

TRADING NETWORKS IN A TRADITIONAL DIASPORA
-- ARMENIANS IN INDIA, C. 1600-1800 --

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The observation of the Court of Directors of the English East India Company in 1699 about the Armenians¹ that “most certainly they are the most ancient merchants of the world” was perhaps no exaggeration as is being now revealed from the works of several scholars on the Armenian diaspora and their trading networks. Indeed, from the earliest times to the end of the pre-modern era, the Armenian merchant communities engaged themselves in international and inter-continental trade in the Eurasian continuum. They ventured out of the homeland to different parts of Asia and Europe, and settled themselves not only in important cities, ports and trade marts but also in remote production centres far away from their own country. And thus they created the infrastructure for an efficient and successful long-distance trade and a commercial network with strong link with their main centre at New Julfa. This “trading diaspora” of the Armenians was a unique feature of the trading world of the seventeenth and eighteenth centuries. The aim of this paper is to make an analysis of the trading networks of the Armenians in India, particularly Bengal, and their link with the Armenian diaspora in the region.

In this context it is pertinent to point out that there were several other trading diasporas like those of the Jews, Indians, Greeks, Arabs and the Chinese in the early modern era, and all of them shared certain key features which explain why they succeeded in such remarkable ways in establishing enduring commercial networks over vast areas in the Eurasian continuum. A high degree of confidence, great trust among the members of the same community and the reduction in transaction costs through a scattered but well-knit international community which possessed a distinctive culture,

¹. Despatch Book (henceforth DB), vol. 94, f. 197, 17 April 1699, India Office Library and Records (henceforth IOL&R), British Library, London.

religious tradition and communal institutions particular to itself was largely shared alike by all these diaspora people – whether Armenians, Greeks, Jews or Indians. At the same time there were certain dissimilarities in the trading networks of the various diasporas. For example, while the Jewish people concentrated more on the maritime activities, the Armenians were involved mostly in overland trade.

The emergence of Armenian trading network and diaspora in the seventeenth century was to some extent helped by the historical developments of the preceding century when the old Armenia fell a victim to Perso-Ottoman rivalry. In the early seventeenth century, the Persian emperor, Shah Abbas I, forcibly moved the professional Armenian merchants and artisans, and settled them in the new township of New Julfa in the suburb of Isfahan. The emperor's main objective was to utilize the services and expertise of the Armenian entrepreneurs in transforming his newly founded capital city of Isfahan into a major trade centre. The latter did not disappoint him. As they had the necessary capital and commercial network in Asia and Europe, the Armenians were able to develop "Persia's foreign trade in raw silk, create new markets and products and expand the scope of trade routes". And they ceaselessly contributed to Persia's economic prosperity under the succeeding Shahs until the invasion of Persia by the Afghans in 1722 which dealt a severe blow to the Armenians of New Julfa and after which many of the prominent Armenian merchants migrated to other countries.

Be that as it may, it is perhaps needless to emphasize that India was one of the most important centres of international trade in the seventeenth and the eighteenth centuries. As Indian textiles and raw silk were one of the best and cheapest in the world market, merchants and entrepreneurs from various parts of Asia and Europe thronged there for procuring these and other commodities. Thus a conglomeration of traders and entrepreneurs from different parts of the world was to be found in the trade marts of India during this period. As such, seventeenth and eighteenth century India provides a unique case for studying the organization, ethics, culture and the dynamics of the various entrepreneurial communities as reflected through their activities in India. A thorough study of the networks of enterprises and entrepreneurs of various groups and nationalities - how they organized

their networks which extended over vast geographical areas stretching from Bengal to Delhi-Agra and even to Surat or from Surat to the Red sea and Persian gulf ports - will throw ample light on the different aspects of business organization, networks, credit mechanism, and business techniques and 'culture' in the pre-modern era.

Though we shall be speaking in general of India as a whole, the case studies will be taken mainly from Bengal, which was the most prosperous province of the erstwhile Mughal Empire in the seventeenth and eighteenth century. By the early eighteenth century, the great Mughal Empire had already disintegrated, bringing in its train political chaos and economic decline in most parts of North India. But Bengal was a singular exception where trade, commerce and economy as a whole flourished under its almost independent *nawabs* (title of the rulers). It is to be noted here that it was Bengal textiles and silk, together with few other commodities, which were most sought after in the then world. The conclusions arrived at from the case studies of Bengal, however, will be applicable, more or less, to India as a whole. In Bengal, again, we shall confine our analysis mainly to Armenian diaspora and their networks as reflected in the enterprises of Khwaja Wajid, the Armenian merchant prince of the mid-18th century Bengal.

I

It is more or less well known now that the Armenians played a significant role in the commercial and economic life of India, especially Bengal. Though it is not possible to indicate as to when the Armenians established their trading networks in India, it can be reasonably assumed that they began their trading activities in India long before the arrival of the Europeans and that is the reason why we call this “traditional diaspora”. They were active in Bengal trade from at least the late sixteenth and early seventeenth century if not earlier. As an important trading group, their presence was a common feature in all the prominent centres of trade and manufacture, cities and ports. But what was most striking about them was that if there was any possibility of profit in trade, they would even go to remote places and deal in any commodity, unlike many other trading groups in Bengal. Through their commercial acumen, their thorough knowledge of markets and products, a chain of connection with the important producing and consuming centres maintained

through their own agents who were most often than not their own family members or kinsmen, their low overhead cost and capacity to thrive on low profit margin, the Armenians could compete successfully with not only the Indian and other Asian merchants but also with the European companies trading in Bengal.

It was obviously the commercial expertise of Armenians in Bengal that prompted the Directors of the English East India Company to enter into an agreement in 1688 with Khwaja Phanoos Kalantar in London by which the Armenians were to provide Bengal goods for the Company's investments in Bengal with their own capital and at their own risk at 30% profit on their cost and charges.² It is significant to note that while writing to Bengal about this agreement, the Court of Directors of the English Company in London observed: "Those people [the Armenians] are a thrifty, close, prudent sort of men that travel all India over and know almost every village in the Mughal's dominions and every sort of goods with such a perfect skill and judgment as exceeds the ancientest of our linen drapers".³ A few years later, the Company made another agreement with the same Kalantar which laid down that the Armenians would provide specially Patna⁴ goods for the Company with their own money and deliver them to the Company either at Hughli⁵ or Calcutta for which they were to be allowed 15 percent upon the prime cost and necessary charges.⁶ Here again the Directors of the Company noted that the Armenians "are diligent, frugal and very experienced merchants" and asked their employees in Bengal to try to procure some fine Bengal piece-goods through the Armenians as they would "know how to buy better than you can".⁷ Again it was in recognition of the economic and

². DB, 15 February 1689, vol.92, f.25, IOL&R. See also, S. Chaudhuri, Trade and Commercial Organization in Bengal, 1650 – 1720, (Calcutta, 1975), p. 131.

³. DB, 18 October 1690, vol, 93, f. 38, IOL&R.

⁴. Patna in Bihar was the most important trade centre in that province and was famous for the production of saltpetre, opium and textiles in the 17th and the 18th centuries.

⁵. Hughli was the premier port of Bengal in the 17th and early 18th century.

⁶. Home Miscellaneous Series, vol. 36, ff. 81-82, IOL&R.

⁷. DB, 15 Feb. 1690, vol. 93, f.148.

political importance of the Armenians that Khwaja Surhaud Israel was made a member of the famous Surman embassy which was despatched from Bengal to Delhi by the English East India Company in 1715 and which obtained the controversial *farman*⁸ from the Mughal emperor Farrukhsiyar in 1717⁹

Thus it is not surprising that there were many important Armenian merchants and traders in the flourishing Armenian settlement of Saidabad (a suburb of the capital Murshidabad), Hughli, Calcutta, Kasimbazar, Dhaka and Patna with their own localities and churches.¹⁰ Among the Armenians in Bengal, however, it was Khwaja Wajid who played the most significant role in the commercial economy and political life of Bengal in the forties and fifties of the eighteenth century. What is significant to note here is that the Armenians in Bengal were not dissociated from their mainstream in New Julfa. There are several instances¹¹ that the Armenians in Bengal were in touch with New Julfa and there was regular traffic between Bengal and New Julfa, which only reiterates that cultural and ethnic ties were extremely important in the entrepreneurial networks built by the Armenians. The vast networks of enterprises created by the Armenians in Bengal in the seventeenth and the eighteenth centuries will be more than evident from a close look at Bengal's silk and

⁸. Imperial edict.

⁹. For the Surman embassy and the *farman* of 1717, see, S. Chaudhuri, *Trade and Commercial Organization*, pp. 41-43.

¹⁰. While Saidabad was an exclusive Armenian colony, founded around 1665, Kasimbazar, another suburb of Murshidabad, was the most important centre of silk production, and Dhaka was the most important centre of the finest and expensive textiles, especially the legendary *muslins*.

¹¹. That the Armenians of Bengal had links with New Julfa is evident from the fact that after the death of “Coja Avatook Cunnon and Coja Surhaud Cunnon”, their brother, “Coja Turcawn Cunnon Armenian” came to Bengal from New Julfa to claim their “effects” from Khwaja Nazar Jacob of Calcutta, see, Bengal Public Consultations (henceforth BPC) Range 1, vol. 5, f. 451, 16 March 1723, IOL&R. In all probability Khwaja Surhaud was connected with one of the greatest merchant families of New Julfa, the Sharimans (or Surhaud?), *c.f.*, Edmund Herzig, “The Armenian Commercial Documents in the Archivio Di Stato of Venice”, typed mss.

textile markets during this period. They were conspicuous even in the remote parts of Bengal wherever there was the possibility of good profit in mercantile activities.

II

Khwaja Wajid was one of the three merchant princes (the others being the Jagat Seths¹² and Umichand¹³) who collectively dominated the commercial life and hence, to a great extent, the economy of Bengal in the last three decades of the first half of the eighteenth century. An idea of the Armenian diaspora and Wajid's extensive networks can be formed from the fact that he was not only involved in inland trade in saltpetre to salt and opium but was also quite active in maritime trade extending over a vast space from Bengal to Surat, and the Persian Gulf and Red Sea ports.. He operated his extensive business empire from Hughli, the then commercial capital of Bengal. Like several other Armenians of Bengal at the time, it is possible that he too had links with New Julfa. According to *Zamia-i-Tadhkira-i-Yusufi*, though Wajid was born in Azimabad (Patna), his forefathers belonged to Kashmir and that he settled in Hughli.¹⁴ The early career and activities of Wajid are not very clear to us as yet. It is probable that he was the son of "Coja Mahmet Fazel", an influential Armenian merchant in the 1730s and the early 40s.¹⁵ However, it is known from Calcutta Mayor's Court Proceedings that around the early 1740s, Wajid obtained a foothold at the *darbar* (royal court) of the Hughli *faujdar* (an administrative official in the Mughal set-up) as the representative (*vakil*) of the Armenian community of merchants. It was deposed in the case of Teneseause *vs.* Khwaja Manuel that there was a move by many of the Armenian merchants at Hughli in 1741 to replace

¹². For Jagat Seths, the greatest banker of the then India and possibly Asia, see, S. Chaudhury, *From Prosperity to Decline – Eighteenth Century Bengal* (New Delhi, 1995), pp. 109-16.

¹³. For Umichand, see, *Ibid.*, pp. 116-20.

¹⁴. Yusuf Ali Khan, *Zamia - i -Tadhkira - i -Yusufi*, ed. Abdus Subhan, (Calcutta, 1978), p. 17.

¹⁵. The "Momorie" of Alexander Hume, General Indische Compagnie, 5768, Stadsarchief Antwerpen, Antwerp.

Khwaja Petruse by “Coja Avid” as their *vakil*.¹⁶ From then onward, there was no looking back for Wajid who rose in power and position throughout the 1740s to be reckoned not only as a merchant prince, but by the late 1740s also as one of the most important figures in the commercial and political life of Bengal.

It is to be noted here that in the first half of the eighteenth century, politics and commerce was closely intertwined in Bengal. The main prop of the prosperity of the three important merchant princes was their close connection with the *darbar*. Thus Wajid too seems to have consolidated his position through political connections and extended his influence to the court at Murshidabad. Through subtle diplomacy and judicious financial support to Nawab Alivardi Khan, he built up a powerful position at the *darbar*. It seems that by the mid-forties, he had developed from being a “creature” of the Hughli *faujdar’s darbar* to one of the central figures at the Murshidabad court. In the late forties, he began to reap the fruits of his *darbar* connections and managed to gain the virtual control of the economy of Bihar. It is significant that he was not only the leader of the Armenian merchants but also of the community of merchants in Hughli. This is borne out by the fact that when the English fleet captured two ships of the Hughli merchants including the Armenians, the merchants comprising “Syeds, Mogulls, Armenians, &ca.” had an audience with the Nawab through Wajid and it was he who spearheaded the protest against the English.¹⁷

Khwaja Wajid operated his business empire from his main base at Hughli. He was actively engaged in the inland trade of Bengal both on his own account and as a supplier to the European companies. He had extensive business transactions with the French and the Dutch, and through Umichand with the English. Robert Orme, the official historian of the English East India Company and who lived in Bengal in the early 1750s, observed

¹⁶. Mayor’s Court Records, Calcutta, 7 May 1741, Range 155, vol. 24, f. 30vo, IOL&R.

¹⁷. Factory Records, Kasimbazar, vol. 7, Consultations, 24 December 1748; 9 January 1749; 12 Jan. 1749, IOL&R; BPC, Range 1, vol. 22, f. 49vo, 19 Dec. 1748; f 64vo, 31 Dec. 1748; f. 96, 9 Jan. 1749, IOL&R.

that “Coja Wazeed managed the greatest part of the French trade in Bengal with great profit to himself”.¹⁸ Extremely devious as he was, he had a passion for extending his commercial hegemony at any cost and was ready to swing his allegiance at the slightest prospect of commercial advantage. Utilizing his close connection with the *darbar*, he tried to operate his business with a monopolistic design.

The main props of Khwaja Wajid’s extensive operations in Bengal’s internal trade were the monopoly of saltpetre and salt trade. Through his influence with the Bengal administration, he actually gained a virtual monopoly of the trade of Bihar (a division of the Bengal *suba*) from at least the late 1740s. He secured the monopoly of saltpetre, one of the most important commodities in the export list of the European companies, in 1753.¹⁹ Of course he was involved in saltpetre trade even long before this through his close association with Umichand and his brother Deepchand who was the *faujdar* of Chapra, the main saltpetre producing centre of Bihar. The Dutch Director Jan Kerseboom noted that in 1747 the Dutch company had procured 21,000 sacks of saltpetre – 42,000 mds., each sack weighing 2 mds.²⁰ - sent from Bihar by Deepchand to his authorized dealer (*gemagtigden*) Khwaja Wajid in Hughli. In his “Memorie”, he also refers to the fact that Wajid later obtained the “privilege” of monopoly trade in saltpetre from the Murshidabad court. He further comments that as a result “this trade [in saltpetre] has fallen entirely in his hands and completely under his control”.²¹ Wajid’s monopoly of the saltpetre trade was a great irritant to the European companies who were the main buyers of the commodity. Hence the next Dutch Director in Bengal, A. Bisdom, dwells at length on the mechanism of Wajid’s operations in saltpetre trade in Bihar. He mentions that Wajid obtained a *parwana* (letter patent) from the Bengal Nawab Alivardi Khan by

¹⁸. Robert Orme, *History of the Military Transactions of the British Nation in Indostan*, vol. II, sec. I, (Lomdon, 1803), p. 138.

¹⁹. Bengal Letters Received, vol. 22, para. 18, f. 410, IOL&R; BPC, Range 1, vol. 26, f.110, 2 April 1753.

²⁰. Indian unit of weight, one maund equivalent to 75 English lbs.

²¹. The “Memorie” of Jan Kerseboom, Verenigde Oost Indische Compagnie (henceforth VOC), f. 103vo, 14 Feb. 1755, Algemeen Rijksarchief, The Hague.

which he got the “special privilege” to deal in saltpetre for which he paid only a paltry sum of Rs 25,000²² to the Nawab.²³ He operated the saltpetre trade through his agents Mir Afzal and Khwaja Ashraf (his brother) who were based in Bihar.

The European companies no doubt tried every means to get out of Wajid’s stranglehold on the saltpetre trade but only in vain. So immediately after the British conquest of Bengal at Plassey in 1757, the English factor Mr Parkes at Patna wrote to the Council at Calcutta to “apply to the New Government to set aside Coja Wazeed’s exclusive *parwannah* for saltpetre”.²⁴ But the Company’s resident representative at Murshidabad wrote back to Calcutta that “they cannot with propriety apply to the Darbar for abolishing Wazeed’s monopoly or regulate the Patna trade”.²⁵ Wajid managed to obtain a *parwana* from the new Nawab, Mir Jafar Khan, “for the entire possession of the saltpetre trade at Patna” of which the English were informed by the Dutch Director at Hughli in October 1757.²⁶ Wajid however did not live in a fool’s paradise. He knew that it would be almost impossible for him to continue the monopoly trade in saltpetre under the vastly altered circumstances after the British became the virtual ruler following their conquest of Bengal. So he was quick to assure the English representative at Murshidabad that he would use his power to the utmost to assist the English in procuring saltpetre at the cheapest rate, provided they “assisted him in return to make the Dutch purchase from him”.²⁷ That was the last straw to which he desperately hoped to cling and save at least

²². At that time one pound sterling was equivalent to Rs 8.

²³. The “Memorie” of A. Bisdrom, VOC, 2850, ff.498-301vo, 10 January 1756, Algemeen Rijksarchief.

²⁴. BPC, Range 1, vol. 29, f. 133, 18 July 1757, IOL&R.

²⁵. Ibid., f. 170vo, 2 Sept. 1757.

²⁶. Ibid., f. 245, 31 Oct. 1757.

²⁷. Ibid., f. 285, 24 Nov. 1757.

part of his commercial empire. But that was not to be. He lost his saltpetre monopoly in 1758 which was now grabbed by the English company.²⁸

The most important prop of Wajid's trading empire, however, was the more lucrative monopoly of salt trade which was farmed by him in 1752 for a mere Rs 25,000 to Rs 30,000 a year. Writing as late as 1763 Batson, an English factor, noted: "Coja Wazeed of Hughli had the salt farm of Bengal for many years for an inconsiderable sum."²⁹ The anonymous author of an English manuscript "Historical Sketches of Taxes on English Commerce" wrote the following under the year 1752:³⁰ "Salt on account of Coja Wazeed is exempted from ... duties and pays only

Import per 100 md. One rupee which is Rs 0.8 percent

Export per 100 md. One rupee which is Rs 0.8 percent

Total: per 200 md. Two rupees which is Rs 1.00 percent"

When an estimate made in 1773 of the annual proceeds of salt production and sale in Bengal put the value at Rs 1 million, one can easily guess how much Wajid earned from the virtual monopoly of salt trade in the 1750s.³¹

The extent of Wajid's deep involvement in the inland commerce of Bengal is evident from the fact that he also tried to monopolize the opium trade of Bihar through his close link with the Murshidabad *darbar*. Though the detailed mechanism of his operations in the opium trade is not very clear, it is known from the Dutch records that Wajid managed the opium trade through his brother Khwaja Ashraf at Patna. The Dutch

²⁸. The Dutch Director Louis Tallefert also mentioned that the English Company obtained the saltpetre monopoly from Mir Jafar in 1758, *c.f.*, the "Memorie" of Louis Tallefert, Hoge Regering (henceforth HR), 246, f. 174, 17 Nov. 1763, Algemeen Rijksarchief.

²⁹. Orme Mss., OV, 134, f. 13, IOL&R.

³⁰. Mss. Eur. D. 283, f. 22, IOL&R.

³¹. Orme Mss., OV, 134, ff.21-22, IOL&R.

Director Huijghens reported that the Company could buy only 1479 mds. of opium in 1749-50 because Khwaja Ashraf had already bought or contacted for all the opium in December 1749. Drabbe, the Dutch factor at Patna, however, managed to influence the administration (actually the *diwan* or officer in charge of revenue) by giving a bribe of Rs 1,000 who prevented Ashraf from sending the opium out of Patna and thus the Dutch were able to procure the said amount.³² It seems that as the Dutch, who were the principal buyers of opium in Bihar for export to Batavia, and the English did not have much liquid cash to contract for or buy opium in the proper season, Wajid through his brother cornered (of course, with the assistance of the Bihar administration) most of the produce with ready money and later sold the commodity to the Dutch, English and Indian merchants (the last two having only marginal interest during the period) at a high premium.

III

It is no wonder that the Armenian merchant prince settled in Hughli with its rich tradition of handling Bengal's maritime trade ventured also in intra-Asian and coastal trade. In the shipping lists of the Dutch records there are many instances of Armenian merchants sending their trading vessels to different parts of India and West Asia with rich Bengal commodities and bringing back bullion and other cargoes from those parts in the first half of the eighteenth century.³³ The rapid growth of Calcutta notwithstanding, Hughli was as yet the traditional Asian port, which was frequented by most of the Asian ships besides those of the Dutch, French and other Europeans except the English.³⁴ It

³². The "Memorie" of Huijghens, VOC, 2763, f.458, 20 March 1750; VOC, 2732, ff. 9-10, Hughli to Batavia, 27 Jan. 1750.

³³. For details, see, shipping lists in the VOC records in Algemeen Rijksarchief.

³⁴. Peter Marshall's assertion that by the 1720s Hughli was completely overshadowed by Calcutta port [*East Indian Fortunes* (Oxford, 1976, pp. 54-58; *Bengal – the British Bridgehead*, (Cambridge, 1987), p. 65] is not beyond doubt. The lean period of the 1720s and the 1730s was only a temporary phase for the Hughli port which recovered from the

seems that after consolidating his position in the inland commerce of Bengal, Wajid started venturing in overseas trade. In all probability, in the beginning he was engaged in sea-borne trade in partnership with other Hughli merchants. This is evident from the fact that the ship *Chandernagore* captured by the British navy in 1744-45 on its return voyage from Basra and Mocha on the pretext of its flying French “colours” was owned by Wajid and other Hughli merchants. The merchants led by Wajid made a strong complaint to the Nawab Alivardi Khan who directed the British to compensate the merchants.³⁵ Soon after, however, he began his own venture in overseas trade and we find in the lists of the Dutch records that his first ship *Salamat Ressian* left Hughli in 1746 for Surat with a considerable cargo of rice, sugar, textiles and silk.³⁶ In July 1747, his ship *Salamat Manzil* returned from a successful trading voyage to Surat with cotton, rosewater, coral, almond, porcelain, etc. and it left Hughli in January 1748 with large cargo for Surat again.³⁷ Unfortunately there is a gap in the shipping lists of the Dutch records from 1748 till the end of monsoon in 1754 and hence we cannot enumerate the total strength of Wajid’s trading fleet. But there is little doubt that by the early 1750s Wajid had acquired a fleet of trading vessels, which dominated the Asian maritime trade of Hughli. Between 25 November 1754 and 28 January 1755, his ships were engaged in five voyages – two inbound from Basra and Jeddah; three outbound to Masulipatnam and Jeddah.³⁸ The gap in the shipping list notwithstanding, we come across six ships owned by Wajid namely, *Salamat Ressian*, *Salamat Manzil*, *Mobarak*, *Gensamer*, *Medina Baksh* and *Mubarak Manzil*.³⁹ These ships operated from Hughli to Jeddah, Mocha, Basra, Surat and Masulipatnam. Significantly Wajid had a trading house at Surat which was referred to by

late thirties and the early forties with considerable increase in the French and Asian shipping, *c.f.*, S. Chaudhury, *From Prosperity to Decline*, pp. 24-25, 314-19.

³⁵. BPC, Range 1, vol. 17, f. 702, 3 Oct. 1745; f. 706vo, 14 Oct. 1745; f. 717, 24 Oct. 1745; vol. 18, f. 165vo, 9 April 1746; f. 318vo, 6 Aug. 1746.

³⁶. VOC, 2661, f. 163.

³⁷. VOC, 2689, ff. 136, 140.

³⁸. VOC, 2862, ff. 837, 1079, 1080.

³⁹. VOC, 2661, 2689, 2862 – shipping lists in these volumes.

the Dutch Director Jan Kerseboom and also by the Fort William (Calcutta) Council of the English Company.⁴⁰

It is interesting to note that Wajid, like the two other merchant princes of his time, also played a significant role in the crucial period of the 1750s in Bengal politics. As has been pointed out earlier, all these merchant princes owed their prominence and rise to great height of wealth and power mainly because of their closeness to the Nawabs of Bengal.⁴¹ The Persian chronicler, Yusuf Ali, wrote that Wajid who was a “favourite personal friend” of Nawab Alivardi flourished as a great merchant of Hughli and that his “business prospered so well that he built up a vast amount of wealth and affluence”. He also stated that Wajid was commonly known as “Fakhru’l-Tujjar” (Pride of the Merchants).⁴² That Wajid had already become a key figure in the Bengal politics by the late 1740s is evident from the fact that the Dutch Director Huijghens wrote in his “Memorie” in early 1750 that the Dutch should maintain good relations with Wajid because he was held in high esteem (*groot aanzien*) at the Murshidabad court.⁴³ In the early 1750s, Robert Orme described him as the “principal merchant of the Province”.⁴⁴ Wajid’s close connection with the ruling elite is clearly reflected in numerous references in the Dutch and English records. In the course of Fort William (Calcutta) Council’s debate in 1753 whether the contract for saltpetre should be made with Wajid or Umichand, Wajid’s link with the government comes out clearly. Most of the Council members referred to him either “as an officer of the government” or “intimately connected with it”.⁴⁵ That the merchant prince Wajid was also a political heavyweight in mid-eighteenth century Bengal is abundantly clear from Jan Kerseboom’s “Memorie” of

⁴⁰. VOC, 2763; S.C. Hill, *Bengal in 1756-57*, vol. II (London, 1905), p. 87.

⁴¹. S. Chaudhury, *From Prosperity to Decline*, pp. 109-123.

⁴². Yusuf Ali, *Zamia-i-Tadhkira-i-Yusufi*, p. 17.

⁴³. VOC, 2763, f. 467, 20 March 1750.

⁴⁴. Robert Orme, *Military Transactions*, vol. II, sec. I, p. 58.

1755: “While mentioning those persons whose friendship would be very useful to your honour I cannot neglect Coja Mahmet Wazit, recently honoured with the title of Faqur Tousjaar meaning the supporter of the treasure because he is truly the maintainer of the riches of the rulers. He gives them a lot willingly rather than under compulsion.”⁴⁶ In that very year Louis Tallefert, who succeeded Kerseboom as Director in Bengal, significantly remarked while commenting on the residents of the Company’s village, Chinsurah, that the Company should not have admitted “respectable persons of so high standing as the Moorish merchant Coja Wazeed who trade overseas or who have such internal trade that in some respects they can be considered as competitors of the Company and who deem themselves to be on an equal footing with the Directors (of the Dutch Company) if not their superiors”.⁴⁷

IV

By the early 1750s Wajid had emerged as an extremely powerful political figure and seems to have tied his fortunes with the heir-apparent Sirajuddaula. Along with the Hughli *faujdar*, he seems to have virtually forced the English Council at Hughli to pay

⁴⁵. BPC, Range 1, vol. 26, ff. 131vo-132vo, 3 May 1753.

⁴⁶. VOC, 2849, f. 128vo, 14 Feb. 1755.

⁴⁷. Tallefert’s “Memorie”, VOC, 22849, f. 264, 27 Oct. 1755. It is obvious from this reference that Wajid lived in Chinsurah for some time. But this must have been for a short period because in early 1750, in a letter from Bengal, Wajid was referred to as “the merchant who was removed” (from Chinsurah). VOC, 2732, f. 9vo, Hughli to Hereen XVII, 11 Feb. 1750. It is of interest that in the Dutch records, Wajid was frequently referred to as “moor Merchant” (Moors Koopman). There can be hardly any doubt that Wajid was an Armenian and there is no evidence that he was ever converted to Islam. It might have been possible that because of his close connection with the Muslim rulers, the Dutch referred to him as “Moor Merchant” or “Coja Mhamet Wazid”. There is evidence that the Armenian merchants changed their names often for the sake of convenience in trade. Thus in the early seventeenth century, Khwaja Philipos of New Julfa was known as Philippe de Zagly in Courlande while in Persia his name was Imam Kuli Beg (Robert Gulbenkian, “Philippe de Zagly, marchand armenien de Julfa, et l’e’tablissement du Commerce persan en Courlande en 1626”, *Revue des etudes armeniennes*, n.s. 7, 1970, pp. 361-69). So it might be possible that Wajid also added Muhammed to his name, perhaps like his father, Khwaja “Mhamet” Fazel, to enhance his business prospects.

obeisance to Sirajuddaula upon his investiture as heir to Nawab Alivardi Khan.⁴⁸ But the relation between the English and Wajid soured by the early 1750s mainly because of Wajid's monopoly of saltpetre and his virtual domination of the Bihar economy, both of which were hampering the cheap investments of the Company. The relation was further strained because of a dispute between the English and Deepchand, Umichand's brother and *ex-faujdar* of Chapra (the most important production centre of saltpetre in Bihar) in which Wajid was involved as security for Deepchand. The case was referred to England but Wajid made repeated demands on the English Company for payment of his security deposit of Rs 78,000.⁴⁹ As he had now considerable political influence, Wajid threatened the Company in 1752 to have its business stopped if he was not satisfied and in 1755 he bluntly told the English that if he was not paid, he would not use his good offices to stop the Hughli merchants from raising a serious complaint against them at the *darbar*.⁵⁰

It is against the backdrop of these circumstances that the crucial role played by Wajid in Bengal politics in the pre-Plassey period assumes great significance. The assertion of Karam Ali, the author of near-contemporaneous Persian chronicle *Muzaffarnamah*, that Wajid instigated both Alivardi and Sirajuddaula against the English is nothing but an echo of the English attitude (including that of Robert Clive, the conqueror of Bengal later) and can hardly be relied upon.⁵¹ Wajid knew well that his own

⁴⁸. BPC, Range 1, vol. 25, f. 229vo, 31 Aug. 1752.

⁴⁹. *Ibid.*, vol. 17, f. 429vo, 24 Dec. 1744; vol. 22, f. 126vo, 13 Feb. 1749.

⁵⁰. *Ibid.*, vol. 28, f. 122, 12 May 1755.

⁵¹. Karam Ali, *Muzaffarnamah*, in J.N. Sarkar (ed.), *Bengal Nawabs* (Calcutta, 1952), pp. 56, 63. The author states that Wajid told Nawab Alivardi Khan that if the latter drove the English out of Calcutta, he would have gained Rs 3 crores (Rs 30 million). He again asserts that Wajid who "bore enmity" to the English instigated Sirajuddaula to attack the English (p. 163). As Siraj dismissed Karam Ali from the office of the *faujdar* of Ghoraghat and imprisoned him later in Purnea (Bihar), he had every reason to be biased against young Nawab Sirajuddaula and also against Wajid who belonged to the inner circle of the Siraj. (p.70). That Karam Ali echoes the sentiment of the English is evident from the fact that even Robert Orme and Clive thought that Wajid was behind Siraj's attack on Calcutta. (Orme Mss. OV, 28, p. 52, Orme to John Payne, 3 Nov. 1756. For

interest and that he would hardly gain much by turning out the English. His saltpetre and salt monopoly, exclusive trade in opium and his maritime ventures would have benefited little from their removal. True, he was more inclined to the French and the Dutch than the English. But his relations with the former two vis-à-vis those with the latter were not mutually exclusive. As Jean Law, the chief of the French factory at Kasimbazar, pointed out Wajid “wanted to be on good terms with everybody”.⁵² Governed by a strong passion to extend his commercial empire at any cost, he however threw his lot with Sirajuddaula probably because he knew that the main prop of his commercial prosperity was the *darbar* backing. Thus he soon became an important member of the inner circle of Siraj’s advisers.

That Wajid was a key figure at the Murshidabad *darbar* is evident from the fact that Sirajuddaula appointed him as his emissary to negotiate with the English soon after his accession in April 1756, and before his march against them in Kasimbazar and the subsequent attack on Calcutta. Wajid’s diplomatic mission came to nothing, but for that he was certainly not responsible. The chief of the English in Bengal, Governor Drake, treated him with ignominy and turned him out of Calcutta.⁵³ Thus it is amply clear that Wajid bore no special enmity towards the English and that he was eager to bring about a rapprochement between the English and the Nawab. The expeditionary force, which came from Madras in the wake of the fall of Calcutta, realized well the influence of Wajid in Bengal economy and politics. So Colonel Clive and Major Killpatrick, who were in charge of the expedition to Bengal, wrote to Wajid, among a few others, to mediate between the Company and the Nawab.⁵⁴ Meanwhile, the English after the

Clive’s attitude, see, Clive Mss., vol. 269, no. 982, Clive to Miran, 27 Nov. 1759, IOL&R.

⁵². Jean Law’s Memoir, S.C. Hill, *Bengal in 1756-57*, p. 190.

⁵³. For details, see, my article, “Sirajuddaulah, the English Company and the Plassey Conspiracy – A Reappraisal”, in *The Indian Historical Review*, vol. XIII, Nos. 1-2, (July 1986 – January 1987), pp. 111- 34. Also, S.C. Hill, *Bengal in 1756-57*, vol. I, p. 58.

⁵⁴. Brijen K. Gupta, *Sirajuddaulah and the East India Company, 1756-57*, (Leiden, 1966), pp. 89-90.

recapturing Calcutta from the Nawab, sacked the premier port of Hughli on the ostensible ground of avenging the Nawab's earlier attack on Calcutta. This severely jeopardized the commercial fortune of Wajid, as Hughli was the principal base of all his business operations. But it appears from available evidence that even after that he was eager for a negotiated settlement between the English and the Nawab. He wrote to Clive: "Though I have always been a well-wisher and an old friend of the English Company, yet no person has been so great a sufferer in the last disturbance [meaning the British sack of Hughli] as I am. Notwithstanding this I still look upon your interest as my own. I will use my utmost endeavour with the Nawab for the success of your affairs."⁵⁵ A few days later he wrote to Clive again to "consider and weigh ...the consequences of continuance of the present disturbances" and whether it would not be in the interest of the Company "to put an end to these troubles by an amicable composition". He assured Clive that he would "not be wanting in my endeavours in conjunction with Juggutseat to adjust matters" to the advantage of the Company.⁵⁶ On his side Clive replied to Wajid that he could safely rely on the "integrity and friendship" of Wajid, and expected that Wajid and the Seths would act as mediators between the Nawab and the English,⁵⁷ though he always suspected Wajid to be a French agent.⁵⁸

In all probability, Wajid got scared about the prospect of his commercial empire after the British onslaught on Hughli and had suggested to Sirajuddaula regarding an alliance with the French against the British. The report of William Watts, the English chief at Kasimbazar, following the fall of French Chandernagore at the hands of the British in March 1757, that the Nawab was "very angry with Coja Wazeed for telling that the French were superior in everything and that we should be able to do nothing against

⁵⁵. Wajid to Clive, 10 Jan. 1757, Home Miscellaneous Series, vol. 193, f.14, IOL&R.

⁵⁶. Wajid to Clive, 17 Jan. 1757, Ibid., f. 15.

⁵⁷. Clive to Wajid, 21 Jan. 1757, *ibid.*, ff. 125-26; S.C. Hill, *Bengal in 1756-57*, vol. II, pp. 125-26.

⁵⁸. Clive to Watts, 4 August 1758, Orme Mss. India X, f. 112vo, IOL&R.

them” suggests that Wajid’s hope of survival was pitched on the French.⁵⁹ Even so he was the last one to join the bandwagon of the Indian conspirators who joined hands with the British to bring about the downfall of the Nawab leading to the British conquest of Bengal. In fact Wajid was a serious obstacle to the success of the coup until May 1757. It was in recognition of his power and influence in Bengal polity and economy that Hazari Mal, Umichand’s *vakil* at Murshidabad, reported in November 1756 that Wajid was obstructing the British interests in opposition to the Jagat Seths.⁶⁰ Though he was outside the “revolutionary movement”, there should be little doubt that several of the influential persons at the *darbar* were involved in the conspiracy. Umichand, one of the main conspirators, as Robert Orme points out, was “the friend and in most trade his partner”⁶¹ and sure to have divulged it to Wajid. Besides, in view of his close link with the *darbar* officials and his network of agents throughout the country, it is unlikely that Wajid was in the dark about the conspiracy. But extremely shrewd and calculating as he was, Wajid took the final leap when he saw no hope of the Nawab’s survival. He joined the conspiracy as late as May 1757 (so-called battle of Plassey taking place on 23 June 1757) as he badly needed a revolution to restore the political backing for his commercial empire, and as by then, with the expulsion of Jean Law from Murshidabad, the chances of French intervention on behalf of the Nawab had already vanished. At the same time, with the bankruptcy of his policy – the suggestion to the Nawab of an alliance with the French – the Nawab’s confidence in the Armenian merchant prince ended and he was discarded like a broken toy. By early May his position at the *darbar* had deteriorated so much and he felt so insecure at the court that he apparently took refuge in the English factory at Kasimbazar.⁶² Unfortunately for him, as for other merchant princes, Wajid’s gamble in joining the Plassey conspiracy failed. Plassey brought about the downfall, sooner or later,

⁵⁹. William Watts’ letter to the Select Committee, Select Committee Consultations, Orme Mss. India V, f. 1210; OV, 170, f. 215, IOL&R.

⁶⁰. Bengal Secret and Military Consultations, Select Committee Consultations, Range, 1, vol. 1, 23 Nov. 1756, IOL&R.

⁶¹. Robert Orme to John Payne, 3 Nov. 1756, Orme Mss., OV, 28, f. 52, IOL&R.

⁶². S.C. Hill, *Bengal in 1756-57*, vol. II, p. 379.

of all the three merchant princes. With Plassey went the foundation of their commercial empires – court backing for monopolies of various sorts and contracts for investments with the European companies.

The fall of Wajid was no less spectacular than his rise. As we have seen he had taken energetic steps to avoid a commercial crash and joined the Plassey conspiracy at the last moment. But the British dealt a great blow to his fortune in January 1757 when they sacked Hughli burning his salt warehouses and destroying his commercial headquarters. Soon after Plassey, he suffered a further blow from the piratical activities of the British naval squadron off the Bengal coast when one of his trading vessels with rich cargo was captured in September 1757 on the pretext of its flying French “colours”.⁶³ In the completely altered political situation after Plassey, he was unable to turn to the *darbar* for redress, which he had successfully done from about the mid-1740s till 1757. Of greater consequence for his doom was the destruction of his control over much of Bengal’s internal commerce. The main props of his commercial empire were either swept away or undermined after Plassey. The domination of the English Company at the Murshidabad *darbar* led to the loss of his saltpetre monopoly in 1758.⁶⁴ More disastrous for his commercial supremacy was the open flouting of his control over the salt trade by Company servants, which was soon to become the Company monopoly. At the same time, his position as a supplier to the European companies faded away with the destruction of the French and decline of the Dutch Company in Bengal. His ruin was completed by 1758 when he bitterly complained that the English had destroyed his commerce and had driven him to the brink of ruin.

In general terms, the fall of Wajid was a logical conclusion to the English victory at Plassey and hence it is difficult to subscribe to Jean Law’s observation that Wajid “finally fell a victim to his diplomacies, perhaps also to his imprudences”.⁶⁵ If any single

⁶³. BPC, Range 1, vol. 29, f. 173, 5 Sept. 1757, IOL&R.

⁶⁴. HR, 246, f. 274, 17 Nov. 1763, Algemeen Rijksarchief.

factor accelerated his doom, it was the wrath of Clive who wanted to ruin the Armenian merchant prince whom he considered to be “villain” for his support to the French. Clive had a strong suspicion that Wajid was connected with the plan for French intervention in Bengal in 1757 and wrote to William Watts: “ There is among the papers one to Coja Wazeed, mentioning these matters. I wish you could effect the ruin of that villain who is a Frenchman in his heart.”⁶⁶ The opportunity for the British to complete Wajid’s destruction came in 1759. By then it must have dawned on Wajid that with the British at the helm of affairs in Bengal, he had absolutely no chance of rescuing his crumbling commercial empire. In desperation he gambled again, perhaps realizing that he had nothing to lose but everything to gain if he could succeed in his venture. So he now plotted with the Dutch for them to invade Bengal and act as a counterpoise to the British. Like Plassey, his second gamble failed and that too miserably. With the failure of the Dutch expedition, his doom was beyond succour. Clive described, as if joyfully, the destruction of the great Hughli merchant: “As I know that rascal Coja Wazeed was the principal cause of our late troubles at Calcutta, and was even now doing his utmost to set the Dutch and us at variance, I thought proper to lay hold of him that he might not attempt to break the firm friendship which subsists between his Excellency [Mir Jafar, the new Nawab], you (Miran, Mir Jafar’s son) and myself.”⁶⁷ On his capture, Wajid was jailed where he conveniently poisoned himself.⁶⁸ With Wajid’s death his rival in the 1740s and one of the early Plassey conspirators, Khwaja Petrusse, took his place as the leader of the Armenian community in Bengal.

V

⁶⁵. Law’s Memoir, S.C. Hill, *Bengal in 1756-57*, vol. III, p. 190, fn. 1.

⁶⁶. Clive to Watts, 4 August 1758, Orme Mss., India, X, f. 112vo, IOL&R.

⁶⁷. Clive to Miran, 27 Nov. 1759, Clive Mss. vol. 269, no. 982, IOL&R.

⁶⁸. Mss. Eur. G 37, Box 22, IOL&R.

The Armenian diaspora and their extensive trading network in Bengal will be apparent from the fact that their presence not only in the various trade marts but also in the numerous production centres, especially of textiles and silk, of Bengal throughout the seventeenth and eighteenth centuries is well borne out by documentation in European records of the period. Their prominent role in the silk and textile trade of Bengal is beyond any doubt. Though we are not in a position as yet to make any estimate, in quantitative terms, of the Armenian involvement in Bengal's export trade in silk and textiles, there is no dearth of qualitative evidence indicating a significant role played by them in this particular area. The extraordinary diffusion of silk and textile industry, especially the textile industry, in Bengal was perhaps best matched by the Armenian diaspora and their extensive network which made them one of the most important groups of merchants in Bengal, often competing successfully with even the most powerful local merchant groups. As the textile industry in Bengal was basically a rural domestic handicraft industry⁶⁹, the natural corollary was its extreme diffusion which suited the Armenians with their extensive networks throughout Bengal. That was why they could become formidable rivals of the local/Indian merchants, not to speak of the European trading companies, in procuring textiles for export markets. In an estimate of the textile export from Dhaka in 1747, the Armenian share, among the Asian merchants, is said to have been as large as 23 percent.⁷⁰ In the silk market too, they along with other Asian merchants (mainly Gujaratis and North Indian merchants from Lahore, Multan, Delhi, Agra, etc.) were the dominant buyers, often responsible for pushing up prices with their heavy purchases with little concern for even high prices and to the detriment of the European companies.⁷¹

The above scenario prevailed till the mid-eighteenth century after which the British with victory in the battle of Plassey in 1757 and their consequent mastery over Bengal polity and economy tried to eliminate their Asian competitors, including the

⁶⁹. S. Chaudhury, *From Prosperity to Decline*, pp. 135-144.

⁷⁰. Home Miscellaneous Series, vol. 456F, IOL&R.

⁷¹. S. Chaudhury, *From Prosperity to Decline*, pp. 228-36.

Armenians, from Bengal trade. William Bolts, one of the important officials of the English Company in Bengal in the 1760s, wrote that, as the Company tried to establish monopoly over the export of piece-goods to Basra, Jeddah and Mocha especially, and its attempt to force to Armenians to send their goods as freight in English ships, “by all which circumstances there have been in Bengal many instances of families of Armenians, principal traders in this branch [of trade] to Persia and Arabia who have been totally ruined”.⁷²

But the Armenian diaspora and their trading networks were so extensive that it was really difficult to write them off. Despite some setback, the Armenians thrived in Bengal trade and their influence was quite significant even in the 1770s. The Supreme Court of Calcutta observed in 1775 that the Armenians were “a very rich body of people, whose extensive dealings and universal correspondence make them particularly useful in this country”. The Chief Justice of the Supreme Court, Sir Eliza Impey, noted in the same year that “the greatest part of the foreign trade of this kingdom [Bengal] is managed” by the Armenians and English free merchants and that “except a little silver imported by the Dutch and French, the only resource for keeping up the currency of this country lies in the honesty, integrity and perseverance of the English and Armenian independent merchants residing in Calcutta”.⁷³ In fact the importance of the Armenians and the benefits of their trade in Bengal was such that earlier, in the late 1740s, there was a proposal following a dispute regarding the compensation the Company had to pay to the Armenians of Hughli for the alleged seizure of two Armenian ships coming to Hughli from Jeddah and Basra by English ships, and the Company’s attempt to realize the money from the Calcutta Armenians, to expel them from Calcutta. But it was ultimately dropped in consideration of the fact that the French at Chandernagore would then give shelter to the Armenians and deprive the Company of the huge benefit the Company derived from

⁷². William Bolts, *Considerations on Indian Affairs*, (London, 1772), pp. 196-97.

⁷³. Home Miscellaneous Series, vol. 212, pp.289-91, IOL&R.

the Armenian trade in the form of five percent tax paid by them in Calcutta for their imports and exports.⁷⁴

Though the Armenians had close links with the English and often assisted them in their trade and procured commodities for them on commission, nevertheless there was no love lost between them. The English were often very critical in their observations about the Armenians which of course was a reflection of the former's frustration arising out of their failure to make the latter subservient to them. Thus in 1768 a Company official observed that "it is well known how designing and intriguing a set of people the Armenians are" while the Bengal Council of the Company wrote to the Directors in London in 1771 of "the intriguing spirit of the Armenians"⁷⁵. However there is no denying the fact that the Armenians in general, as the Bengal case will bear out clearly, were driven by a strong passion for extending their commercial hegemony at any cost and were ready to swing their allegiance at the slightest prospect of commercial advantage.

The case of Khwaja Wajid, as analyzed earlier, is a point in illustration. In the mid-eighteenth century, trade and politics was closely intertwined, and all the successful merchants tried to cultivate close relationship with the ruling authorities so that they could extract special privileges for themselves. Thus all the three merchant princes of the mid-eighteenth century Bengal, including Khwaja Wajid, had developed close links with the ruling power and the main props of their business prosperity was the backing of the ruling court.⁷⁶ Realizing this well, Wajid threw his lot with the heir apparent Sirajuddaula as soon as it was announced that the latter would succeed the old nawab. Soon he became one of the closet confidants of the new nawab but later on when he saw that the young nawab had little chance to survive in the face of the onslaught from the

⁷⁴. BPC, Range 1, vol. 23, f. 12vo, 2 Jan. 1750; f.22vo, 9 Jan. 1750, IOL&R.

⁷⁵. Letter of Captain Harper to Verelst, Faizabad, 14 March 1768, Verelst Papers, Mss. Eur. F 218, no. 67; Fort William Council to the Court of Directors, 17 April 1771, Verelst Papers, F 218, no.68, IOL&R.

⁷⁶. S. Chaudhury, *From Prosperity to Decline*, pp. 92-131.

English Company which roped in some of the powerful courtiers of the *darbar* in their “project” of a revolution in Bengal, he deserted the nawab and joined the bandwagon of the British who however ruined him after the revolution. Some of the Armenians of Calcutta joined the British side in the so-called Plassey revolution as they thought it would enhance their business prospects. Later on when the British had absolute sway in Bengal politics and economy, some of the Armenians shifted their place of operations from Bengal to the independent kingdom of Oudh [in North India] where they tried to cultivate the friendship of the nawab there vis-à-vis the British.⁷⁷

VI

As noted earlier, the Armenians in Bengal were not dissociated from their mainstream in New Julfa. They had regular traffic with New Julfa. More interestingly, sometime the Armenians in India borrowed money from rich merchants in New Julfa by executing bonds.⁷⁸ Again, they transacted business with bills of exchange on such faraway places as Surat or Agra and Delhi.⁷⁹ In fact Khwaja Wajid had a trading house in Surat. The vast networks of enterprises created by the Armenians in Bengal in the seventeenth and the eighteenth centuries is evident from the analysis of Bengal's silk and textile markets made earlier. And we have seen that they were conspicuous even in the remote parts of Bengal wherever there was the possibility of good profit in mercantile activities. It is pertinent to point out that they did not enjoy any special concessions in Bengal as an ethnic and minority foreign religious group of merchants and yet they were able to compete successfully with the local and other foreign group of merchants operating in the region.

⁷⁷. Letter from Robert Maddison to Verelst, 23 Oct., 26 Nov. 1767, Verelst Papers, Eur. Mss., F 218, no. 67, IOL&R.

⁷⁸. Khwaja Petrus's petition to the Court of Directors in London, 5 February 1760, Home Miscellaneous Series, vol. 68, ff. 937-39, IOL&R.

⁷⁹. BPC, Range 1, vol.1, f. 410vo, 6 Sept. 1762, IOL&R.

That the Armenians often acted as a group rather than individual entrepreneurs is because of the pride they took in their identity. That they had one language, one culture and one religion was the most crucial factor, which helped them in developing and extending their networks. Unlike other groups of Indian or foreign merchants, the Armenians had built their own colonies and settlements with their own churches in different parts of India which only underlines the strong ethnic and cultural overtones of the Armenian entrepreneurs and their enterprises. Thus we find that the Armenians had their exclusive settlement in Saidabad where they built their own churches. Similarly they had their own localities with churches in Kasimbazar, Hughli, Patna and other important centres of trade in Bengal. Calcutta still bears the name of an area named after the Armenians (Armanitola - the habitat of the Armenians), an Armenian church and even a place on the banks of the Ganges where the goods of the Armenians were off-loaded or on-loaded (Armani ghat).

While speaking about the entrepreneurial networks of the Armenians and their enterprises, the question that naturally crops up is whether the Armenians were mere peddlers as typified by the famous (made so by Niels Steensgaard as an example of Asian peddler) Armenian Hovhannes Joughayetsi who had travelled widely in India and Tibet for business transactions as factors of his masters in New Julfa.⁸⁰ Though J. C. van Leur was the first historian to challenge the Eurocentric view that the Indian Ocean trade in the sixteenth and the seventeenth centuries was dominated completely by the Europeans, his thesis of the Asian trade being the sum total of peddling trade, later reinforced by Steensgaard, can hardly be accepted now.⁸¹ Among the Armenian merchants, as among the Indians, there were small peddlers along with the wealthy and powerful merchants, with varied and

⁸⁰. Levon Khatchikian, "The Ledger of the Merchant Hovhannes Joughayetsi", *Journal of the Asiatic Society of Bengal*, 4th Series, VIII (1966), pp. 153-86.

⁸¹. J. C. van Leur, *Indonesian Trade and Society*, (The Hague, 1955); Niels Steensgaard, *The Asian Trade Revolution of the Seventeenth Century*, (Chicago, 1974). For an opposing view, see, K. N. Chaudhuri, *The Trading World of Asia, 1650 -1750*, (Cambridge, 1978) and a recent assertion in S. Chaudhury and M. Morineau, (ed.), *Merchants, Companies and Trade – Europe and Asia in the Early Modern Era* (Cambridge, 1999) and also in Ina Baghdiantz McCabe, *The Shah's Silk for Europe's*

extensive business operations, who can be easily compared with the Medicis, Fuggers or Tripps of Europe. Hovhannes was not really a peddler working on his own, as one may gather from a rather summary account of his activities by Steensgaard, but a cog in a very large commercial wheel operated by the wealthy merchant families of New Julfa. In fact, the way the networks of Armenian entrepreneurs functioned, the way the circulation of capital and commercial intelligence effected will only reiterate that the Armenian entrepreneurs were no “insecure men”, made so “by limitations of information and vagaries of commerce “ as Das Gupta would have us believe in the case of Mulla Abdul Goffur, the greatest merchant-trader of the Mughal Empire in the third quarter of the seventeenth century.⁸²

The crucial question that remains to be answered, however, is what were the reasons for the fabulous success of the Armenian merchants *vis-à-vis* even the advanced organizational form of the European joint stock companies – a question which was raised earlier by Fernand Braudel⁸³ and Philip D.Curtin⁸⁴. It has been suggested recently that the success of the Armenians was primarily due to “organizational form or arrangements” which seems to be quite tenable.⁸⁵ Indeed, the widely spread but highly interrelated Armenian enterprises operated under the “ethos of trust” which served as a human capital, accrued to the community as a result of their “collective socio-political experiences over many generations”. The structuring of their business enterprises, based as it was on family kinship and trusted fellow-countrymen, gave the Armenian merchants

Silver: The Eurasian Trade of the Julfa Armenians in Safavid Iran and India (1530-1750), University of Pennsylvania, Armenian Texts and Studies 15, 1999.

⁸² Ashin Das Gupta, *Indian Merchants and the Decline of Surat. 1700-1750*, (Weisbaden, 1979).

⁸³ Fernand Braudel, *Civilization and Capitalism*, (New York, 1984).

⁸⁴ Philip D. Curtin, *Cross-Cultural Trade in World History*, (Cambridge, 1984).

⁸⁵ Vahe Baladouni and Margaret Makepeace, (ed.), *Armenian Merchants of the Seventeenth and Early Eighteenth Centuries – English East India Company Sources*, (Philadelphia, 1998), Introduction by Baladouni, pp. xxxiv-xxxv.

two significant advantages – organizational cost savings and organizational innovations. In all probability, the Armenians succeeded because they were able to create networks of trust, shared information and mutual support based upon the fact that they were a distinctive ethnic and religious minority. This very characteristic differentiated them from other merchant groups in Bengal. There is no doubt that some of the other diaspora people like the Jews had all these characteristics but perhaps the Armenians were ahead of the others in these respects and hence their success was more spectacular than that of the others.

However, the Armenian commercial system, based as it was on close family ties, was not something extraordinary. The well-known Italian merchant families are a European example of the same family system. This was a common trading pattern in the early modern period. The Indians, especially the Marwaris and Gujaratis as also the Parsis in India, had the same system of operations. And all of them were quite successful in their enterprises. In fact, one of the main factors that contributed to the fabulous success of the Armenians was their will to better their situation in exile, which gave them their knowledge of languages and of the custom of others. Their flexibility was an asset. They were capable of assuming multiple identities as and when required for the sake of their commercial prosperity.⁸⁶

At the same time the Armenians had a higher level of awareness of the international scene and the expertise to link up local and regional markets to intra-Asian markets. In this context the observation of Georges Roque is worth quoting : “These people are shrewder than the Indian sarrafs, because they do not work alone, when it comes to evaluating their merchandise and money. More enterprising amongst them deal with all that is there [to trade in], and do not ignore the price of any merchandise, either from Europe or Asia, or any other place because they correspond with all others and receive rapid information on current prices wherever they are. Thus they do not get cheated in their purchases, and are very economical, and work unbelievably hard to trade so as not to overpay on the merchandise. They spend very little towards living. They are by nature accustomed to living frugally”.⁸⁷

⁸⁶ . Ina Baghdiantz McCabe, *The Shah's Silk for Europe's Silver*, pp. 358-59.

⁸⁷ . Extracts translated by Ruquia K. Husain in *Proceeding of the Indian History Congress*, 55th Session, Calcutta, 1994, p.394.

In fact the Armenian merchants, as has been rightly pointed out by K. N. Chaudhuri,⁸⁸ were highly skilled arbitrage dealers who were forced through historical circumstances to develop very flexible and geographically mobile forms of commerce. An ability to measure the risks of overland trade and a readiness to vary the size of commercial transactions were the special service which the Armenians brought to the trading world of the Middle East, India and even Europe, and this was one of the secrets of their tremendous success. Indeed, the ability of the Armenians to thrive on low profit margin, their readiness to deal in any commodity and move into even remote producing centres when there was the prospect of a profit, their ability to adapt themselves to the language and culture of their trading country without losing their own identity were some of the important factors behind their phenomenal success in inter-regional and international trade in the seventeenth and eighteenth centuries.

⁸⁸. K. N. Chaudhuri, *The Trading World of Asia*.