

An Iranian Port City of Bandar Abbas in the 18th Century:

A Case Study of the East India Company's *Brokers*

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Introduction

The aim of this paper is to examine the activities of the English East India Company's *brokers* at Bandar Abbas in the first half of the 18th century. It is tried to find out that how Bandar Abbas declined during that period.

Bandar Abbas is located on the north shore of the Strait of Hormuz, the mouth of the Persian Gulf (see Map1 and Map2).

This port was established by the Safavid dynasty after the conquest of Hormuz in 1622. Until then Hormuz had been the major port in the Persian Gulf controlled by the Portuguese. The Safavids, after expelling the Portuguese from the port, relocated its port function to the opposite shore and named it Bandar Abbas. The major officers of Bandar Abbas were the governor (*ḥākem/solṭān/khān*) and the customs-master (*shāhbandar*), who were appointed by the Safavid authorities¹.

Bandar Abbas was highly developed as a major port of international trade in the Gulf during the 17th and early 18th centuries. This port connected many areas along the Indian Ocean with the major cities of Iran such as Shiraz, Esfahan, Yazd, and Kerman. In particular, sea routes for coastal areas in India played an important role in the Indian Ocean trade, through which enormous amount of specie was exported from Iran in return for the Indian goods such as cotton textiles, indigos and peppers².

Bandar Abbas attracted many merchants from Europe as well as Asia. After the establishment of the town, three European East India Companies set up factories at Bandar Abbas; the English (the EIC, 1623-1762), the Dutch (the VOC, 1623-1759), and

¹ For the Safavid political administration of Bandar Abbas, see [Haneda 2001], [Floor 2006: 272-320].

² For the trade in Bandar Abbas and the Persian Gulf in the 17th century, see [Klein 1993-4].

the French (perhaps from the late 17th century)³.

But due to the collapse of the Safavid dynasty and the turmoil in Iran in the 1720s, Bandar Abbas began to decline.

The cause of the turmoil was the conquest of the Safavid capital city Esfahan by the Afghans in 1722. They marched from Qandahar, one of the chief cities in Khorasan and occupied Esfahan after seven months seizure. From then on, conflicts between the Afghans and remnant forces of the Safavids had spread all over Iran⁴. Bandar Abbas was also occupied by the Afghans in the late 1720s [Floor 1998: 309]. But after the Safavids drove the Afghans out of Esfahan in 1729, the port was restored to their rule in the early 1730s [Lockhart 1958: 424]. The situation around Bandar Abbas became unstable and insecure during that period and affected the trade badly⁵.

As for the events during the resurgent Safavid period, it should be noted that Ṭahmāspqolī Khān, a virtual ruler of the dynasty, attempted to create a navy at Bushehr from 1734. It was a striking change because the Safavids did not have their own ships or seamen but relied on European naval powers to maintain security in the Persian Gulf [Floor 2007: 1-21]. After assuming the throne with the name of Nāder in 1736, he actively dispatched his brand-new navy against Oman (1737-40 and 1742-4)⁶.

However, during the reign of Nāder Shāh, the trade at Bandar Abbas did not return to its previous level. Contrary to that, merchants were forced to bear expenses of his navy and were oppressed by arbitrary rule⁷. After the assassination of Nāder Shāh in 1747, Bandar Abbas went bad to worse with conflicts among local powers and its role ended as an international port around 1760 [Floor 2007: 39-40, 93-4].

There have been four studies on the decline of Bandar Abbas. All of them have traced the process of decline following the trade statistics of the EIC and the VOC.

[al-Khalifa 1988] examined the economy in the Gulf, based on EIC's trade statistics from 1700 to 47. It is mainly concerned with the effect of EIC's activities on the regional economy.

[Floor 1989], [Floor 2006] and [Floor 2007: 39-94] are all based on VOC's trade statistics. [Floor 1989] and [Floor 2006] explored VOC's trade after 1747 and during the Afsharid period (1736-53), respectively. [Floor 2007: 39-94] paid more attention on the economic situation of Bandar Abbas after 1747.

³ For the EIC, see [Ferrier 1970], [al-Khalifa 1988]. For the VOC, see [Floor & Faghfoory 2004], [Floor 2009a], etc.

⁴ For the situation in Iran in the 1720s, see [Lockhart 1958].

⁵ For the situation in Bandar Abbas in the 1720s, see [Floor 1998: 63-70, 205-21, 291-360].

⁶ For the Nāder Shāh's campaigns in Oman, see [Lockhart 1935].

⁷ For the situation in Bandar Abbas during the reign of Nāder Shāh, see [Floor 2009b: 101-77].

The trade statistics of the EIC and the VOC are important historical sources to understand the economic situation of Bandar Abbas. However they can only show the trade conditions of those companies.

Therefore, this paper focuses on merchants in Bandar Abbas, especially Indian merchants.

During the Safavid period, a larger section of the town population were Indians such as *Moltanis* or *banyans* [Kaempfer 1968: 138]⁸. They played an important role in the trade between India and the Persian Gulf, especially in the textiles trade. They were also major players in the financial market and exported a big amount of the available specie from Iran [Floor 2006: 304]⁹.

In the proposed study, it will be attempted to examine the activities of three *banyans* who served the EIC as *brokers* at the Bandar Abbas in the first half of 18th century. In doing so, the study will show that what changed at the port and why this change happened, for a better understanding of the way it declined.

The best available source for the study is the EIC's diaries and consultations kept at Bandar Abbas (IOR, G/29/2-14). They are called *Gombroon Diary* because Bandar Abbas was well known as Gombroon to English traders. This paper will make use of the *Diary* from November 1st, 1708 to July 31st, 1746. The dates used here are all based on the Julian calendar¹⁰.

1. Activities of *Banyans* as *Broker*

It is intended to examine the *banyans*' activities as EIC's *brokers*. In doing so, it will be attempted to show that they were widely involved not only with EIC's trade but also

⁸ Moltan is a city in the Punjab Province of Pakistan. *Banyan* found in European sources at that time is often applied to Hindus and Jainists, in particular their merchants.

⁹ For the activities of Indian merchants in the Indian Ocean World from 16th to 18th centuries, see [Nagashima 2000]. For the Indian merchants living and working in diaspora communities dispersed across Central Asia, Afghanistan, Iran, Caucasus, and much of Russia from 16th to 19th centuries, see [Levi 2002].

¹⁰ *Gombroon Diary* is preserved in the British Library, where it consists a part of India Office Records. Unfortunately, there are a number of gaps in this records, as the following table will show.

G/29/2 contains the *Diary* from August 1st, 1708 to July 31st, 1710.

G/29/3 contains the *Diary* from November 23rd, 1726 to March 14th, 1727.

G/29/4 contains the *Diary* from March 16th, 1727 to July 31st, 1727.

G/29/5 contains the *Diary* from November 20th, 1728 to July 31st, 1730 and from August 1st, 1731 to July 31st, 1737.

G/29/6 contains the *Diary* from August 1st, 1737 to July 31st, 1738 and from August 1st, 1739 to July 31st, 1746.

with the management of factories in Iran.

(1) Chittorah

The first *broker* was named Chitrah/Chittrah/Chittorah/Chittora. There is little information about him. It is not clear that when he started acting as a *broker*, but he was in service from as late as 1706 [IOR, G/29/3, f. 6b]. He lived at the port with his family [IOR, G/29/3, f. 18a, etc.].

He was involved with EIC's exporting. He loaned the EIC money for the purchase of Kerman wool [IOR, G/29/2, f. 15b, etc.]¹¹ and secured the available specie for export [IOR, G/29/2, f. 9b, etc.].

He was also involved with the management of the factory at Bandar Abbas. He paid some of the Company's expenses for them [IOR, G/29/2, f. 2a, etc.] and made up their accounts [IOR, G/29/2, f. 13b].

In return for these services, his right was safeguarded. According to Masashi Haneda, among the royal favors obtained by the EIC, one privilege safeguarded the right of *banyans* belonging to the EIC [Haneda 2005: 130]. In addition to that, his family was also protected by the Company and the protection continued even after his death [IOR, G/29/3, f. 18a, etc.].

(2) Kessourjee

The second *broker* was named Kesourjee/Kessourjee¹². He was the son of Chittorah [IOR, G/29/4, f. 73b]. After succeeding his father in about 1725 [IOR, G/29/3, f. 9a], he remained in the position until his death in September 1729 [IOR, G/29/5, f. 80a]. He too lived with his family [IOR, G/29/3, f. 18a, etc.].

He was widely involved with EIC's trade.

Concerning the importing, he bought EIC's goods such as iron, rice, and woolen manufactures and sold them to other merchants [IOR, G/29/3, ff. 4a-b, etc.], [IOR, G/29/3, f. 16b], [IOR, G/29/5, f. 75a]. In return, he received 1 percent brokerage from the Company [IOR, G/29/3, f. 16b]. He went between the EIC and other merchants in the trade of lead and woolen manufactures [IOR, G/29/5, f. 2b], [IOR, G/29/5, f. 35b, etc.]. In addition, he selected some money changers called *shroffs* (*ṣarrāf*) for the

¹¹ For the Kerman wool trade by the EIC and VOC, see [Matthee 1993].

¹² Jee is a spelling variant of ji, one of suffixes found in personal names in Gujarati [Ram Mehrotra 1994: 63-84].

Company [IOR, G/29/3, f. 14b].

Concerning the exporting, he also loaned the EIC money for the purchase of Kerman wool [IOR, G/29/4, f. 78b] and secured the specie for export [IOR, G/29/5, ff. 3b-4a]. The EIC transported other merchants' goods as well, as their own on their ships. He collected the former in time for their departure [IOR, G/29/5, f. 3b, etc.].

He was involved with the management of the factories at Bandar Abbas and Esfahan.

As for the management of the factory at Bandar Abbas, he collected a duty, imposed on ships sailing in the Gulf by the EIC. In the late of 1720s, the EIC tried to force the ships to pay for their passes [al-Khalifa 1988: 96-7] and he collected the fee for them [IOR, G/29/4, f. 12b, etc.]. He also paid some of the Company's expenses for them [IOR, G/29/5, ff. 48a-b, etc.]. For instance, he paid salaries to the EIC's staffs for the Company, among whom were Armenians and Persians [IOR, G/29/5, f. 75b, etc.]. Furthermore, he brought food and necessities into the factory [IOR, G/29/4, f. 79b, etc.] and could procure ships for the Company [IOR, G/29/4, f. 15a].

As for the management of the factory at Esfahan, he encouraged EIC's money changer there, to supply their staffs with some subsistence money [IOR, G/29/3, f. 4a].

Moreover, he could negotiate with the government at Bandar Abbas for the Company [G/29/4, ff. 23a-b, etc.].

In return for these services, his right was also safeguarded [Haneda 2005: 130]. This privilege was confirmed by the Afghan king Ashraf (r. 1725-9) [IOR, G/29/3, f. 7b]. He and his family were protected by the EIC whenever they or their property were in danger [IOR, G/29/5, f. 17a, etc.].

(3) Sanchar

The third *broker* was named Sanchar/Sankhar. He was not related to his two predecessors. He had dealt with the EIC in the Kerman wool trade before he succeeded Kessourjee [IOR, G/29/5, ff. 60b-61a, etc.]. Sanchar officially took over as a *broker* in April 1730 [IOR, G/29/5, f. 106a]. He too lived with his family. He had his agent at Masqat for trade [IOR, G/29/5, f. 343b, etc.].

He was also widely involved with EIC's trade.

Concerning the importing, he bought EIC's woollen manufactures and sold them to other merchants [IOR, G/29/5, f. 143b, etc.]. In return, he too like his predecessors received 1 percent brokerage from the Company [IOR, G/29/5, f. 220a, etc.]. In addition to that, he went between the EIC and other merchants or the local government in the

woolen manufactures trade [IOR, G/29/5, f. 105b, etc.], [IOR, G/29/6, ff. 230a-b].

Concerning the exporting, he too loaned the EIC money for purchase of Kerman wool [IOR, G/29/5, f. 222b, etc.] and collected other merchants' goods to load them on the Company's ships in a similar fashion as Kessourjee [IOR, G/29/6, f. 12a]. In addition, he weighed the specie for export [IOR, G/29/6, f. 29b].

Moreover, he was involved in controlling private trade. All the people at the factory were forbidden to make any contracts, unless it was made in the presence of *Cheif* or *broker* in his name [IOR, G/29/5, ff. 126b-127a].

He was also involved in the management of the factories at Bandar Abbas and Esfahan.

As for the management of the factory at Bandar Abbas, he also paid some of the Company's expenses for them [IOR, G/29/5, f. 136b, etc.] and brought food and necessities into the factory [IOR, G/29/6, f. 49b]. Besides, he was put in charge of all the repair work of the factory [IOR, G/29/5, f. 142a, etc.].

As for the management of the factory at Esfahan, he loaned the EIC money for the payment of expenses at Esfahan [IOR, G/29/5, f. 109b, etc.].

In return for these services, like his predecessors, his right was safeguarded [Haneda 2005: 130]. One privilege granted to the EIC by Nāder Shāh forbade anybody to force him for anything [IOR, G/29/5, f. 340b]. He and his family was also protected by the Company [IOR, G/29/6, f. 56b].

2. Activities as a Mediator between the Local Government and the EIC

In this chapter, it is attempted to take up a case which tells that EIC's *brokers* acted as a mediator between the local government and the EIC. The case will show that the *broker* had a heavy influence in the port city as a mediator between them till the late 1720s at earliest.

This point has already been discussed in detail in my article [Daito 2009]. Therefore I would like to explain the outline of it here.

The case was recorded in *Gombroon Diary* on July 4th, 1727.

At that time, as it is mentioned earlier, Iran was unstable with conflicts between the Afghans and the remnant forces of the Safavids. Around Bandar Abbas, many powers tried to assume control over the port.

Bandar Abbas was under a Persian governor, who tried to defend his position. Around the port was a man who proclaimed himself to be a prince of the Safavids. He aimed to rule the port. From Esfahan, a former customs-master, marched with the

support of the Afghans. His purpose was to recapture his former post¹³. In addition, an Arab ruler of Basidu, a small port situated at the southwest end of Qeshm Island, too aimed to rule Bandar Abbas.

The EIC tried to secure their rights and interests.

These rights were deeply involved in the establishment and development of Bandar Abbas. As mentioned earlier, Bandar Abbas was established by the Safavids after the conquest of Hormuz in 1622, when the EIC transported the Safavid troops on their ships to the island and bombarded against the Portuguese stronghold. In reward for this contribution, Safavid King ‘Abbās (r. 1587-1629) allowed the EIC to receive half of the customs revenues of the new port, provided they maintained two ships of war in the Gulf to guard against any retaliatory action by the Portuguese [Lockhart 1958: 362]. This privilege was reconfirmed by the successive kings¹⁴.

In 1727, the EIC pressed the governor at the port to give them their share of customs. Furthermore, they launched an expedition against Basidu demanding the ruler for the same because he proclaimed himself to be a *Shawbunder* (*shāhbandar*) of Bandar Abbas. As a result, the EIC was in a position to affect the course of events.

Under these circumstances, the EIC’s *broker* induced the Company to recognize the governor’s authority¹⁵.

3. Decline of *Broker*

In this chapter, it is tried to examine the changes that occurred in the status of the *broker* in the late 1730s. In doing so, it is attempted to demonstrate the economic condition of the *broker* which severely deteriorated at that time persuading him to stop acting as a broker.

On October 4th, 1739, Sanchar requested the EIC to permit him to resign from his post (Doc. 1). Doc. 1 points out two facts.

Firstly, the EIC refused to sell their woolen manufactures in the last year and

¹³ His name was Mirzah Zaid Ally (Mīrzā Zāhed ‘Alī), a member of ‘Evāz Beyg family from Lar. As of 1668, when the administration of the Persian Gulf ports was farmed out, if not earlier, until 1728, the function of *shāhbandar* of the Gulf was practically monopolized by them. As of 1730 there is no more farming of the customs administration [Floor 2006: 238, 290-3, 296-304].

¹⁴ However, It would seem that the EIC only received at best 10 percent, and often less, of what was due to them. They finally acquiesced in receiving an annual payment of 1000 *tomands* (*tomān*) in lieu of half the customs revenues as of 1670 [Floor 2006: 312-5]. For more information on the privilege, see [al-Khalifa 1988: 19-43], [Haneda 2007: 203-6].

¹⁵ For interpreters at Bandar Abbas, see [Haneda 2005], [Haneda 2006], [Haneda 2009].

denied him of the credits he enjoyed before. It indicates that his economic condition deteriorated to the point where he could no longer be a good trading partner of the Company.

Secondly, he was often charged with money by the local government for the reason he was EIC's *broker*. It shows that due to the aforementioned situation, the EIC was no longer active in protecting him.

Sanchar was permitted to work as a *broker* until his debts were cleared and he discharged what he owed to the EIC [IOR, G/29/6, f. 124a]. However from then on, he had not acted as a *broker* as before¹⁶.

The case on October 20th, 1742 confirms this (Doc. 2).

The EIC expressed inconvenience dealing with the government and the usefulness of the *broker*. It indicates that the *broker's* virtual resignation created a new situation where the local government and the EIC dealt directly with each other.

Conclusion

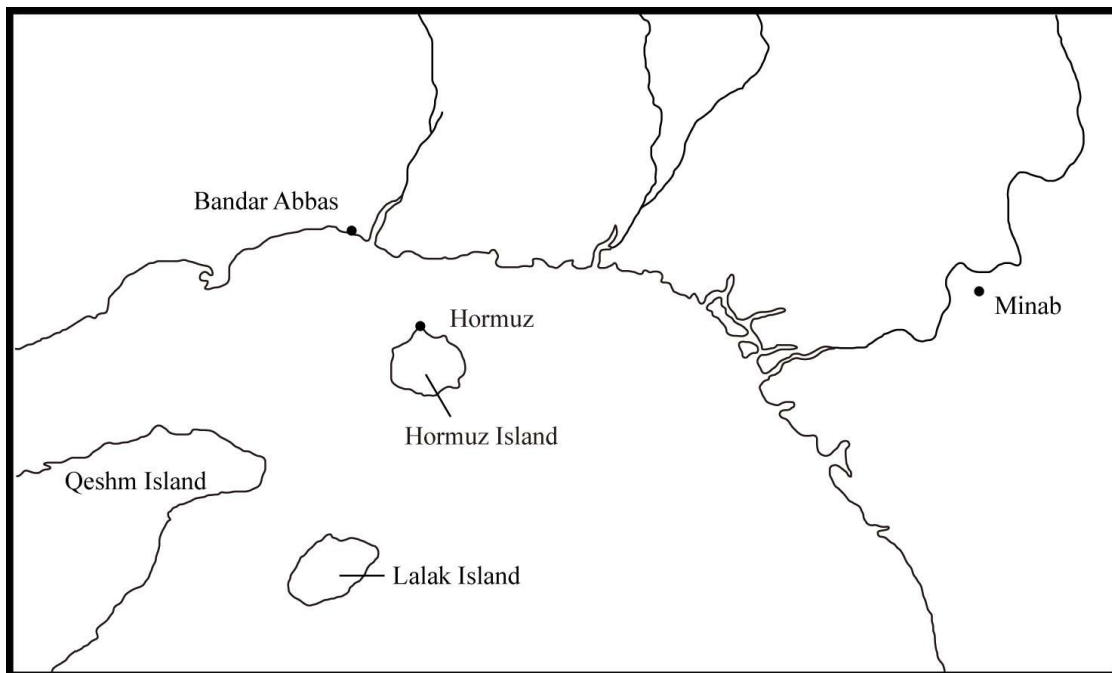
So far it has been examined that the *banyans* who served the EIC as *brokers* at the Bandar Abbas in the first half of 18th century. In context to this, the following results were obtained.

1. EIC's *brokers* in the first half of 18th century were widely involved not only with EIC's trade but also with the management of the factories in Iran.
2. Based on that, they had a heavy influence in the port city as a mediator between the local government and the EIC till the late 1720s at earliest.
3. The economic conditions of the *broker* severely deteriorated in the late 1730s and he stopped acting as one. It created a new situation where the EIC dealt directly with other merchants and the local government.

These results lead us to the following conclusion. The relationship between the local government, the EIC and their *broker* could bring order to Bandar Abbas till the late 1720s at earliest. However, by the decline of the *broker* in the late 1730s, the relationship was broken off. As it is mentioned above, in the late 1730s, Nāder Shāh attempted to create his own navy in the Persian Gulf. The case of EIC's *brokers* indicates that this movement to build a new order in the Gulf was a major cause for the

¹⁶ He stopped buying the EIC's woolen manufactures in June 1740 [IOR, G/29/6, ff. 97b-98a], while he continued to go between the EIC and other merchants in its trade [IOR, G/29/6, f. 152a, etc].

Map 2 The north shore of the Strait of Hormuz



Map1 and Map2 are based on the maps of [Haneda 2001: 2].

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Doc. 1

[IOR, G/29/6, f. 56a]

[16] Sankhar Waiting on the Agent this Morning, hinted
 [17] some Suspicions of the Hon' Company's having given
 [18] Orders to discharge him from the Brokership, as they had
 [19] refused to let him have the last years Cloth, tho' so small
 [20] a Quantity, & his Debt to them lessened within a Trifle
 [21] Complaining also of his Sufferings from the Government
 [22] who under the Distinction of being our Broker, he said,
 [23] and with the Notion of his prodigious Gettings, had
 [24] taken from him at times, as he cou'd make appear
 [25] by his Books, to the amount of above four thousand
 [26] Tomands, besides Obliging him to trust them great Sums
 [27] otherways, All which as a private Merchant he shod
 [28] have been exempted from. That he had likewise Money
 [29] Owing him from Europeans, which either thro' Death

[IOR, G/29/6, f. 56b]

[1] or Disability he shou'd hardly ever recover: and inf[-]

[2] that the decline in Trade of late, & the little prospect
[3] he saw of its reviving whereby he might be encouraged
[4] to sit under these hardships, but on the contrary new
[5] ones approaching which his present Circumstances w[-]
[6] not allow him to Submit to, with other Reasons, but
[7] principally, That of the Ho Companys denying him
[8] their Credit as before, Determined him to take our Lea[-]
[9] for his resigning, after he had collected his Debts, & clea[-]
[10] off the remainder of what he Owed the Hon' Company

Doc. 2

[IOR, G/29/6, f. 230a]

[33] In part of Payment of what the Beglerbeggy Owes us for the

[IOR, G/29/6, f. 230b]

[1] Kings Merchants Transferred, with Stores & other Article[-]
[2] has now sent four Horses Valued at Ten Tomands each, An[-]
[3] this is the inconvenience of dealing with these Governmen[-]
[4] People, tho' unavoidable Formerly indeed when the Broker w[-]
[5] Circumstances they used to direct themselves to him so that
[6] did not appear to the Company but the matter being Change[-]
[7] they nevertheless expecting to be obliged in their wants, We?r[-]
[8] Applied to, But as yet we have been able to keep on tolerabl[-]
[9] Terms & either by assignments on the Bannians or othe[-]
[10] means secured the Money tho' we have been sometime o[-]
[11] of it, The Dutch are fair to Submit to the like (& indeed [-]
[12] particular Merchant) but they have been so ill treated that
[13] they have as some of their Heads Confess'd a Debt outstan[-]
[14] of above One Thousand Tomands from the Government.