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Sugar trade in the Eighteenth-Century Persian Gulf

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Chapter 3: Sugar Trade in the Persian Gulf: The VOC's Competitors

During the Safavid period, sugar was highly profitable in Iran, and this encouraged a great number of traders, Europeans and Asians alike, to engage in the import of sugar into the Persian Gulf. Not surprisingly some of them were cut-throat competitors. The VOC also joined in this promising venture soon after they had set up a trading station at Bandar Abbas, and now they had to face the challenge of other suppliers vigorously importing sugar. While adequate scholarly attention has been paid to the increased competition during the seventeenth century, little is known about its development during the eighteenth century, especially after the fall of the Safavids, when the Gulf market witnessed a significant reformation. The present chapter will examine the competition at Bandar Abbas from the close of the seventeenth century up to the final departure of the VOC in 1759. Few documents have survived from the “competitors” of the VOC, so it is difficult to know accurately who the “competitors” were and how they gained profits from their speculative enterprises. But the detailed Dutch accounts about monitoring other traders provide valuable insights into the ways in which their “competitors” came to involve themselves in the lucrative commerce at Bandar Abbas.

1. Safavid period

Non-VOC shipping of sugar

Bandar Abbas is a port city located on the northern shore of the Strait of Hormuz, the mouth of the Persian Gulf. It was established by the Safavid dynasty in 1622 and ruled by a governor (*ḥākīm/sulṭān/khān*) and a customs-master (*shāhbandar*). The port connected many points along the Indian Ocean with major cities of Iran, such as Shiraz, Isfahan, Kerman and Yazd, and functioned as a major hub of trans-regional trade in the Gulf during the Safavid period. Bandar Abbas attracted many merchants, not only from Asia but also from Europe. After the establishment of the town, three East India Companies from Europe set up trading posts at Bandar Abbas: the EIC (1622), the VOC (1623), and the French (in the late seventeenth century).

As explained in the previous chapter, the VOC initially obtained a substantial profit from the import of Taiwanese sugar into Iran, a trade which they monopolized until 1662 when they lost Taiwan. Omani loaf sugar increasingly filled the gap left by the diminishing supplies of Taiwanese sugar, and Bengali sugar, the production for export of which had been accelerated by the mid-seventeenth century, offered an opportunity for the Company to resume commerce. In the financial year 1662–63, there was a sharp increase in the VOC export of Bengali sugar to Iran: then it reached 1.17 million Dutch pounds, and in Iran it yielded a gross profit as high as 172 per cent.¹ This triggered intense competition from other suppliers. By 1660 among these competitors joining this lucrative trade were Surat merchants such as the Chelebi family, Golconda notables including Mir Jumla, and Orissa and Bengali

¹ O. Prakash, *The Dutch East India Company and the Economy of Bengal, 1630–1720* (Delhi: Oxford University Press, 1988), 174–5. See also Figure 2.1.

officials. In the late 1660s Dutch private trade from Bengal represented an obstacle to the VOC. In 1668–69, when a Dutch ship called *Duinvljet* docked at Colombo, it uncovered 374 bags of illegitimate private sugar.² The greatest threat to the VOC, however, were English private traders. Large amounts of English goods were being imported into Iran and bought by merchants from Isfahan. So in 1672, VOC officials at Bandar Abbas tried to dissuade these merchants from trading with the English by underpricing the English sugar at the Isfahan market. This strategy seems to be effective for, a few years later, many Isfahan merchants were refusing to buy sugar from English ships that happened to arrive in Iran before Dutch ships.³ The competition never ceased. By 1687 English private trade from Bengal to Bandar Abbas exceeded that of the EIC.⁴ In the early 1680s the EIC agent of Bengal named Matthew Vincent was known as one of the main competitors of the VOC for Bengali sugar in large parts of the Iranian market.⁵ The EIC itself engaged in this venture in the 1680s, though on a smaller scale.⁶

Whereas preceding studies have highlighted the VOC struggle to import Bengali sugar into Bandar Abbas in the second half of the seventeenth century, they have failed to look at the more critical phase for the Company that followed. From the 1690s onwards, the VOC concentrated on the sale of Javanese sugar produced in Batavia's *ommelanden*. The regular correspondence of Dutch officials provides many references to the activity of the shipping of sugar in the Indian Ocean to Bandar Abbas by other traders in this period, but the details are rather fragmentary and sporadic. The most important Dutch records on this subject are the so-called "shipping lists". The EIC factory at Bandar Abbas also compiled similar lists but they are now incomplete.⁷ The Dutch records contain lists of non-VOC ships which arrived at and departed from the port of Bandar Abbas from 1694 to 1715, though with minor gaps. The lists provide valuable information on trans-oceanic shipping, including the names of the ships, their registrations, dates of arrival and departure, origins and destinations, and occasionally sizes, owners, cargoes, etc. Although these data constitute a treasure trove of information about sugar imports into Bandar Abbas by non-Dutch vessels during that period, historians have not made full use of them.

There are four principal difficulties in utilizing the lists of non-VOC arrivals and departures. Like many other trading centres along the Indian Ocean, Bandar Abbas was not only a terminal for long-distance shipping but also a node for local and regional shipping, connecting numerous secondary ports in the Gulf with its neighbours. Local shipping usually involved countless relatively small craft, mostly referred to as *trankies* in the Company records. They played an essential role in invigorating trade at Bandar Abbas. However, the

² R. Klein, "Trade in the Safavid Port City Bandar Abbas and the Persian Gulf (ca. 1600–1680): A Study of Selected Aspects," (PhD diss., University of London, 1993–94), 380–2.

³ Prakash, *The Dutch East India Company*, 175–6.

⁴ R. Barense, *The Arabian Seas: The Indian Ocean World of the Seventeenth Century* (New York: M.E. Sharpe, 2002), 447.

⁵ Klein, "Trade in the Safavid Port City," 381.

⁶ Prakash, *The Dutch East India Company*, 176; W. Floor, *The Economy of Safavid Persia* (Wiesbaden: Reichert Verlag, 2000), 132.

⁷ For instance, BL IOR G/29/15, list of the arrival and departure of shipping, Bandar Abbas, 14 October 1726–24 March 1727, fols. 247r–v.

Dutch lists totally omit such sailings and primarily focus on large ocean-going ships, for it was their imports that represented a major threat to the Company's annual profit in Iran. We have noted that there are no local shipments of Omani sugar to Bandar Abbas via Masqat or other harbours of Oman in the list, even though a not insignificant part of those shipments was destined for other marketplaces of the Gulf such as Bahrain, al-Hasa, and Basra, and even Mocha.⁸

The second difficulty for utilizing the Dutch lists is that they register foreign vessels only by their respective nationality: as English (*Engels*), sometimes distinguishing EIC (*Engelse Compagnie*) vessels from English private (*Engelse particulier*) ones; Danish (*Deens*); French (*Frans*); Muslim (*Moors*); Armenian (*Armeens*); and others. The registrations of ships did not always record the names of the traders who actually ran the ocean-going trade. A Danish vessel called *Princess Sophia Hedwig*, which imported sugar from Bengal into Bandar Abbas on 14 June 1709, had in fact been hired by English traders.⁹ It is also pertinent to remember that many ships carried not only goods for the community noted in the registry but also a considerable amount of freight for other merchants. The freight packages brought by a Muslim ship called *Ali Shahidi* on 15 May 1701 included conserves (*confituren*) and sugar from Bengal, though we do not know who assigned those commodities onto the ship.¹⁰

Thirdly, the lists note the origin of the sugar suppliers and sometimes the ports that the ships visited on their way to Bandar Abbas, but it is not certain where the sugar was actually loaded. Ships from Bengal and China, most of which conveyed sugar, might have procured the sugar from local sugar-producing regions in those regions, but we cannot identify any sugar and conserves in their cargo from other places. For example, it is often unclear whether sugar sent from Surat was from North India or from somewhere else. This is exemplified by a list for a Muslim ship from Surat called *Ilahi Shahidi*. This ship imported 355 sacks of Bengali sugar into Bandar Abbas on 25 January 1697.¹¹ But frequently conserves occur on the lists of cargoes from Surat, which suggest that they were locally manufactured for export.¹²

The fourth limitation of the lists is that they note the amount of cargo arriving in container units, such as canisters (*canassers*), sacks (*zakken*), bags (*blazen*), etc., with no indication of the weight of those units. Even so, we can speculate about the total sugar import by non-Dutch ships for certain years. The total foreign import of sugar in the competitive year of 1705–06, as seen in Chapter 1, was 8,200 sacks and 6,000 “small canisters” (*kleine canassers*).¹³ Assuming that a sack weighed 300 Dutch pounds and a “small canister” 145 Dutch pounds (with a large canister about 290 pounds), the grand total would amount to about

⁸ Klein, “Trade in the Safavid Port City,” 408.

⁹ NA VOC1768, shipping list, Bandar Abbas, 1 November 1708–23 December 1709, fol. 1884v.

¹⁰ NA VOC1667, shipping list, Bandar Abbas, 28 February 1701–27 January 1702, p. 250.

¹¹ NA VOC1598 1, shipping list, Bandar Abbas, 1 November 1696–31 March 1697, p. 72. Besides the English, Muslim traders constantly exported Bengali sugar to Surat during the eighteenth century. For instance, NA VOC8736, shipping list, Hugli, 20 October 1704–15 April 1705, pp. 92-7.

¹² Many English and Muslim vessels from Surat brought conserves to Bandar Abbas in the late Safavid period. For instance, NA VOC1650, shipping list, Bandar Abbas, 10 June 1700–11 December 1700, p. 30; VOC1611 2, shipping list, Bandar Abbas, 5 April 1698–28 July 1698, p. 70.

¹³ NA VOC1732, shipping list, Bandar Abbas, 19 July 1705–15 April 1706, pp. 592-3; VOC1747 1, shipping list, Bandar Abbas, 13 April 1706–30 November 1706, pp. 375-7.

3.33 million pounds.¹⁴ But this figure is somewhat unrealistic by comparison. The English ship *Leijer Sester*, for instance, arrived from Bengal on 9 May 1706 with 3,000 sacks of sugar or 900,000 pounds. But the tonnage of this ship is listed as 200 *lasten*, or about 600,000 pounds.¹⁵ Therefore, we should reduce the provisional grand total as previously calculated, but it would still be high, seeing that the VOC had a total import of sugar that year of about 2.2 million pounds.¹⁶

Notwithstanding these limitations it is possible to get an overall picture of the non-VOC shipping to Bandar Abbas and of its sugar import. The shipping lists record 256 arrivals at Bandar Abbas during the period 1694–1715, of which 94 vessels unloaded sugar at the port. The average annual number of arrivals during the period 1694–1715 is 12 ships, with an average of 4 shipping sugar during that period (Figure 3.1).

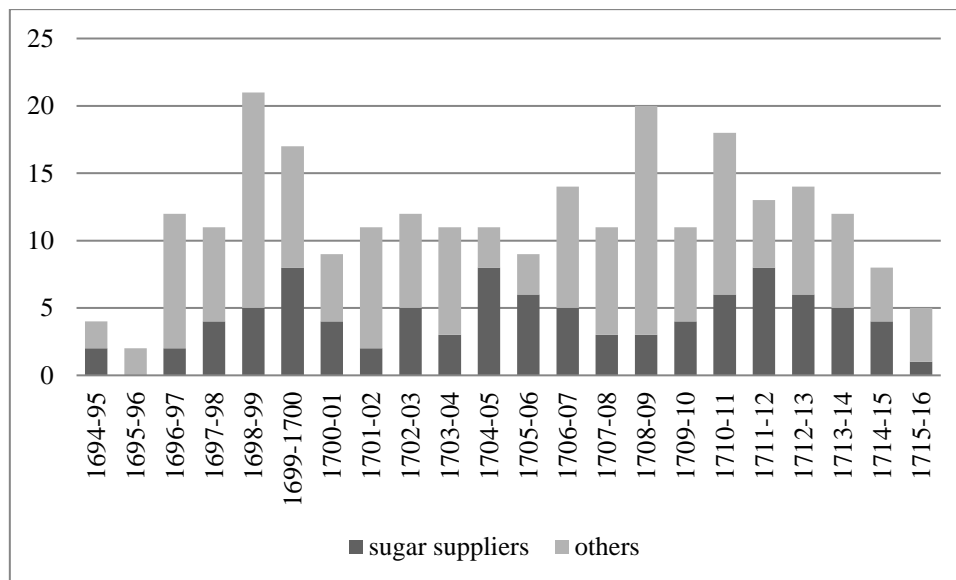


Figure 3.1: Non-VOC sugar suppliers to Bandar Abbas, 1694–1715 (number)

Note: The VOC's financial year begins on 1 September and ends on 31 August in the following year. This roughly corresponded to the trading season of Bandar Abbas. In the years 1694–95 and 1695–96, the VOC covers only the period from 28 June 1695 to 31 October 1695, after which no record is available till 1 November 1696. The document for foreign shipping is almost unbroken from 1697 to 1715. In 1716, the list ends on 15 February. Sugar suppliers shown in the figure include those who conveyed cargoes of conserves.

Source: Appendix 6.

¹⁴ NA VOC8081, shipping list, Bandar Abbas, 11 December 1710–23 May 1712, p. 102; VOC2034 2, instruction from P. 't Lam at Bandar Abbas to B. Lispensier for the latter's mission in Masqat, 15 June 1725, p. 344.

¹⁵ VOC1747 1, shipping list, Bandar Abbas, 13 April 1706–30 November 1706, p. 375.

¹⁶ G. Nadri, "The Dutch Intra-Asian Trade in Sugar in the Eighteenth Century," *International Journal of Maritime History* 20, no. 1 (2008): 87.

Figure 3.2 clearly shows that it was English shipping that held prime position in the ocean traffic. From 1694–1715, 136 English vessels (EIC and private together) arrived at Bandar Abbas, representing 53 per cent of the total shipping. Muslim shipping took second place, with a total number of 76 (30 per cent) during the same period. Local ships, presumably Persian (*inlands*) and Arab vessels (*Arabisch*), made a significant contribution to the regional sailings. Other European vessels, Portuguese, French, and Danish, regularly appear in the lists of arrivals.

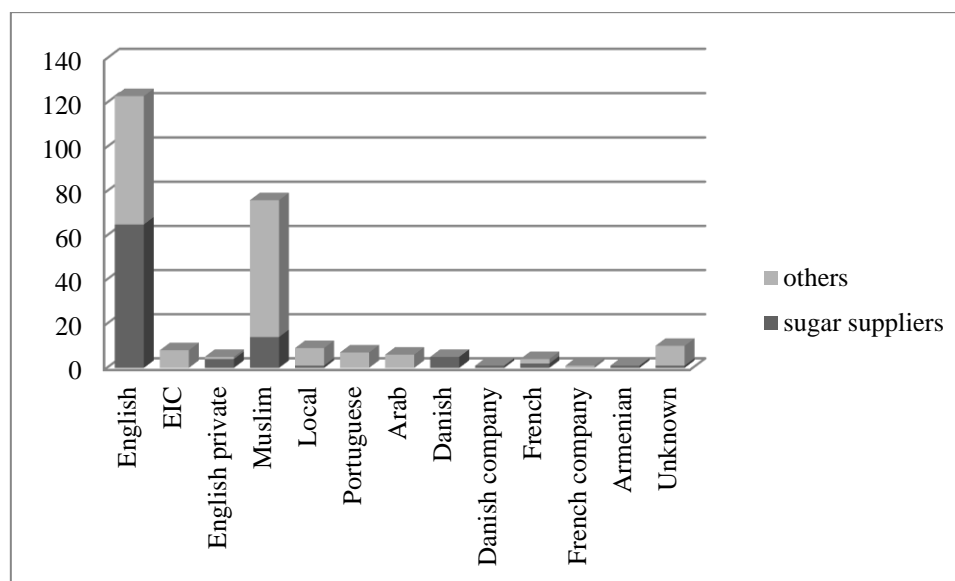


Figure 3.2: Registrations of arrivals at Bandar Abbas, 1694–1715 (number)

Note: Sugar suppliers shown in the figure include those who conveyed cargoes of conserves.

Source: Appendix 7.

Since both the EIC and English private traders participated in the shipping at Bandar Abbas, it is a limitation that the records describe them both simply as “English”. That may be because at Bandar Abbas it was hard to distinguish EIC commerce from English private vessels. In 1693 the VOC noted that English private traders were abusing the EIC exemption from customs and tolls, and selling their goods at a quarter of the price other merchants charged at Isfahan. The Dutch wrote that most of the goods imported by the EIC or under its name did not belong to the Company but to English private traders. The private traders often sold their goods to the EIC officials at Bandar Abbas, so that they could circumvent paying customs at the port and tolls (*rāhdārīs*) on the way to Isfahan. The only thing they needed to know was what percentage of the brokerage they needed to pay to the EIC brokers.¹⁷ One way and another English private trade with the Persian Gulf flourished towards the turn of the

¹⁷ NA VOC1559, letter from Bandar Abbas to Batavia, 2 August 1693, fols. 711v-2v.

eighteenth century, as many English and other private ships with merchandise arrived both at Bandar Abbas and the nearby port of Kong (Congo).¹⁸

The amount as calculated also shows that, during the years 1694–1715, the English posed the greatest threat to the VOC sugar import into Bandar Abbas. During that period, 69 English vessels imported sugar (73 per cent). The Muslim import was active too, where cargoes of sugar were listed on 14 Muslim ships (15 per cent). It is interesting to note that all the six Danish ships (both of the Company and private) that reached Bandar Abbas during that period were laden with large quantities of sugar. The lists give the impression that the English were deeply involved in the Danish shipping, and at the same time the French and the Armenians also engaged in the lucrative commerce.

Where did the English ships come from? Figure 3.3 indicates that many of the ships came from, or at the least passed through, South Asia, where the EIC had set up trading stations, including Bengal, Bombay, Surat, etc. Of particular importance was Bengali shipping. During the years 1694–1715, 54 ships came from Bengal, or 40 per cent of the total English shipping.

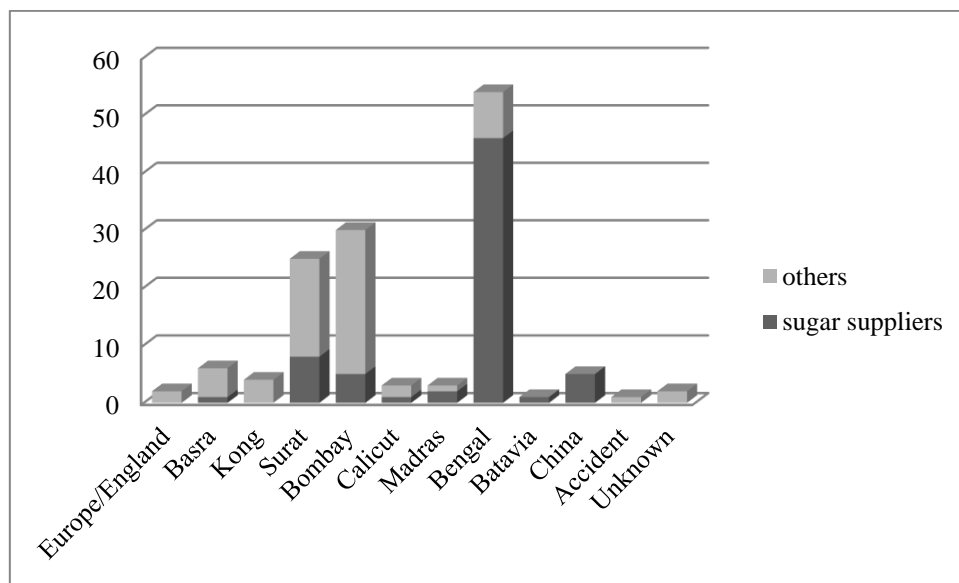


Figure 3.3: Origins of English arrivals at Bandar Abbas, 1694–1715 (number)

Note: Sugar suppliers shown in the figure include those who conveyed cargoes of conserves.

Source: Appendix 8.

Not surprisingly most of the English arrivals from Bengal traded in sugar. Sugar, chiefly Bengali but sometimes Chinese, was being transported by 45 such ships.¹⁹ Chinese sugar also featured much in English shipping to Bandar Abbas. During 1694–1715, five English ships

¹⁸ NA VOC1582, final report from A. Verdonk to A. Berganje, Bandar Abbas, 15 May 1696, p.164.

¹⁹ NA VOC1779, shipping list, Bandar Abbas, 21 December 1707–12 January 1709, p. 321

arrived from China and all of them brought Chinese sugar. What is remarkable is that, while the VOC endeavoured to cultivate a market for “their” Javanese sugar in Iran, English traders also tried to benefit from this growing commerce. An English ship called *King*, which arrived at Bandar Abbas from China on 25 April 1705, imported 700 canisters of Javanese sugar (*Batavise suiker*) as well as 500 canisters of Chinese sugar.²⁰ The English also brought considerable amounts of sugar from Surat, Bombay, Calicut, and Madras. But, as mentioned above, it is difficult to know the precise origins of the sugar sent from these countries. What seems likely is that Bombay and Calicut functioned as transits for Bengali and Chinese sugar to Bandar Abbas.²¹ One entry about sugar import from Basra refers to a cargo of Bengali sugar that had been carried back from there, probably due to the Basra market being inactive at the time it first arrived.²²

While the English ships dominated the shipping from Bengal, Muslim ships were actively engaged in sailing from Gujarat, particularly from Surat (Figure 3.4).

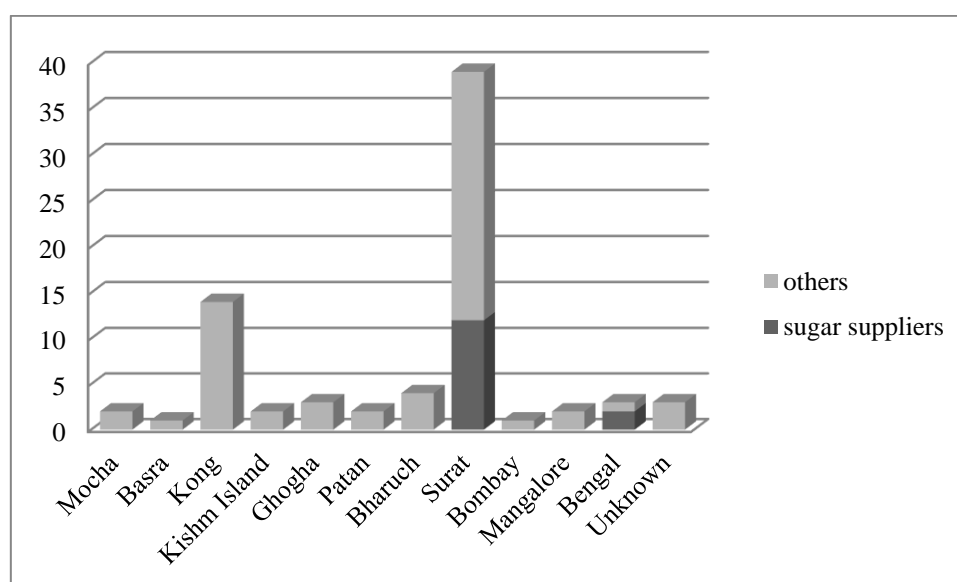


Figure 3.4: Origins of Muslim arrivals at Bandar Abbas, 1694–1715 (number)

Note: Sugar suppliers shown in the figure include those who conveyed cargoes of conserves.

Source: Appendix 9.

The number of Muslim arrivals from Surat during the years 1694–1715 was 39 (51 per cent). The accumulated arrivals from other places of Gujarat, such as Ghogha, Patan and Bharuch, mean that Gujarati navigation constituted nearly two thirds of the total Muslim

²⁰ NA VOC1685, shipping list, Bandar Abbas, 20 May 1704–31 July 1705, p. 2572.

²¹ NA VOC1763, shipping list, Bandar Abbas, 30 November 1706–21 December 1707, p. 346; NA VOC1829, shipping list, Bandar Abbas, 11 December 1710–23 May 1712, pp. 187-8; VOC1802, shipping list, Bandar Abbas, 7 June 1710–17 July 1711, fol. 2204v.

²² NA VOC1779, shipping list, Bandar Abbas, 21 December 1707–12 January 1709, p. 324.

shipping to Bandar Abbas. The important position of Surat in Muslim shipping can also be seen in how vessels coming from Kong were usually laden with freight for Surat.²³

During the same period 12 Muslim ships imported sugar from Surat. Of these, 10 came with various kinds of conserves, and the rest brought Bengali sugar and “black sugar” (*zwarte suiker*).²⁴ Another two Muslim ships brought Bengali sugar from Bengal.

It is unfortunate that the lists of shipping with Bandar Abbas give us few clues as to the identities of individual owners of the non-VOC vessels laden with sugar. There is, however, another kind of Dutch list which enumerates non-VOC shipping at Surat in the eighteenth century, and some of those lists give us a glimpse of several shipowners. The Dutch factors at Bandar Abbas noted that a Muslim ship called *Triadoulet* [*Darya Dawla*], importing sugar from Bengal on 25 April 1704, belonged to a Muslim merchant named Miersa Mamet Jaet.²⁵ This vessel seems to be identical with the one named *Derria Dolled*, which appears in a Dutch list of non-VOC vessels anchoring at Surat in June 1701. According to the record, the ship belonged to Mirza Muhammad Shahid Bengali, a powerful merchant and shipowner of Surat at the time.²⁶ Some time after the sugar shipment to Bandar Abbas, ownership of the vessel apparently passed to his sons Hajji Muhammad Taqi and Hajji Muhammad Baqir.²⁷ Another traceable craft is the *Isfahan Merchant*, a Muslim vessel arriving on 3 January 1715 with conserves. This vessel regularly shows up in lists of Dutch passports issued for non-VOC vessels at Surat.²⁸ In the beginning of the 1710s, the ship was known to belong to a Muslim shipowner of Surat called Agha Habib, but rented to a Parsi merchant called Nanabhai Ratanji. A pass was issued for the latter’s voyage from Surat to the declared destinations of Calicut and Mangalore.²⁹ In later references Parsi merchants of Surat, including the above-mentioned Ratanji, appear as shipowners. The Dutch authorized their navigation from Surat to Mangalore, Cannanore, Persia, and Malacca.³⁰ These facts suggest that Muslim and Parsi merchants and shipowners of Surat were involved in “Muslim” shipping of sugar to Bandar Abbas in the early eighteenth century.

The lists of non-Dutch shipping for Bandar Abbas do not note what cargoes for sugar-importing ships were loaded for their return voyages, but what evidence we have clearly shows that whatever communities a vessel belonged to it was loaded with Iranian items, such as madder (*ruinas*), rosewater, almonds, fruits, wine, tobacco, etc. All this was for export, either for their own account or for that of other merchants.³¹ Dutch lists also record that many

²³ NA VOC1626 1, shipping list, Bandar Abbas, 2 September 1698–22 March 1699, p. 104.

²⁴ For the sugar suppliers, see NA VOC1598 1, shipping list, Bandar Abbas, 1 November 1696–31 March 1697, p. 72; VOC1802, shipping list, Bandar Abbas, 7 June 1710–17 July 1711, fol. 2204r.

²⁵ NA VOC1694, shipping list, Bandar Abbas, 14 December 1703–24 May 1704, pp. 346-7.

²⁶ NA VOC1660, list of foreign vessels present at Surat, 30 June 1701, fol. 964v; A. Das Gupta, *Indian Merchant and the Decline of Surat, c. 1700–1750* (New Delhi: Manohar Publishers, 1994), 104.

²⁷ NA VOC1714, list of arrival of non-VOC vessels, Surat, 29 June 1705, p. 42.

²⁸ NA VOC1870, shipping list, Bandar Abbas, 30 September 1714–13 April 1715, p. 651.

²⁹ NA VOC9056, pass book, Surat, 2 May 1711–16 April 1712, pp. 145-6.

³⁰ NA VOC1913, pass book, Surat, 28 January 1717–23 December 1717, pp. 80-1; VOC1947, pass book, Surat, 9 March 1719–2 March 1720, pp. 202-3.

³¹ NA VOC1598 1, shipping list, Bandar Abbas, 1 November 1696–31 March 1697, p. 72; VOC8367, shipping list, Bandar Abbas, 10 June 1700–11 December 1700, p. 53; VOC1732, shipping list, Bandar Abbas, 19 July

departing ships carried away precious metals from cash-strapped Iran. They give the impression that European vessels (English, Danish and French) actively exported bullion in large sums, but that such enthusiasm was not necessarily shown with vessels of other communities.

Whether or not this inference is justified, it is noteworthy that in the late Safavid period, Bandar Abbas featured as a main transit port for bullion and Iranian products to South Asian countries bordering the Indian Ocean, particularly to Surat.³² Any merchant at the port exporting goods procured in the upper countries could find both Asian and European freighters on hand to transship his goods abroad. Some lists of freight goods loaded into the VOC vessels at Bandar Abbas at the end of the seventeenth century and the early eighteenth century show that many Armenian, *Banian*, and Muslim merchants entrusted the VOC with the transport of gold and silver specie, such as ducats and *‘abbāssīs*, pearls, and other Iranian products we have mentioned, to their business associates in Surat.³³ The Dutch documentation of freight business at the port of Bandar Abbas in the early eighteenth century contains many accounts of fierce competition among India-bound ships for larger shares of the Asian freight. Freight businesses of Armenian merchants are a case in point. In 1705, the Dutch ship *de Lek* transported gold and silver specie, etc., from Bandar Abbas to Tuticorin on the Coromandel Coast for some Armenian merchants, thereby earning 2,455 guilders.³⁴ This caused concern to the factors at Bandar Abbas, that the facilitated trade of the Armenian and other local merchants between the Persian Gulf and some Indian regions might disadvantage the Company's maritime commerce. They faced a dilemma, for if the Company were to deny the merchants their ships, other shipowners would snatch the benefit. They wrote that since many of the Armenian merchants themselves possessed vessels, those who did not possess vessels could utilize theirs. English ships and sometimes Danish vessels were also available for dispatching cash and goods.³⁵

Flexibility of the Gulf market

Whereas considerable amounts of sugar were received at Bandar Abbas in the late Safavid time, it is likely that other ports of the Persian Gulf also offered trading opportunities to sugar suppliers. Although not well-documented, there is no doubt that alongside Bandar Abbas, Kong functioned as a main terminal for Indian Ocean shipping in the Gulf. Dutch officials at Bandar Abbas noted in 1694 that they had to sell their goods in great haste, since after the arrival of the Company's ship, many English, Armenian, Muslim, and *Banian* ships came from various Indian countries to Bandar Abbas and Kong with a large amount of all sorts of

1705–15 April 1706, p. 590; VOC1886, shipping list, Bandar Abbas, 13 April 1715–15 February 1716, p. 401; VOC1870, shipping list, Bandar Abbas, 30 September 1714–13 April 1715, pp. 650-1.

³² NA VOC1614, letter from Bandar Abbas to Batavia, 31 May 1700, fol. 1131r.

³³ For instance, NA VOC1714 1, list of freight goods for Surat loaded into the ship *Kauw*, Bandar Abbas, 30 November 1704, pp. 150-61.

³⁴ On this occasion, freight fees were charged at the rate of 1.5 per cent per value of the commodity. NA VOC1737, list of freight goods for Tuticorin loaded into the ship *de Lek*, Bandar Abbas, 18 July 1705, fols. 114r-5r.

³⁵ NA VOC1779, letter from Bandar Abbas to The Netherlands, 31 August 1708, pp. 61-3.

goods.³⁶ The increase in the volume of sailing to Kong probably reflects the maritime traders' intention to circumvent any payment for customs at Bandar Abbas. Throughout the night and even in bad weather, according to the VOC, the subordinates of the *shāhbandar* of Bandar Abbas would be watching out for what they saw as "smuggling" all along the Iranian littoral. In December 1705, when he heard of the arrival of two ships at Kong with freight from Surat, the *shāhbandar* left Bandar Abbas for Kong to collect customs in order to discourage "smuggling" (*sluikerijen*) there.³⁷

Also remarkable is the rise of Masqat as a terminal for Indian shipping, an alternative to Bandar Abbas and Kong, towards the turn of the eighteenth century. This was when the Arabs of Masqat increased hostilities not only against their arch-enemies the Portuguese, whose commercial base was at Kong, but also against the Safavids, and those they regarded as their allies, such as the Armenians.³⁸ In the early 1690s, the Dutch factors at Bandar Abbas recorded that, since goods brought to Masqat were transshipped to Bandar Abbas, Kong, and up in the Gulf with local barks, the Company had to sell their weighed goods quickly before local shipments filled the market.³⁹ In 1695, notwithstanding the on-going political tension, local crafts (*inlandse vaartuigen*) of Masqat and the Arab coast carried on sailing to the Iranian littoral "as freely as ever."⁴⁰ The English frequented Masqat for trade in the 1710s. The VOC officials at Bandar Abbas commented that few English ships arrived without touching Masqat.⁴¹

Basra traditionally imported reasonable amounts of maritime goods including sugar.⁴² Although it was not until the fall of the Safavids and the onset of a lingering turmoil in Iran that Basra took off as a contender to be the principal port of trade in the Gulf, trade at that port began in embryo in the late Safavid period.⁴³ As the conflict between the Arabs and the Iranians increased in the south of the Gulf in the early eighteenth century, both European and Asian ships forwarded their merchandise from Bandar Abbas to Basra. The extent to which this move affected trade at Bandar Abbas is shown in the *shāhbandar*'s complaint in 1705: he said that European ships were coming to Bandar Abbas with freight goods, and often reshipped goods to Basra, thus depriving the king of customs revenue. The VOC, however, claimed this was not done by their ships but by English and local vessels.⁴⁴ One may argue that by 1720, it became common for sugar suppliers, particularly the English, to use Basra as an alternative outlet for sugar.⁴⁵ It is not unlikely that much of the sugar imported in Basra in

³⁶ NA VOC1571, letter from Bandar Abbas to The Netherlands, 23 July 1694, pp. 52-3.

³⁷ NA VOC1763, letter from Bandar Abbas to Batavia, 21 September 1707, pp. 112-3; NA VOC1732, letter from Bandar Abbas to Batavia, 31 January 1706, p. 274.

³⁸ At the turn of the eighteenth century, the Arabs of Masqat had an antipathy mainly on the Portuguese and the Armenians. NA VOC1667, separate letter from M. Wichelman at Bandar Abbas to Batavia, 27 January 1702, p. 375-6.

³⁹ NA VOC1559, letter from Bandar Abbas to Batavia, 20 March 1694, fols. 838r-v.

⁴⁰ NA VOC1582, letter from Bandar Abbas to The Netherlands, 19 July 1695, p. 34.

⁴¹ NA VOC1843, letter from Bandar Abbas to Batavia, 22 June 1713, p. 305.

⁴² Klein, "Trade in the Safavid Port City," 373.

⁴³ R. Matthee, "Boom and Bust: The Port of Basra in the Sixteenth and Seventeenth Centuries," In *The Persian Gulf*, edited by L. Potter (New York: Palgrave Macmillan, 2009), 116-20.

⁴⁴ NA VOC1714 1, letter from Bandar Abbas to Batavia, 6 April 1705, p. 201.

⁴⁵ NA VOC1904, letter from Bandar Abbas to Batavia, 7 November 1718, fols. 2372v-3r.

the early eighteenth century was then exported to Iran. A Dutch report written about one decade later tells that trade at Basra could not flourish at the same time as at Bandar Abbas unless both places were at peace. When “it rained” (in their terminology) in Basra, it was great in Bandar Abbas, and vice versa. If Basra re-exported imported goods to the Iranian borders, the Iranian market would become saturated and suppliers to Iran would be stuck with unsold merchandise.⁴⁶

It is interesting to note that Mocha, a prime port of trade at the entrance of the Red Sea, acted as a distribution centre for sugar to the Persian Gulf in the early eighteenth century. The Dutch officials at Bandar Abbas initially thought that the trade at Mocha was probably directed to a different market from that of the Persian Gulf. They said that the Company’s import of principally weighed goods, such as pepper, castor sugar, and candy sugar, into Mocha would not badly affect those coming into Bandar Abbas.⁴⁷ Towards the end of the decade, however, it seems that both markets became increasingly intertwined with regional shipping from Mocha coming to the Persian Gulf. In February 1716, Bandar Abbas reported that wholesale merchants at the port did not hurry to deal, but waited for Muslim and other vessels to bring cheaper sugar from Mocha, where castor sugar and candy sugar were sold for unprecedentedly low prices at that time.⁴⁸

From what has been said it is clear that from 1694 to 1715, many nationalities besides the Dutch, including the English, the Muslims, and the Danes, etc., were involved in sugar imports to Bandar Abbas. Of these, the English, particularly the private traders, presented the biggest threat to the VOC trade in Javanese sugar at the port. Cargoes from Bengal constituted the greater part of the English shipping to Bandar Abbas, and most of them included Bengali sugar. English ships also came from China, bringing Chinese sugar and even Javanese sugar. Muslim vessels were the second most active vessels plying to Bandar Abbas during that period. Of particular importance was Surat shipping. Some of the Muslim arrivals from Surat imported various conserves and sugar, though it is not unlikely that Parsi shipowning merchants were involved in the particular shipping. In return for sugar, the non-Dutch sugar suppliers procured bullion and Iranian products, such as madder, rosewater, almonds, fruits, etc., either for their own account or for those of other merchants.

While Bandar Abbas was continuously receiving large imports of sugar in the late Safavid period, we note that many non-VOC sugar suppliers visited Kong, perhaps in order to circumvent the high tariff of Bandar Abbas. Their sugar imports into Kong turned out to be detrimental to the VOC trade at Bandar Abbas. Moreover, towards the close of the Safavid period the increasing insecurity of the southern Iranian littoral, due to the conflict between the Masqati Arabs and the Safavids, made non-Dutch traders avoid Bandar Abbas. Under these

⁴⁶ NA VOC2105, letter from Bandar Abbas to Batavia, 1 April 1728, pp. 232-3.

⁴⁷ NA VOC1870 1, letter from Bandar Abbas to Batavia, 27 September 1714, pp. 23-4. The VOC engaged in the trade of Javanese sugar at Mocha in the first half of the eighteenth century. However, the total sale amount during that period was quite meagre compared to that of Bandar Abbas; see Nadri, “The Dutch Intra-Asian Trade,” 75-8, 91-2.

⁴⁸ NA VOC1886, letter from Bandar Abbas to Batavia, 15 February 1716, p. 40.

circumstances Masqat and Basra in the Persian Gulf, and even Mocha in the Red Sea, rose as alternative sugar outlets. The re-export of sugar from these secondary ports to Iran also presented a menace to the Dutch trade at Bandar Abbas, stimulating a process of reorganization in the Gulf market, one that would develop further after the fall of the Safavids.

2. After the Safavid period

Towards the close of the Safavid period, the position of Bandar Abbas in the sugar trade began to change as non-Dutch suppliers of sugar plied to alternative venues away from the southern Iranian littoral. The commotion that plagued Iran after the Afghan conquest stimulated the process and it continued even after sovereignty was restored to the Iranians in the early 1730s. While many scholars have pointed out that the hardship suffered by the merchants from being exposed to arbitrary local and regional governments in Iran at that time indicated a crisis in the country's political economy, little light has been cast on their struggle for survival by adapting to the new environment. In this section this aspect will be illuminated by examining the activities of sugar suppliers who presented a great menace to the VOC trade in Bandar Abbas till their withdrawal in 1759.

Afghan interregnum (1722–30)

In the late Safavid period sugar suppliers would sell their sugar mainly at Bandar Abbas, and for their return voyage would export bullion and Iranian products that they had procured in market towns in the interior, particularly in the grand depository of Isfahan. This is a mechanism to be described in detail in Chapter 5. The structure of the trade substantially changed after the Afghan conquest. Now a principal feature of trans-regional trade in the following period was that markets for imported sugar to a greater extent shared space with those for bullion. Sugar suppliers headed for wherever they could be sure to trade their sugar for precious metals or alternative return goods. Bandar Abbas was one such place to attract sugar suppliers for a time.

Relocation and new connections

The political turmoil that spread over Iran after the Afghan invasion promoted the rise of secondary ports in places relatively free from trouble. Basidu was one such port. Located on the west of Kishm Island, this port was seen to be a commercial shelter by merchants. The powerful Arab ruler of Basidu named Shaykh Rashid did not fail to grab his opportunity. Claiming himself to be the *shāhbandar* (customs master) of Bandar Abbas, he announced that he would collect customs at Basidu instead of in Bandar Abbas and thereby attracted ocean-going ships into his port in the latter half of the 1720s.⁴⁹ His ambition to dominate the trade in the southern Gulf was shattered by the EIC who, also taking an interest in the Bandar Abbas

⁴⁹ BL IOR G/29/3, 12 December 1726.

customs revenue, deployed their naval forces against the shaykh several times in 1727. It is certain that Basidu acted as an alternative emporium to Bandar Abbas around the mid-1720s.⁵⁰ In 1725 gold ducats were available in Basidu, at a slightly higher price than at Bandar Abbas. On the other hand, the Basidu market for Javanese castor sugar was more favourable: sugar was sold at 4 *maḥmūdīs* per *man* (equivalent to 6 Dutch pounds), one *maḥmūdī* more than at Bandar Abbas.⁵¹

As Iran fell into more political tumult Oman, whose loaf sugar occupied a notable position in the Iranian market in the late Safavid time, also witnessed an outbreak of war, a war of succession among members of the ruling family, the Yarubis. It rapidly engulfed the entire country, causing fierce territorial conflicts among local tribes. Under these circumstances the production of cane sugar in the interior declined into insignificance, if not entirely.⁵²

Floor argues that the position of Masqat in the Gulf trade also plunged as it faced a serious crisis. Apart from the political disorder, he claims that a hurricane that severely hit the port city in 1723 turned Masqat into “a spent power” both militarily and commercially for the rest of the decade.⁵³ Conversely, Dutch documents written during that time give the impression that, despite these misfortunes, Masqat had a role as an alternative market to Bandar Abbas which continued to develop. In 1724 Dutch factors at Bandar Abbas reported that the merchants in the lower countries were still fearful of being deprived of money by the local regents, and that the wealthiest merchants hardly dared show themselves as capitalists, so many of them had already taken refuge in Surat, Basra, Masqat, etc.⁵⁴

In 1725, the VOC was able to sell small amounts of castor sugar at Bandar Abbas with enormous difficulty, while it was known that the item had recently fetched much higher prices at Masqat.⁵⁵ Meanwhile the VOC brokers at Bandar Abbas were bankrupt. As a consequence of their ruined financial network in Iran they could not repay a huge amount of money that the Company had entrusted to them. In order to improve the brokers’ liquidity, the Bandar Abbas factory transported 117,543 pounds of the brokers’ own sugar alongside 288,853 pounds of VOC sugar to the Masqat market on the Company’s account.⁵⁶ At the Arab port, however, the Dutch official in charge named Bartholomeus Lispensier and the Company’s second broker who accompanied him sold only 49,149 pounds of the castor sugar to petty *Banian* merchants.

⁵⁰ BL IOR G/29/4, 29 April 1727. For the EIC’s relations with Basidu, see 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), 259–63.

⁵¹ NA VOC2055 1, letter from Bandar Abbas to The Netherlands, 15 December 1725, pp. 17, 31–2.

⁵² J. Wilkinson, *Water and Tribal Settlement in South-East Arabia: A Study of the Aflāj of Oman* (Oxford: Clarendon Press, 1977), 211.

⁵³ W. Floor, *The Persian Gulf, Dutch-Omani Relations: A Commercial & Political History 1651–1806* (Washington, DC: Mage Publishers, 2014), 100–1.

⁵⁴ NA VOC2006, letter from Bandar Abbas to The Netherlands, 20 June 1724, fol. 2985r.

⁵⁵ NA VOC2034 2, instruction from ’t Lam at Bandar Abbas to Lispensier, 15 June 1725, p. 345.

⁵⁶ *Idem*, pp. 341, 344.

Lispensier ascribed the poor sales to the arrival of an English vessel called *Cadogan* which had sold their sugar at very high prices, siphoning cash away from the market.⁵⁷

In the early 1720s Mocha also functioned as an alternative sugar outlet to Bandar Abbas. In 1722, when the Afghan invasion caused great commotion in Iran, a great number of ships — 21 Muslim, 15 English, 1 French and 1 from Ostend — sailed to Mocha with merchandise. The VOC commented that, since the suppliers sold their goods consisting principally of sugar, pepper, and textiles at low prices at Mocha, merchants who reshipped those goods to Basra, Kong, Masqat, and other places in the Gulf were able to obtain big profits.⁵⁸

While the relocation of sugar market from Bandar Abbas was going on, what remained in Bandar Abbas began to connect to the growing markets of Basra and Kerman. Cash flows from Basra became central to the trans-oceanic commerce in the southern Gulf in the latter half of the 1720s. The VOC reported that Armenian and *Banian* merchants at Basra who had specie on hand tried to capitalize on this situation. Through their business correspondents at Bandar Abbas or Basidu, they said, the Basra merchants urged even petty merchants to accept their precious metals, such as gold ducats, at high prices, although such a practice pushed seafaring traders to resort to bartering.⁵⁹

What is remarkable is that powerful wholesale merchants at Lar, Shiraz and Isfahan, who had virtually monopolized trade with the VOC at Bandar Abbas in late Safavid times, seldom appear in routine Dutch correspondence subsequently. Instead, merchants who traded with Kerman became important buyers of the Company's goods including sugar from the mid-1720s onwards. As far as we know such trade began in the financial year 1726–27. In March 1727 the VOC negotiated with some merchants who intended to load their freight animals with Javanese sugar to be transported to Kerman. Eventually they agreed to sell them castor sugar and candy sugar at 2 17/20 *maḥmūdīs* per *man* and 6 *maḥmūdīs* per *man* respectively.⁶⁰

Resilience of the English trade

The EIC factors in Iran report the socioeconomic crisis they had had to undergo during the Afghan occupation in irritated tones. But in the eyes of the Dutch their activities looked quite successful. A Dutch report in the beginning of 1727 relates that the English commerce had for some time been improving remarkably and that trust in this nation among the locals had increased. Apart from the fact that the EIC had repaid their debts, the Dutch felt that behind the English success lay the EIC policy of “Do as the Romans do” (*in Rome met de Romeinen moeten leven*), for they had been flexible enough to adjust to the changing situations. With the money the EIC had spent dealing with the government of Kerman, the Dutch noted, they had procured 256 bales (weighing 23,040 Dutch pounds) of Kerman wool, one of Iran's principal

⁵⁷ NA VOC2034 2, letter from Lispensier at Masqat to Bandar Abbas, 10 July 1725 pp. 329-30; VOC2034 2, letter from B. Lispensier at Masqat to Bandar Abbas, 27 July 1725, pp. 331-3; VOC2034 2, report from B. Lispensier to Bandar Abbas, 11 Augustus 1725, pp. 350-4.

⁵⁸ NA VOC1999, letter from Bandar Abbas to Batavia, 15 November 1722, p. 48.

⁵⁹ NA VOC2105, letter from Bandar Abbas to Batavia, 1 April 1728, pp. 232-4.

⁶⁰ NA VOC2042, letter from Bandar Abbas to The Netherlands, 16 June 1727, fol. 3945r.

export items. Furthermore, the English had sent their goods from Bandar Abbas to Kerman and carried back various items for export, such as shawls, madder, various fruits, etc., on their own account.⁶¹

While developing their commercial network with Kerman, the English made efforts to link up with Shiraz by utilizing Bushire, another channel for trade that had begun to develop in the 1720s. Regarding the English success in the Kerman wool trade, the VOC bitterly wrote that the English boasted about themselves everywhere like a king. According to the VOC, such remarkable progress was initiated by the EIC chief Thomas Waters (1726–28) who, with enormous authority vested by the Bombay Presidency as well as the timely assistance of local consultants, could take all measures necessary to survive the troublesome time. By satisfying the local authorities with presents big and small according to the importance of the matter, the Dutch factors wrote, the English established their commerce so solidly that the Company could not compete with them. In spite of the shortfall of cash, the English could still exchange their goods for money. They sent it by small craft to Bushire, thence by land to Shiraz under an Afghan escort. At Shiraz, they acquired wine, rosewater, etc., and travelled back with these items to Bandar Abbas. If the English requested support from local regents at Lar, Kerman or elsewhere, they were not refused. The English seem to have been honoured even more than some local regents.⁶²

Because the VOC usually referred to the EIC and English private traders as “English”, it is uncertain who exactly engaged in these new ways of trade. However, there is no doubt that, as in the late Safavid times, the interests of the Company and private traders, particularly the EIC factors in Iran, were deeply entangled. The EIC contact with Bushire in 1729 provides a striking example. On 10 February 1729 an EIC officer named William May asked other council members of the Bandar Abbas factory to let him go to Bushire for his own business. According to him, he was trading a large quantity of goods at Bushire, but since November, when he sold a part of it, he had not received any notice of sales of the remainder from the person to whom he had consigned his goods. He wondered if the *shāhbandar* of Bushire was interrupting the trade. The council not only granted his petition but also tried to make use of this occasion to set up “English” trade on a firm footing in the rising market.⁶³ During the Afghan occupation, the EIC struggled to uphold their old right to exemption from customs duties and tolls in Iran for EIC officers and local merchants working for the Company. Therefore, the council members were quite concerned that the *shāhbandar* might drive them out from his market by hindering local merchants from trading with those as proxies. Not only that, but the officers had a suspicion that he was also charging customs on English goods.⁶⁴ On 14 February, the factory sent May to Bushire by the Company’s ship named *Success* with an instruction to demand satisfaction from the *shāhbandar* for the money that he had charged on goods belonging to servants of the EIC’s interpreter at Bandar Abbas. However, when May arrived in Bushire, the man in question was no longer the *shāhbandar* and the present

⁶¹ NA VOC2079, letter from Bandar Abbas to Batavia, 10 January 1727, pp. 15-6.

⁶² NA VOC2091, letter from Bandar Abbas to The Netherlands, 15 August 1728, fol. 4899r.

⁶³ BL IOR G/29/5, 30 January 1729.

⁶⁴ *Idem*, 6 February 1729.

officeholder was out of town staying in Shiraz.⁶⁵ The Bandar Abbas factory ordered the English resident at Isfahan to lobby the Afghan court to discharge the *shāhbandar* of Bushire over the charge that he kept hindering merchants from buying English goods at his port.⁶⁶

As the shortage of money was increasingly being felt in Bandar Abbas, competition for export specie became intense. Besides money-hungry local authorities, the VOC complained that the English scraped up Venetian gold ducats at a high price, thus debilitating the Company's trade to nothing.⁶⁷ In this regard it is important to notice that, while gold and silver currency was rapidly running out in the south of the Iranian littoral, copper became an important substitute in the late 1720s. In Iran, copper coins were traditionally used as small denomination money for local transactions, but by 1730 maritime merchants showed more interest in procuring copper. In this trade the English showed far more flexibility than the VOC. In the beginning of 1730s the English mainly targeted local copper coins called *paysas* for export, while the Dutch gleaned what remained of any gold and silver in Bandar Abbas and Basidu. Since copper was prone to smaller losses than gold and silver, the Dutch commented, the English exchanged all their imports for copper money, and exported it to Surat, Madras, and Bengal.⁶⁸

The 1730s

Continuity of competition

During the 1730s more and more Indian shipping to the Persian Gulf made for Basra instead of Bandar Abbas. English and French vessels from Bengal, which presumably made up the main part of non-Dutch shipping to the Gulf after the Safavid period, began to head to Basra without dropping by Bandar Abbas.⁶⁹ We note, however, that during that period the Bandar Abbas trade was still enough for the “competitors” to continue to challenge the trade of the VOC.

In the mid-1730s the EIC commerce in Iran probably experienced a serious downturn. The VOC noted in 1734 that, while actively drawing bills of exchange to procure export goods at Kerman, the English were failing to liquidate those bills on time; they could not reach satisfactory agreements, even though they tried to settle mostly in goods. Because of the increased debts, their creditors were now saying that there would be only delays and disgust if they continued to tolerate the English.⁷⁰ The situation worsened the next year. In April 1735, the EIC fell into disfavour with the new ruler of Iran, Tahmasp Quli Khan (later Nadir Shah). His naval campaign against Basra had been humiliated by two English warships that lent

⁶⁵ Idem, 3 February 1729, 5 April 1729, inserted report from May to Bandar Abbas dated 6 April 1729.

⁶⁶ Idem, 7 February 1729. EIC high-ranking officers at Bombay and Surat also regularly engaged in private ventures through their relationships with the EIC factors at Bandar Abbas and Basra during the first half of the eighteenth century. T. Davies “British Private Trade Network in the Arabian Seas, c. 1680– c. 1760,” (PhD diss., University of Warwick, 2012), 179-87.

⁶⁷ NA VOC2105, letter from Bandar Abbas to Batavia, 1 April 1728, pp. 213-4.

⁶⁸ NA VOC2203, letter from Bandar Abbas to Batavia, 15 May 1731, p. 23.

⁶⁹ NA VOC2448, letter from Bandar Abbas to Batavia, 30 April 1738, p. 1946.

⁷⁰ NA VOC2323, letter from Bandar Abbas to Batavia, 23 September 1734, pp. 161-3.

naval assistance to the Turkish government of the port at that time. The growing tension jeopardized the safety of the EIC staff in Iran, leading to a temporary withdrawal of most personnel to Bombay.⁷¹

The unexpected retreat of the EIC gave the VOC much hope of reinvigorating their trade which had been troubled by the English over the previous decade. Yet their hopes were dashed in the years that followed. The Dutch factors wrote in 1736 that the English and the French had hampered the Company's trade badly. The wholesale merchants were willing to trade with the English whenever and in whatever goods they could and by however much was required, while they would not spend money with the Dutch unless the Company dropped their prices of their goods, specifically of sugar.⁷²

Amidst the protracted chaos in Iran during Nadir Shah's rule (1730–47), it is worth mentioning that many Dutch reports of that time refer to the mounting threat of French shipping and trade from India. The Dutch officers frequently complained that it was not just the English but also the French who were trying to attract wholesale merchants suffering from a shortage of cash in Iran. They were permitting them to trade on very long-term credits. However, this rise in French activity could to some extent weaken the menace of the English to the VOC. The credit that the French were extending to the local merchants, the Dutch wrote, was unrealistic and might result in a disruption of their trade. It was reckless for the French to adopt such "brusque" behaviour with the local regents. But if the French trade went into decline the English would take over their merchants from them and be able to trade everywhere in the Gulf with no difficulty.⁷³

Change in patterns of competition

The competition between the VOC and other sugar suppliers at Bandar Abbas from the 1730s onwards is evident from four main measures they took to handle the increasing scarcity of cash in the market: price adjustment, credit sales, acceptance of copper, and utilization of the Kerman market.

As argued in the previous chapter, despite its relatively high price, VOC import of Javanese castor sugar into Bandar Abbas grew substantially in the late Safavid period. Although available information is rather meagre, it seems possible that this "fancy" type of sugar retained a certain level of appeal in the market. A Dutch letter written in August 1735 relates that, because of its superior quality, the Company still managed to sell Javanese castor sugar at a price of 3 ½ *maḥmūdīs* per *man* at the port, despite the English selling much Bengali sugar cheaper.⁷⁴ But there can be little doubt that the wholesale merchants regarded

⁷¹ K.K. al-Khalifa, "Commerce and Conflict: The English East India Company Factories in the Gulf, 1700–47," (PhD diss., University of Essex, 1988), 32–4.

⁷² NA VOC2416, letter from Bandar Abbas to Batavia, 10 December 1736, pp. 149, 152.

⁷³ *Idem*, pp. 81–2. It is interesting to note that the EIC saw the French as being more popular with the government of Bandar Abbas, since, unlike the English and the Dutch, the French paid customs duties at the port. BL IOR G/29/6, 6 March 1740.

⁷⁴ NA VOC2357, letter from Bandar Abbas to Batavia, 24 August 1735, p. 34.

Dutch sugar as too expensive. In December 1736 the VOC complained that the merchants preferred to trade with the English unless the Dutch reduced the price of their sugar.⁷⁵ Nevertheless, the VOC seem not to have compromised. Three years later Dutch officers repeated the traditional idea that, while Batavia provided them with quality Javanese sugar, they could do better than those supplied with other varieties of sugar.⁷⁶

In the constricting financial situation of the late Safavid period, wholesale merchants in Iran wanted to obtain maritime goods on credit. The High Government of Batavia therefore permitted the factors at Bandar Abbas to sell the Company's goods on a three-month credit. Bandar Abbas had allowed a five-month credit to a wealthy wholesale merchant of Shiraz called Hajji Abd al-Rida, who dominated the trade with the VOC at the port.⁷⁷ When they became alarmed by many merchants becoming insolvent after the Safavid period, Batavia suspended the policy and ordered Bandar Abbas not to sell any goods on credit but only for direct cash payments.⁷⁸ This measure turned out to be a fatal mistake, for it enabled other sugar suppliers, particularly the English and the French, to attract more attention from penurious local merchants by offering them even longer terms of credit. The VOC pointed out to such developments in a reference to the arrival of numerous non-VOC vessels at Bandar Abbas during the financial year 1734–35. 28 ships had arrived, as well as 5 vessels (*vaartuigen*) perhaps from Basra or somewhere else with bullion and reshipped items. 17 of them belonged to the English. If no money was available in Bandar Abbas, the Muslim traders would not trade there but sail to Basra or somewhere else, and the captains (*nākhudās*) of the boats would likewise not unload their goods. But the English and the French would sell their goods on a long six-month credit. There were also undoubtedly some smugglers (*lorrendraaiers*), who imported their goods under the EIC name to avoid the payment of the Bandar Abbas customs, seriously undercutting the VOC trade.⁷⁹

The Dutch officers at Bandar Abbas saw the total breakdown of the Company as inevitable unless they were again permitted to sell their goods on credit for three or three and a half months, even though the English and the French usually allowed much more competitive terms of five to six months.⁸⁰ To make matters worse, the officers said, the English and the French were charging no interest on their credit sales. The wholesale merchants were unwilling to pay interest, for they carried the risk of transporting purchased goods in turbulent times all the way to Kerman, Isfahan and other places where they had agents to sell the goods for profit. They were only contracted to procure goods for return in those places for the English and the French, a manner of trade which they still considered to be profitable.⁸¹ In late 1736, the Dutch factors expressed their impatience. In a rather self-

⁷⁵ NA VOC2416, letter from Bandar Abbas to Batavia, 10 December 1736, p. 152. According to an existing Dutch *rendement*, in the year of 1736–37, the Company sold castor sugar at $3 \frac{2}{5}$ *maḥmūdīs* per *man*, 0.1 *maḥmūdī* cheaper than the above-mentioned price. NA VOC2448, annual sales statement, Bandar Abbas, 1736–37, pp. 1664–5.

⁷⁶ NA VOC2477, letter from Bandar Abbas to Batavia, 14 May 1739, p. 73.

⁷⁷ NA VOC1947, letter from Bandar Abbas to The Netherlands, 25 May 1719, p. 62.

⁷⁸ NA VOC2254, letter from Bandar Abbas to Batavia, 19 July 1732, p. 412.

⁷⁹ NA VOC2357 1, letter from Bandar Abbas to Batavia, 24 August 1735, pp. 438–9.

⁸⁰ NA VOC2390, letter from Bandar Abbas to Batavia, 19 March 1736, pp. 18–9.

⁸¹ NA VOC2368, letter from Bandar Abbas to The Netherlands, 18 May 1737, fol. 3782v.

justifying remark they said that, despite their utmost efforts, the French import of castor sugar, candy sugar and textiles had dimmed the Company's prospect.⁸² The next year Batavia eventually acquiesced to the Bandar Abbas request for credit sales.⁸³ However, the VOC sugar trade in Bandar Abbas mainly continued to reflect Batavia's aversion to credit sales. In 1755, three years before the Company's withdrawal, the Dutch director in Bandar Abbas, Schoonderwoerd, still reminded his successor Gerrit Aansorg that Bandar Abbas had to trade the Company's goods for cash or exchange them for return goods as required, but without allowing credit.⁸⁴

While gold and silver specie was extremely scarce in the Iranian market after 1730, copper coins, so far used for low-income every-day purchases, became an important currency for regional trade. This led regional governments to integrate copper money into Iran's traditional monetary system, which was based on gold and silver, by introducing official exchange rates between gold, silver and copper coins.⁸⁵ From the late 1720s, copper also featured as an important export item of the country. During the 1730s, many maritime traders resorted to copper coins and, when these were almost used up, to whatever copper ware they could find, in spite of repeated official bans on the export of copper from 1737.⁸⁶ In these circumstances, local merchants who came over to Bandar Abbas for trade began to bring with them only copper coins (*koper munt*).⁸⁷ We know little about where the copper came from, but there seem to have been many supply channels to Bandar Abbas in those days. According to the VOC, copper that the English purchased at the port in the mid-1730s came from three places: the town of Niriz near Shiraz; Qazvin; and a village called Sirhindi (Zerendi). That village is a two-day journey from Kerman where copper was mined. At the port the English minted the copper they acquired into smaller coins (*kleinder muntspecie*), into copper "cakes" (*koeken*), or into some other shapes for export.⁸⁸

When they saw this brisk trade of their rivals in copper, the VOC engaged in copper export from 1732.⁸⁹ In the latter half of the 1730s the Company began to export copper in some form as well. However, whereas Batavia ordered clean and refined (i.e. intact and unused) copper, the material from which *paysas* were made, copper of such a quality was hard to obtain in the market. The Dutch factors at Bandar Abbas had to clean (*met fenken en kloppen zuiveren*) oxidized copper material (*koperwerken*) which they procured in Bandar

⁸² NA VOC2416, letter from Bandar Abbas to Batavia, 10 December 1736, pp. 149-50.

⁸³ NA VOC2448, letter from Bandar Abbas to Batavia, 31 December 1737, p. 65.

⁸⁴ NA VOC2885 2, final report from J. van Schoonderwoerd to G. Aansorg, Bandar Abbas, 28 November 1755, p. 17.

⁸⁵ R. Matthee, W. Floor and P. Clawson, *The Monetary History of Iran from the Safavids and the Qajars* (New York: I.B. Tauris, 2013), 148.

⁸⁶ Matthee, Floor and Clawson, *The Monetary History of Iran*, 154.

⁸⁷ NA VOC2323, letter from Bandar Abbas to The Netherlands, 6 February 1734, p. 687.

⁸⁸ Idem, pp. 687-8; VOC2323, letter from Bandar Abbas to Batavia, 23 September 1734, p. 164. Iran imported Japanese copper till the late seventeenth century, when the exploitation of the copper mines in Kerman caused the discontinuation of copper imports. Much copper was also produced in the northwestern provinces of Iran such as Sabzavar and Mashhad. Matthee, Floor and Clawson, *The Monetary History of Iran*, 49.

⁸⁹ NA VOC2254, letter from Bandar Abbas to Batavia, 19 July 1732, pp. 303-4; Matthee, Floor and Clawson, *The Monetary History of Iran*, 164-5.

Abbas and brought from Bushire, although such procedures cost money.⁹⁰ In fact, copper export from Iran was not that profitable for the VOC. Dismayed at the soaring market price of copper ware due to English and French trading in 1736, the Dutch officers had no idea how their rivals could live on it. In their view the English and the French gave no due weight to the quality of the return goods they bought. Those traders exchanged their imports for insignificant products in which the Dutch were prohibited to trade. But also they accepted any sort of copper as the means of payment.⁹¹ The principal reason why the VOC persisted in what was for them an unfavourable enterprise was to prevent the English and the French from dominating the market. Though procuring profitable copper cakes was not easy, the officers commented that it would be unreasonable to back out of the trade, because even if their competitors pretended copper yielded small profits compared to other return goods, they would be the winners, since local merchants with copper would be more inclined to trade with them.⁹²

As mentioned before, from the mid-1720s, a great part of the Bandar Abbas commerce became linked with the growing market of Kerman. At Bandar Abbas there were many more merchants whose trade was directed towards Kerman trading with the VOC than there had been among the mercantile communities of Lar, Shiraz and Isfahan. This was possibly also the case with the EIC. In the 1730s those who carried out trading in Kerman wool had a prominent place in the EIC commerce, as they obtained wool in Kerman for the EIC and the EIC in turn sold imported goods to them.⁹³ In the later part of the decade the EIC also began to turn to the Kerman market in order to dispose of English woollen goods, the Company's principal import item from Europe, whenever they received no proper offer at Bandar Abbas. At the close of 1736, due to an acute scarcity of old copper and copper money (black money), wholesale merchants trading EIC woollen goods asked the factory to allow them credit of at least nine months.⁹⁴ Although regular buyers, such as Khorasani merchants, still visited Bandar Abbas and the Kerman market could receive supplies of wool via Moscow,⁹⁵ the EIC sent a trial load to Kerman the following year and instructed their resident there to procure copper and copper coins in return.⁹⁶

Dutch letters written at the time give us new insights, namely that the transit of goods from Bandar Abbas to Kerman was also linked to the private interests of EIC officials. In 1736, no buyers were to be found at the port. So the then agent of the English factory, William Cockell (1733–38), himself forwarded to Kerman a considerable amount of goods worth 9,000 *tūmāns* or 382,500 guilders.⁹⁷ More importantly, the French took advantage of the English caravan traffic, and managed also to transport their goods to Kerman.⁹⁸ In a Dutch

⁹⁰ NA VOC2448, letter from Bandar Abbas to Batavia, 30 April 1738, pp. 1803-5; Matthee, Floor and Clawson, *The Monetary History of Iran*, 156-7.

⁹¹ NA VOC2416, letter from Bandar Abbas to Batavia, 10 December 1736, pp. 209-10.

⁹² NA VOC2448, letter from Bandar Abbas to Batavia, 30 April 1738, pp. 1803-4.

⁹³ NA VOC2357 1, letter from Bandar Abbas to Batavia, 24 August 1735, p. 134.

⁹⁴ BL IOR G/29/5, 5 January 1737.

⁹⁵ *Idem*, 7 February 1737.

⁹⁶ *Idem*, 29 April 1737, 30 April 1730.

⁹⁷ NA VOC2416, letter from Bandar Abbas to Batavia, 10 December 1736, p. 83.

⁹⁸ *Idem*, p. 150.

memorandum about the slump of the Company's trade at Bandar Abbas in 1737, it was incidentally written that the English attempt to seek a better channel of trade in Kerman marked the beginning of a crucial relocation of the market for maritime goods from Bandar Abbas to Kerman, and that would become more pronounced in the following decade. As much as the Iranian authorities extorted money from impoverished local merchants, the Dutch said the English continued to dispatch massive caravans (*kafilas*) to Kerman with woollen goods (*lakenen*) and shawls (*sjaals*), as well as the same kinds of goods that the VOC traded at Bandar Abbas, including candy sugar and pepper. Meanwhile, the impoverished merchants at the port offered to buy VOC goods up to the value of 2,000 *tūmāns* on a four-month credit, but the Dutch factory could not accept those terms without any permission for credit sales from Batavia.⁹⁹

Decline: The 1740s

The 1740s has been viewed as a critical phase in the history of the trading port of Bandar Abbas. Floor argues that, after the disruption of trade in the Afghan interregnum, Nadir Shah failed to re-establish conditions that would have enabled trade at the port to recover its former level. Instead, his protracted power struggle with Arab notables on both shores of the southern Gulf forced local labour, foodstuff and essential supplies into royal service. This in turn gave Nadir himself and the administrators involved opportunities to satisfy their greed by applying extortionate terms for loaning ships and for extracting money, presents, etc., from the merchants. As a consequence, trading at Bandar Abbas was no longer profitable and the port rapidly degenerated into one restricted to local distribution.¹⁰⁰

Conversely, Th. Ricks contends that despite this upheaval caravan trade continued in southern Iran as well as maritime trade in the Persian Gulf. Trans-oceanic shipping proceeded as before into India and the Red Sea, and both the EIC and the VOC prospered. In this regard, he puts particular stress on the rise of Kerman as a grand depository of goods from Bandar Abbas to Mashhad and from Bandar Abbas to Isfahan and Shiraz. Although Kerman experienced an economic recession in the mid-1740s, Ricks claims that its market revived under the aegis of a strong local notable named Shahrukh Khan (r. 1747–58), with resettlements of Khorasani merchants in the city and the reopening of major trading routes to Mashhad and Isfahan. Kerman continued to be a major distribution centre in southern Iran till the early 1760s. Then it was replaced by Shiraz, which was supported by the Zand rulership.¹⁰¹

The impression gained from Dutch records of sugar trade at Bandar Abbas at that time is that, by 1750, Bandar Abbas was no longer a serious contender for the prime market in the Gulf, although it continued to be an important destination for traders of sugar when the

⁹⁹ NA VOC2417, letter from Bandar Abbas to Batavia, 4 April 1737, p. 3520.

¹⁰⁰ 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), 39–40, 93–4.

¹⁰¹ 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), 71–3, 110–2.

economic climate permitted. A considerable part of the market was taken over by other regional markets, such as Kerman, Bushire, and Masqat.

In the early 1740s, sugar was very much in demand at Bandar Abbas. Dutch officers expressed deep depression about the commotion in Batavia's *ommelanden* in 1740 and the interruptions to sugar supplies it caused at Bandar Abbas. They noted in 1742 that, if the troubles in Batavia ended and sugar mills resumed their sugar supplies to Bandar Abbas, they could obtain much profit from it, because the turmoil had also reduced sugar supplies for their "competitors" (*medecompetiteuren*), and Iranians were suffering from a shortage of it.¹⁰² The term *medecompetiteuren* might refer to English and French traders, given the fact that one year later, the officers requested Batavia to provide them with goods as soon as possible lest the English and French private traders were to fill the market.¹⁰³ This request might indicate that other traders also posed a substantial threat to the Dutch monopoly of Javanese sugar in the Iranian market, as happened in the Surat market in the mid-1760s. At that time at Surat we know that the Dutch factory was receiving only the most meagre supplies of Javanese sugar and it was the worst sort of sugar. But the English and local ships were the largest importers of the best sorts, which were being "smuggled" in from Java by small craft through the Strait of Malacca or Bengkulu to Bombay and Surat. Thus, other traders were benefiting from dealing in the product, which had the effect of impairing sales by the Company.¹⁰⁴

The scarcer copper became, the more acute became the competition for the metal. In 1742, copper ware and *paysas* completely disappeared from Bandar Abbas.¹⁰⁵ When copper was brought in later, prices were inflated due to fast trading by the English and the French.¹⁰⁶ The Dutch factors were baffled that merchants were offering them 2,600 pounds of copper cakes at 15 ½ *maḥmūdīs* per *man*, but the factors would not accept, for they had the idea that they would lose on a deal in Coromandel, to where the item was to be exported.¹⁰⁷ It may be worth mentioning that there was some compensation for the scarcity of copper from the enormous amount of gold and silver that Nadir Shah had brought as booty from Hindustan in the last part of the 1730s. In 1742, the Bandar Abbas trade was carried out in silver coins called *nādirīs* which Nadir struck to be used alongside Thatta, Delhi and Agra rupees. However, the Dutch said the English and the French were also amassing those coins and exporting them all over India.¹⁰⁸

Such a crucial supply of copper almost dried up after 1743, when the uprising of Muhammad Taqī Khan Shirazi, one of Nadir's generals who was then in charge of the Iranian flotilla in the Gulf, threatened safe passage to Bandar Abbas. The displacement of the merchants of the port city at that time is epitomized by the departure of the *Bhansalis* (Banksallee). They were a powerful Hindu caste, leading figures specializing in commerce, among the VOC brokers at Bandar Abbas. (This subject deserves to be discussed further, and

¹⁰² NA VOC2610 1, letter from Bandar Abbas to Batavia, 31 October 1742, pp. 100-1.

¹⁰³ NA VOC2610 2, letter from Bandar Abbas to Batavia, 29 June 1743, pp. 74-5.

¹⁰⁴ NA Hoge Regering te Batavia 846, report on sugar trade at Surat, 1 March 1766, article 34.

¹⁰⁵ NA VOC2610 1, letter from Bandar Abbas to Batavia, 31 October 1742, p. 56.

¹⁰⁶ NA VOC2610 2, letter from Bandar Abbas to Batavia, 29 June 1743, p. 41.

¹⁰⁷ *Idem*, pp. 80-1.

¹⁰⁸ NA VOC2610 1, letter from Bandar Abbas to Batavia, 31 October 1742, pp. 55-6.

it will be in Chapter 5.) In May 1747, after suffering all kinds of difficulties at the hands of the authorities, many members of this mercantile community, both men and women, left the port and took shelter in Barka (Birka), a coastal town in Oman.¹⁰⁹ Probably many of them never returned. Soon afterwards the *Banians* in Bandar Abbas received business updates from their correspondents in Sind and Kutch via Barka.¹¹⁰ Writing in July 1746 the Dutch factors explained that trade at Bandar Abbas was currently at a complete standstill and merchants neither came to trade nor maintained their houses at the port. They therefore requested Batavia to allow them to transport goods to Isfahan, Kerman or somewhere else, where they could sell them for cash (*contanten*) and obtain copper ware and other profitable export items in return.¹¹¹

In the year 1747–48, the relocation of the Bandar Abbas market progressed at unprecedented speed. According to the VOC, there were four reasons why inland merchants did not come down to Bandar Abbas for trade even at peaceful times. Firstly, at Bandar Abbas the merchants had to pay more than twice as much tax (*gerechtigheden*) as at Bushire or any other place in the kingdom. Secondly, travel expenses and freight fees from Isfahan and Shiraz to Bandar Abbas cost more than those to Bushire, etc. Thirdly, the climate was extremely unhealthy in the entire kingdom. Fourthly and of principal significance, the English sent all of their woollen goods and even most of their other goods from Bandar Abbas to Kerman themselves. For other merchants it was easier and less risky to assign their goods onto English caravans, for the roads were not safe even in good times, a point confirmed by the English diary. Moreover, pack-animals were not always available at the port.¹¹² The diary relates that on 24 May 1748 a large caravan left for Kerman mainly with sugar, sugar candy, pepper, a small quantity of woollen goods and a few other trifling articles.¹¹³

At the close of the 1740s the air of stagnation was somewhat relieved when caravan traffic from inland markets, particularly from Kerman, began to return.¹¹⁴ As a consequence, the EIC discontinued transferring imported goods to Kerman.¹¹⁵ The severe interruption of the sugar supply during the turbulent times probably stimulated a greater popular appetite for it. The main target of merchants who came to the Dutch factory in 1750 was sugar, since the item was at that time very expensive in the upper country.¹¹⁶ Not surprisingly the competition for copper resumed. In 1749 the VOC trade in old copper and copper “cakes” was severely

¹⁰⁹ BL IOR G/29/7, 30 April 1747.

¹¹⁰ Idem, 2 November 1747, 10 November 1747.

¹¹¹ NA VOC2705, letter from Bandar Abbas to Batavia, 31 July 1746, p. 47.

¹¹² NA VOC2710, letter from Bandar Abbas to The Netherlands, 10 October 1748, fols. 1317r-v. In order to re-establish the Company’s trade in Iran, the Dutch factors suggested that the Company set up a new factory in Kerman and sell spices and other items there. Idem, fols. 1318r-v.

¹¹³ BL IOR G/29/7, 13 May 1748.

¹¹⁴ Idem, 17 March 1749 (from Kerman with Mashhad merchants), 17 September 1750 (from Lar).

¹¹⁵ It seems, though, that some English officials continued the enterprise on their own account. In 1752, the EIC chief, Danvers Graves, traded his private goods in Kerman through a son of the Company’s interpreter at Bandar Abbas, who was resident in Kerman at the time. Idem, 30 April 1752.

¹¹⁶ NA VOC2766, letter from Bandar Abbas to Batavia, 10 May 1750, p. 218.

hampered by English and other private traders, who had swept them away at 15 ½ *maḥmūdīs* per *man*.¹¹⁷

However, the redirection of the trade steadily advanced. The ways merchants circumvented Bandar Abbas at the turn of 1750s is vividly penned in the following English letter dated 24 February 1752:

For many years past the upcountry merchants complained greatly of the distress they are in from the oppressions of the g[overn]ment [of Bandar Abbas], which convinces us most of their families would remain under the Ho[nourable] Company's [the EIC's] protection, while themselves ventured with goods from any of the sea ports where the roads adjacent were free from robbers, and as there would be a considerable advantage accruing to any of the petty governours [*sic*] where they landed the goods bought of us, it would soon occasion great emulation among them, as everyone would be in hopes of accumulating all the profit to himself by a civil behaviour to passengers. On the contrary, were the merchants to attempt shipping their goods from this place, or land from other ports, what duties imposed by these people [the authorities of Bandar Abbas] would eat up all profits, as there is no settled p[er]centage [*sic*] but everything at the will of the custom house writers, and we are well informed fifteen, sixteen and se[ven]teen p[er]cent [*sic*] is often exacted. Under us this grievance would be remedied and by their embarking from Minnoe [Minab], Cong [Kong] or any place where no showbunder [*shāhbandar*] resides, have little more than boat hire to pay. The great difference of [-] would establish the centre of all trade in the Gulph between Muscat [Masqat] and Bussorah [Basra] at our settlement.¹¹⁸

This letter shows that, in order to avoid the imposition of a high tariff by the customs house of Bandar Abbas, inland merchants “smuggled” their goods by boat from neighbouring places where no *shāhbandar* resided, such as Minab and Kong, to Masqat. They secured the “protection” of the EIC, who continued to enjoy customs exemption at Bandar Abbas. It is also important to note that in these circumstances the governors of small ports in the Gulf vied with each other to attract traders to come to them. The Utubi tribesmen of Kuwait acted similarly; from the latter half of the eighteenth century they offered a “free port” to merchants no longer tolerating the high customs rates at Basra. This generated a significant shift of trade from Basra to Kuwait. One could argue that the Gulf market as a whole was now entering a phase of complete reformation, stimulating competition among all participants seeking economic rewards from trans-regional trade.

¹¹⁷ The Dutch also noted that the country's copper mines had been left behind for some years with no sign of recovery. NA VOC2748, letter from Bandar Abbas to Batavia, 15 April 1749, p. 260.

¹¹⁸ BL IOR G/29/7, 24 February 1752, inserted letter from Bandar Abbas to Bombay under the same date.

Rise of Masqat: The 1750s

While the power struggle was growing among the local notables, who often tried to sustain their competitive edge at the expense of the merchants, this contributed to greater trade difficulties at Bandar Abbas, though inland merchants were still interested in buying sugar at the port. In July and August 1753 merchants came over from Isfahan, Kerman and Khorasan, notwithstanding the scorching heat, to procure weighed goods from the VOC, including castor sugar, cloves, nutmeg, and cinnamon.¹¹⁹

It is probable that non-VOC suppliers of sugar also remained interested in the Bandar Abbas market. Existing lists of non-VOC shipping to Bandar Abbas for the periods from 1 September 1753 to 20 December 1754 and from 21 November 1757 to 4 February 1759 record 27 arrivals, of which six carried sugar. Of the sugar suppliers, four came from Bengal, one from Bombay, and one from Coromandel.¹²⁰ Yet, those sugar shipments were possibly destined for markets in the Upper Gulf. For instance, while a Dutch letter relates that on 4 December 1754 an English vessel called the *Queen of India* came from Bombay with a large amount of sugar, pepper, tin, etc., the EIC diary notes that this ship (they called it the *Indian Queen*) left for Bushire on 12 December after unloading woollen goods.¹²¹

Whatever the situation might have been, the VOC had no free hand to sell sugar at the port. Since considerable amounts of sugar were available in other markets in the Gulf and its interior, inland merchants did not necessarily strike a deal at Bandar Abbas. Their preoccupation at the port was whether to invest their limited fortunes in VOC sugar or EIC woollen goods. In April 1757 the EIC began to fear. They realized that, if merchants saw it more profitable to buy sugar and other goods from the VOC, they would not trade for EIC goods. The English factors therefore reduced the price of their woollen goods and thereby managed to dispose of 80,000 rupees worth.¹²²

Determined rivalry and a lack of flexibility in approaching cash shortages continued to shackle the VOC sugar trade. It was almost inevitable that the Bandar Abbas factory would agree to sell the Company's goods on credit against the wishes of Batavia. The local merchants were demanding credit for months on end, pretending that the English allowed them credit for up to 1,000 or 2,000 rupees a time. Nonetheless, the Dutch acceded to such requests only to Multani merchants, whom they believed were "rather wealthy" (*tamelijk gegoed*).¹²³ Besides, it was usual for the VOC to nail blame on other traders for placing extravagant bids for copper. In 1753, while accusing English and other traders for not

¹¹⁹ NA VOC2824, letter from J. van Schoonderwoerd at Bandar Abbas to Batavia, 28 April 1753, pp. 38-9; VOC2843, letter from Bandar Abbas to Batavia, 1 October 1753, pp. 25-6, 28-30.

¹²⁰ NA VOC2863, shipping list, Bandar Abbas, 1 September 1753–20 December 1754, p. 65; VOC2968, shipping list, Bandar Abbas, 21 November 1757–4 February 1759, pp. 27-8.

¹²¹ NA VOC2863, letter from Bandar Abbas to Batavia, 20 December 1754, p. 62; BL IOR G/29/8, 3 December 1754, 4 December 1754, 12 December 1754.

¹²² BL IOR G/29/10, 15 April 1757, inserted letter from Bandar Abbas to London under the same date.

¹²³ NA VOC2885 2, final report from Schoonderwoerd to Aansorg, Bandar Abbas, 28 November 1755, pp. 18-9.

following the principle of the market, the Dutch director Schoonderwoerd compromised on an inflated price of 17 stivers per Dutch pound. If he had not he would have lost all his buyers.¹²⁴

The fact that there was an overall cash shortage in the eighteenth century led merchants to resort more and more to barter when trading. But Batavia had a strong preference to trade for cash, and this was another disadvantage for the Company's sugar trade at Bandar Abbas. In September 1756, the factors claimed that, if the Company, like their competitors, dared to barter their goods (*bij ruiling voor negotiegoederen*), the current year's sales would increase.¹²⁵ The English were particularly good at this style of trade. Whereas it was profitable for the English to barter (*in trocque genegotieerd*) for local products such as madder, asafetida, etc., Schoonderwoerd commented that the same might not be true for the Dutch, given that the English were able to get up-to-date price lists from Bombay any time they needed them and therefore knew the actual rates for those goods at their main destination in India.¹²⁶

The eclipse of Dutch trade at Bandar Abbas also mirrored the remarkable rise of Masqat as a prime sugar market in the southern Gulf. While the pivot of the Gulf trade gradually shifted from south to north during the eighteenth century, it is well to remember the simultaneous development of commercial links between east and west.¹²⁷

The redirection of trade from Bandar Abbas to Masqat seems to have gained momentum from the mid-century onwards. From the 1740s the VOC opened up a part of the Company's sugar trade in the South and West Asian markets to Dutch private sectors, such as VOC officials, free-burghers and indigenous persons.¹²⁸ When the latter started to be active participants, however, it soon became clear that a potential threat loomed for all Dutch factories that conducted sugar trade in the regions.¹²⁹ In 1753 the Dutch factory of Bandar Abbas was obsessed with a suspicion that a Dutch arrival called *Fortuin* had been clandestinely carrying a larger amount of private sugar than was permitted and had imported much of it into Masqat on its way to Bandar Abbas.¹³⁰ Although further investigation did not support the hypothesis the factors remained concerned about any negative effects from private sugar shipments to Masqat. One year later they requested that Batavia forbid the captains

¹²⁴ NA VOC2824, letter from Schoonderwoerd at Bandar Abbas to Batavia, 28 April 1753, p. 40.

¹²⁵ NA VOC2885 3, letter from Bandar Abbas to Batavia, 8 September 1756, p. 5.

¹²⁶ NA VOC2885 2, final report from Schoonderwoerd to Aansorg, Bandar Abbas, 28 November 1755, p. 19.

¹²⁷ For a general view of such a shift, A. Das Gupta, "Introduction II: The Story," In *India and Indian Ocean: 1500–1800*, edited by A. Das Gupta and M. Pearson (Oxford: Oxford University Press, 1999), 40-1.

¹²⁸ C. Nierstrasz, *In the Shadow of the Company: The Dutch East India Company and its Servants in the Period of its Decline* (Leiden: Brill, 2012), 80-3. Bearing in mind that Dutch officers in Iran probably ran a not insignificant volume of clandestine trade alongside the Company's official dealings, it is also possible to see the VOC's privatization of some of the sugar trade as an attempt to control the private sector more strictly. B. Slot, "At the Backdoor of the Levant: Anglo-Dutch Competition in the Persian Gulf, 1623–1766," In *Friends and Rivals in the East: Studies in Anglo-Dutch Relations in the Levant from the Seventeenth to the Early Nineteenth Century*, edited by A. Hamilton, A. de Groot and M. van de Boogert (Leiden: Brill, 2000), 121.

¹²⁹ *Realia: register op de generale resolutiën van het Kasteel Batavia, 1632–1805*, edited by Bataviaasch Genootschap van Kunsten en Wetenschappen, vol. 3 (Leiden: Gualth Kolff, 1882–6), 262; NA VOC781: Kopie-Resolutie te Batavia, 31 August 1751, pp. 567-9.

¹³⁰ NA VOC2843, letter from Bandar Abbas to Batavia, 10 October 1753, pp. 55-6.

(*overheden*) of Dutch ships from visiting Masqat on their voyage to Bandar Abbas, except in a serious emergency.¹³¹

What is more important is that during the decade, Masqat became increasingly connected to Minab through local shipping. It is recorded that the governor of Bandar Abbas, Mulla Ali Shah and his customs officials were inclined to be rapacious, so that many local merchants went to Minab to find boats (*vaartuigen*), from where they crossed to Masqat. There at that time it was very easy to barter their goods for sugar.¹³²

This development of a new commercial line between Masqat and Minab made sugar trade at Bandar Abbas more difficult for the VOC. Immediately after the arrival of a Dutch ship called *Stralen* on 28 April 1757 the VOC sent for Multani merchants from the town. Yet no-one who came had any interest in imported sugar, whatever offer the Dutch made. The factors had no option but to decide to forward the ship's cargo to Masqat. The governor of Bandar Abbas interfered as the shipment began, and he sent the *shāhbandar* and those merchants to the Dutch factory, requesting the Company to store the cargo in Bandar Abbas as usual. But shipping formalities were already in process, so the Dutch made a rather outrageous condition, insisting that the merchants agree to promise to buy the entire cargo of sugar or at least a large part of it. The *shāhbandar* did not let them go. At his urgent request the merchants eventually came to an agreement that they would take the sugar in two months time, and they would pay within the same period. Soon it turned out that they were disinclined to keep their word.¹³³

It is useful to note that in the early 1760s the maritime merchants maintained an optimistic view for trade at Bandar Abbas. The EIC factors thought that, if the port government was in proper hands, Bandar Abbas would be the best place in the Gulf from which to supply woollen goods for a large part of the interior markets, particularly those at Kerman, Yazd, Astrabad (Istraband), Khorasan, and those of the Afghans and the Uzbeks.¹³⁴ However, the caravan trade was still mainly focused on the new channel to Minab. The EIC record states:

There has been no trade carried on here [Bandar Abbas] for some time past, no merchant boats as usual coming and going to this port, [and] such as formerly came here now carry on their business to and from Minoe [Minab], from whence we learn caffilas [*kafilas*, caravans] with different sorts of India goods go to Carmania [Kerman] and other places inland. In short this place seems near at an end and nothing can recover it but a change of government and good management in a governour [*sic*].¹³⁵

¹³¹ NA VOC2863, letter from J. van Schoonderwoerd at Bandar Abbas to Batavia, 20 December 1754, p. 31.

¹³² NA VOC2968 2, letter from the ship *Nieuw Nieuwen Kerk* to Batavia, 1 May 1759, p. 18.

¹³³ NA VOC2937, letter from Bandar Abbas to Batavia, 24 September 1757, p. 4; VOC2968 2, letter from the ship *Nieuw Nieuwen Kerk* to Batavia, 1 May 1759, pp. 8-10.

¹³⁴ BL IOR G/29/14, 24 December 1761.

¹³⁵ BL IOR G/29/13, 11 February 1761, inserted letter from Bandar Abbas to London under the same date. Next year, the EIC stated that Kerman was the place to which all goods that were traded at Bandar Abbas either for Khorasan, Qandahar, Mashhad, etc. should go first. BL IOR G/29/14, 20 July 1762, inserted letter from Bandar Abbas to London under the same date.

This description of the situation indicates that at the turn of the 1760s, the channel for inland commerce in the southern Iranian littoral had completely diverted from Bandar Abbas to Minab, thus making Minab the new hub for maritime trade and caravan commerce between Masqat and Kerman and other inland market towns in eastern Iran and beyond.

The few primary documents available make it difficult to draw any historical trajectory of the commercial highway between Masqat and Kerman after 1762 when the EIC closed down their factory at the port. Ricks argues that, with the rise of Shiraz under the Zand dynasty (1765–94), Kerman ended its role as a prominent political and economic centre in southeastern Iran. While admitting that trade with Kerman did not cease altogether, he contends that in the next three decades the town's population significantly diminished, and its trade both north-south and east-west decreased in volume. Towards the close of the century the trade and traffic further shifted to the north and northwest of Iran, as towns and ports in the Caspian region under the Qajars began to take the lead in the country's trans-regional trade.¹³⁶ Alongside the substantial relocation of the Kerman market to Fars and later to the Caspian, the parallel development of the Masqat-Sind connection as a new supply line to markets in Khorasan needs to be noted. In 1790 EIC officers at Basra wrote about the vigorous trade at Masqat, particularly in coffee from the Red Sea and sugar from Batavia:

The southern parts of Khurasan [Khorasan] are supplied with such foreign articles as are in demand there from Muscat by means of the Indus. And the northern traits of this province are sometimes supplied from the same place, when impediments occur to its communication with Ispan [Isfahan] or the northern and eastern parts of Hindostan [Hindustan].¹³⁷

This suggests that some of the sugar imported into Masqat in the later part of the century was reshipped to Sind, and thence carried up through the Indus River to the southern parts of Khorasan; and when the province was cut off from supplies from Isfahan and Hindustan it headed further north. Considering the consolidation of the power of the Bu Said dynasty at Masqat (1749– present) and the expansion of the Durrani authority (1747–1973) from their power base of Afghanistan to Sind at that time, it is possible to argue that this change also reflects the close relationship between shifts of sugar circulation and political vicissitudes.¹³⁸

¹³⁶ Ricks, *Notables, Merchants, and Shaykhs*, 205, 233.

¹³⁷ BL IOR P/414/51: Bombay Commercial Proceedings, report on the commerce of Arabia and Persia, S. Manesty and H. Jones, Basra, 15 August 1790, pp. 84, 125-6.

¹³⁸ It is interesting to note that, in the late 1750s, the governor of Sind was known as the son-in-law of the Bu Said king. NA VOC2937, report, W. Brahé and N. Mahué, 8 May 1757, p. 33.

Conclusion

The present chapter has examined the ways non-VOC suppliers of sugar tried to adjust to changing trade conditions at Bandar Abbas from the late Safavid period. From the evidence we have obtained, it is certain that, while protracted political instability in the southern Iranian littoral steadily made sugar import into Bandar Abbas burdensome for the suppliers, their active rechanneling of trade from clogged markets to alternative routes sustained the intensity of sugar trade in the south of the Gulf during that period to a remarkable extent.

During the Afghan occupation sugar suppliers kept away from the turbulence of the Iranian littoral and found their way into Basidu, Masqat and Mocha, although these channels were not always exempt from political commotion. Meanwhile, the nature of sugar trade at Bandar Abbas underwent crucial transformations. Soon after increasing military activities had caused the Isfahan market to malfunction, Basra took over the role and supplied needed cash for Bandar Abbas to support commerce there. The development of the Bandar Abbas commercial link with Kerman was another significant element. Whereas leading wholesale merchants of Lar, Shiraz and Isfahan almost completely vanished from Bandar Abbas, merchants from Kerman became important buyers of sugar at the port.

The EIC and English private traders, particularly EIC factors, were good at exploiting the new circumstances. While trying to form advantageous relationships with local notables through offering gifts, they not only developed their trade with Kerman but also linked it to Shiraz through Bandar Abbas and Bushire. In addition, as the export of gold and silver coins became extremely rare in Iran from the late 1720s, the English adeptly turned their attention to copper coins and exported them to India in quantity.

While trading ports in the northern Gulf such as Basra and Bushire benefited from the downfall of the Bandar Abbas market after the Afghan conquest, it is probable that competitions for sugar import into Bandar Abbas became reactivated in the 1730s. Not only did the English continue to import but the French also increased their sugar shipments to the Persian Gulf. These suppliers most likely attracted more local merchants than the VOC, because they offered cash-strapped merchants cheaper sugar and longer terms of credit; they were also more flexible in their willingness to accept copper money and copper ware in payment. From the later years of decade the English increasingly participated in the Kerman market where copper was relatively available. Their transport of imported goods to Kerman, which other traders also joined, triggered a remarkable dislocation of the Bandar Abbas market, thus exasperating the Dutch in their sugar trade.

The Bandar Abbas market went into a serious recession in the 1740s. Apart from the disorder following the revolt of Muhammad Taqi Khan in 1743, the port's high tariff made merchants search for more lucrative markets in Bushire, Kerman and Masqat. It is probable that the stabilization of the Kerman market under Shahrukh Khan's rule at the end of the decade helped facilitate the transport of goods from Bandar Abbas to Kerman for non-VOC suppliers. The decline of Bandar Abbas led to competition among traders and petty port governors, which also contributed to the greater resilience of sugar imports into the Gulf.

In the early 1750s Masqat replaced Bandar Abbas as the premier sugar market in the southern Gulf, as shown by the import of Javanese sugar into Masqat by Dutch private traders. Of prime importance in this development is the rise of Minab as a new nexus binding the growing markets of Kerman and Masqat. Inland merchants bypassed Bandar Abbas and went to Minab to cross the Gulf to Masqat. After procuring sugar at Masqat they doubled back to Minab, heading for Kerman and beyond. Although not well-documented, it is possible that after the 1760s an appreciable part of the Kerman sugar market was channelled to Bu Saidi Masqat, Sind and Durrani Afghanistan, whereas the Kerman market was mainly relocated to Fars under the Zands and the Caspian under the Qajars. In the late century, some of the sugar unloaded at Masqat was re-exported to Sind and then transported along the Indus to Khorasan.

The vigour of the sugar trade through non-VOC suppliers in the Lower Gulf and Sind after the Safavid period leads us to believe that there was a greater intensity in the sugar trade in the Upper Gulf, where probably more suppliers sought alternative channels of trade. How did they carry out sugar imports there? What did their activities reflect with regard to the reformation of the Gulf market as a whole? We will deal with these questions in the next chapter.