulation in the scholarly literature can be attributed to the combined effect of the nature of the sources and of the ideological biases of scholars. Students of the history of the diaspora have relied almost exclusively on government archives which deal mostly with the processes of migration which were organized or regulated by the colonial state, in particular with indentured emigration to the tropical dependencies of the British Empire. These resulted in widespread settlement of Indian immigrants and the growth over time of significant clusters of populations of South Asian origin. Although settlement itself was largely involuntary, there is a tendency to reconstuct ex post facto these movements as aiming at settlement from the outset, a teleological view which is highly misleading. The existence of large Indian communities and the wealth of documentation available easily explain why the study of these processes dominated the field. Ideologues of a ‘Greater India’ saw in the existence of these overseas Indian communities grist to their mill, while sociologists had a field day trying to evaluate how social institutions such as caste, which were supposed to be uniquely Indian, adapted to a different social environment. They also devoted a lot of attention to the forms taken by Indian religions, particularly Hinduism, in a changed context.

On the other hand, movements which were not organized or at least monitored by the state and which did not give birth to significant clusters of population largely escaped their attention. The neglect of this kind of circulation also has to do with the way ‘India’ or ‘South Asia’ were constructed in the nineteenth century as a separate civilizational entity, having few links with the rest of the world. This construction, to which Orientalism and nationalism equally contributed, did not leave much place for scope and similar phenomena. In this dominant framework of thought, South Asia was a world in itself; one was either in it or outside it, while actually millions were constantly shifting between the subcontinent and neighbouring or even faraway regions of the world. It is true that this circulation was largely limited to certain specific regions of the subcontinent, mostly coastal areas of Gujarat, Konkan, Malabar and Coromandel, parts of northwestern India as well as the Bhopur area of northern India. That is one supplementary reason why more attention should be paid to the regional and even subregional contexts of migration from South Asia.

Deconstructing the unitary notion of one South Asian diaspora
Introductions

Solidarities between migrants generally existed within a fairly narrow circle: people of the same village, the same town, the same immigrant ship (in the case of the indentured labourers). Ethnicity and religion were not crucial structuring factors. As to the role of caste or biradari, it could vary enormously from one group to another.

A third dimension in the necessary deconstruction of the unitary notion of a diaspora is a greater emphasis on occupation and class. Migrant South Asians belonged to different social classes in the subcontinent and followed different occupations, and these differences generally remained for a long period in the diaspora. Prior to 1950, there were three major streams: unskilled labourers (mostly agricultural workers), skilled and semi-skilled workers in secondary and tertiary occupations, merchants and commercial employees, Middle-class professionals, though they figured, were still a very small group. Most migrants from India were agricultural workers who went either to neighbouring Ceylon, Burma or Malaysia, the so-called hongi migrantes, or to the sugar colonies of the British Empire (as well as to some French and Dutch colonies) on contracts of indenture. There was also a migration of semi-skilled or skilled workers, including secretarial staff, to various countries in the Middle East and in Asia. The world oil economy started relying on Indian labour much before the 1970s influx into the Gulf countries. The widespread circulation of security personnel from India, including soldiers, policemen and watchmen, is also part of this stream. A third major stream was that of merchants and commercial employees, itself a highly differentiated group of men in which business magnates, small shopkeepers and shop assistants were equally represented.

This work seeks primarily to explore the ways in which two groups of South Asian merchants managed to carve for themselves a niche in a European-dominated world economy. In so doing, it is hoped that some light will be thrown on facts of a more general interest, such as the role of Asian merchants in the world economy, or the nature of international merchant networks. A prominent scholar in the field of merchant diaspora9 pithily summed up the methodological problems attendant to such a study. 'The investigator', he writes, 'is faced with the problem of having to choose between an extensive, unavoidably superficial account of the whole diaspora ... or the intensive study of one

9 The Asian Petroleum Co, the ancestor of Shell, started recruiting personnel in Malabar in the 1800s, and in the 1920s there were several thousand workers from Kerala in the oilfields of Borneo in the Dutch East Indies.

community within the networks of communities that constitute the diaspora. One can only concur with his conclusion that a combination of both approaches will be necessary. In this work, while the dominant approach will be the general one, it will be combined with more in-depth microstudies of specific localized communities. Sight will not be lost either of the fact that these widening networks were very much rooted in a local reality in South Asia. It will thus be necessary to constantly keep in mind both the local level, whether in South Asia or outside the subcontinent, as the one at which the identities of merchants were defined and their social relations formed, and the global level, that of the world economy, as the one at which their activities took their full meaning. Local history will thus have to be combined with world history, while the level of 'national' history, which is largely meaningless in this case, will be ignored.

The study of the history of these two international trading networks necessitated the use of many dispersed sources. Although some merchants were interviewed, oral testimonies appeared too unreliable to be a major source. Attempts at finding family papers did not meet with success. In any case, the writing of business history as such was not the aim of this book. On the other hand, a widening search through official records yielded surprising results, in spite of the fact that Sind merchants never attracted much official attention. Two major sources, apparently unknown to scholars, have been the records of the British consular courts in Egypt, which supplied a wealth of material on the Hyderabad traders known as Sindworkies who did business in that country in the late nineteenth and early twentieth centuries, and a trove of documents in the India Office Records concerning the estates of Shikarpuri merchants who died in Russian Central Asia in the same period. Many other sources, both published (such as commercial directories) and unpublished (such as histories of firms) have been used to try to reconstruct the often obscure history of these traders and of their circulation between Sind and the rest of the world. This reconstruction is necessarily partial: a lot has been lost irrevocably. My aim, however, is to produce a meaningful outline, not to fill in all the gaps in the story.

The first part of the book looks at the setting in which the two networks developed. Starting with a general view of South Asian merchants and their international trading networks with the aim of placing developments in Hyderabad and Shikarpur in a general historical perspective, it then moves to consider the regional context of Sind, focusing on aspects of the economic, social and political history of a region which has been little treated in the existing historiography. It looks more particularly at the Hindu banias and their role in pre-colonial...
South Asian merchant networks

For many centuries, colonies of South Asian merchants were present in many ports of the Indian Ocean and of the China seas. These merchants, both Hindus and Muslims, always kept close links with the regions of South Asia where they came from. Trading networks centred on ports or even inland cities in the subcontinent spanned vast distances. The coastal areas of Gujarat and the Coromandel coast were the two regions from where most of these merchant colonies originated. From the fifteenth century onwards, Sind also contributed to this growing diaspora of South Asian merchants. During the Mughal period, some Indian merchants followed the inland routes leading to Iran and Turan, and new land-based networks developed. By the mid-eighteenth century the small town of Shikarpur in Upper Sind became the main centre of this inland diaspora. Some one hundred years later, around 1860, another inland city of Sind, Hyderabad, spawned a new international network. This chapter will therefore be concerned with defining merchant networks and delineating their functions, as well as their evolution over time, as an introductory effort meant to contextualise the study of two merchant networks from Sind. But firstly a look at the role of South Asian merchants in the world economy is needed.

South Asian merchants in the world economy

The earliest evidence of the presence of colonies of South Asian merchants outside the subcontinent comes from medieval Arab sources. They reveal that Hindu merchants were present in the port of Siraf on the Persian shore of the Gulf since at least the ninth century and that these also frequented the coasts of Oman, Socotra and Aden.1 In the fourteenth century, Hindu merchants sailed regularly to the South China Sea, as attested by the existence of the remains of a Hindu temple


4 See M. Pearsam, Merchants and Reform in Gujarat, Berkeley, CA, 1976.

5 According to the British traveller Valentine, there were in Muscat around 1810 some 250 resident Banyans (Hindu merchants). Quoted in R. Papy, ‘Hindu Trade with Ethiopia, the Gulf of Aden and the Horn of Africa in the Nineteenth and Early Twentieth Centuries’, Cahiers d’Etudes Africaines, vol. 55, 143, 2005, p. 455. Most of these merchants appear to have moved to Aden after the British annexation of that port in 1859.
Sind has been a neglected area in South Asian Studies, because it is a 'frontier' area, a transition zone between 'India proper' and the vast region which was often called Khorezm, in which were included southern Afghanistan, Baluchistan and southeastern Iran. Persian cultural influences were strong, and Sind was only episodically included in the great pan-Indian empires. In the late eighteenth and early nineteenth century, under the Sindhi Kalhora and Baluchi Talpur dynasties, it evolved into an original kind of polity, a sort of tribal confederation, which was however capable of overseeing the maintenance and development of one of the largest systems of canal irrigation in Asia centred on the Lower Indus. This Sindhi state was the victim of a particularly vicious propaganda campaign in the wake of the British annexation, in 1843, aimed at presenting it as the epitome of backwardness and tyranny, which, to all appearances, it was not. The fate of the Hindus of Sind was one of the themes most harped upon by Napier and his minions in their attempts at blackening the picture so as to justify the inexcusable 'piece of rascality' of which Napier himself cynically boasted. The question of the role of the Hindus, and in particular, of their dominance over commercial life, both in pre-colonial and in colonial times, is therefore of great importance to the emergence of a balanced picture of the history of Sind.

Sind and its trade: an historical overview pre-1750

Sind, as the coastal region of the subcontinent closest to the Persian Gulf, has always been actively involved in maritime trade with that

1 C. A. Bayly writes in *Imperial Meridias: the British Empire and the World 1780–1830*, London, 1989, p. 48: 'Emerging from out of the broad Afghan Empire of the Durandis, immigrates from tribal backgrounds in Sind (the Talpur emirs) had built up a viable political system by the 1790s', thus signalling a considerable shift in current historical views on pre-colonial Sind.

region of Asia. It has also played an important role as a commercial
gateway between Central Asia and northern India. Thus both sea and
land routes contributed to its commercial importance.\(^1\) Without going
back to the period of the Harappan culture, when trade links are known
to have existed between Mohenjo-Daro and Mesopotamia, one could
mention that the conquest of Sind by the Umayyads in the early eighth
century AD was the culmination of contacts which were partly commer-
cial.\(^1\) A crucial objective of the conquering Arab armies was the port, or
rather the ports, of Debal (Deybou), on one of the branches of the Indus
delta, which was the main outlet of Sind. This port came into promi-
nence in the fifth century AD, when it was in the possession of the
Sassanids, and was visited for the first time by an Arab fleet in 632.\(^2\) Its
fall to the army of Muhammad ibn Qasim in 711 was a decisive episode
in the Arab conquest. At that time, Sind was, in the words of a recent
author, 'the hinge of the Indian Ocean trade as well as the overland
passage'.\(^3\) After the conquest, Sind became part of the Muslim world,
and commercial links intensified with the Persian Gulf and the Middle
East, through Debal, which remained an important port till at least the
twelfth century.\(^7\) At a later stage, the twin ports of Debal were replaced
by a couple of new ports, of which Thatta was the riverine emporium
and Labort Bandar the sea port. The latter was visited by Ibn Battuta in
the 1330s.\(^8\) Nothing much is known about the groups which were active
in maritime trade in medieval Sind. Arab merchants played an impor-
tant role, as well as unidentified 'Sindi' merchants.\(^9\) In particular, it is
not known whether Hindu banias were involved in that trade prior to
the fifteenth century.

The first mention of banias of Sind occurred in Arab and Portuguese
documents concerning Masqat at the end of the fifteenth century.
Thatta is mentioned as 'Masqat’s most important Indian trading
partner', and its Hindu merchants, the Bhatias, appear to have been the
main participants in the trade between Sind and Arabia.\(^10\) They used

data from various sources.\(^11\) They also refer to

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**The regional context**

Portuguese ships and many warehouses and trading establishments
at Masqat. At the time when the Portuguese took the great trading
empire of Hormuz, they reported that trade from Sind accounted for
almost 10 per cent of the custom revenue of the port, and the chronicle
Diego de Couto described Thatta as one of the richest cities of the
Orient.\(^11\) Thatta's prosperity was based on the one hand on its own
textile production, which was of high quality, consisting of cotton cloths
of different kinds, calicos and baraths, chintzes and muslins, as well as of
fine silkens goods,\(^12\) and on the other, on the export of textile and other
goods which came from the Punjab and northern India by caravan or
river transport on the Indus. Lower Sind's incorporation into the
Mughal domain at the end of the sixteenth century led to a certain fall in
the prosperity of Thatta, as some of northern India's trade with the
Persian Gulf was diverted to other ports in the Mughal dominions. In
the 1640s there was a revival of trade as the Portuguese were supplanted
by the English East India Company, but it was short lived, and in the
second half of the seventeenth century the increasing sifting of the main
Indus channel led to a gradual abandonment of Thatta and Labort
Bandar as sea-ports. While the Mughals tried to create a new port which
they called Aurngwa Bandar, most trade shifted to two new ports,
Shahbandar and Kharrakkhbandar, whose prosperity however never
reached that of Thatta's in its days of glory. There is some evidence that
the second half of the seventeenth century, which was a period of relative
decline in the maritime trade of Sind, was also the period during which
the local banias increased their participation in trade by acquiring their
own ships instead of being dependent on the ships of European traders
and European companies. Alexander Hamilton, an English merchant
who visited Lower Sind in 1699, reported that the trade was in the
hands of Hindu merchants.\(^13\) Although Thatta had started declining, its
merchants, particularly the Bhatias, remained very active in Masqat,
where they erected the first Hindu temple in the city.\(^14\) They seem also
to have extended their activities in the Gulf to new areas, such as the
Bahrain islands. But the Bhatias of Thatta were not the only banias of
Sind who were active in international trade. According to the memoirs
of Seth Naomal Hocchand, a prominent nineteenth-century Karachi
merchant, his ancestor Seth Bhoojomal, whose family originated from
the region of Sehwan in central Sind, settled in Kharrakkhbandar around

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\(^1\) See C. L. Mannivallal, *History of the Commerce of Sind* (From Early Times to 1526 AD),
\(^2\) See Whish, *All India*, vol. 1, p. 51: 'The desire to expand traffic along the Persian Gulf
route was ... the main motivation for the conquest of Sind.' The suppression of piracy
in particular was a crucial objective for the Muslim conquerors.
\(^3\) Ibid., p. 181.
\(^4\) Ibid., p. 52.
\(^5\) On Debal, see S. Q. Fluri, "Les Travaux de Debal", in H. Rhindor (ed.), *Sind
\(^6\) Ibn Battuta, *Fajoog*, translated from the Arabic by C. Deffemery and B. R.
Janmohituri, Paris, 1984, p. 112. He calls "Lahury" "l'une belle place située sur le trajet
de l'Indus" and mentions that "elle possède un grand port, où abondent des gens du
Sennar, du Porf".
\(^7\) Whish, *All India*, p. 173.
\(^8\) Alten, *The Indian Merchant Community of Masqat*. 

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11 See S. Subramanisam, *The Portuguese, Thatta and the External Trade of Sind*,
14 Alten, *The Indian Merchant Community of Masqat*.
1720 and founded a powerful commercial firm which had a gomastha (agent) in Masqat, who in turn had agents at Bushire, Shiraz and Bahrain. In the late 1720s, as Kharrakbandar declined, due to sitting, Seth Bhojoonsal played a major role in the creation of a new sea-port, Karachi. It is only after it was founded and endowed with rudimentary fortifications by the merchants that the Kalkora rulers of Sind took possession of it. However, they soon relinquished it to the khans of Khelat, the main rulers of Baluchistan. Pakistan's great metropolis thus started its existence as an entrepôt port for Hindu banias, and it was only in the late eighteenth century that the Talpur rulers of Sind started taking an interest in it.

By the mid-eighteenth century, Sind occupied a fairly important position at the crossroads of several important maritime and land routes which linked northern India with the Persian Gulf and Arabia. The prosperity of its merchants was also linked to the export of its own craft productions. In this field, Thatta, in spite of its decline as a sea-port, remained the largest centre, especially as far as textile production was concerned. Among the merchants of Sind, the Hindu banias were undoubtedly the dominant element, although there were also Muslim merchants. Why in a region which was under Muslim rule since at least the twelfth century, and in which the majority of the population was converted to Islam at some point between the fifteenth and the eighteenth centuries, trade and finance were largely dominated by Hindus, is a question which has often been debated, but which need not concern us here. Too little is known about the economic and social history of Sind before the eighteenth century to allow for an empirically grounded answer. The most widespread theory relates Hindu domination of finance with the so-called Koranic injunction against riba. However, as M. Rodinson has convincingly argued, it has never prevented Muslims from engaging in moneylending. What remains true is that in most Muslim states, the functions of financier in relation to revenue collecting were generally entrusted to non-Muslims, one of the reasons being probably that they were politically more vulnerable and therefore easier to control. In Sind, those functions were entrusted to a particular

section of the Hindu trading community, who were known as Amils. These men, whose rise seems to have occurred during the period of Moghal domination, played a role which was in many ways similar to that of the Kayastha played in Moghal northern India. It is striking that the rôle of the banias to dominance in trade appears to have been largely covert with the accession of the Amils to high functions in the revenue-collecting apparatus of the state.

Trade and society in Sind, c. 1750–1843: the role of the Hindu banias

The mid-eighteenth century marked a transition in the history of Sind, and one can trace back to these years the beginning of new trends. There were important political developments, which in their turn had far-reaching consequences for the structure of trading. From at least the late fifteenth to the mid-eighteenth century, the major mart in the region had been Lower Sind, with Thatta as the most prominent centre, and Karachi beginning to emerge as an alternative focus towards the end of the period. The towns of Upper Sind played a subsidiary role, being mostly transit points on the caravan routes which led from the Punjab, northern India and Central Asia to the ports of Lower Sind. Most of the direct trade between Central Asia and northern India tended to by-pass Upper Sind, as Multan, in neighbouring Punjab played the role of a major emporium and financial centre for the caravan trade.

Around the mid-eighteenth century, there started a southward shift in this system of caravan trade, which benefited Upper Sind. The reasons for it appear to have been largely political. Two separate developments converged to raise the status of Upper Sind. The first one relates to the decline in the so-called 'Multani' network, which had played a major role in financing the caravan trade between Russia, Central Asia and northern India in the seventeenth century. Stephen Dale has identified as the main causes for the decline of the Multanis the decision by the Russian state to exclude Indian merchants from internal trade, as well as the prohibition of trade between Russia and Persia. Other political developments were to have even greater consequences. They were mostly the rise of what J. Gommans has recently called an 'Indo-Afghan Empire'. The Pashto clan, which founded the so-called 'Durranis' Empire, had its original base in Kandahar, and was therefore particularly concerned with the trade routes between that city and northern

15 See A Perogon Chapter of Indian History as Described in the Memoirs of Seth Nasiml Hoonson, G. S. I. of Karachi 1804–1876 Karachi, 1982 (1st edn, Karachi, 1945), p. 36. These memoirs, which were written in Sindhi by Seth Nasiml himself, were translated into English by his grandson, Rao Bahadur Ahamal Trishram Khojiwani, and "edited" by Sir H. Eran M. James, who was commissioneer in Sind in 1891–92, and had them privately published. This document, in spite of having been translated and "edited", is an extraordinary and in many ways unique source on the world of the Hindu banias of Sind.
17 See Dale, Indian Merchants and European Trade, 128.
India. It happens that the shortest route between Kandahar and northern India is through Baluchistan and the Bolan Pass which links Quetta with Upper Sind and connects with the routes which cross the Tiar desert to Jaisalmer and Bikaner. With the rise of the Duransis, this route, which had been relatively neglected, suddenly assumed new importance and the mart of Shikarpur on the Upper Sind side of the route received a considerable boost, at the expense of Multan. Although the exact sequence of events remains shrouded in some mystery, a point to which I shall come back later, in the second half of the eighteenth century Shikarpur emerged as the most important financial centre of the entire Duranni dominions, and its banking houses came to dominate financial transactions over a vast area comprising not only Afghanistan, but parts of Iran and Central Asia. It was also an important trade emporium, but its position in trade was not as prominent as in finance. For the first time in history, a mart in Upper Sind rivalled those of Lower Sind, and even for some time eclipsed them.

In Lower Sind, the major facts were the continued decline of Thatta, the emergence of Karachi as a significant sea-port and the rise of Hyderabad, a new urban foundation which came to play an important political and commercial role. The decline of Thatta accelerated with the increased siltage of the channels leading to it and it lost its function as an emporium. At the same time, its Bhatia merchants suffered from 1785 onwards from the increasing commercial aggressiveness of their rivals, the Kutch Bhatias, who came to dominate the trade of Masqat.25 Thatta survived only as a centre of craft production, but it increasingly worked for a local and regional rather than an international market. The Bhatia merchants however remained a significant trading community in the Persian Gulf, and they came to play a dominant role in the pearl pearl trade centred on Bahrein. But it was Karachi which became after 1750 the major port of Sind, and after the Talpurs took it from the Khans of Khetal, they encouraged the growth of the harbour. The new port attracted merchants not only from Sind, but also from Kutch and Kathiawar, Hindus as well as Muslims, and started acquiring a cosmopolitan character which made it a rather unique city in Sind. Another town which developed rapidly was Hyderabad,26 founded in 1769 by the Kalhors on the site of the village of Nerrunk, along the Pothali canal which parallels the Indus, in a fertile tract. The Kalhors intended to make it their new capital, but it was their murid-turned-rivals, the Baluchi Talpurs, who actually made the move in 1782, after they had

25 See Allen, 'The Indian Merchant Community of Masqat'.

The regional context

defeated the Kalhors and raised their capital of Khushabad, near present-day Sehwan. The motivations of the Talpurs in shifting their capital are nowhere explicitly stated, but it is not far-fetched to suppose that they wished to put more distance between them and their theoretical Afghan overlords, to whom they paid tribute. The proximity of the new capital to the growing port of Karachi may also have weighed with them. Although the functions of Hyderabad were mostly military and political, the presence of the court attracted bankers, as well as traders and craftsmen, and the new town was situated astride one of the traditional caravan routes between Sind and northern India across the Thar desert, leading through Unnarot and Barmer to Jodhpur.

By the end of the eighteenth century, the trading network of Lower Sind had undergone a complete transformation in its spatial structure, as the functions traditionally associated with Thatta had been taken over by Karachi and, to a lesser extent, by Hyderabad. At the same time, Shikarpur had emerged as an important centre of trade and finance in Upper Sind, in close connection with the emergence of the Duranni Afghan Empire. Shikarpur, although mostly geared towards controlling the great trading route linking Central Asia with northern India, had some connections with Hyderabad and Karachi, but they were not very strong, and it would be a mistake to talk of late eighteenth-century Sind as an integrated hub between Central Asia, northern India and the Persian Gulf. There remained a distinction between an Upper Sind and a Lower Sind network. Shikarpur, besides, remained under direct Afghan administration till 1824, when it was occupied by the Talpurs. A very important development in the trade of Sind in the early decades of the nineteenth century was its emergence as a major transit point for the trade in Malwa opium between Central India and China. Although it was not situated along the 'natural' route for such a trade, Sind benefited by the existence of a conflict over opium between the East India Company and Indian private capital. The story of the Malwa opium trade has never been recounted in great detail, in spite of the fact that speculation on Malwa opium was one of the major sources of capital accumulation in India between 1770 and 1870, and that various merchant groups derived large profits from their participation in it. Some data about this trade will therefore be presented here. The story need concern us here only inasmuch as it became an essential element of Sind's external economy in the 1820s and 1830s, that is, precisely during the period immediately preceding British annexation.

The existence of the 'circumvall' route via Sind for the export of Malwa opium to China came to the notice of the British authorities only at the end of 1821, but it had probably been already in existence for at
least two years, from the moment the Company authorities engaged in a new policy of trying to purchase the entire Malwa crop and took measures to cut the trade route passing through British territory. The opium merchants and speculators countered the British moves by turning to a new route through the territory of the Amirs of Sind. This route, as it has been described in various official documents, started from Pali, in the territories of the maharajah of Jodhpur, where the drug was taken from the various marts in Malwa, of which the most important was Ujjain; from there it was conveyed by camel across the Thar desert to Jaisalmer, and further, via Umar Kot, to the Indus valley and the port of Karachi, where it was loaded on boats which took it to Damao, a port in Portuguese India from which it was exported to Macao for the Chinese market.23

In February 1822, in a letter to the Supreme Government in Fort William, the Revenue Department in Bombay had, however, expressed confidence that the restrictive measures taken by the government to counteract the clandestine transit of opium through British territory and the territories of the allied native states had so forced up the cost of transit through the ‘circumstantial’ route of Sind as to render the operation unprofitable. It added that these difficulties ‘would be considerably enhanced if the route through Jaisalmer and Palice be closed, and above all if the Amirs of Scinde could be induced to prohibit the transit of opium through the Scinde territories, and the port of Curatchee in particular’, but it made it clear that the Company Government had ‘not ventured to solicit such a favour from a government whose policy and suspicion of our views are of so adverse a character’. During the following eight years, the volume of the trade fluctuated widely,24 but all the efforts of the Company at stopping it by concluding treaties with the


24 For details of the route, see in particular DBF, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, Consultation 8A, 9 March 1824, enclosing letter from opium agent in Malwa to Board of Revenue, 17 February 1824, enclosing ‘Memorandum respecting the export of opium to Palihe and Daman’, and Consultation 18, 31 April 1824, from ibid., enclosing information collected at Pali by a native informant.

25 Statistics bearing on opium exports to China from Daman between 1820–1 and 1829–9 show widespread fluctuations, a peak being reached in 1827–8 with a quantity of almost 4,000 chests. See C. Pinto, Trade and Finance in Portuguese India: A Study of the Portuguese Country Trade 1770–1840, Delhi, 1994, Table 5.2, p. 132.

32 The regional context

different native states in Raisputana, through which the caravans passed on their way to Sind, utterly failed. Given the Company’s abandonment of its restrictive policy in 1830 and tried to control the market for Malwa opium through a system of passes aiming at favouring the Bombay route at the expense of the Damao one, the latter remained the most frequented. Opium continued to reach China via Karachi and Damao as late as 1838. According to a British report, in 1837, it was by far the largest component in the export trade of Karachi. Apart from the sheer magnitude of the trade itself, it also had the important effect of integrating Sind into a pan-Indian and international trading network linking Central India with China and the Far East. Whether closing that route was the main motivation behind the British annexation of Sind, as asserted in a recent article,23 is not a question I shall go into. Suffice it to say that the occupation of Karachi by British troops in 1839 allowed the East India Company effectively to close the Pali–Karachi route and to redirect the Malwa opium trade through Bombay, which they had tried, unsuccessfully, to do for almost twenty years.

From the evidence of various reports, it appears that Sind baniyas were not directly involved in the trade, either as buyers of opium in Malwa or as shippers from Karachi to Damao. The principals in this large-scale smuggling operation were, on the one hand, the ‘Malwa sowers (sahukars)’, mostly Marwari and Gujarati merchants settled in Malwa, who had close connections with the authorities of the major native states in the area, in particular Gwalior and Indore, in the territories of which the bulk of poppy cultivation took place, and, on the other hand, Parsi and Gujarati capitalists from Bombay, Ahmedabad, Surat in British territory and from the native states of Purnabunder and Kutch. Some idea of the indirect benefits which could accrue from the trade to the Sind baniyas can be gathered from various sources. Their role was basically that of intermediaries in organising the caravans and in remitting the duties to the various authorities. Although the caravans were organized at the Pali end by the Marwari merchants of the place, Burman informs us that the Marwari caravans rarely went beyond a certain point in the Thar desert. The load was therefore shifted to camels hired in Sind, a business in which the banias were known to have a hand. But the largest profits must have been made from the business of remitting the duties to
the authorities, which accounted for the bulk of the overall cost of transit between Malwa and Damad. This business of remittances must have been done through hundis, on which the Sind rupees are bound to have taken a commission. Though estimates of the amount of duty levied by the government of Sind vary from one source to another, and also from one year to another, there is no doubt that in some years opium revenues were a major contribution to Sind finances. In November 1830, Henry Pottinger, then the resident at Bhiuj, forwarded to the authorities in Bombay a letter from the native agent in Sind in which the latter asserted that during the year 1830 540,000 Rupees had been paid to the amils’ treasury as duties on 2,400 camel loads which had passed through Sind territory (Rs 225 per camel load of 8 Surat maunds). In March 1839, Alexander Burnes gave a detailed account of the different duties levied in Sind on opium during 1838. The total amounted to 234 kora or tashani rupees (two of the currencies in use in Sind at the time) per camel load (which consisted of two picul chests) which was equivalent to 200 Company rupees. It was still lower than the price charged by the Company on one chest, which was Rs 125. Of this total, the bulk was levied in Karachi, but significant levies were also made at Mirpur, by the representatives of the local amils, a member of the Talpur ruling family who had a separate establishment from that of the Hyderabad amils, and at Hyderabad.

A stray reference in a British report of 1848 confirms the importance of the opium trade to the Hyderabad merchants. Other information in British reports suggests that the Shikarpuri merchants must also have had their finger in this pie. Lieutenant Lecch, in his report on the trade between Shikarpur and Pali, does not mention opium as one of the commodities involved, but the contrast between the amount of capital invested by Shikarpuri merchants in the trade and the modesty of the figures of trade provided to Lecch by his merchant informants leads to the inescapable conclusion that a good share of the capital must have been employed in the opium trade. The complete interruption of the Malwa opium trade after 1839 certainly meant the closing of an opportunity for profit for the amils of Karachi, Hyderabad and Shikarpur.

British travellers in pre-annexation Sind were puzzled by the contrast which they saw between the economic domination exercised by the Hindus in Sind and their political subjection in a Muslim-dominated polity. But their view was flawed. Hindus were actually important participants in the political system of Sind, even if they had to remain in the background. The Amils, as already mentioned, were the backbone of the Talpur regime in matters of revenue collection and administration, which gave them an enormous political influence. There were Hindu jagirdars in Sind, although they represented only a small percentage of the total, and the Amils as well as the merchants did bear arms. It is interesting to recall that the defence of Karachi against the Talpuris in the early 1790s was organized by local amils acting in the name of the Khan of Khojhan, and that it is they who relinquished control of the city to the representative of the Talpuris. The amils’ proverbial cowardice was just a stereotype, shared by the Muslim aristocracy and British officialdom.

British attitudes to the Hindus of Sind, who were largely equated with the amils, oscillated between paternalistic concern for an ‘oppressed race’ victimized by Muslim bigotry and intolerance, and repulsion for the greed displayed by wily moneylenders against poor peasants and profligate zamindars. The theme of the oppression of the Hindus at the hands of the Muslims had been made popular before the British annexation by various travellers’ accounts, of which the most influential was probably James Burns’. While emphasizing that the revenues are for the most part in the hands of the Hindus, he described them as ‘a class which possesses little favour at court, and no influence or respectability in the country, except that of wealth’. He recounted an

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28 Report on the trade between Shikarpur and Marwar, Reports and Papers, Commercial, pp. 68-70. Lecch gives the names of six Shikarpuri merchants engaged in the trade with a total capital of Rs 340,000, while he informs us that trade in the major commodities, aniseed and saffron, is quite a small share of what it was two decades earlier, one of the major reasons for the decline being the growing imports of British goods in the markets of Rajasthan.

29 See Mover on Tal Namiad Michaud, pp. 61-5.

30 J. Burnes, A Narrative of a Visit to the Court of Sindh, Edinburgh, 1831, 2nd edn, (1st edn, Bombay, 1829), p. 76.
thought prudent to censure the Seth posthumously and to add, for our benefit, that 'Probably Seth Hotchand meant that he would become a Hindu ascetic or Jogi.' However, there is no reason to think that the writer, Seth Naomal, the son of Hotchand, did not know the difference between a sufi faqir and a Hindu jogi. It is highly probable that he actually meant what he said, and there was nothing extraordinary about such a statement. As noted earlier, for many centuries, in Sind as in other parts of India, many Hindus have been mursids of the sufi pir, without becoming Muslims.

I have chosen this episode to illustrate the complexity of the relationships between Hindus and Muslims in Sind, a relationship in which conflict and hostility mingled easily with amity and a syncretic attitude to religion. The relationship between the two communities was so fluid as to make generalizations about the situation of Hindus in Sind during the Talpur regime hazardous.14 There is no doubt that an elite section of Hindu merchants and bankers based in Karachi and Hyderabad was a crucial component of the ruling class of Talpur Sind, even if its status was not equal to that of the great mardas, pir and sayyids who lorded it over the mass of the hari (cultivators). This elite, which had close links with the other significant element of the Hindu population, the Amils, was not devoid of political influence even if it tended to maintain a low profile. The rest of the trading population, consisting mostly of shopkeepers and rural moneylenders, occupied a kind of middle position in Sind society, well below the elites, but far above the hari. On such a diverse group as the Hindus of Sind, the impact of colonial rule could but be uneven and diversified. It is therefore necessary to have a closer look at Hindu society in Sind during the colonial period.

**Hindu society in colonial Sind: some general traits**

At some point between the fifteenth and eighteenth centuries, as Islam spread among the peasant masses of Sind, the Hindus became a minority, but numerically a sufficiently significant one to present a varied and complex picture. There is a dearth of scholarly literature about this community, which is not compensated for by an abundance of primary written sources. Prior to the British annexation, Hindus in Sind do not seem to have produced any specific literature of a non-religious character. Apart from writing devotional Nanakpanth hymns, literate Amils and baniats also occasionally contributed to the rich sufi literature which developed in Sind and culminated with the work of the

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31. The note is supposed to have exclaimed, in the face of evidence of treachery by a Hindu Raj, p. 66.


33. Memoirs of Seth Naomal, p. 68.

famous Shah Abdul Latif of Bhit. Even under British rule, while literacy developed significantly, especially amongst Amils, little was produced in the way of writings about the specificities of Hindu culture and society in Sind.\textsuperscript{35} The British themselves paid relatively little attention to the Hindus in Sind, whom they perceived as an almost 'foreign' element, and colonial scholarship, which was often of a high quality, tended to focus more on Muslim society, culture and religion. Although some basic information was collected by colonial officials and gathered in the Gazetteer, in particular the 1907 edition,\textsuperscript{36} it is a measure of the poor state of advancement of Sind studies that we still have to rely to a great extent on that kind of literature to get a general idea of Hindu society in pre-Partition Sind. In post-1947 Sind, a province of Pakistan where Hindus have been reduced to the condition of a fairly insignificant minority, little attention has been paid to their role in the history of the region. In India, where the bulk of the Sindhi Hindu population emigrated after 1947, a sociological survey conducted in the 1950s among refugees from Sind resulted in the only comprehensive study of Sindhi Hindu culture and society ever produced, U. T. Thalass's Sindhi Culture.\textsuperscript{37} However inadequate and flawed in many ways, this book is invaluable inasmuch as the author collected from the Sindhi refugees a lot of information on their life in pre-Partition Sind, which would otherwise be lost. On the other hand, most of the more recent literature on Sindhis in India has tended to focus on their level of integration, and to distance itself from the study of their pre-Partition roots.

The following account, pieced together from these scattered and largely inadequate materials, aims only at giving a very general picture. Hindu society in pre-1947 Sind struck all observers coming from 'India proper' as very different from 'mainstream' Hindu society, to the point of being barely recognizable. The most striking characteristic of Sindhi Hindu society was undoubtedly the absence of a proper caste system, due to the dominance of one so-called caste, the Lohana, which was more or less considered to encompass the entire Hindu society of Sind. Actually, according to the data in the different censuses, Lohanas accounted only for half of the Hindu population of Sind,\textsuperscript{38} but statistics tell only part of the story. Non-Lohana Hindus in pre-1947 Sind included a large fringe of 'tribals', especially in the Thar and Parkar district, who were very marginal elements in Hindu society. If these

\textsuperscript{35} See, however, B. M. Adram, Sindhi-ji-Hindusaro-Tarihi (History of Sindhi Hindus) (In Sindhi), Hyderabad.

\textsuperscript{36} Gazetteer of the Province of Sind, compiled by E. H. Aitken, Karachi, 1907.

\textsuperscript{37} U. T. Thalass, Sindhi-Culture, Bombay, 1959.

\textsuperscript{38} Calculated from Appendix A, 'Comparative Tables showing the number and distribution of various Hindu castes (1891 to 1931) in Sind', in ibid., pp. 207–33.
Indian merchants, 1750–1947

Apart from the absence of a proper caste system, another specific characteristic of Hindu society in Sind was the fluidity of religious identities and affiliations. The bulk of Sindhi Hindus were Nanakpanthis, i.e., non-Khalsa or Sahajadars Sikhs, but their Nanakpanthi Sikh blended harmoniously with non-sectarian forms of both Saivism and Vaisnavism, the former being apparently more prevalent in Sind. Sind was less affected than the Punjab by the Singh Sabha movement, which resulted in a growing separation between Hindus and Sikhs, and the boundary was never clearly traced there.\(^{29}\) There was some uncertainty as to whether the Nanakpanthis considered themselves Sikhs or Hindus. At the time of the 1881 Census many Lahmans in the districts of Shikarpur and Hyderabad were enumerated as Sikhs, while in the 1891 Census all of them were returned as Hindus.\(^{30}\) The most widespread priestly group in Sind was not the Brahmins, who were represented only in the towns, but the Amins, the Nanakpanthi desavorni, who were found in every village and every street in the towns, where they managed temple-cum-gurdwaras generally known as sikhanas, which were by far the most common non-Muslim places of worship in Sind. In those sikhanas, images of the Hindu gods were found side by side with the Adi Granth and the image of the Guru Nanak. The religious eclecticism of the Sindhi Hindus was also demonstrated by the importance of the cult of the Indus, which focused on the mythical Hindu hero, Uderosal, also known as Jhule Lal.\(^{44}\) For many centuries, ‘Jhule, Jhule Lal’, was the

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\(^{29}\) For an interesting although controversial analysis of this question, centered on the Patshah, see H. Omair, The Construction of Religious Boundaries: Culture, Identity and Diversity in the Sind Tradition, Delhi, 1994. To the best of my knowledge, no study has been done of the history of Sikhs in Sind.

\(^{30}\) According to the 1881 Census, there were in Sind 126,076 Sikhs (including 68,655 in Shikarpur district and 42,040 in Hyderabad district) as against 505,079 Hindus (93,341 in Shikarpur and 89,114 in Hyderabad), suggesting that the majority of Sikhs were in Shikarpur district and a large minority in Hyderabad district returned themselves as Sikhs. Census of India, 1881, Operations and Results in the Presidency of Bombay (excluding Sind), J. A. Bostow, vol. II, Tables, Bombay, 1882, Table III, pp. 3–6. However, by the time of the 1891 Census, the situation had been totally reversed, as only 720 Sikhs were enumerated in the whole of Sind, against 567,556 Hindus.

\(^{44}\) On Uderosal or Lal Udrez, see ‘Something about Lal Udrez’, in Sigma (Dayaram Oldidhat), Something about Sind, Karachi, 1982, pp. 27–31.
shifting their support to the Muslim League in the late 1930s and the 1940s. There is, however, a general consensus that the final exodus of the majority of Hindus from Sind in 1947–48 was not primarily the result of a conflict within Sind between Hindus and Muslims, but much more a consequence of the overall tragedy of Partition and of the massacres in the Punjab. Although there is no need to idealize the religious situation in Sind, and see it as a model of mutual tolerance, it is nevertheless true that the province was relatively free of communal tension of the kind that affected the Punjab, Bengal or the United Provinces. The ecletic character of regional Hinduism, as well as the impact of sufiism on regional Islam certainly had something to do with it.

The Sind banias and the political economy of colonial Sind

A view which has gained widespread currency in Sind is that the Hindu banias were in many ways the main beneficiaries of the socioeconomic transformations undergone by the province during the British period. Such a view is now, however, to be nuanced. It has its source in a growing perception by the British of the Hindus as a group of parasitical interlopers. In the second half of the nineteenth century, this trend of increasing hostility to the Hindus on the part of British writers and officials is well illustrated by Sir Richard Burton's writings. In a book published in 1851, he gave an account of the Hindus of Sind which was slightly malicious, but maintained a certain degree of objectivity. In a book written in 1877 after a lengthy visit to the province, he launched an extraordinarily virulent attack against the character of the Hindus of Sind, which enormously influenced officials as well as non-

48 B. F. Burton, Sind Revisited, London, 1877, in particular vol. 1, chapter 14, significantly entitled "The Hindus of Sind - their Raciality and their Philoprogenitive, then takes his place in the shop, where, if you please, we shall have him to cheat and beggar, to spoil and adulterate, and to become as specially rich by the practices of as much conventional and commercial rascality, barely within the limits of actual theft, as he can pass off upon the world."
on short-term loans, and systematically resorted to the threat of violence to recover the debts, and another group, which he calls 'merchant-moneyminders' who lent at less extortionate rates and were mainly interested in appropriating the produce. Although it is not sure that such a clear distinction could always actually be made 'on the ground', it appears that in Sind banias generally conformed to the second model, that of the 'merchant-moneyminder'.

The picture Cheeseman draws of nineteenth-century Sind, based on a thorough study of official archives, is rather different from that given by officials themselves. He shows that, in spite of transfer of lands to the Hindus on a significant scale, the sahebo class maintained its hold on the countryside. British fears of a displacement of the sahebo had no real basis in fact, and the measures taken by the government, such as the different Sind Encumbered Estates Acts, were actually of a rather cosmetic nature. They did not attack the root of the problem of indebtedness, but they gave the sahebo the feeling that the sarhars cared for them, and they showed their gratitude by remaining steadfastly loyal to British rule. Structural change in Sind during the colonial period remained very limited. The banias undoubtedly acquired land, and generally showed themselves to be efficient managers of their estates. But they remained in many ways dependent on the sahebo, in particular in all their dealings with the agricultural labourers, the hariis. Being a class without social prestige in comparison with the sahebos, piris and sayeds, banias could not expect any loyalty and attachment on the part of the hariis, nor could they strike fear in their hearts. They were in the countryside basically on sufferance of the sahebo, and the latter brought it home to them in various ways, in particular by a controlled use of violence. Murders of moneyminders were a common occurrence in the Sind countryside, probably more than in most other regions of the subcontinent, and the culprits were rarely, if ever, caught and convicted. Everything suggests that these murders were generally not spontaneous acts of revenge perpetrated by aggrieved hariis but were organized with the connivance and support of the sahebo. In spite of their wealth, which could be considerable, banias were not a hegemonic class in Sind.

To explain why some of the Sind banias were tempted by outside ventures in the second half of the nineteenth century, ventures which are precisely the topic of this book, one could point to the high level of risk and uncertainty which their operations in the countryside entailed. A knowledge of the trend in grain prices is also essential, since it was the main commodity in which they traded. Data on grain prices in Sind during the second half of the nineteenth century indicate a secular rise, which suggests that the profit margins of the banias were not squeezed. But, in spite of this, it can be said with a degree of confidence that rural moneymending in Sind remained a high-risk operation, even if the rewards could also be substantial. Banias are often said to be gamblers, but there are limits to the level of risk they are ready to accept. They also tend to diversify their assets, or, as popular wisdom has it, not to put all their eggs in the same basket. But in Sind during the first three decades of British rule, opportunities in the non-rural sector were limited.

The British annexation of Sind led to difficulties in four major areas: state finance, currency exchange, craft production and the transit trade. As regards state finance, at the time of the annexation of Sind, the British already had a well-established treasury system, and they did not need advances from local bankers. Lending to the state was the major business of the Sind bankers, particularly of those in Hyderabad, and they were therefore forced to find new outlets. They also lost a thriving business in currency exchange, as the Company rupee was introduced as the legal tender, in place of different local currencies, and as the transit trade with neighbouring regions went through a depression. The crisis in the transit trade of Sind had multiple dimensions. The closing of the opium trade from Malwa was certainly one of the most important. But, following disorders in Khetlu and Afghanistan, the hoped-for revival of Central Asian trade did not take place on the expected scale, while the Indus river did not prove to be the great waterway to the Punjab and Central Asia that ill-informed reports had led the Company to believe that it would be. Similarly, craft production entered a period of crisis as the court and the army, which were its main customers, disappeared, and the merchants who used to organize and finance production were in difficult straits. Therefore, in the aftermath of the annexation, some banias were looking for new avenues of investment for their capital.

During the 1843–75 period, the most enterprising elements among the Sind banias sought opportunities outside the province. The Shikarpuris and the Bhatias of Thatta renewed and deepened existing outside
connections, while some Hyderabadis merchants established entirely new connections.

This new orientation was strengthened by other developments relating to the role of Sind in the economy of British India. While, prior to the annexation, Sind was a participant in a wide-ranging system of interregional and international trade, under British rule, its function was increasingly reduced to that of an outlet for the agricultural production of the Punjab. In the second half of the nineteenth century, the bulk of the investment the British made in Sind was in the construction of a modern harbour in Karachi and of railway lines linking the port with the Punjab. The decision taken in 1847 to make Sind part of the Bombay presidency, with which it had only weak economic and cultural links, eventually proved farsighted. For it amounted to an indirect subsidy by Bombay to the Punjab. Sind’s transformation into the maritime outlet of the Punjab mostly benefited Karachi, more than ever its only modern sea-port, although the development of railway traffic between Punjab and Karachi energized the economies of the towns which were situated along the railway line.

At this juncture, it is necessary to investigate in some detail the reasons why the Sind Baniyas were incapable of preserving their long-standing hegemony over provincial trade and finance, and why in particular they could not prevent ‘outsiders’ from acquiring dominant positions in Karachi, which emerged in the second half of the nineteenth century as the lynchpin of the provincial economy. Some of the reasons have to do simply with the establishment of British dominance in Sind since 1839 and even more after 1843, British firms from Bombay, with their relatively large capital resources, and their good knowledge of overseas markets, particularly in cotton, were in a position to corner the best opportunities in foreign trade in Karachi. The foundation of the Karachi Chamber of Commerce in 1860 epitomized the dominant role played by these firms in the trade of Karachi.57 But, in the wake of the annexation, other groups of traders came from British India, particularly from Bombay, and established themselves on the Karachi market. Prominent among them were Parsi contractors, who rapidly controlled the market of supplies to British troops and British civilians, a particularly lucrative branch of trade. From the commissariat, the Parsis quickly branched out into other fields, and by the late nineteenth century they were the most powerful group in the trading world of Karachi after the British.58 Parsi firms in Karachi ceased after a while to be mere branches of Bombay firms and they became a power in their own right. Other groups of newcomers from Bombay who were active in trade in Karachi included Jewish traders as well as Gujarati banias. Some groups which were already active before the annexation, such as the Ismaili Khoja and the Kutchi Memons, were reinforced by an influx of immigrants from Bombay and Kutch. The increasingly close connection of the port with the Punjab and adjacent regions of northern India also attracted Punjabi and Marwari traders. It is striking that the major trading houses of Sind baniyas in Karachi, such as those of Seth Naqmul Hotchand and Wissunadas Khaschand, went into rapid decline after the annexation. The only group of Sind baniyas who held their own in Karachi during the second half of the nineteenth century appears to have been the Shikarpuris, who were able to carve a niche for themselves as intermediaries between the small town and village traders of Sind and the big trading houses of Karachi, and also exploited their Central Asian connections to monopolize some lines of trade, such as the export of British piecegoods to southeastern Iran. But, on the whole, it can be said that in the second half of the nineteenth century the Sind baniyas lost ground in their own province, largely because other groups succeeded them in the major trading centre of the province, Karachi.59

59 See H. Feldman, One Hundred Years of Karachi, Karachi, 1960.

57 On the role of the Shikarpuris in Karachi, see Arun Datta Bhattacharya, op. cit., pp. 357–8: “The Shikarpuri Baniyas ... migrated to Karachi to take over its grain and cotton trade as brokers which placed them in a position of dominance in the commodity export trade ... Their firms or shahbands played an important role in the Bajis and Shippers Chamber – an organisation of firms engaged in maritime trade. They dominated the Karachi Indian Merchants Association founded in 1902 and played an important role in the Karachi Cotton Association founded in 1935.”
bypass it altogether and to develop direct links to Bombay, a strategy which proved farsighted.

So as to understand how merchants from two medium-sized towns in the interior of Sind could control far-flung networks covering, on the one hand, a vast area of Central Asia, from southeastern Persia to southwestern Sinkiang, and, on the other hand, extending to the whole world, along the maritime routes between Kobe in Japan and Panama in Central America, the following two chapters will present separately the history of the Shikarpuri and the Hyderabadi networks.

3 The Gate of Khorassan: the Shikarpuri network, c. 1750–1947

In May 1837, Alexander Burnes, then on a ‘commercial’ mission to Kabul, wrote from Bahawalpur a paper ‘On the Commerce of Shikarpur and Upper Sind’, in which he gave a detailed description of the town, its trade and its merchants.1 He wrote: ‘Shikarpur is a town of first importance to the Indus trade and it may be said, to that of Asia’, laying the basis for what was to develop into a kind of myth and exercise some influence on British policymakers. Stressing the town’s proximity to the Bolan Pass leading to Kandahar, he mentioned that the merchants always spoke of Shikarpur and Dera Ghanee Khan as ‘the gates of Khorassan, by which name they here distinguish the kingdom of Cabul’. He estimated the population to be in excess of 30,000, of whom ninetenths were Hindus, ‘of the Bunya, Lohana and Bhattas (Bhistia) tribes’, of whom more than half were ‘Baba Nanuk Seiks’ (i.e. Nanaksadhis or Nanakpantths, Sahabdi Sildas). By Bunya, he actually meant Khatris. He did not praise the physical appearance of the town, finding the bazaar ‘without elegance or beauty’ and the houses ‘lofty and comfortable but destitute of elegance’. What most impressed him, undoubtedly, was the extent of the network of the Shikarpuri merchants. He wrote: ‘It will only be necessary to name the towns at which the Shikarpur merchants have agents to judge of the unlimited influence which they can command.’ There followed an enumeration of localities, of which the westernmost was Astrakhan and the easternmost Calcutta, where Shikarpuri merchants had their agents. It was an impressive list, and the total area covered was vast, including Masmat in Arabia, all the important towns of Afghanistan, some towns in Persia, some of the major towns of India, the three principal towns in the Uzbek khanates of Central Asia, Bukhara, Samarkand and Kokand, as well as Yarkand in Sinkiang. He added that in all these places a bill could be negotiated, and that with most of them there was a direct trade