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Sugar trade in the Eighteenth-Century Persian Gulf

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Chapter 4: Alternative Sugar Hubs: Basra, Bushire and Kharg

As the Bandar Abbas market was gradually declining from the close of the Safavid period, many sugar suppliers sought alternative trading places in the Upper Gulf. In Chapter 2 we showed that the VOC made sustained efforts to carry out selling Javanese sugar in Basra and Bushire, and later on Kharg Island, till their final withdrawal from the Gulf in 1766. This was in order to dispose of ever-growing sugar stocks from Batavia. Some recent studies of the Company's activities in the Gulf during that period have illuminated intermittent power struggles among local and regional powers in which the Company more often than not became embroiled, and these have pointed out how they had a critical effect on the downfall of the Company's trade and how they were an indicator of an overall crisis of the Gulf trade. However, few attempts have been made to analyse another aspect of the Company's decline, when they faced renewed competition from other sugar suppliers in the Upper Gulf. By examining the increased activities of rival suppliers with whom the VOC had to contend in Basra, Bushire and Kharg, this chapter will show the noticeable flexibility of the sugar trade in the Upper Gulf during that time and the interplay of many forces which formed and characterized it.

1. Basra (1724– c. 1753)

Basra is a port city located a little distance away from the northernmost part of the Gulf. The city and its surrounding areas, initially a semi-autonomous state, came under the jurisdiction of the Ottoman province of Baghdad in 1731. After 1750, when the *mamlūks* established their power base in Baghdad in order to become virtually independent of the Ottoman Porte, Basra was firmly placed under their control. For most of the eighteenth century, the city was administered by a governor (*mutasallim*) appointed by the ruler (*walī*) of Baghdad, a commander of the fleet (*quptān pāshā*), a customs master (*shāhbandar*), and some other officials.¹ Basra was sited at a major intersection between the Indian Ocean shipping lines and the caravan routes through the Syrian Desert, making it a traditional link for the economies of the Indian Ocean and the Middle East. Owing to its favourable access to the rivers Tigris and Euphrates to the north and to the Karun River to the west, the city also closely connected regional economic centres: Baghdad, Mosul, Shiraz, Isfahan, etc. In the period with which this chapter is concerned, three European companies set up trading posts there: the English (by 1723), the Dutch (by 1724), and the French (by 1739).

In his study of the English documentation concerned with Basra shipping, Abdullah described the period from 1724 to 1756 as a phase of relative growth for trade there. Despite repeated conflicts between the Ottoman Empire and Nadir Shah in the early 1730s and the early 1740s, and also the plagues that occasionally hit the country and that had serious impacts on trade at Basra, Abdullah claims that such disruptions were apparently temporary setbacks. Apart from the years of the power struggle, during that period the average number

¹ Th. Abdullah, *Merchants, Mamluks, and Murder: The Political Economy of Trade in Eighteenth-century Basra* (Albany: State University of New York Press, 2001), 11-3, 29-37.

of large vessels arriving at Basra was 11.² The Dutch documentation of non-VOC shipping and trade with Basra during the same period supports Abdullah's argument.

Replacement of Bandar Abbas

It is probable that in the 1720s the bulk of the trade that formerly passed through Bandar Abbas was redirected to Basra. Almost all the European and local ships were setting their course to Basra. As soon as they established a factory at the port the VOC came to realise that their merchandise had become a glut on the market.³ According to Dutch officers at Basra the total number of foreign arrivals in the financial year 1727–28 was 15: five English vessels and one French vessel from Bengal, two English private ships from Bombay, three Surat Muslim ships, one EIC ship, two Muslim crafts from Mocha, and one belonging to the French chief of Surat.⁴

By 1730 Basra had become the main trading station in the Gulf for English private traders. The Dutch noted in 1731 that the English traders were maintaining a "domicile" for their trade in the city, and that the EIC re-established a residence there in 1727; this perhaps referred to the appointment that year of the new English resident, Martin French. It was the English trade that made sales at Basra during the period from 1726–29 extremely difficult for the VOC.⁵ In fact, some English privateers who resided in Basra in those days actively engaged in importing sugar at the port. On 6 April 1725, an English ship called *Meridon* came from Bengal through Bandar Abbas with 300 packs (*pakken*) of cloths (*kleden*), Chinese candy sugar, Bengali castor sugar, pepper, etc. The ship belonged to an Englishman staying at the port named George Petty, and he instantly sold his Chinese candy sugar at 27 *maḥmūdīs* per *man* (equivalent to 25 Dutch pounds at Basra).⁶ The *Dean*, an English frigate which arrived from Bengal on 22 May 1725, was owned by another English inhabitant named James Neville. It carried 700 packs of cloths, textiles (*lijwaten*), Bengali sugar, pepper, etc., both for himself and on the account of some Armenian merchants and others.⁷ The Bombay Presidency was quick to recognize the increased private trade at Basra, and tried to benefit from it by introducing various duties such as a consulage.⁸ But their consulage duty at Basra provoked a deluge of complaints from private traders, including Petty and Neville mentioned above.⁹

² Idem, 49–50.

³ NA VOC2016 1, letter from Bandar Abbas to Batavia, 31 March 1724, p. 110.

⁴ NA VOC2091, letter from Basra to The Netherlands, 1 November 1728, fols. 4923r–v, 4925r.

⁵ NA VOC2253, letter from Bandar Abbas to Batavia, 15 May 1731, pp. 14–5; K.K. al-Khalifa, "Commerce and Conflict: The English East India Company Factories in the Gulf, 1700–47," (PhD diss., University of Essex, 1988), 247.

⁶ NA VOC2034, diary, Basra, 6 April 1725, 15 April 1725, pp. 235, 236.

⁷ Idem, 22 May 1725, p. 246.

⁸ Consulage was a duty of two per cent of the value of all private goods sold at Bandar Abbas and Basra. The EIC collected the charge from English private traders in connection with the consul service rendered by the Company. al-Khalifa, "Commerce and Conflict," 96–7, 180–1.

⁹ T. Davies "British Private Trade Network in the Arabian Seas, c. 1680– c. 1760," (PhD diss., University of Warwick, 2012), 182.

In the 1720s much of the Surat Muslim shipping that had regularly provided Bandar Abbas with sugar in the late Safavid period also turned their attention to Basra. On 10 August 1725, a vessel called *Fayd Rasani* arrived at Basra from Surat. It was registered as belonging to Muhammad Ali, the grandson and successor of a celebrated Bohra merchant of Surat named Abd al-Ghafur who had been involved in the trade of Manila sugar in Bandar Abbas in the late seventeenth century. This ship carried a variety of Surat textiles and Bengali sugar.¹⁰ There was also another Muslim arrival (*Moors schip*) called the *Fath-i Dawla* from Surat, which suggests that other mercantile communities of Surat were involved in “Muslim” sugar shipping to Basra, as in the time of the Safavids. The *Fath-i Dawla* arrived four days after the *Fayd Rasani*, with numerous packs of textiles, Bengali sugar and rice for the many Muslim merchants living in Basra.¹¹ This ship had the same name as one that received a Dutch passport at Surat for its voyage to the declared destinations of Hormuz, Kong, Basra, Mocha and Jidda on 23 March 1725. It may have been the same ship, although the issue date was rather late in the season for navigation to the Persian Gulf. The owner of the ship at the time was known to be a “heathen” (*heidens*, i.e. a non-Muslim) called Shyamalji Haridas (Sammeltje Herridas) who was resident in Surat.¹²

After the Safavid period, the French sugar trade also grew in Basra. On 27 May 1729, a ship of the French East India Company called *St. Joseph* came to Basra from Bengal laden with 500 packs of coarse textiles and certain amounts of pepper, rice, cardamom, sugar, etc.¹³ A threat to the VOC from the French trade at Basra rose from the fact that, according to the Dutch, they (and perhaps the English too) had to pay 5 to 6 per cent (and often more) import duty on both individual items and weighed goods, the French were allowed to pay 3 per cent duty on individual items and 4 ½ per cent on weighed goods, in consideration of the splendid gifts they used to present to the port authorities.¹⁴ The VOC were continuously attempting to get better treatment but it took them more than a decade to be allowed a 3 per cent duty.¹⁵ As for the EIC they apparently obtained only 5 per cent.¹⁶

Increased demand for copper

The Afghan invasion of Iran led to dysfunction in the bullion market at Isfahan. Soon afterwards Basra developed into a dependable substitute. Considerable quantities of gold and silver coins found their way to the Basra market by way of Baghdad, and many seafaring

¹⁰ NA VOC9099, diary, Basra, 10 August 1725, p. 25.

¹¹ Idem, 14 August 1725, p. 26.

¹² NA VOC9059, pass book, Surat, 12 August 1724–4 May 1725, pp. 152–3.

¹³ NA VOC2091, letter from Basra to The Netherlands, 22 July 1729, inserted shipping list, Basra, 1 November 1728–22 July 1729, fols. 4967r–v; VOC9090, diary, Basra, 27 May 1729, 11 July 1729, pp. 433, 444.

¹⁴ NA VOC2016 2, letter from Bandar Abbas to Batavia, 25 August 1724, p. 6; VOC2091, letter from Basra to The Netherlands, 22 July 1729, fol. 4967r.

¹⁵ NA VOC2610 1, letter from Bandar Abbas to Batavia, 31 October 1742, pp. 137–8.

¹⁶ We still need further facts to assess the port’s customs administration during the eighteenth century. For recent studies concerned with it, see al-Khalifa, “Commerce and Conflict,” 62; B. Slot, *The Arabs of the Gulf 1602–1784: An Alternative Approach to the Early History of the Arab Gulf States and the Arab People of the Gulf, Mainly Based on Sources of the Dutch East India Company* (Leidschendam, 1993), 288–9; Abdullah, *Merchants, Mamluks, and Murder*, 42–3.

traders participated in this emergent commercial arena.¹⁷ After establishing their factory in the city the VOC also started procuring bullion specie for export, particularly gold ducats and silver reals, but supplies were never sufficient to meet the merchants' demands.¹⁸ Competition flared up and inevitably drove up prices excessively.¹⁹ The result was the same as was witnessed in Iranian markets at the time, namely that copper rapidly grew in importance as an alternative export item. We can say that copper dominated the market by 1730. In July 1729, the Dutch factors wrote that it was unclear why the "Bengali traders" (*Bengaalse kooplieden*) so vigorously procured copper (*roodkoper*) that year, but perhaps it was because exporting copper produced less of a loss than with other poor-quality currency, and that, since these traders had been so eager for copper, merchants from the upper countries had brought large amounts into Basra.²⁰ The "Bengali traders" might include English privateers who supplied sugar for the Basra market from Bengal. An Englishman called Durley is a case in point. His ship the *Edward* arrived at Basra from Bengal on 21 February 1729, importing textiles, castor sugar, etc. Two months later it sailed away with a full cargo of old copper and Iranian copper coins (*paysas*) worth 297,500 guilders.²¹

It is difficult to know just where the copper brought to Basra came from. Some sketchy information suggests that the inland merchants now and again carried the metal to Hoveyzeh, a town in Khuzestan in southwestern Iran. There it was minted into coins for transport to Basra and Bushire. Much of the copper transferred to Hoveyzeh might be Iranian in origin, even though, according to the Dutch, Iran's mining industry had significantly diminished from overexploitation by 1740.²² Another source of copper was Russia. In the eighteenth century Russia's copper mining in the Urals grew substantially, producing coins called *kopeks* in large volume. Some of that output was sent to the markets of Shamakhi, Isfahan and Mashhad, facilitating Russian trade with Asia, and some may possibly have reached the Upper Gulf.²³ The most stable source, however, was Anatolia. During the eighteenth century, copper mined around Diyarbakir was transported by river and caravan to Mosul in Iraq, where it was smelted and moulded into "cakes". From there, the cakes were transported by boat first to Baghdad and then on to Basra for export to India. It was subjected to customs duties in all these cities. Nevertheless, Anatolian exports of copper continued throughout the eighteenth century.²⁴ At the end of the century, Olivier observed that the interior of Turkey was providing Baghdad and Basra with very few commodities except for large volume of old copper (*vieux cuivre*). Copper from Syria, Mesopotamia, Anatolia, Armenia and Kurdistan all passed through Mosul to Baghdad and Basra.²⁵

¹⁷ Every year the bullion trade at Basra began with the arrival of numerous "galleys" and boats from Baghdad with substantial amounts of bullion. NA VOC2055 2, letter from Basra to The Netherlands, 19 April 1726, p. 70.

¹⁸ NA VOC2323, final report from D. Heij to G. Gutchi, Basra, 25 May 1734, p.1415.

¹⁹ NA VOC2023, letter from Basra to The Netherlands, 22 January 1726, fol. 3349v.

²⁰ NA VOC2091, letter from Basra to The Netherlands, 22 July 1729, fol. 4967v.

²¹ Idem, inserted shipping list, Basra, 1 November 1728–22 July 1729, fol. 4967r.

²² NA VOC2546, letter from Bandar Abbas to Batavia, 31 March 1741, pp. 68-9.

²³ R. Barendse, *Men and Merchandise*, vol. 3 of *Arabian Seas 1700–1763* (Leiden: Brill, 2009), 970-1.

²⁴ Abdullah, *Merchants, Mamluks, and Murder*, 75-6.

²⁵ G.A. Olivier, *Voyage dans l'Empire Othoman, l'Égypte et la Perse* (Paris: H. Agasse, 1801–07), vol. 1, 252; vol. 4, 273. Some of the copper sent to Basra at the time was meant for Iran. Sultan bin Muhammad al-Qasimi, *Power Struggles and Trade in the Gulf 1620–1820* (Forest Row: University of Exeter Press, 1999), 173-4.

As far as English participation in the Iranian copper trade from the late 1720s is concerned, Barendse claims that supplies of Japanese copper for Indian markets, which the VOC had almost monopolized since the seventeenth century, dropped in the early eighteenth century, and English traders tried to fill the gap with Iranian copper.²⁶ Recent studies of the VOC trade of Japanese copper, however, reveal that, in spite of mounting competition, the Company's copper sales in Coromandel, Bengal and Gujarat, which were the major producers of the world-famous Indian cotton textiles, remained considerable till 1760. After that, other European companies and merchants greatly increased their imports of English and Swedish copper into the regions, thus undermining the commercial position of the VOC in the subcontinent.²⁷ These facts suggest that India's demand for copper increased substantially in the eighteenth century, which stimulated the global economy, and that this development provided an important setting into which sugar imports into the Persian Gulf were sustained after the Safavid period.

Boom

From the EIC archives Abdullah argues that Basra experienced a serious recession of trade during the period from 1733 to 1736 due to the Iranian invasion into Iraq; the situation nicely recovered later in the decade.²⁸ The Dutch records, however, provide a more positive view of the Basra market during that time, specifically for sugar.

As mentioned in Chapter 2, during the first half of the 1730s, the Dutch factory at Basra received almost no supplies of sugar. On the other hand, other suppliers, especially the English and the French, continued to serve the market. According to a Dutch list of English and French shipping with Basra during the period from 1 January 1733 to 30 April 1734, seven English vessels and two French ships appeared in the harbour. Of the English arrivals, three came from Surat (with one carrying sugar), and two from Bengal (both laden with sugar). The other two were importing coffee from Mocha. One of the French ships came from Bengal and the other from Mocha, with the first conveying castor sugar and candy sugar. The list records the total import of sugar from these vessels as 5,500 sacks (*zakken*) and 150 canisters (*canassers*).²⁹ If we assume that a sack weighed 300 Dutch pounds and a canister 290 pounds, that would amount to about 1.7 million pounds. Given the fact that even in the most successful year of 1747–48, the Dutch factory sold less than 400,000 pounds of Javanese sugar, it is certain that these other nations tried to trade as much sugar as they could in Basra at the time.³⁰ It seems that similar large quantities continued in the years that followed. The Dutch noted that eleven non-VOC ships reached the port during the period from 1 May 1734 to 25 May 1735, and four of them, all registered as English vessels, imported sugar from

²⁶ Barendse, *Men and Merchandise*, 972-6.

²⁷ R. Shimada, *The Intra-Asian Trade in Japanese Copper by the Dutch East India Company during the Eighteenth Century* (Leiden: Brill, 2006), 106-28; G. Nadri, *Eighteenth-Century Gujarat: The Dynamics of Its Political Economy, 1750–1800* (Leiden: Brill, 2009), 103-11.

²⁸ Abdullah, *Merchants, Mamluks, and Murder*, 48-9.

²⁹ NA VOC2303, letter from Basra to The Netherlands, 30 April 1734, inserted shipping list, Basra, 1 January 1733–30 April 1734, fol. 5415r.

³⁰ See Appendix 4.

Bengal and somewhere else. The total volume of their sugar cargoes was recorded as 3,600 sacks and 50 canisters, or about 1.1 million pounds.³¹ For some time the Dutch factors would have been feeling neglected and they expressed their chagrin to Batavia in June 1736, saying that they had not received a single shipment even during the great opportunities for trade in the last couple of years. Instead, English, French, Armenian and other merchants had dropped by with at least 23 ships (*schepen*), both big and small, as well as a large number of boats (*vaartuigen*), and they had picked off most of the fruits of trade.³²

In the marketplace at Basra, merchants from Iraq and elsewhere in the Middle East were important buyers of sugar. One chronic headache the VOC had with their sugar trade there was that, as soon as well-loaded English and French vessels reached the port, the merchants who came from Baghdad, Mosul, Aleppo, etc., spent their money on their imported merchandise, and thus deprived the Company of opportunities to obtain ready cash (*contanten*) and old copper ware for export.³³ In the late 1730s itinerant merchants from Baghdad, Aleppo and Greece visited Basra every year and invigorated its market by spending a considerable amount of money.³⁴ It is possible that some wealthy merchants who lived in Basra also took part in the sugar trade. In 1738 the VOC entered into a contract with a certain Basra merchant to sell him Javanese castor sugar at 13 *maḥmūdīs* per *man*. When the factory was about to hand over the purchased sugar to the merchant, however, he fell seriously ill and died, so the sales contract lapsed. The VOC comforted themselves by saying it was a good thing that they had not made the delivery; otherwise it would have been very difficult to collect the payment due, since although the merchant was ostensibly rich he was in fact insolvent. He would have probably distributed any proceeds from his sales to his creditors despite his contract to pay the Company first.³⁵ Last but not least, merchants from Iran and further north greatly featured in the burgeoning trade. In 1737, some *Gorguaanse kooplieden*, which could refer either to Gorgan merchants or Georgian merchants, appeared in Isfahan from Basra and sold castor sugar at 9 ½ *maḥmūdīs* per *man* (equivalent to 12 Dutch pounds in Isfahan).³⁶ Furthermore, a not insignificant amount of sugar imported into Basra was re-exported to another developing sugar outlet at Bushire by local craft. From there it went overland to Shiraz, as I shall explain below. Around a decade later Iranian merchants came to Basra from various other regional trade hubs carrying ready cash from Bandar Rig, and copper ware (*koperwerken*) from Shushtar and Dezful.³⁷

³¹ NA VOC2357 1, extract of letter from Basra to Bandar Abbas, 25 May 1735, inserted shipping list, Basra, 1 May 1734–25 May 1735, pp. 1317-9.

³² NA VOC2416, letter from Basra to Batavia, 28 June 1736, pp. 10-2.

³³ *Idem*, pp. 21-3.

³⁴ With the arrival of the merchants, the VOC sold goods including 5,232 pounds of candy sugar. NA VOC2511, letter from Basra to Bandar Abbas, 31 January 1740, pp. 1026-8.

³⁵ NA VOC2426, letter from Basra to Bandar Abbas, 30 September 1738, fols. 3608v-9r.

³⁶ NA VOC2448, letter from Isfahan to Bandar Abbas, received on 3 September 1737, pp. 1384-5.

³⁷ NA VOC2824, report on Basra and Bushire, T. von Kniphausen on the ship *het Fortuin*, 15 February 1753, pp. 63-4.

Patterns of competition

As at Bandar Abbas so also at Basra, non-VOC sugar suppliers showed a striking flexibility in adjusting to a chronic shortage of cash in the eighteenth century. For them working out deals with the price was a means to draw attention from the cash-strapped wholesale merchants. In late 1736 the VOC was reasonably optimistic of disposing of their commodities quickly. But their officers at Basra nevertheless thought that castor sugar and candy sugar would be more difficult. They said they would have to wait for the English to sell all their sugar because their prices were cheaper, and purchasers would give priority to dealing with the English.³⁸ Two years later some castor sugar sent from Batavia turned out to be wet and syrupy, and the officers had found it even more difficult to find buyers. The English and the French, even with their better quality sugar, dared to reduce their prices further still. The Dutch said they sold castor sugar (origin unspecified) at 8 ½ to 9 *maḥmūdīs* per *man*; their Chinese candy sugar “as white as glass” fetched 24 *maḥmūdīs* on credit for 3 to 6 months. They were like pirates (*buithaalders*) disposing of their booty.³⁹ In fact, in this season the VOC were selling their castor sugar at much higher prices, 11 and 13 *maḥmūdīs* per *man*, but they recorded no sales of candy sugar.⁴⁰

It is interesting to note here that from the 1730s onwards the Portuguese at Macao and English private traders became active in exporting Chinese sugar to Indian markets. Stimulated by an expansion in the cultivation of cane sugar in Guangdong Province in the late 1730s, the Portuguese embarked on a project to sell the product on the Malabar Coast, and in return they obtained pepper for the Chinese market. For the rest of the century, the Portuguese and the English regularly conveyed considerable quantities of Chinese sugar to major outlets on the western coast of India, including Surat and Cochin, places where the VOC found it difficult to sell Javanese sugar.⁴¹ Likewise on the Coromandel Coast, a major transit point for Chinese and Javanese sugar going further west, annual shipments of Chinese sugar from Macao posed a reasonable impediment to the VOC trade.⁴² As G. Souza suggests, some of the sugar sent to the Indian markets was in fact destined for the Persian Gulf. The Basra factors wrote in 1740 that English and Muslim merchants sometimes brought small boxes of “snowy-white” (*hagelwit*) candy sugar into Basra from Madras and Surat. These cargoes were reportedly carried from China by their own ships, while the English and the French most of the time imported normal (i.e. not quite as white) candy sugar and well-refined castor sugar from the Malabar Coast and Madras.⁴³

Because the VOC was reluctant to sell their goods on credit this gave their rivals a competitive edge in the marketplace at Basra. EIC officers at Basra who privately engaged in

³⁸ NA VOC2417, letter from Bandar Abbas to Batavia, 4 April 1737, pp. 3543-5.

³⁹ NA VOC2426, letter from Basra to Bandar Abbas, 30 September 1738, fols. 3607r-v.

⁴⁰ NA VOC2510, annual sales statement, Basra, 1738–39, pp. 52-3.

⁴¹ G. Souza, “Ballast Goods: Chinese Maritime Trade in Zinc and Sugar in the Seventeenth and Eighteenth Centuries,” In *Emporia, Commodities and Entrepreneurs in Asian Maritime Trade, c. 1400–1750*, edited by R. Ptak and D. Rothermund (Stuttgart: Franz Steiner Verlag, 1991), 311-3; Nadri, *Eighteenth-Century Gujarat*, 114-5.

⁴² NA VOC3164, report on sugar trade, Nagapattinam, 12 October 1766, fols. 601v-2r.

⁴³ NA VOC2546, letter from Basra to Bandar Abbas, 31 October 1740, p. 1009.

the sugar trade offered buyers a long credit of between seven and nine months, or even as much as a year.⁴⁴ In addition, when cash was hard to find in the market and credit became quite risky, the English and the French would barter for local export items, such as gum, mastic and madder, to avoid the risk of default in payments of selling prices and of interest attached to credit sales. They could then without delay set out on a return voyage. Every year English and French sugar shipments reached Basra earlier than those of the VOC, and this gave them their advantage. The Dutch factors were very aggrieved to report that others had made deals with most of the wholesale merchants before their own vessels reached port.⁴⁵

As mentioned earlier, the copper trade at Basra was geared towards Indian markets from the late 1720s. Whereas the VOC were always exporting gold and silver, including gold coins called *sjalottes* (an Ottoman name for a coin derived from Polish *zloty*), other sugar suppliers had been laboriously collecting old copper ware and sending it to Bengal and other markets in India.⁴⁶ The VOC started this new line of business in the early 1730s, but soon found it difficult to profit from it as their competitors had scraped up all the copper — the copper ware, “cakes” of copper and *paysas* — that was available in Basra. That the Dutch were sure to procure the metal from Japan might also make them hesitant to venture into the highly competitive business. Increasingly marginalized in the market, the Company’s main object became to hinder their rivals as much as they could from dominating the trade.⁴⁷

The underlying question is why the VOC insisted on cash payments. According to Abdullah, the EIC did the same in Basra, which suggests that these Companies felt the need to do this more than other sugar suppliers.⁴⁸ If that is true, the simple answer is that the Companies, who had to manage the permanent stations and workforces at Basra, could not afford to continue without immediate settlement. Perhaps a more important factor is, however, that the VOC carried their shipping and trade from as far as Batavia, while their competitors came mainly from Indian ports. It is quite probable that this geographical disadvantage made it difficult for the Company to adjust quickly to the capricious market in the Persian Gulf. But it is still not clear why rival suppliers could employ such a risky business method. In an analysis of British private trade in the western Indian Ocean in the eighteenth century, T. Davies points out that in the late 1720s and early 1730s the EIC governor of Bombay, Robert Cowan, gained appreciable profits from trade to the Gulf despite the hazardous conditions, but earned much more profit from trade with China and Bengal. He also had a substantial income accruing from offering loans and the like.⁴⁹ Whether this is also the case with the English privateers involved is unclear. However, considering the significant rise of the English economic presence throughout India and the increase in their seaborne trade towards Southeast Asia and China during the century, it is reasonable to assume that those traders

⁴⁴ NA VOC2034 1, letter from Bandar Abbas to Batavia, 15 May 1725, pp. 30-1.

⁴⁵ NA VOC2546, letter from Basra to Bandar Abbas, 31 October 1740, pp. 1009-10.

⁴⁶ NA VOC2448, letter from Bandar Abbas to Batavia, 31 December 1737, pp. 133-4.

⁴⁷ NA VOC2546, letter from Bandar Abbas to Batavia, 31 March 1741, p. 68.

⁴⁸ Abdullah, *Merchants, Mamluks, and Murder*, 91.

⁴⁹ Davies “British Private Trade Network,” 184-7, 210-17.

could to some extent balance the risk of failure in the Gulf against their more reliable and profitable markets in the east.⁵⁰

Crisis and resilience of trading network

From 1743 to 1750, Basra experienced a series of political disturbances. In 1743 Nadir Shah's armies once again crossed the border and marched to Mosul. Basra also suffered a three-month siege, and the negative impact it had on trade lingered behind till the middle of the decade.⁵¹ But until 1748 Basra had enjoyed relative stability.⁵² Towards the close of the decade Sulayman Pasha, the first *mamlūk* governor of Basra and Baghdad, increased his control over the port and its adjacent areas. But the process was not straightforward. Partly because of his harsh financial exploitation of the population of Basra, he faced serious military opposition from local notables, such as his deputy and *quptān pāshā* named Mustafa Pasha, who led a popular rebellion in 1750.⁵³ During that time many inhabitants left the city, including Armenian merchants who took refuge in Bandar Rig.⁵⁴ The increased commotion brought about a slump of non-VOC shipping to Basra in 1748–49. According to a Dutch memorandum, from April 1748 to June 1749 there were only four non-VOC (*vreemde*) arrivals (two Dutch private vessels and two English ships). Most of their imports consisted of textiles.⁵⁵ Such a reduction, which reflected to a great extent a general decline of shipping to the Gulf at the time, continued till the end of the year.⁵⁶ Given the tremendous development of sugar trade at Surat from the later years of the decade, it is possible that the instability of the Basra market at the time might have provoked a relocation of the Gulf market to Gujarat.

Yet the tide of trade turned back strongly in 1750. Despite the rebellion of the *quptān pāshā* that year, trading craft began to appear in Basra from Baghdad. Upon the arrival of the first group of merchants from Baghdad the VOC sold goods to the value of 60,003 guilders and 12 stivers (almost a quarter of the year's turnover). However, the Dutch factors noted that the Company would have gained more profit if an English ship called *Bonito* had not reached Basra from Bombay some days before the Company's vessel. The English ship, which came by way of Surat, imported a cargo of Javanese sugar by freight as well as loads of their own

⁵⁰ P.J. Marshall, "Private British Trade in the Indian Ocean before 1800," In *India and Indian Ocean: 1500–1800*, edited by A. Das Gupta and M. Pearson (Oxford: Oxford University Press, 1999), 276–300.

⁵¹ Abdullah, *Merchants, Mamluks, and Murder*, 49.

⁵² W. Floor, *The Persian Gulf: The Rise of the Gulf Arabs: The Politics of Trade on the Persian Littoral 1747–1792* (Washington, DC: Mage Publishers, 2007), 247. In late 1747, a Portuguese ship called *Santa Catharina* arrived from Bengal with various goods including textiles for the Armenians in Bengal. After delivering its cargo and acquiring silver, the ship sailed for Bengal in February 1748. When *Santa Catharina* passed by Nagapattinam, however, it was captured by the English, who thought the ship belonged to the French, with whom they were at war at that time. The English confiscated the whole shipload, which included a collection of documents written in Arabic, Persian and Ottoman Turkish. That collection is now preserved in the British Library in London and contains highly valuable information about individual merchants involved in this particular shipping and their ways of living; see G. Sood, *India and the Islamic Heartlands: An Eighteenth-century World of Circulation and Exchange* (Cambridge: Cambridge University Press, 2016).

⁵³ Floor, *The Rise of the Gulf Arabs*, 96–8.

⁵⁴ NA VOC2766, letter from Basra to Batavia, 30 June 1749, pp. 50–1.

⁵⁵ *Idem*, pp. 18–9.

⁵⁶ NA VOC2766, letter from Bandar Abbas to Batavia, 25 December 1749, pp. 86–7.

goods.⁵⁷ In the following year, 1750–51, the VOC faced an enormous supply of Bengali sugar from four English ships and a French vessel.⁵⁸ It seems that the English and the French continued to be active in shipping in the years that followed. From June to August 1752, five English ships — three from Bengal, one from Madras and one from Bombay and Surat — and two French ships, one of which came from Bengal, arrived as well as a Dutch private vessel called *de Hoop*. These suppliers were importing so many goods, more than had ever been seen before. The Dutch noted that the wholesale merchants were making very low bids, which brought the trade to a near standstill.⁵⁹

Competition for bullion for export also picked up. The 1750s saw an appreciable volume of silver rupees (probably part of Nadir Shah's booty from Hindustan) flowing into the Basra market. In 1752, however, the coins totally vanished from the market because the ships from Bengal, Coromandel and Surat that came to Basra that year had gleaned them up.⁶⁰ Under these circumstances there was an increasing interest in freight business among the Dutch personnel in Basra. They considered it more beneficial for the Company to discontinue the excessively competitive bullion trade and instead engage in transporting freight between Basra and Surat. They had become aware that the Armenian and Muslim merchants had long earned profits from trading from Surat to Basra, despite them taking extortionate risks in bottomry contracts (*bodemerij*), freight fees (*vracht*) and customs duties (*tollen*). The officers were convinced that if the Company sent a ship every year from Surat to Basra, like the English and the French, to transport goods and money for these merchants, their profit would be greater, for they believed the merchants preferred to use Dutch vessels.⁶¹

With this in mind, it is useful to note the remarkable development of the pearl trade in the Gulf in the eighteenth century. Pearls were fished from the oyster beds of Bahrain, the chief pearling centre in the Gulf. It had captured a reasonable share of the Indian market by the sixteenth century, and it is probable that there was a surge in demand for Gulf pearls in the eighteenth century. As part of his recent archaeological survey of pearling sites in Abu Dhabi R. Carter points out that in the second half of the century, while Bahrain retained its prominent position, several rival pearling centres emerged along the Arabian shore, including Kuwait, Abu Dhabi and Zubara. On account of the growing demand for pearls in overseas markets, specifically in India, Europe and America, the market value of Gulf pearls steadily increased from the late eighteenth century till the early twentieth century. Then Japan undercut its position in the global market with cultured pearl farming.⁶² In the mid-eighteenth century, Basra was a principal market for pearls that had been fished from around Bahrain in the Gulf. The booming trade towards Surat turned the freight transport of these articles into an

⁵⁷ NA VOC2766, letter from Basra to Batavia, 30 March 1750, pp. 97-8; VOC2787, annual sales statement, Basra, 1 January 1750–31 August 1750, pp. 12-3.

⁵⁸ NA VOC2804, letter from Basra to Batavia, 11 January 1752, p. 11.

⁵⁹ Davies points out the increase of consulage duties collected at Bandar Abbas and Basra after 1750. NA VOC2804, letter from Basra to Batavia, 24 August 1752, pp. 35-6; Davies "British Private Trade Network," 181-4.

⁶⁰ NA VOC2804, letter from Basra to Batavia, 24 August 1752, pp. 38-9.

⁶¹ *Idem*, p. 37.

⁶² R. Carter, "The History and Prehistory of Pearling in the Persian Gulf," *Journal of the Economic and Social History of the Orient* 48, no. 2 (2005): 139-209.

attractive investment for European ship-owning merchants. The Dutch factors wrote in 1750 that every year one or two English private ships freighted 15 to 20 thousand rupees worth of pearls for the merchants at Surat, and the clients in turn paid freight fees at the rate of 5 per cent per value. They claimed that, if the VOC invested money with the same aim, it would yield 6 to 7 per cent profit.⁶³

Seeing that Basra credited much of its prosperity from trade to the port having close connections to interior markets, the persistence of non-VOC shipping to Basra in the early 1750s reflected a flexibility of inland commercial traffic. Though they were occasionally blocked, the roads between Basra and Baghdad continued to play the role of a principal commercial axis in the region. Once the clogged passes were open many goods were transferred and traded through them.⁶⁴ The situation improved during Sulayman Pasha's rule over the region; his tenacious effort to ensure road security worked to their advantage.⁶⁵ The same seems true for caravan traffic with Iran. The protracted civil war that followed Nadir Shah's assassination often impeded the flow of goods across the border but it never precipitated a total catastrophe for trade. In February 1751 the Dutch factors were optimistic about sales for that year since "the road from Baghdad and (that) over Shushtar and Dezful to Persia" were still open. Their hope was fulfilled. From a large caravan that arrived from Iranian towns at that time the VOC succeeded in obtaining 92,000 pounds of old copper ware, which was certainly a large amount.⁶⁶ The Dutch reference to the crucial position of Shushtar in the regional traffic seems to support Rick's argument that ongoing rivalries among leading families of Khuzestan over the governorship of Shushtar was not the cause of an overall crisis of the regional economy but a rational consequence of its continuous development.⁶⁷ The route from Basra to Shiraz and Isfahan also operated, but with temporary halts.⁶⁸

However, this was also the time when there was growing concern among merchants with regard to the efficiency of trade at Basra. Going over the Company's recent poor sales, Tido Von Kniphausen, a leading officer in the Gulf, noticed with some vexation that, even though the Iranian merchants came to Basra from Bandar Rig, Shushtar and Dezful with cash and copper ware to buy the Company's goods, they had to pay a heavy customs duty (7 per cent) both on import and on export. On top of that, they faced extortion and bad treatment by Turkish government officials at the port. Arab merchants who traded with Basra also suffered much of the same kind of abuse. These merchants preferred not to go to Basra if there was some other place not far away where they could obtain the same goods. As a result, Von Kniphausen argues, Basra became nothing more than a transit port (*interpost*) from where Dutch goods were re-exported. About half of the goods sent to Basra were destined for Persia (*Perzië*), about 25 per cent for Arabia (*Arabië*), and another 25 per cent for Turkey (*Turkije*).

⁶³ NA VOC2766, letter from Basra to Batavia, 30 March 1750, pp. 96-7. Later in 1754, the VOC had an abortive plan to take over Bahrain to control its lucrative pearling activities. Floor, *The Rise of the Gulf Arabs*, Appendix I, pp. 321-31.

⁶⁴ NA VOC2804, letter from Basra to Batavia, 11 January 1752, p. 11.

⁶⁵ NA VOC2787, letter from Basra to Batavia, 10 August, 1750, p. 5.

⁶⁶ NA VOC2787, letter from Basra to Batavia, 7 February 1751, p. 23.

⁶⁷ Th. Ricks, *Notables, Merchants, and Shaykhs of Southern Iran and Its Ports: Politics and Trade of the Persian Gulf Region, AD 1728-1789* (New Jersey: Gorgias Press, 2012), 121-32.

⁶⁸ NA VOC2804, letter from Basra to Batavia, 11 January 1752, pp. 11-2.

Transport to Turkey, though, was almost impossible, because Sulayman Pasha prevented caravans from taking the desert route to Aleppo and instead forced them to use the Euphrates route through Baghdad. Whereas the land route took 25 days and was toll-free, by river it took longer than 3 months and was subject to various heavy imposts charged by the pasha.⁶⁹

Von Kniphausen did not identify the places where the goods were transferred to, but there can be almost no doubt that the Utubi ports of Kuwait and Zubara on the Arabian coast greatly benefited from this development. During the second half of the eighteenth century, the Utubi tribesmen, who had the policy of “non-tariff trade”, drew to their settlements significant portions of the goods from India and Arabia which otherwise would have gone to Basra, and they arranged caravans to convey them across the desert to Aleppo and other Ottoman markets.⁷⁰ The situation along the Iranian coast was much more complex. While Bushire kept a high profile in regional trade, several ports in the north, such as Bandar Rig, Bandar Deylam, and Bandar Ganaveh, rose impressively to threaten the position of Bushire, a development to which we shall now turn.

2. Bushire (1737– c. 1753)

The port of Bushire is located at the northern end of a low-lying peninsula projecting from the northern Iranian littoral. Although it was known as a port of some local importance by the seventeenth century one could say it remained only one of the many small ports in the Gulf, if not just a fishing village. That is until the mid-1730s, when Nadir Shah selected it as the base for his naval campaigns against Bahrain, Basra, and later Oman. Then the town acquired a more prominent role in the region.⁷¹ We do not know much about its administration during the time concerned in this study, but the main administrators seem to have been a governor (*sulṭān*) and a customs master (*shāhbandar*). More importantly, towards the middle of the century, the Madhkurs, a local Arab family supposed to be of Omani origin, had consolidated their uncontested authority at the port, and members of that family retained both these senior positions for the rest of the century.⁷² After the Safavid period, Bushire gradually developed into a major gateway for the leading regional market of Shiraz. At the port the VOC kept a trading post from 1737 till 1753. The EIC formally entered Bushire later. They established a factory there in 1763, but soon withdrew, and then returned to the port in 1776.

⁶⁹ Four years later, in 1757, the merchants would embark on a desert trip from Basra to Aleppo after buying a special pass from Sulayman Pasha. NA VOC2824, report on Basra and Bushire, Von Kniphausen on the ship *het Fortuin*, 15 February 1753, pp. 63-4; [Joan Gideon Loten], “Overlandreis van Indië naar Europa, in 1757,” *Kronyk van het historisch genootschap gevestigd te Utrecht* 16 (1860): 124-5.

⁷⁰ A. Hakima, *History of Eastern Arabia, 1750–1800: The Rise and Development of Bahrain and Kuwait* (Beirut: Khayats, 1965), 71-3.

⁷¹ For the early history of Bushire, see Floor, *The Rise of the Gulf Arabs*, 224-35.

⁷² S. Grummon, “The Rise and Fall of the Arab Shaykhdom of Būshire: 1750–1850,” (PhD diss., Johns Hopkins University, 1985), 61-73; Ricks, *Notables, Merchants, and Shaykhs*, Table 3, 120.

Connections to Basra and Masqat

The prevailing view among historians has been that Nadir Shah's use of Bushire as the stronghold of his newly-established fleet from 1734 triggered a growth of trade at the port, even though it took a few more decades for it to become the premier commercial port of Iran.⁷³ In an incipient form it came into being before the year of the revolution. According to William May, who visited Bushire in February 1729 on behalf of the EIC, in the town there were traders who had been born and had grown up there. May tried to convince them to return to Bandar Abbas for trade, but the merchants contended that they were at the time happier in Bushire than anywhere else. They saw Bandar Abbas as the last place to go since it was plagued by marauding Baluchis and an oppressive Afghan government. As for the trade at Bushire, May wrote that the port annually imported both weighed and itemized goods to a value of more than 5,000 – 6,000 *tūmāns* from Bengal by way of Basra, as well as many more products from Surat, Ghogha (Gogo), Gujarat (Guzzerat), Karachi (Duil), etc. Yet serious trade could be carried out only for immediate payment, chiefly with copper coins called *qāz* (*goz*), since gold and silver (white money) or bills of exchange were very costly there.⁷⁴

During the 1730s Bushire steadily developed into a significant market for sugar. In 1737 it was noted that sugar and iron yielded good profits there.⁷⁵ In May 1740 an English ship called *Galathia* brought into port more than 70,000 pounds of castor sugar, candy sugar, etc., together with Madras textiles on the account of several Armenians who were to transport them to Isfahan.⁷⁶ In the later part of the decade the chief merchant (*hoofdkoopman*) among the “native” merchants was called Shaykh Muhammad Rida Shushtari, a *nisba* suggesting he could have a Shushtar origin. It seems true that leading members of the Madhkurs were important merchants as well. The first Dutch resident, Schoonderwoerd, who landed at Bushire on 18 August 1737, described Shaykh Madhkur, the head of his family, as “a kind of chief merchant, who is engaged in commerce on a daily basis and who has good credit.”⁷⁷

Evidence collected from the Dutch records, however, leaves us with a different impression. It suggests that the Bushire sugar market was of secondary importance in the Upper Gulf. The VOC noted that English and French “interlopers” who had already found a glut of castor sugar, candy sugar and iron at the Basra market would drop by Bushire on their way back in order to dispose of these items.⁷⁸

It is probable that the continuing deployment of Nadir Shah's troops in the region, which tended to conscript local manpower and financial resources into royal service indiscriminately, made any direct shipping of sugar to Bushire highly precarious for sugar suppliers in general. Merchants preferred to sail with their sugar to other Gulf ports, and have some of it reshipped from there to Bushire by local craft. Shortly after his arrival, Schoonderwoerd was confronted

⁷³ Grummon, “The Rise and Fall of the Arab Shaykhdom,” 64-5; Floor, *The Rise of the Gulf Arabs*, 235-6; X. de Planhol and Muhammad Taqī Masudiya, “Būšehr,” *Encyclopædia Iranica*, updated 21 September 2012.

⁷⁴ BL IOR G/29/5, 5 April 1729, inserted report from W. May to Bandar Abbas dated 6 April 1729.

⁷⁵ NA VOC2448, letter from Bandar Abbas to Batavia, 31 December 1737, pp. 172-3.

⁷⁶ NA VOC2511, letter from Bushire to Bandar Abbas, 16 May 1740, pp. 1106-7.

⁷⁷ Floor, *The Rise of the Gulf Arabs*, 238, 239; NA VOC2448, diary, J. van Schoonderwoerd, Bushire, pp. 1534-5. Cf. Grummon, “The Rise and Fall of the Arab Shaykhdom,” 246-8.

⁷⁸ NA VOC2368, letter from Bandar Abbas to The Netherlands, 18 May 1737, fol. 3785r.

with the fact that the region's economy had had to bear serious financial burdens to support the naval activities. The interventionist practices of the port authorities in commerce further increased the difficulty for the Company to conduct business.⁷⁹ However, Schoonderwoerd could also see how Bushire was receiving regular supplies of commodities, particularly sugar, through Basra and Masqat. According to the journal that the Dutch agent kept in Bushire, the total number of ships that arrived into the port from 18 August 1737 to 10 April 1738 was 27. Most were local transport vessels (*vaartuig/tranki*). Nine of them brought sugar to Bushire. Besides the VOC ship called *Antonia*, another two possibly brought their sugar from outside the Gulf. A Malabar vessel which arrived from Masqat on 17 September 1737 was laden with canisters of Javanese sugar (*Bataviase suiker*), pepper and ginger; there is always the possibility that the ship had acquired the sugar at Masqat during the voyage. About one month later a Muslim ship came from Mocha with castor sugar (origin unspecified) and coffee beans. The others were all local transport craft — five from Basra and one from Masqat. The transit to Basra was particularly important. One of the Basra craft, registered as a big *tranki* (*grote torank*), was laden with 300 big canisters (*grote canassers*) of Javanese castor sugar, which would amount to 87,000 Dutch pounds.⁸⁰ This figure is striking when linked with the fact that even in their best year the annual sales of Javanese castor sugar in Bushire for the VOC did not reach 50,000 pounds.⁸¹

Pursuit of copper

Although Bushire presented itself as a modest sized sugar market during Nadir Shah's reign, it would not be going too far to say that the port contributed substantially to the regional market for export bullion. During his reign the Bushire market from time to time provided gold and silver for export to India. According to the VOC, in 1742–43 English and other private traders accepted gold ducats for a high price of 21 *maḥmūdīs* per *man* (equivalent to 6 ¾ Dutch pounds in Bushire), proposing to sell them in India for 21 ¼ *maḥmūdīs*.⁸² We are uncertain about where this metal came from, but since Bushire enjoyed a close commercial link to Shiraz and Isfahan, it is possible that much of it came from that part of the world. However, it is interesting to note that some maritime traders once tried to import silver coins into Bushire. In October 1742 the Dutch factors reported that Spanish reals (*Spaanse matten*) and rixdollars (*rijksdaalders*) had not been brought in by merchants from the upper countries but had happened to be imported via Masqat and Mocha, principally by other European traders. The merchants would not easily let go of their coins unless they could exchange them

⁷⁹ Floor, *The Rise of the Gulf Arabs*, 237–47.

⁸⁰ NA VOC2448, diary, Schoonderwoerd, Bushire, 18 Augustus 1737–10 April 1738, pp. 1522, 1523, 1527, 1529, 1531, 1534, 1536, 1540, 1541, 2521, 2523, 2527, 2528, 2530, 2532, 2536, 2538, 2539.

⁸¹ See Appendix 3.

⁸² NA VOC2610 2, letter from Bandar Abbas to Batavia, 29 June 1743, p. 120. Some of silver coins brought into Bushire were also re-exported to Basra where they might fetch better prices. R. Matthee, W. Floor and P. Clawson, *The Monetary History of Iran from the Safavids and the Qajars* (New York: I.B. Tauris, 2013), 154.

for profitable export items. Eventually they gave up the idea of trading their silver coins and instead reshipped them to India.⁸³

It was copper that held the prominent position in the Bushire market. As mentioned before, Bushire was relatively well-stocked with copper on account of its proximity to Hoveyzeh, to where the local merchants occasionally transferred the metal for minting. Indeed the main reason why the VOC tapped into the market was to procure copper and copper coins (*paysas*).⁸⁴ Though the focus of some other maritime traders' commitment to the Bushire market may have differed from that of the VOC, they most likely shared the same purpose. The Dutch noted that on 10 March 1740 an English ship called *Martha*, after selling most of its cargo at Masqat, came to Bushire with *Banian* merchants aboard in order to acquire copper.⁸⁵

Not surprisingly here too the VOC faced daunting challenges from their English and French rivals. In 1741 the Dutch officers in Bandar Abbas became embittered by reports on the severe decline of the Company's copper trade in Bushire. They remarked disapprovingly that, despite copper's exorbitant prices, the English and the French were incredulously eager to obtain it. In late 1740 copper *paysas* were hardly available, and for copper one had to pay 11, 12, 13 or 13 ½ *maḥmūdīs* per *man*. The officers regretted that they had been forced to acquiesce in order not to lose the entire market to their competitors.⁸⁶ In the midst of this helplessness, which was compounded by difficulties in dealing with the port authorities, the Dutch chief at Bandar Abbas, Carel Koenad, proposed that the Bushire factory should be closed down.⁸⁷

Predominance of Iranian and Armenian merchants

Towards the close of Nadir Shah's reign Bushire, like many other parts of Iran, experienced several rebellions against his despotic sway and its market was not exempt from the consequent confusion.⁸⁸ In the broader perspective, however, the market continued to grow as it increasingly drew in the inland merchants who had so far traded at Bandar Abbas. The advantageous access that Bushire had to the markets of Shiraz and Isfahan, coupled with the higher customs duties that distressed the Bandar Abbas market, encouraged the development of Bushire on the Iranian side of the Gulf.⁸⁹

Bearing in mind that the trade at Basra was uncertain at that time, Bushire could conceivably have reached prime position in the whole Gulf market. This apparently did not happen. In August 1750 the Dutch officers at Basra wrote that, whereas a considerable part of

⁸³ NA VOC2610 2, letter from Bandar Abbas to Batavia, 29 June 1743, pp. 120-1.

⁸⁴ Floor, *The Rise of the Gulf Arabs*, 237-8.

⁸⁵ NA VOC2511, letter from Bushire to Bandar Abbas, 5 April 1740, p. 1095.

⁸⁶ NA VOC2546, letter from Bandar Abbas to Batavia, 31 March 1741, pp. 101-2. For the copper trade at Bushire, see Matthee, Floor and Clawson, *The Monetary History of Iran*, 156, 162.

⁸⁷ He argued the same for the Isfahan factory. NA VOC2584, final report from C. Koenad to S. Clement, 22 January 1742, p. 1793.

⁸⁸ Floor, *The Rise of the Gulf Arabs*, 246-7.

⁸⁹ NA VOC2710, letter from Bandar Abbas to The Netherlands, 10 October 1748, fols. 1317r-v.

the goods that they had sold at Basra were bound for Iran through Bushire, those of the same kind which they sent directly to Bushire did not find buyers there.⁹⁰ As described before, in the early 1750s Basra became a port of transit for VOC goods in the Upper Gulf, reshipping about half of them to Iran. Yet according to Von Knipphausen, Bushire was not the beneficiary this time either. The situation of Bushire was as bad as that of Basra, he said, because there merchants could not buy goods with a value of more than 100 rupees without the governor's permission. As soon as some Company goods were imported the governor prevented the merchants from buying them, and even from coming into the Dutch lodge. Then he himself or his agent checked the goods and forced the Company to sell them for prices set by him. He distributed a quarter or a third of the purchased goods among the Iranian and Armenian merchants for the same prices he had paid. The rest would go to other merchants, to whom he sold the goods for at least a 20 or 30 per cent profit. Von Kniphansen claimed that Bushire was nothing more than a transit channel for the Company's goods.⁹¹

This dim prospect for the VOC illuminates an important aspect of the Bushire trade. It reflects the favoured position of Iranians and Armenians in the marketplace and suggests that these merchants were engaged in the sugar trade. The case of an Iranian merchant called Agha Abdi is interesting in this regard. At the close of the 1730s he was known as the chief broker in Bushire for all imported Iranian commodities. While acting as broker for the commander of the Iranian flotilla Muhammad Taqi Khan he schemed to take over the brokership from the Dutch. By obtaining a royal order appointing him as broker for the VOC he made an attempt to unseat the incumbent broker, a *Banian* called Nath.⁹² By July 1743 Agha Abdi also became broker for the EIC.⁹³ Unfortunately the English records are almost silent on this merchant (the EIC had no trading post in Bushire till 1763), but the VOC left an account of how his activities spoiled their trade. With reference to the poor sales for the period from 1 September 1745 to 31 March 1746 the Bushire factors noted that, as much as the government's extortion and the commotion caused by Nadir Shah's interference in pearl fishery frustrated their business, an Armenian merchant called Mazok [?] and the English broker (*Engelse makelaar*) Agha Abdi had all the time conducted "illegal trade" (*morshandel*). Furthermore, the price of old copper had increased to as much as 18 *maḥmūdīs* per *man*.⁹⁴

An Arab ruler of Bandar Rig named Mir Nasir Waqai (d. 1754) took advantage of this situation to invite the VOC to settle on Kharg Island, an island situated about 30 miles northwest of Bushire which he owned. His proposal was sensible, offering a place to trade away from volatile politics on the coast. His invitation was attractive enough for the Dutch officers to believe that on the island the Company could have more leeway for their trade.

⁹⁰ NA VOC2787, letter from Basra to Batavia, 10 August 1750, pp. 6-8.

⁹¹ NA VOC2824, report on Basra and Bushire, Von Knipphausen on the ship *het Fortuin*, 15 February 1753, pp. 62-3.

⁹² Floor, *The Rise of the Gulf Arabs*, 242-3.

⁹³ BL IOR G/29/6, 9 July 1743.

⁹⁴ NA VOC2705, letter from Bandar Abbas to Batavia, 31 July 1746, p. 89.

Under the strong leadership of Von Kniphausen the VOC established their factory on Kharg in November 1753 and embarked on their last venture in the Gulf.⁹⁵

3. Kharg (1753–66)

Development of local shipping

From what has been said it is becoming clear that one of the major factors in the resilience of the Gulf market was brisk local shipping to and from every single point in the Gulf. On the coastlands of the Gulf many Arab and Iranian inhabitants were dependent on shipping and fishing. If a regular market was obstructed for some reason their shipping could help to find a way through an alternative avenue of trade for its merchandise. The VOC project to turn Kharg Island into a great emporium was in fact supported by their observation that the island could also benefit in this way. Von Kniphausen related:

The above-mentioned island [Kharg Island] had a very favourable location regarding that it was situated 10 miles distant from Basra, 5 miles equally away from Bushire and Bandar Rig, 12 miles from Green [Kuwait] on the Arabian Coast (from which place the great caravan leaves for Aleppo), and about 20 miles from Qatif and Bahrain where the robust pearling was going on.

Noting the merits of its fine anchoring place near the shore, he was convinced that Kharg was the best place in the Gulf to set up a factory to supply Persia, Arabia, and Turkey with goods.⁹⁶ Moreover, Kharg was inhabited by a group of skilled sailors. During the eighteenth century they were known as the best pilots for European ships sailing to Basra, where the direct channel was difficult to navigate.⁹⁷ Soon after moving into Kharg, in the winter of 1753–54, the VOC began to construct a fortress named *Mosselsteyn* (named after Jacob Mossel, the Governor General of Batavia) in the northeast corner of the island in order to improve safety and to be convenient for local ships (*inlandse vaartuigen*) stopping by for loading and unloading.⁹⁸

The VOC enterprise in Kharg had immediate consequences on the economic environment on the north of the Iranian coast, where the Company would send a large part of its goods. Of particular significance in this regard is that the ports of Bandar Rig, Bandar Deylam, and

⁹⁵ There is uncertainty if Mir Nasir ceded Kharg to the VOC altogether or not, though the High Government of Batavia was convinced of their perpetual ownership. Floor, *The Rise of the Gulf Arabs*, 112-3, 252-4. In 1752, Mir Nasir also extended an invitation to the EIC to Bandar Rig. For the EIC's contact with Bandar Rig, see Abdul Amir Amin, *British Interests in the Persian Gulf* (Leiden: Brill, 1967), 35-9.

⁹⁶ NA VOC2824, report on Basra and Bushire, Von Kniphausen on the ship *het Fortuin*, 15 February 1753, pp. 66-7.

⁹⁷ Slot, *The Arabs of the Gulf*, 15; D.T. Potts, "Kharg Island ii: History and Archeology," *Encyclopædia Iranica*, updated 20 July 2004.

⁹⁸ Floor, *The Rise of the Gulf Arabs*, 116; NA VOC2864, letter from Kharg to Batavia, 31 May 1755, pp. 47-8.

Bandar Ganaveh, as well as Bushire, all became important destinations for shipments from Kharg.

Bandar Rig, which had been a small port in the seventeenth century, began to attract more trade at the close of the Safavid period. By 1720 it was known as an active site for inland trade with Shiraz.⁹⁹ It took a crucial position in the regional trade in the mid-eighteenth century. Around 1752 the Dutch factors at Basra sensed a growth of trade at Bandar Rig, and they transferred some goods including sugar to that market.¹⁰⁰ They also entrusted some Armenian merchants from there to procure copper ware for export.¹⁰¹ Perhaps it was at about the same time that Bandar Deylam also rose in significance. By 1755 the Dutch trade at Kharg came to rely on the regular arrivals of caravans from inland to Bushire, Bandar Rig and Bandar Deylam.¹⁰²

Even though there were more Iranian merchants living in Bushire running a lively caravan trade with markets in the interior, the other ports, Bardar Rig, Bandar Deylam and Bandar Ganaveh, were as well or even better situated as Bushire to send goods upcountry. The remarkable rise of these ports in the middle of the century owed much to the rulers' efforts to connect goods shipped from Kharg with the inland traffic. As a stimulus Mir Nasir once bought goods worth 30,021 guilders and 15 stivers from the VOC with the intention of transporting them to Shiraz on his own account.¹⁰³ According to the VOC, around mid-1755, while the shaykh of Bushire charged merchants who imported goods from Kharg a 10 per cent duty, the regents of Bandar Rig, Bandar Deylam and Bandar Ganaveh advertised an appealing rate of no more than 3 per cent.¹⁰⁴

While vying with Bushire, Bandar Rig, Bandar Deylam and Bandar Ganaveh were also in direct competition. After the murder of Mir Nasir by his son Mir Muhanna in July 1754, affairs in Bandar Rig were in a state of turmoil. In 1757, Bushire also saw a flare up of hostilities among the local elite. The VOC noted that Bandar Deylam and Bandar Ganaveh began to rise by capitalizing on this situation. The regents of these places employed every means to attract merchants and caravans and to be on good terms with the Company. At the time there were some deserters from the Dutch service at Kharg who had fled to the territories of Bandar Deylam and Bandar Ganaveh. When the Company asked for their extradition the ruler of Bandar Deylam agreed to hand over one he had caught on condition that he would not be punished. The ruler of Bandar Ganaveh did the same, but unconditionally.¹⁰⁵

⁹⁹ Floor, *The Rise of the Gulf Arabs*, 106-8.

¹⁰⁰ See Chapter 2.

¹⁰¹ NA VOC2804, letter from Basra to Batavia, 11 January 1752, pp. 12-3. Because of the deterioration of trading conditions in Isfahan after the Afghan conquest, a number of Armenians who had lived in Julfa took shelter in Bandar Rig. In February 1753, some of those Armenians requested the VOC to allow them to trade under the Company's protection. NA VOC2824, translation of a letter from five Armenians of Bandar Rig to Basra, 20 February 1753, pp. 78-80.

¹⁰² NA VOC2864, letter from Kharg to Batavia, 27 February 1755, p. 38.

¹⁰³ NA VOC2864, letter from Kharg to Batavia, 31 May 1755, pp. 51-2.

¹⁰⁴ NA VOC2885 1, letter from Kharg to Batavia, 27 September 1755, pp. 6-7.

¹⁰⁵ NA VOC2885 3, letter from Kharg to Batavia, 5 August 1756, pp. 20-4.

Apart from the close connections with the northern Iranian littoral it is likely that there was regular shipping of sugar from Kharg to Basra. The Dutch records rather surprisingly contain few references to such transport, but the English documentation on the Dutch Kharg includes an intriguing note.

The Dutch at Carrack [Kharg] keep three stout gallivats [a kind of warship] by means of which none dare to insult them. They have no dispute with any one besides the shaik of Bunderick [the shaykh of Bandar Rig] and this is owing to the[ir] refusing paying the annual sum they at first agreed for the island. Their gallivats they sent to diff[s] [different] ports to give convoy to such merchants as want to come and purchase goods. Carrack produces nothing but onions and was it not for its contiguous situation to Busshire [Bushire] and Bussas. [Basra], the Dutch would not be able to subsist. There are only two people on the island who may be call'd merchants, the one a Jew and the other a Persian. The former monopolizes all the sugar and spice for Bussa. [Basra] market, and the latter most of what goes into Persia. There are about one hundred European soldiers and forty seamen with some coffres [coffers].¹⁰⁶

This description suggests that the VOC sugar was usually shipped to the Basra market through a Jewish merchant in residence at Kharg. Much of the sugar sent to Basra might be destined for Baghdad given the growth of Jewish commerce along the Basra-Baghdad route in the eighteenth century.¹⁰⁷

In the latter half of the 1750s, Kharg also transshipped sugar to Mocha. Referring to two Dutch ships, to *de Marienbosch*, which tapped into the Masqat's market in 1756, and to *'t Pasgeld*, which sailed to Sind for trade in the same year, Dutch officers at Kharg complained to Batavia. They pointed out that if either of these ships had instead provided Kharg with sugar, iron and tin, etc., they could have increased their sales and profits. They continued:

In this regard, it is necessary for us to inform Your Honour that the shipping in this Gulf and the Red Sea (*de Mochase Golf*) is so actively carried out, and the costs of freight fees (*vracht*) are so small that, no matter where the Company's weighed goods are brought in, it makes little or no consequence on the sales. Namely, the merchants who continuously go back and forth by their craft (*tranquies*) appear wherever the goods are available, and transport them to various places where they expect to trade. This appears evident from the sugar and iron unloaded from *de Marienbosch* at Masqat, then transferred to Mocha. Besides, the merchants of Mocha (*Mochase kooplieden*), after making sales of their coffee at Basra, take sugar, iron, tin, and spices here [at Kharg] on their way back, after a month, and export them to Mocha. For this purpose

¹⁰⁶ BL IOR G/29/14, 24 December 1761, inserted letter from Bandar Abbas to Bombay under the same date.

¹⁰⁷ Abdullah, *Merchants, Mamluks, and Murder*, 93-5.

some of them have stored a little sugar here. Therefore, if Your Honour sends ships to Masqat or Mocha, the greatest part of the profits obtained there would wind up as a loss to our factory. The loss of the same kind will be proved by the goods imported into Sind (*Deviel en de Cust van Diewel Sindie*) to the sales at Surat and Malabar.¹⁰⁸

The intensified local shipping enabled sugar suppliers to unload their sugar virtually everywhere in the Gulf. That always posed a potential threat to the VOC, who intended to develop Kharg into the premier centre for shipping and trade. On 5 August 1756 the Dutch factors reported that English and French ships had appeared with large amounts of commodities that year, flooding not only the Basra market but also the whole Gulf market. They traded their goods on the cheap for precious stones, copper, wheat and all kinds of drugs. If this practice continued the Company feared they would not be able to sell almost anything but spices.¹⁰⁹ According to existing Dutch shipping lists, from 8 December 1755 to 5 August 1756 (the date mentioned above) Kharg saw twelve non-VOC ships arrive or pass by the island; five were supplying sugar. It merits our attention because those ships were engaged in the sugar trade in different places in the Gulf. An English vessel called *Prince George* from Bengal bound to Basra had sold sugar in Bandar Abbas before it called into Kharg on 8 December 1755. *La Moore*, a French arrival from Bengal on 26 December 1755, conveyed 600 sacks of sugar. An English ship called *Ganges*, passing the island on 24 June 1756, headed for Basra with 600 sacks of well-refined sugar (*witte suiker*). The ship was followed by *Elizabeth*, another English vessel, which had sold part of its sugar cargo in Bandar Abbas and Masqat on the way. A French craft called *Tegenepatnam* reached Kharg on 1 July 1757 with 700 packs of sugar, perhaps meant for Basra.¹¹⁰

Later Kharg was more of a transit site in the Upper Gulf. In 1764 the Dutch director, Wilhelmus Johannes Buschman, lamented that no trade was conducted on Kharg Island itself. Because all merchandise that came here was certainly to be reshipped, the Company's toll incomes were small. Goods that should have been unloaded here were actually transshipped from one boat (*vaartuig*) to the other "a little off shore, in the roadstead" (*op de buiten rede*), and then transported to wherever the buyer or owner of the goods wanted them to go.¹¹¹

Conflicts and flexibility of traffic

During the last part of the 1750s and the 1760s rivalries increased between the ruling elites of the Upper Gulf regions. The VOC and the EIC became embroiled in them, which sometimes resulted in attacks on the shipping lanes of the other's territory. Historians have identified two

¹⁰⁸ NA VOC2937, letter from Kharg to Batavia, 26 October 1757, pp. 18-9.

¹⁰⁹ NA VOC2885 3, letter from Kharg to Batavia, 5 August 1756, p. 8.

¹¹⁰ NA VOC2909, shipping list, Kharg, 8 December 1755–20 July 1756, pp. 1-8; VOC2937, shipping list, Kharg, 11 July 1756–4 August 1757, pp. 29-32.

¹¹¹ NA VOC3156, letter from W.J. Buschman at Kharg to Batavia, 30 September 1764, pp. 22-3.

Arab shaykhs, Mir Muhanna the ruler of Bandar Rig, and Shaykh Salman (d. 1767) the leader of the Banu Kab, Khuzestan, as the main players in this development.

After consolidating his power in Bandar Rig in 1758, Mir Muhanna began to attack the shipping bound for Bushire and Basra, and to harass caravan traffic from Bushire to Shiraz. In the middle of the 1760s, when the Zands of Shiraz under the strong leadership of Karim Khan (d. 1779) launched a military expedition against him, he had to abandon Bandar Rig, but soon afterwards he expelled the VOC from Kharg in order to settle there. From the new base, he continued to hinder the Basra shipping till 1769. In that year he was overthrown by his subordinates and arrested near Basra and executed by the *mutasallim* there. Around the same time the Kab, under its chief Shaykh Salman who was in control of the Dawraq plains, developed into a powerful maritime power in the Gulf. Taking advantage of the inaccessible marshy areas from Dawraq to the coast, and by playing off the Ottomans against the Zands, the Kab formed a politically semi-independent entity. Their ships also repeatedly attacked shipping lanes to Basra, and this did not abate until the late 1760s. That was when the EIC, at the request of the *mutasallim*, intervened with their navy to check the Kab as well as to secure the safety of ships to Basra from the attacks of Mir Muhanna.

Recently Floor has argued that, after Nadir Shah's reign, the centralizing states in Iran and Iraq, such as the Zands and the Ottomans (the *mamlūk* regime), were unable to impose their supremacy on the costal Arab shaykhdoms and they allowed them to attain self-assertive positions. The surge of Arab principalities on the Iranian coastland alongside those of the ports on the other side of the Gulf, such as Oman, Zubara, Kuwait, etc., led to hostilities and piracy and contributed to a growing insecurity over the Gulf. As a consequence, Gulf trade fell into overall decline.¹¹²

This is a view reminiscent of the "myth" of Arab piracy that echoes in British colonial literature on the Persian Gulf. But in fact the rise of the Gulf Arabs mostly reflects a fast-shifting development of the Gulf trade during the eighteenth century rather than its breakdown.¹¹³ In this light we should recall earlier scholarship that supports this idea. Grummon argued that it was the incontrovertible status of Bushire as the principal trading port of the region after the recession of Bandar Rig that may have driven Mir Muhanna to his "piracy" operations, for this was the only feasible economic occupation left to him.¹¹⁴ Ricks perceived the steady growth of trade from Basra to Bandar Shapur, close to Dawraq, and thence to Shiraz and Isfahan during 1753–63 as being behind the emergence of Shaykh Salman and the Kab.¹¹⁵ Abdullah plainly put it that the war between the Kab and the

¹¹² Floor, *The Rise of the Gulf Arabs*, xvii, 317-9.

¹¹³ J. Lorimer, *Gazetteer of the Persian Gulf, 'Omān, and Central Arabia*, 2 vols. (Calcutta: Office of the Superintendent Government Printing, 1908–15). al-Qasimi also supports the idea of an overall catastrophe in the eighteenth century, but he does not ascribe it to "Arab piracy" but to the political commotion in the Iranian littoral. al-Qasimi, *Power Struggles and Trade*, xi, xxxiii-xxxiv, 190-2. Cf. Idem, *The Myth of Arab Piracy* (London: Croom Helm, 1986).

¹¹⁴ Grummon, "The Rise and Fall of the Arab Shaykhdom," 89-90.

¹¹⁵ Ricks, *Notables, Merchants, and Shaykhs*, 182-3.

government of Basra was fuelled in part by the boom of Basra shipping during the period from 1766–74.¹¹⁶

It is true that during the eighteenth century the rivalries among many independent Arab shaykhdoms on both shores of the Gulf often impaired Gulf shipping. However, it is not unlikely that, when two entities or more fell into an outright conflict, there were some other seafaring groups who, not aligned with either side, made the best of their rivals' struggle to gain more traffic. The situation of 1761 is a case in point. At that time Shaykh Salman in alliance with the Utubi tribesmen of Kuwait fought the Madhkhur shaykh of Bushire named Shaykh Sadun for control of Bahrain. This war involved Basra and the Huwala Arabs (*Houlaase Arabiers*, a group of powerful sea nomads of the Lower Gulf); the former aligned itself with Bushire, and the latter split into two factions. As a consequence, almost all local shipping (*kleine vaart*) was prevented. Nevertheless, craft belonging to the inhabitants of Kharg Island remained in operation. They freely shuttled back and forth in the Gulf since both parties let them pass unmolested in view of the neutral position adopted by the VOC on this issue.¹¹⁷ The busy Kharg traffic was probably one of the main reasons for the Dutch success in sales of sugar at the beginning of the 1760s (Chapter 2).

A similar adaptability in the overland traffic taking merchandise to and from the Gulf can also be seen. Buschman once noted that the military operations inland on the Iranian side would not have had so great an impact on the trade at Kharg as on that of Bushire and Bandar Rig, for the Iranian kingdom was so “vast” (*wijdluftige uitgebreidheid*) that not all roads towards it could be stopped or barred at once.¹¹⁸ Alternative passages for the VOC sugar which he then had in mind might well have included the Iraqi routes. Some time later he wrote that, although there was still confusion in the neighbouring provinces, the roads reopened to Basra, Baghdad, and through them to Iran.¹¹⁹

Even more remarkably there was an unfaltering demand for maritime sugar inland on the Upper Gulf. In early 1763 the Euphrates route was blocked by local Arabs; commercial traffic from Basra to Baghdad, Shushtar and elsewhere ceased altogether. This was due to the war between the governor of Baghdad and Basra, Ali Pasha and the desert Arabs. On top of that, trade in the Gulf down to Masqat was at a complete standstill. Despite all this Buschman was still confident of seeing an improvement in the Company's trade. His information was that sugar had already become extremely scarce in the upper countries, and hardly anyone could obtain it even they had the money.¹²⁰

From the late 1750s Mir Muhanna's increased aggression against the Bushire-Shiraz caravan routes fostered an alliance between the Madhkurs and Karim Khan. The peace that the partnership ensured encouraged the traffic from Bushire to Shiraz.¹²¹ During the first half of the 1760s the trade further developed as Karim extended his mastery over most of the

¹¹⁶ Abdullah, *Merchants, Mamluks, and Murder*, 50-1.

¹¹⁷ NA VOC3027 2, letter from Kharg to Batavia, 22 June 1761, pp. 4-5.

¹¹⁸ NA VOC3123, letter from W.J. Buschman at Kharg to Batavia, 8 May 1763, p. 5.

¹¹⁹ NA VOC3123, letter from W.J. Buschman at Kharg to Batavia, 5 October 1763, p. 19.

¹²⁰ NA VOC3123, letter from Buschman at Kharg to Batavia, 8 May 1763, pp. 8-9.

¹²¹ Grummon, “The Rise and Fall of the Arab Shaykhdom,” 91-3.

interior of Iran, and this facilitated moves of merchants and goods through the country. Especially after February 1763, when Karim defeated his archrival Fath Ali Khan Afshar in Azerbaijan, Bushire was well-connected through Shiraz to Isfahan and even to Russia.¹²²

The vibrant market attracted the EIC, which was looking for a new outlet for English woollen manufactures on the Iranian littoral after their departure from Bandar Abbas in 1762. The EIC set up a trading post in 1763 and English trade at Bushire immediately became active. In May 1763 the Dutch at Kharg expressed a growing concern about the English, who had carried out a “crafty scheme” (*finesse*) to import not just woollen goods but also weighed goods, such as lead, tin, and notably a batch of Batavia, Cochin, and Chinese castor sugar. Once the roads would become somewhat safer the Dutch were concerned that the newly-established English factory and trade would get a firm footing and deter trade at Kharg.¹²³

In the last days of the VOC Kharg venture the Company faced vigorous English shipping to the Upper Gulf as well as the complications of conflicting interests of the local and regional notables. According to a Dutch memorandum, in the financial year of 1763–64 12 English ships came to Basra and Bushire from Bengal, Bombay and Surat, as well as 2 Muslim vessels and 2 Dutch private sloops.¹²⁴ A Dutch shipping list for the same period enumerates 6 non-VOC ships which appeared in Kharg with sugar. According to the document they all belonged to the English — 2 EIC and 4 private — and their shiploads of sugar, which consisted of Bengali, Javanese and Chinese varieties, were most probably destined for Basra and Bushire.¹²⁵

Buschman ascribed the vigour of English sugar imports particularly to the shipwreck of the VOC ship *Amstelveen* near Sawqirah, Oman, on 5 August 1763 and the resulting shortfall in the Javanese sugar supply.¹²⁶ When they heard of the disaster, he wrote, the English had brought in a considerable amount of Bengali and Javanese castor sugar as well as Cochin and Chinese candy sugar. However, the insecurity on the roads meant they had only managed to sell part of it before another VOC ship called *Lapienenburg* arrived on 14 August 1764. Some days afterwards, many caravans came to Bushire and the English began to trade their sugar for fruits (*fruitage*), kapok, and rosewater for export to Bengal. In order to attract the attention of the inland merchants back to Kharg — merchants who now that sugar was available in Bushire and Basra would not think it profitable to risk crossing the water — the Dutch reduced their rate for castor sugar to 20 guilders per *pikol* (probably equivalent to 120 Dutch pounds), 2 guilders lower than the projected price. According to Buschman, this measure was so successful that every day merchants came over to take the Company’s sugar, while the English were at a loss for what to do with theirs.¹²⁷

¹²² al-Qasimi, *Power Struggles and Trade*, 100; NA VOC3156, letter from Buschman at Kharg to Batavia, 30 September 1764, p. 36.

¹²³ NA VOC3123, letter from Buschman at Kharg to Batavia, 8 May 1763, p. 7.

¹²⁴ NA VOC3156, letter from Buschman at Kharg to Batavia, 30 September 1764, p. 27.

¹²⁵ NA VOC3156, shipping list, Kharg, 1763–64, pp. 55–60.

¹²⁶ For a brief note of the shipwreck of *Amstelveen*, see W. Floor, *The Persian Gulf, Dutch-Omani Relations: A Commercial & Political History 1651–1806* (Washington, DC: Mage Publishers, 2014), Annex 4, 217–23.

¹²⁷ NA VOC3156, letter from Buschman at Kharg to Batavia, 30 September 1764, pp. 28–30; VOC3156, annual sales statement, Kharg, 1763–64, pp. 18–19.

As they had done in Kerman the English merchants showed flexibility in pushing their way into the interior market of Shiraz. By September 1764 the English had their commission agent (*commissie*) in position in Shiraz, which caused a “noticeable drawback of the merchants going out and coming to Bushire and its inhabitants in general.” The Dutch wrote that if the English could not sell their goods at Bushire as they wanted they would send the articles to their agent by caravan on their own account, as they had done with their import of castor sugar and Cochin and Chinese candy sugar.¹²⁸

4. After the VOC’s withdrawal

For the period after the VOC’s final departure from the Gulf in 1766, I will briefly trace the trajectory of sugar shipping and trade in the region. It seems true that from 1766 to 1774 Basra played the role of the principal sugar outlet in the Upper Gulf. Abdullah shows that the shipping at the port prospered during that period, except in 1773 when a terrible plague hit Basra. In one year there were more than 25 arrivals. For this he credited increased security: the threat from Kab had diminished, Iran was suffering internal fragmentation, and there was increasing involvement by the EIC navy in policing the sea lanes. What is noteworthy in relation to sugar trade is the surge of English shipping to the port. Whereas vessels of Indian merchants, such as the Chelebi family of Surat, continued to sail to Basra, English ships dominated the shipping, especially from 1769–74.¹²⁹

The remarkable growth of the Basra shipping, which deprived Bushire of much trade, incited intense rivalry from the Zands in Shiraz. In 1769 Karim Khan appointed Mir Husayn (one of those who had ousted Mir Muhanna from Kharg) as admiral of the Gulf and allowed him to take over all Mir Muhanna’s vessels. This enabled him to begin to attack the shipping lanes to Basra. On 22 June 1771 the fleet captured *Britannia*, an English ship from Bombay laden with goods including sugar, iron, and spices belonging to the English captain William Show. They also took a country ketch flying the English flag and a craft from Masqat. They proceeded to Bahrain and sold half the goods there and at some other places on the way back to Kharg.¹³⁰

Karim’s ambition to control the sea lanes culminated in 1775 when the Zand troops crossed the border and besieged the city of Basra. The siege lasted until April 1776 when the city finally surrendered. The Iranian occupation continued till September 1778. After that the Basra trade significantly declined. Before this, the customs house of Basra had annually raised three to four thousand *tūmāns* from European ships alone, but in 1785, the amount fell

¹²⁸ This agent might have been a man called Edward Hercules. According to an EIC officer, without the permission of either Basra or Bombay, Hercules acted as the EIC ambassador in Karim’s court and conducted private trade in co-operation with Benjamin Jervis, the EIC resident at Bushire. NA VOC3156, letter from Buschman at Kharg to Batavia, 30 September 1764, p. 27; al-Qasimi, *Power Struggles and Trade*, 105, 110.

¹²⁹ Abdullah, *Merchants, Mamluks, and Murder*, 48, 50–4, 60–3.

¹³⁰ al-Qasimi, *Power Struggles and Trade*, 149–54.

to hardly more than 500 *tūmāns*. Abdullah claims that the commercial stagnation in Basra dragged on well into the nineteenth century.¹³¹

Risso says that the town that benefited most from the confusion of the Upper Gulf and the resulting recession of the Basra market was Masqat.¹³² According to an English report by Samuel Manesty and Harford Jones, two EIC officers in Basra in 1790, Basra began to decline after the 1773 plague, even though it still attracted both foreign and local vessels — English, Surat Muslim, Masqati Arab, etc. — and many wealthy inland merchants.¹³³ After the death of Karim Khan in 1779, Bushire also stagnated. Its trade was affected by the war of succession that ensued, but then it recovered a little under the rule of Jafar Khan (r. 1785–89).¹³⁴ Masqat by contrast was thriving. The report says, “Commerce is [a] never falling source of wealth and it has rendered Masqat a more rich and more flourishing sea port than any other bordering on the Persian Gulf.”¹³⁵ Whereas in the Turkish and Persian dominions, trade languished and scarcity of bullion specie increased, the merchants of Masqat conducted capital commercial enterprises and their sales and purchases were generally transacted for ready money.¹³⁶ They exported copper and large sums of gold and silver coins including German crowns and Venetian sequins every year to Surat, Bombay, the Malabar Coast and Calcutta.¹³⁷

It is possible that the disparity in tariffs between Basra and Masqat favoured the latter. According to the officers, Basra imposed duties on the import of “fine goods” and “gross goods” from sea and Baghdad: 7 ½ per cent and 8 ½ per cent respectively. It also imposed “the similar rate” on the export of goods to Aleppo and 5 ½ per cent on the maritime export of all sorts of goods. Masqat by contrast collected a 6 ½ per cent duty on all imports and provisions.¹³⁸

Whatever the facts, Masqat owed much success to its intensive trade of coffee and sugar:

The wealth derived to them [the merchants of Masqat] from the valuable importations annually made at Muscat of coffee from the ports of Hedeeda [Hodeidah] and Mocha in the Red Sea, and of sugar from Batavia are [*sic*] alone sufficient to render them rich and respectable. The importations of coffee amount to near one half of the quantity annually produced in Yemen and is sufficient for the full consumption thereof in the countries of Persia, Arabia Deserta, Mesopotamia, Coordistan [Kurdistan], Armenia, Georgia and Natolia [Anatolia] and in part to satisfy the demand for that article of luxury in Syria, Turkey in Europe, Germany, Poland, Russia and other northern kingdoms. The

¹³¹ Abdullah, *Merchants, Mamluks, and Murder*, 54-6.

¹³² P. Risso, *Oman & Muscat: An Early Modern History* (New York: St. Martin's Press, 1986), 76-7.

¹³³ BL IOR P/414/51, report on the trade of Persia and Arabia, S. Manesty and H. Jones, Basra, 15 August 1790, pp. 80-1, 91, 96-7.

¹³⁴ *Idem*, p. 120.

¹³⁵ *Idem*, p. 78.

¹³⁶ *Idem*, p. 84.

¹³⁷ *Idem*, pp. 82-3.

¹³⁸ *Idem*, pp. 84, 93.

importations of sugar are very large, and are sufficient for the supply in that indispensably necessary article of the countries of Persia, Arabia Deserta, Mesopotamia, Coordistan, Armenia, Georgia and Natolia.¹³⁹

It is known that the merchants of Masqat at the time, perhaps mostly the Arabs including the Bu Said *sulṭān*, conducted the import of Javanese sugar from the ports on the western coast of India such as Surat, Bombay and Cochin. The report also relates that important sugar suppliers were ships belonging to European nations, specifically to the Dutch and the French.¹⁴⁰ Actually in 1777 the High Government of Batavia allowed Dutch private traders to resume the export of Javanese sugar to Masqat. According to Floor, this practice continued till 1796.¹⁴¹

More to the point, however, is the ever-growing Arab shipping which passed through Masqat to many other trade routes in surrounding countries. Goods were sent in dhows, dinghys and square-rigged vessels belonging to the Arabs, according to the English records. Commercial intercourse between Masqat and the Red Sea and the Persian Gulf carried on.¹⁴²

Every year the Arabs of Masqat sailed to Hodeidah and Mocha with a variety of goods, including candy sugar, and they brought back rich cargoes of coffee and considerable quantities of Venetian sequins and German crowns.¹⁴³ As suggested in the previous chapter, it is likely that Masqat also regularly transferred some sugar to Sind, and thence along the Indus to the southern parts of Khorasan.¹⁴⁴ Whereas Basra and Bushire, where the EIC kept their factories, could count on sugar supplies from English shipping, it seems true that these places also received regular shipments of sugar from Masqat. Bushire certainly received considerable amounts of sugar from Masqat, according to the officers' report: "[t]he commercial intercourse which subsists between Bushire and Muscat by boats affords large importations to the latter of sugar, sugar candy, spices of various sorts, coffee, metals of different sort[s] and a variety of different petty articles." Because at the time Bengali ships were troubled by the heavy duties imposed by Basra and preferred to unload their cargoes at Bushire for transit to Basra, Baghdad and Aleppo, it is reasonable to suppose that some of the sugar cargoes sent to Bushire was bound for Basra.¹⁴⁵ Last but not least, the Utubis of Kuwait and Zubara, who had by then expanded their control to Bahrain, vigorously conducted freight trade between Masqat and the ports on the Arabian Peninsula. Their vessels and boats carried sugar from Masqat to the major commercial nodes of the area, such as Kuwait, Bahrain, Zubara and Qatif.¹⁴⁶

¹³⁹ Idem, p. 84.

¹⁴⁰ Idem, pp. 82-3, 123.

¹⁴¹ Floor, *Dutch-Omani Relations*, 161-7.

¹⁴² BL IOR P/414/51, report on the trade of Persia and Arabia, Manesty and Jones, Basra, 15 August 1790, p. 82.

¹⁴³ Idem, pp. 83-4.

¹⁴⁴ Idem, pp. 125-6.

¹⁴⁵ Idem, p. 123.

¹⁴⁶ Idem, pp. 86-90.

The Dutch and French shipping decreased in the late 1790s because of the Anglo-French war (1793–1802). In 1796 the EIC forced the Bu Saids to agree to deny the French as well as the Dutch, their ally, access to the port. Yet the recession was offset by ever more shipping by the Masqati merchants, especially the Bu Said *sulṭān*. In order to obtain sugar they sailed as far away as Calcutta and Batavia.¹⁴⁷

In 1800 John Malcolm, an EIC officer at Bushire, noted that India's trade to Arabia (Basra, Bahrain, etc.) was much more considerable than to Persia. India's exports including sugar came via Masqat and were traded for dates from Basra, pearls from the Arabian shores, European gold, silver lace from Aleppo, and copper from Diyarbakir. Most of these items also passed through Masqat to India.¹⁴⁸

Conclusion

The evidence of the prevailing trade of non-VOC sugar suppliers as documented by the Dutch in their northern settlements of Basra, Bushire and Kharg marks the sad epilogue for the end of the Company's long commercial history in the Persian Gulf. While some recent studies reassert the VOC decline as an element of an overall disaster in the Gulf economy, the narrative appears not dissimilar to the captivating saga of the realignment of the trans-regional trade through the Gulf.¹⁴⁹

In the 1720s the bulk of the sugar trade that had passed through Bandar Abbas during the late Safavid period was being channelled to Basra, as ships belonging to the English, the Muslim merchants of Surat and the French increasingly veered there. Despite the Iranian invasion of Iraq during the first half of the 1730s trade at Basra boomed. There was an intensified shipping to the port by non-VOC sugar suppliers, especially the English and the French. They brought in large cargoes of Bengali and Chinese sugar (and later Javanese sugar) from Indian ports. The political instability that overshadowed Basra during most of the 1740s stalled the market. By the close of the decade, however, it picked up significantly as the English and the French increased their shipping. The flexible nature of inland commercial traffic radiating from Basra also contributed to the resilience of trade at the port.

The rationale behind such a redirection was the rise of Basra as an alternative market for exporting bullion to Isfahan. Of critical importance is the remarkable rise of copper as an alternative to gold and silver. By 1730, while gold and silver specie became extremely scarce, the so-called "Bengali traders" involved with English privateers became eager to obtain copper in return for maritime goods including sugar, so that the inland merchants began to provide copper to the Basra market. Throughout the eighteenth century Basra reckoned on a steady supply of Anatolian copper. More importantly, the substantial expansion of India's

¹⁴⁷ Risso, *Oman & Muscat*, 195-6, 198; Floor, *Dutch-Omani Relations*, 167-9.

¹⁴⁸ J.A. Saldanha, *The Persian Gulf Précis*, vol. 1 (Gerrards Cross: Archive Editions, 1986), 445 (Appendix H: Report on trade between Persia and India, J. Malcolm, Bushire, 26 February 1800).

¹⁴⁹ Slot, *The Arabs of the Gulf*; al-Qasimi, *Power Struggles and Trade*; Floor, *The Persian Gulf: The Rise of the Gulf Arabs*.

copper market during the century underpinned the sugar trade at Basra. From the middle of the century pearling on the Arabian shore grew significantly on account of an increased demand for Gulf pearls in overseas markets, particularly at Surat. As a result pearls also became a valuable export item for the maritime traders to select.

At Basra the itinerant merchants of Iraq, the Middle East and Greece as well as Iran, were important buyers of sugar. The English and French suppliers presented a particular menace to the VOC since, like in Bandar Abbas, they offered their sugar to the merchants at cheap prices and on long credit terms, and adroitly accepted copper for export to India. That sugar production in Guangdong Province also evolved for the South and West Asian markets, and from the late 1730s further added to the momentum.

Compared to that of Basra, the sugar market at Bushire was of a modest size, as many suppliers unloaded Bushire-bound sugar in Basra and Masqat. Nevertheless, Bushire presented itself as a major market for copper owing to its proximity to the mint town of Hoveyzeh, the place where the inland merchants would transfer the mineral for minting. In the marketplace of Bushire the Iranian and Armenian merchants held dominant positions. The EIC took advantage of their Iranian broker to steal an edge over the Dutch there.

As far as the flexibility of sugar trade in the eighteenth century Gulf is concerned a crucial factor is the local shipping by inhabitants of the Gulf coast, primarily the Arabs, which developed impressively from the mid-century. In the early 1750s most of the VOC goods sent to Basra were reshipped to both shores of the Upper Gulf to circumvent the port's high tariff. After the Dutch settled in Kharg Island in 1753, Bandar Rig, Bandar Deylam and Bandar Ganaveh on the northern Iranian littoral rose by attracting sugar shipments from Kharg for transport to Shiraz, while competing with Bushire. Kharg also regularly sent sugar to Basra and Mocha. Such ubiquitous shipping enabled other suppliers to unload their sugar virtually everywhere in the Gulf, thus posing a threat to the VOC who intended to concentrate local navigation at Kharg.

While some recent scholars consider the increased hostilities among the coastal Arabs after Nadir Shah's reign as detrimental to the Gulf economy, their mutual rivalry rather brought about incessant shifts of trading channels as the parties vied for control. At the turn of the 1760s, when serious power struggles occurred among the Arab notables hindering each other's shipping, Kharg gained more traffic in sugar because the VOC took a neutral position on this issue. Mir Muhanna's challenge to Bushire shipping and caravan traffic in the late 1750s and the 1760s fostered an alliance against Bandar Rig between the Madhkurs and Karim Khan which encouraged the Bushire trade to Shiraz. After the establishment of the EIC factory at Bushire in 1763 the English began trading there. They imported considerable amounts of Bengali, Javanese and Chinese sugar into Bushire, and occasionally transferred it to Shiraz where they supported their own agent.

After the VOC retreat in 1766 Basra became the principal sugar outlet in the Gulf and there was a marked increase of English shipping to the port. The Zand occupation during 1774–78, however, caused a severe diminution in trade. Meanwhile, Masqat attracted enormous shipments of coffee and sugar and significant supplies of copper and gold and

silver specie, thus initiating a noticeable shift of the Gulf trade back to the south. The Dutch and the French besides the Masqati merchants imported substantial quantities of sugar (some of which must have been Javanese) into Masqat. From there much of it was conveyed on countless Arab craft to the Upper Gulf, to the Red Sea, and to Sind.

There was an intensification of the competition for sugar imports in the Upper Gulf after the Safavid period. This reflected the notable endurance and flexibility of trade by non-VOC suppliers, and the increased commitment of local Arab shipping to the sugar trade. Both catered for the unflagging demand for sugar from people from towns in West Asia. The relationships between the suppliers, distributors and consumers of sugar was not merely governed by the law of supply and demand but was defined by a spectrum of forces that laid down broader economic constraints. We have noted especially India's strong demand for gold, silver, and above all copper, which was an eighteenth-century catalyst for growth in global commerce.

This all relied on the role of local merchants who worked on behalf of many maritime traders. They featured as a crucial link between regional and global economies by trading imported sugar for profitable goods for the return voyage, principally precious metals. Who were these merchants? How were they involved in the sugar trade? How did the successful ones involve themselves in these changing trading situations over a period of time? We will deal with these questions in the following chapters.

