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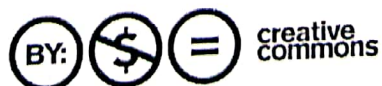
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The Trading World of India and Southeast Asia in the Early Modern Period

Denys Lombard was one of the more influential of the small band of historians who have consistently emphasized in their work the close cultural and commercial ties that have bound India and the Malay-Indonesian world over many centuries. Trade between the Indian subcontinent and Southeast Asia has traditionally constituted an important component of the overall value and volume of maritime commerce in the Indian Ocean-South China Sea trading network which stretched from the Persian Gulf in the northwest to Japan in the northeast. The trade on the India-Southeast Asia segment consisted not only in a substantial exchange of goods on a bilateral basis but perhaps even more importantly of a large volume of trade between the two regions for purposes of reexport to other regions. There was thus a large volume of reexport trade in Indian and other goods from Southeast Asia eastward to China and Japan. Correspondingly, Southeast Asian goods were reexported in large quantities from ports on the west coast of India to the Middle East, and further on to Europe via the Levant.

India has traditionally played a central role in the successful functioning of the network of Asian trade. In part, this indeed was a function of the midway location of the subcontinent between west Asia on the one hand and Southeast and East Asia on the other. But perhaps even more important was the subcontinent's capacity to put on the market a wide range of tradable

Archipel 56, Paris, 1998, pp. 31-42

goods at highly competitive prices. These included agricultural goods, both food items such as rice, sugar and oil as well as raw materials such as cotton and indigo. While the bulk of the trade in these goods was coastal, the high-seas trade component was by no means insignificant. The real strength of the subcontinent, however, lay in the provision of large quantities of manufactured goods, the most important amongst which was textiles of various kinds. While these included high-value varieties such as the legendary Dhaka muslins and the Gujarat silk embroideries, the really important component for the Asian market was the coarse cotton varieties manufactured primarily on the Coromandel coast and in Gujarat. India's capacity to manufacture these textiles in large quantities and to put them on the market at highly competitive terms made it in some sense the "industrial" hub of the region surrounded by west Asia on one side and Southeast Asia on the other. This circumstance also determined to a large extent the nature of India's demand for imports from the rest of Asia. This demand consisted essentially either of consumption goods which were not produced domestically for soil, climatic or other reasons, or of minerals and metals of various kinds whose domestic supply was either nil or substantially below the total demand. The important point to emphasize is that by virtue of her relatively more advanced structure of manufacturing production and her capacity to provide large quantities of a basic manufactured consumption good such as inexpensive cotton textiles at highly competitive terms, India significantly enhanced the basis of trade in the Asian continent. She not only provided the textiles and, on a more modest scale, the foodgrains and the provisions in great demand in the neighbouring societies but also provided an important outlet for their specialized agricultural, mineral and other products. Trade satisfied different kinds of consumption needs for India as compared with her numerous trading partners in the Indian Ocean region. This by itself provided an excellent basis for a significant and growing level of trade. It is really in this sense that the critically important role of India in the structure of early modern Asian trade needs to be assessed.

The complementarity of a trading relationship between two major Asian trading partners perhaps comes out in its most intense and varied form in the nature of goods traditionally exchanged between India and Southeast Asia. The most important export from India was, of course, textiles, though there were other items such as raw silk, opium and provisions that figured in this trade. There was a great deal of demand for Indian textiles in markets such as the Spice Islands (the Moluccas, Banda and Celebes), Java, Sumatra, the Malay peninsula, Thailand and Burma. While it is impossible to determine

precisely what proportion of total domestic demand for textiles in these societies was met by imports from India, the available evidence would seem to point in the direction of this not being altogether insignificant. Throughout the region, these textiles were used primarily as wearing apparel by all sections of the community. While the bulk of the demand seems to have been for the relatively coarser and inexpensive types, there was also a fairly large market for the more expensive and ornamental varieties. The principal varieties of Coromandel textiles sold in Java in the seventeenth century, for example, were *tapis* (including *tapi sarassas* and *tapi chindaes*) and *goulongs*. While the coarser varieties of *tapis* were partly for "the peasants in the hills",⁽¹⁾ the *goulongs*, which were patterned on the loom and often incorporated gold thread, were obviously for the better-off sections. In a letter to the Dutch Company factors at Masulipatnam in 1617, Jan Pietersz. Coen emphasized that "it was essential that only the best quality *goulongs* and *tapi-sarassas* were procured for Java since these people are very particular about the quality and, given their good buying power on the basis of the high price of pepper, are willing to pay a very good price for the right kind of textiles".⁽²⁾ It would, therefore, be quite inaccurate to classify these markets as absorbers merely of coarse cottons though these would, without any doubt, have constituted the bulk of the total demand. Also, each of the consuming markets, with several sub-segments, was a distinct unit with its own specific tastes and preferences with regard to the colours of the dyes, as well as the patterns and designs created through printing and painting.

Among the major items imported from Southeast Asia into India were either highly exclusive vegetational products such as fine spices like cloves, nutmeg and mace from Indonesia, or tin from Malaya, and rubies and other precious stones from Burma. Elephants were also imported in fair numbers from Thailand.

The trade between India and Southeast Asia was conducted overwhelmingly by Indian trading groups, though a certain amount of trade would also seem to have been carried on by merchants based in Southeast Asia. Both groups included members of the royalty and the nobility as well as senior state officials participating in trade on the side. While in the case of Mughal India, one finds senior state officials such as Mir Jumla and Shaista Khan engaged in high-seas trade on an important scale, the Southeast Asian

1. Algemeen Rijksarchief (ARA). Coen at Batavia to Masulipatnam, 8 May 1622. Verenigde Oost Indische Compagnie (VOC) 849, ff.82v-85v.

2. ARA, Coen at Jacatra to Masulipatnam, 30 November 1617, VOC 1067, ff. 31v-35v.

group included persons such as the king of Siam with his fairly extensive trading organization. The Indian trading groups included the Gujaratis, the Chettis, the Kelings (or Chulias), and others from the Coromandel coast, besides the Oriyas and the Bengalis.

In the course of the fifteenth century, the port of Malacca rose to be a truly major centre of international exchange and a meeting point of traders from the east and the west. Allegedly, as many as eighty-four languages were spoken at this port. Also, each of the four major communities of merchants resident in and operating from Malacca – the Gujaratis, other Indian merchant groups such as the Kelings and merchants from Burma, the merchants from Southeast Asia up to and including the Philippines, and finally the East Asians including the Chinese, the Japanese and the Okinawans – were allowed to have *shahbandars* of their own who managed the affairs of their communities autonomously of the local authorities. Following the take-over of Malacca by the Portuguese in 1511, the Keling merchants decided to join hands with them and retained their important position at the port. It was only after the Dutch conquest of Malacca in 1641 and the imposition of a restrictive commercial policy by the VOC that the Keling merchants were obliged to look for alternative places of settlement. Two of the more important of these places were Kedah at the southern end of the Isthmus of Kra off the straits of Malacca and Aceh in northern Sumatra at the entrance of the Malacca straits. In both these places, the Keling merchants also managed to obtain positions of political power and influence. Thus in 1783, a Keling merchant named Jemmal was reported to be the king of Kedah's merchant and minister. In Aceh, a Keling merchant named Poh Salleh, appointed *shahbandar*, managed to appropriate so much political power to himself that he was even suspected of having had a hand in the death of the sultan in 1781. The new sultan, Muhammad Shah, was reportedly even more dependent on Poh Salleh, who actually carried on the administration of the state.⁽³⁾

Another important Southeast Asian state with a large and politically powerful Keling merchant community was Banten in northern Java. Throughout the period between 1522 and 1609, the office of the *shahbandar* of Banten was held by a Keling merchant. We also learn from the journal of Edmund Scott that in 1596, two other key offices in the sultanate, namely

3. Bhaswati Bhattacharya, "The Chulia merchants of southern Coromandel in the eighteenth century : a case for continuity", in Om Prakash and Denys Lombard (ed.), *Commerce and Culture in the Bay of Bengal, 1500-1800* (Delhi, 1998).

that of the prime minister and the revenue assessor, were also held by members of the Keling merchant community.⁽⁴⁾ In February 1609, however, following a violent disagreement with the nobility of the sultanate, a large number of the Keling merchants, including the leaders, were obliged to leave Banten and move to Jakarta, a vassal state of Banten. The result was a severe contraction in the trade of Banten. It was only after the conclusion of a treaty between the Dutch East India Company and Banten in 1659 and the fall of Makassar a few years later that Banten was able to restore in some measure its earlier pre-eminent position in the trade of Southeast Asia.⁽⁵⁾

Indeed, the arrival of the Europeans into the Indian Ocean following the discovery at the end of the fifteenth century of the all-water route between Europe and Asia via the Cape of Good Hope had been instrumental in the inauguration of a new phase in the history of commercial contacts between India and Southeast Asia. By invoking their superior strength on the sea, several of the European corporate groups sought to exclude Indian merchants from specific branches of this trade. The degree of success achieved in this endeavour, however, varied a great deal between one corporate group and another. It is a great tribute to the resilience of the Indian merchants' enterprise and of their capacity to mould it in accordance with altered situations that by and large they managed to withstand the European onslaught successfully.

Europeans

The Portuguese were the first European corporate group to arrive in the Indian Ocean at the end of the fifteenth century. The Euro-Asian trade carried on the account of the Portuguese Crown consisted overwhelmingly in the export of Malabar/Kanara pepper to Lisbon. But the Crown also participated in a limited way in intra-Asian trade with Malacca as the centre-point. It was in this venture that the Crown sought the assistance and collaboration of the Keling merchants settled at Malacca. The collaboration often took the form of voyages undertaken jointly by the Crown and leading Keling merchants such as Nina Chatu. But in the second half of the sixteenth century the Crown increasingly withdrew from participation in intra-Asian trade though it kept for itself the right to give benefices as rewards for service. Thus was born the so-called system of concession voyages, which came to constitute the backbone of the Portuguese private merchants' trade in Asia. A concession conferred on the grantee the right to make a voyage

4. Claude Guillot, "Banten and the Bay of Bengal during the sixteenth and seventeenth centuries". in Om Prakash and Denys Lombard (ed.), *Commerce and Culture in the Bay of Bengal*.

5. Claude Guillot. *Ibid.*

between two specified ports in the Indian Ocean and/or the South China Sea. A concession route could either be to a so-called "reserved" port in which case the concession holder, in principle, had the exclusive right to operate on the route. Or, alternatively, it could pertain to an "open" route in which event the grantee was designated the captain-major of the fleet (including both Portuguese and non-Portuguese ships) operating on the route. Important among the "reserved" routes were those between Coromandel and Malacca and between Coromandel and Pegu. An example of an "open" route was that between the ports of Orissa and Malacca.

The principal instrument the Portuguese used to regulate the Indian merchants' shipping was the requirement that these ships ask for and carry a *cartaz*. In the event of non-compliance, the vessel ran the risk of being seized by the Portuguese cruisers. The document authorised the Indian vessel concerned to embark upon a specified trip and prohibited it from carrying goods monopolized by the Portuguese. The ports of call were specified and generally included a visit to a Portuguese-controlled port to pay duties on its cargo before proceeding to its destination. The Portuguese were able to enforce such an arbitrary and high-handed requirement essentially because of the near absence of effective naval capacity on the part of the Indian and most other Asian states at this time.

In the context of this regulatory mechanism, to what extent did the Portuguese participation in intra-Asian trade adversely affect the Indian merchants' trade with Southeast Asia? As far as trade with this region from the ports of Bengal was concerned, since neither the *carreira* nor the concession routes to Bengal were monopoly routes, the Indian merchants' trade is known to have co-existed together with that of the Portuguese. The only important change that occurred was a substantial increase in the trade with Aceh at the expense mainly of that with Malacca, which registered a progressive decline from the 1540s onward.

The situation was somewhat more complex on the Coromandel coast. Private Portuguese merchants' as well as Indian merchants' trade between Pulicat and Malacca is known to have continued on an important scale throughout the 1520s, 1530s and 1540s. But as Crown shipping gave way to concession voyages to Coromandel on a reserved-route basis, the Indian merchants found themselves almost totally excluded from the Pulicat-Malacca run. They were now obliged to hire freight space aboard the concession holders' ships. An increase in the import duty at Malacca, combined with a rise in the freight charges, created further problems. This situation, together with the decline of the imperial city of Vijayanagar, led to

an irreversible decline in the fortunes of the port of Pulicat. By the end of the sixteenth century, the port was only a shadow of its former self.⁽⁶⁾

The port that succeeded Pulicat as the premier port of the Coromandel coast was that at Masulipatnam, which until the middle of the sixteenth century was a relatively minor port. The rise of Masulipatnam was in part related to the consolidation of the sultanate of Golconda under Ibrahim Qutb Shah (1550-80). But it also had a good deal to do with the emergence of an alternative network of trade in the Bay of Bengal. This basically represented the Indian merchants' response to the Portuguese stranglehold over the Pulicat-Malacca sector. The other constituent ports of the newly emerging network were Aceh, Malay peninsular ports such as Perak and Kedah, and the Burmese ports of Pegu, Bassein, Tavoy and Martaban, all of which had taken on an anti-Portuguese character. In the 1590s, two or three ships regularly left Masulipatnam for Pegu laden with textiles and yarn. The links with Aceh, which took on the role of a worthy successor of Malacca as a major entrepot port in the region, were even stronger. The rise of the alternative network greatly alarmed the Estado da India which tried very hard to destroy it. Through official or unofficial armadas, attempts were made to disrupt trade both at Aceh and at Masulipatnam. But these attempts were not particularly successful at any point : indeed there were occasions when Portuguese captives from such attempts had to be ransomed from Masulipatnam by private Portuguese citizens.⁽⁷⁾

The Portuguese were followed into the Indian Ocean at the beginning of the seventeenth century by the English East India Company established in 1600 and the Dutch East India Company chartered two years later. Because of the continuing stranglehold of the Portuguese on the Malabar/Kanara coast, the northern Europeans were obliged to look for their supplies of pepper and other spices in the Indonesian archipelago. This involved a shift in the *loci* of Euro-Asian trade from India to Southeast Asia. The Dutch East India Company also managed to acquire extensive monopoly and other privileges in the Moluccas and elsewhere in the archipelago. A distinctive feature of the Company's trading operations in Asia was a systematic and large scale participation in intra-Asian trade as an integral part of its overall trading strategy. As a result, the VOC was more immediately and directly concerned with the competition that the Indian merchants might provide in

6. Sanjay Subrahmanyam, *The Political Economy of Commerce : Southern India 1500-1650* (Cambridge, 1990), pp. 155-66.

7. Sanjay Subrahmanyam, *Ibid.*, pp. 155-66.

intra-Asian trade than was the case with any other European corporate enterprise functioning in Asia. The device of the *cartaz* (the pass) to regulate the Indian merchants' trade was, therefore, adopted by the Company almost from the very beginning of its trading operations in Asia. But keeping the Indian merchants out was by no means an easy task.

In November 1641, the Dutch governor of the newly-conquered Malacca pointed to the glut of Indian cloth in the area as a result of which the Company's own sales had suffered. The following year, the factors in Ayutthaya ascribed the poor sale of Indian textiles to the large imports by the merchants from Bengal and Coromandel. The situation was even worse at Perak where the Company's sale of textiles had practically been brought to a halt. The Company's response to this situation was a twofold one. On the one hand, instructions were issued to the factors in India to require all merchants granted passes for the Malayan ports to call first at Malacca and pay the duties there. For one whole year, the Surat factors even managed to oblige the Surat shipping granted passes for the region to pay the Malacca duties at Surat itself before sailing out. The factors at Malacca were to offer to buy the textiles brought in by the Indian ships at the market price. Sufficient stocks of goods that these merchants might want to buy at Malacca were also to be maintained in the Company's warehouses. At the same time, these merchants were to be prevented from operating in some of the more important markets in the region. This was sought to be achieved by the Company entering into exclusive contracts with the local rulers. The Indian merchants sought to counter this by shifting their operations to Aceh. The extensive trade carried on by the Aceh merchants with Sumatran and Malayan ports made Aceh a large market for Indian textiles, as well as a major procurement point for items such as pepper and tin. It was in this context that the Company imposed a blanket ban on the Indian merchants' trade with Aceh as well as the Malay peninsular ports.

It was only after the conclusion of a comprehensive treaty between the VOC and the queen of Aceh in June 1659 that Dutch passes were issued liberally for both Aceh and Malacca. The Indian merchants made the most of the trading opportunities at Aceh, but by no means gave in to the Dutch demand of staying away from the Malay peninsular ports. Kedah, which was just outside the Dutch blockade system and, though not a producer of tin, was a major provider of it because of the existence of an efficient network of coastal trade with the neighbouring producing region, became an important port of call for shipping from Coromandel. Further north, a considerable amount of shipping went to Bangeri and Phuket in addition to the Thai port

of Tenasserim and the Burmese port of Pegu. After the conclusion of the second Anglo-Dutch war in 1667, obtaining an English Company pass became yet another device to evade the Dutch control. Goods were also freighted on English ships going to the Malayan ports. At times, English Company ships flying the English flag were also hired to transport the Indian merchants' goods to the region.

The Dutch conquest of Banten in 1682 followed by the exclusion of Indian shipping from the port did indeed involve the loss of the important Java market for Indian, particularly Coromandel, textiles. The procurement of Chinese and Japanese goods, particularly copper, which used to be obtained mainly at Banten, also suffered in the process. But a part of this loss was made up by increased sailings to ports such as Johor, Lama and Pankor. The Dutch Company's attempts to make the sultan of Johor restrict Indian shipping to his ports were not particularly successful.⁽⁸⁾

The available evidence suggests that from the closing years of the seventeenth century onward, there was a distinct decline in the Indian merchants' trade with the Malay archipelago. But this decline would seem to be related in the main to political and economic developments in the relevant Indian region and/or in the partner ports. The role of the VOC policies or trade in this regard would seem to be of no particular consequence. A case in point is the eastward trade from the Bengal ports of Hugli and Balasore. This trade consisted essentially of four sub-branches : the trade with Arakan and Pegu; the trade with Siam with Tenasserim as the principal port; the trade with the Malay peninsula and Sumatra, the principal ports of call in the area being Phuket, Kedah, Perak, Malacca and Aceh; and the trade with Manila in the Philippines. Evidence available in the Dutch shipping lists for the ports of Hugli and Balasore relating to departures for and arrivals from the eastward ports on the account of Indian and other Asian merchants suggests a pattern of marked decline in this trade between the last years of the seventeenth century and about 1720. There would seem, however, to have been no connection between this development and the policies of the VOC. If one desegregated the decline of the Bengal-eastward trade, it turns out that it was ascribable entirely to the withdrawal from high-seas trade by Mughal state officials engaged in trade in addition to their other activities. The volume of eastward trade carried on by the ordinary merchants registered no

8. S. Arasaratnam, "Some notes on the Dutch in Malacca and the Indo-Malayan trade 1641-1670", *Journal of Southeast Asian History*, vol. 10(3), 1969, pp. 480-90; S. Arasaratnam, "The Coromandel-Southeast Asia trade 1650-1740", *Journal of Asian History*, vol. 18, 1984, pp. 113-35.

particular decline. It would be highly unlikely that in a situation where ordinary merchants could survive the Company's trade and pass policies, state officials with a substantial resource and power base would have been obliged to withdraw from trade by the Company policies. This conclusion finds strong support in the history of the trade between Bengal and the Maldiv Islands. During the closing years of the seventeenth and the early years of the eighteenth century, while this branch of trade registered an increase, the participation of state officials in it declined markedly. If these officials practically withdrew from a *growing* trade which, in addition, was characterized by the lack of Company competition and the absence of a restrictive pass policy, their withdrawal from the eastward trade must also be viewed as having had nothing to do with the policies of the VOC.⁽⁹⁾

The case of the English East India Company, the other major European corporate enterprise functioning in Asia in the seventeenth and the eighteenth centuries, was altogether different. At no point in time was the Company involved in intra-Asian trade in any meaningful way : it was therefore not particularly concerned about the trading activities of the Indian merchants. This, however, was not true of its employees who engaged in intra-Asian trade on their private account in an important way so much so that by the latter half of the eighteenth century, they had come to dominate the trade between India and China via Southeast Asia. A rough idea of the growth of this trade can be formed by reference to the fact that while in the first half of the eighteenth century the Dutch at Malacca recorded a maximum of ten English private ships heading east through the straits in any one year, the number had gone up to twenty-four in 1764, and to as many as fifty in 1774. Simultaneously, more ships were going through the Sunda straits.⁽¹⁰⁾

Until the middle of the eighteenth century, by far the most important destination for private English shipping from India was Southeast Asia, and the principal Indian port from which shipping was directed at the region was Madras. The principal ports called at were Pegu, Tenasserim, Mergui and Ayutthaya, Kedah, Aceh and Malacca besides Banten and Batavia. From the 1760s onward, the British country traders operating from Madras began to organize themselves into powerful syndicates. This, combined with the greater political and economic leverage available to the British all over India

9. This argument can be followed in greater detail, together with the necessary evidence, in Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630-1720* (Princeton, 1985), Chapter 8.

10. P.J. Marshall, "Private British trade in the Indian Ocean before 1800", in Ashin Das Gupta and M.N. Pearson (ed.), *India and the Indian Ocean 1500-1800* (Calcutta, 1987), p. 297.

from about this time onward, generally increased their competitive strength in Aceh and other Southeast Asian markets. The Gowan-Harrop syndicate significantly expanded its operations in Aceh from about 1766. The syndicate, taken over by Jourdan, Sullivan and De Souza in 1770, included several members of the Fort St. George Council. It loaned mercenaries to the sultan and eventually dominated the port of Aceh. Kedah was also emerging as a major trading port for the English around this time. Indeed, in 1772, the Madras Presidency ranked Kedah above Aceh as an outlet for opium and piece-goods. Aceh was assumed to have a market for 150 chests of opium as against 250 chests in Kedah. The anticipated profit on the Aceh investment was 30,000 pagodas compared to 45,000 pagodas in Kedah.⁽¹¹⁾

The great expansion in the private English merchants' trade in the post-1760 period was the outcome basically of a substantial growth in the trade with Canton which, in turn, was related in a large measure to the growth of the English power in the Indian subcontinent. The English had become the actual rulers of Bengal, they were the dominant power on most of the Coromandel coast, and they had strengthened their position in western India. The special position of the English Company and by association of that of the private English merchants, vis-a-vis the suppliers and producers of goods in regions such as Bengal, significantly increased the margin of profit from private trade. As a consequence, what Holden Furber has termed the "commercial revolution" in the Indian Ocean got under way. This "revolution" consisted in the first place in a clear domination of trade in the Indian Ocean and the South China Sea by private English shipping based at Calcutta and Bombay, and in the second, in an increasingly central and indeed dominant position of the trade with China and Malaya in the private English merchants' trade from India.

The private English merchants' domination of the trade in the Indian Ocean would almost certainly have had a certain amount of adverse impact on the Indian merchants' trade with Southeast Asia. It is, however, important to keep the matter in perspective. We noted earlier that the Portuguese and the Dutch attempts to squeeze the Indian maritime merchant out of business were not particularly successful at any point. With a certain amount of readjustment in the matter of ports operated from and specific routes along which trade was carried on, Indian merchants were by and large able to withstand quite successfully the efforts directed at squeezing them out of participation in intra-Asian trade. In so far as the English private traders

11. D.K. Bassett. "British 'country' trade and local trade networks in the Thai and Malay states c. 1680-1770", *Modern Asian Studies*, vol. 23(4), 1989, pp. 639-40.

were indirect beneficiaries of the new political status of the English East India Company, the situation had admittedly become somewhat more complex in the second half of the eighteenth century. But the overall adverse impact on the fortunes of Indian merchants would still not seem to have been anything like catastrophic. Indeed, these merchants would seem to have taken full advantage of the overall increase in the value and volume of the India-Southeast Asia trade that characterized the last four decades or so of the eighteenth century. A perusal of the shipping lists in the Dutch East India Company documentation pertaining to the ports of Nagapattinam and Malacca strongly points to the continuing strength of the Indian merchants' trade between these two ports. In the 1770s and the 1780s, six to eight ships are recorded as having sailed each year from Nagapattinam to Malacca and one or two to Aceh. A reference to the English East India Company documentation for the 1780s and the 1790s pertaining to Madras confirms this picture. References to continued sailings to Burmese ports and to Aceh are scattered through the Madras records and there is more systematic evidence in the Straits Settlements records after the foundation of Penang in 1786. The number of ships of Indian ownership that reportedly called at Penang between 1788 and 1793 varied from a minimum of 6 in 1791 to a maximum of 22 in 1792.⁽¹²⁾

To conclude, the wide-ranging and substantive commercial links between India and Southeast Asia constituted an extremely important component of the Indian Ocean-South China Sea trading network in the early modern period. The trade on this sector was carried on overwhelmingly by Indian merchants who wielded not only an enormous amount of influence in the commercial world of Southeast Asia but also a considerable amount of political leverage in many parts of the region. The coming in of the Europeans into the Indian Ocean starting with the closing years of the fifteenth century involved further increase in the trade between the two regions. The policy of monopoly and exclusiveness adopted by many of the European corporate and private trading groups aimed mainly at elbowing the Indian merchants out of this trade, however, introduced a range of distortions into the functioning of the trading network. This certainly put the Indian merchants under a certain amount of pressure, but by adopting a variety of survival strategies, they by and large managed to hold on to their share in this trade.

12. S. Arasaratnam, "Coromandel's Bay of Bengal trade 1740-1800, A study of continuities and changes", in Om Prakash and Denys Lombard (ed.), *Commerce and Culture in the Bay of Bengal*.