

The Political Economy of Opium Smuggling in Early Nineteenth Century India: Leakage or Resistance?

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Abstract

This article looks at the political economy of opium smuggling in India in the first decades of the nineteenth century, in particular in relation to Sindh, one of the last independent polities in the subcontinent. After a description of the smuggling of 'Malwa' opium (grown in the princely states of Central India) into China—in defiance of the monopoly of the East India Company over 'Bengal' or 'Patna' opium, grown in Bihar—it considers the role of Indian merchants and capitalists in its emergence and development, and critiques the argument put forward in a recent book by Amar Farooqi that it represented both a form of 'subversion' and that it contributed decisively to capital accumulation in Western India. This article concludes by analysing the role of the opium trade in integrating Sindh into the British imperial trading system, arguing that it was more effective in boosting Empire than in nurturing indigenous capitalism in India.

Introduction

The link between narcotics, imperialism and capitalism has long attracted the attention of scholars. Recently, Carl Trocki has reiterated the classical Marxist position, dating back to Karl Marx himself, on the incestuous relationship between drugs and empire, while recognising that the opium trade also nurtured certain forms of indigenous capitalism in Asia.¹ While he has focused on the global Asian opium scene, including India, China and Southeast Asia, other scholars have given more attention to the Indian context of the trade. Amar Farooqi,

¹ Carl Trocki, *Opium, Empire and the Global Political Economy: A Study of the Asian Opium Trade 1750–1950*, London, New York, Routledge, 1999.

in a book which is probably the most detailed history of the opium trade as seen from India, has stressed the contribution of the 'illegal' trade in Malwa opium to capital accumulation in Western India in the first three decades of the nineteenth century.² John Richards, more than twenty years after his pathbreaking article on peasant production of opium³ has returned to the topic with a wide-ranging survey of the contribution of the drug to the finances of British India.⁴ In this paper, I propose to revisit the history of the Malwa opium trade with a view to discussing both its general impact on capital accumulation in early nineteenth century Western India and its link with imperial expansion. I shall focus more specifically on the case of Sindh, a largely neglected region of the subcontinent, whose transformation into the main smuggling route for the drug after 1819 was one of the factors that led to its integration into the British Indian Empire.

Smuggling Malwa Opium to China Through the Ports of Portuguese India: A Brief Summary of the Facts

Cultivation of poppy in that region of Central India traditionally known as Malwa, went back far in time: the crop of poppy in subha Malwa is mentioned in the *Ain-i-Akbari*,⁵ and the first Portuguese visitors to India remarked on the existence of an active export trade in 'Cambay opium' from the West Coast of India, which was destined mostly for the Indonesian archipelago. In the seventeenth century, Surat became the main hub of this trade, in which the Dutch East India Company was actively involved⁶ before it shifted to Bombay, from where it seems that, starting in the 1770s, small quantities were shipped to China. But this did not affect the official trade of the English East India Company (EIC) in 'Bengal' or 'Patna' opium, mostly shipped from Calcutta, over which the Company had established a monopoly between 1773 and 1797. The drug, smuggled into China

² Amar Farooqi, *Smuggling as Subversion: Colonialism, Indian Merchants and the Politics of Opium*, New Delhi, New Age International, 1998.

³ John F. Richards, 'The Indian Empire and Peasant Production of Opium in the Nineteenth Century', *Modern Asian Studies*, 15, 1, 1981, pp. 59–82.

⁴ John F. Richards, 'The Opium Industry in British India', in S. Subrahmanyam (ed.), *Land, Politics and Trade in South Asia*, Delhi, Oxford University Press, 2004, pp. 44–81.

⁵ Farooqi, *Smuggling as Subversion*, p. 60.

⁶ See the contribution by George Bryan Souza in this issue of *Modern Asian Studies*.

by private traders because of the official interdiction of the trade by the Chinese authorities, but grown in Bihar under strict Company supervision, became the main item in the Indo-Chinese trade, basically allowing the British to import Chinese tea without sending too much specie to China.⁷ It was only in 1803 that the Supreme Government in Calcutta, worried about the breach of its monopoly, started enquiring about the so-called 'clandestine' Malwa opium trade from officials in Bombay who reported on its antiquity and provided some information as to the producing areas and the trading circuits. They mentioned the role played by the ancient city of Ujjain as the major market for the drug: there it was brought in a semi-manufactured state from all over Malwa and further refined before being sent towards the coast for export. The purchasers were 'native merchants' who bought the opium either on their own account or as agents for firms located in port cities.

On receipt of this information about the trade, Governor-General Lord Wellesley instructed the Bombay Government to take immediate steps for its 'complete annihilation'.⁸ In 1804, the authorities were further informed that 100 piculs (a Chinese measure of weight equivalent to 133 1/3 lb or 60.453 kg) of Malwa opium had been brought to Macao on board the ship *Lowjee family*, apparently from Goa,⁹ which added to their determination to put an end to that trade. It was however easier said than done, and, when in 1805, the Bombay Government forbade to ship the drug through Bombay, the trade shifted largely to the Portuguese ports of Diu, Damao and Goa, which had regular maritime links with Macao. That Portuguese enclave on the South China coast had become after 1799, following the strict measures taken by the Chinese authorities against the contraband trade at Canton, the main point of entry of the drug into China.¹⁰ The British turned then to the Portuguese authorities, and, under British pressure, the viceroy of Portuguese India agreed to forbid shipments from Goa and to instruct his subordinates at Daman and Diu to take

⁷ M. Greenberg, *British Trade and the Opening of China, 1800-42*, Cambridge, Cambridge University Press, 1951.

⁸ Trocki, *Opium*, p. 78.

⁹ D.E. Owen, *British Opium Policy in China and India*, New Haven, CT, Yale University Press, 1934, pp. 69-70.

¹⁰ On the emergence of Macao as the major hub of the opium trade around 1800, see P.Y. Manguin, *Les Nguyen, Macau et le Portugal: Aspects politiques et commerciaux d'une relation privilégiée en Mer de Chine, 1773-1802*, Paris, Ecole Française d'Extrême-orient, 1984, pp. 135-138. I am grateful to Sanjay Subrahmanyam for bringing this source to my attention.

similar action. During the British occupation of Portuguese India, in 1805–1810, the trade appears to have decreased significantly but did not disappear altogether, as ports in Saurashtra or even in British Bombay were used as alternatives. With the return of Goa, Damao and Diu to Portuguese control in 1810, there was a new spurt in the trade, unnoticed by the British authorities till, in 1815, the supercargoes of the EIC at Macao heard that 300 chests of Malwa opium had been brought to Macao and more than 200 to neighbouring Whampoa.¹¹ They tried to persuade the Portuguese authorities to intervene against the trade, but, as a result of their interference, were themselves barred from dealing in opium at Macao till 1823.

Prevented from blocking the sea route by the attitude of its Portuguese ally, which understandably did not want to be excluded from the benefits to be gained from participating in such a lucrative activity, the EIC focused on trying to block the land routes between the producing areas, which were situated far inland, and the exporting ports in Portuguese India. To that effect, it sought to conclude treaties with its other allies, the native states of Gujarat, through which the drug had to transit. Although the Gaekwar of Baroda, the Kathiawar chiefs and the rulers of Palanpur, Chhota Udaipur, Rajpipla and Porbandar duly signed agreements by which they promised to take measures against the transit of opium through their territories, the latter were not always actually enforced by their officials, some of whom were most probably in cahoots with the drug smugglers. To satisfy the growing demand in China (itself, let us recall, a result of British policies, ineffectively resisted by the Chinese authorities), the ‘Malwa sowcars’ (sahukars), the mostly Marwari and Gujarati merchants-financiers who financed the cultivators, multiplied their advances to the producers. As a result, the output grew from an annual average of 300 to 600 chests of 1 picul each in the early 1800s to 900 chests in 1817. In 1818, a chest of Malwa opium sold in Canton for (Spanish) \$680 as against \$840 for a chest of ‘Patna’ opium.¹² It is not that the peasant in Bihar got more for his poppy than the one in Malwa: on the contrary, one estimate is that peasants in Malwa were paid three times as much for their crop as the cultivators in Bihar.¹³ The

¹¹ Owen, *British Opium Policy*, p. 70.

¹² Trocki, *Opium*, pp. 79–87.

¹³ B.B. Chaudhuri, *Growth of Commercial Agriculture in Bengal (1757–1900)*, vol. I, Calcutta, Indian Studio Past and Present, 1964, p. 11. This estimate, however, appears

price differential¹⁴ reflected mostly the overcharging of the Chinese consumer by a greedy monopolistic organisation. Although it was sometimes stated by Company officials that the Patna product was of better quality than the Malwa sort, the Chinese consumer reacted mostly to price, and sales of Malwa opium in China boomed.

In 1819, the Company decided to adopt a new strategy vis-à-vis that trade, which it was obviously not able to stop; it decided to take control of it, in the same way as it controlled the Bengal opium trade. It proceeded to buy the entire Malwa opium crop and to auction it, both at Bombay and Calcutta, from where it could be shipped by the same merchants who shipped 'legally' (from the British point of view, the Chinese view being of course different) the Bengal opium. The new plan however failed, as it proved impossible to control the entire supply, one of the reasons being that the Malwa sowcars responded to the new conjuncture by raising production considerably. The more the Company bought, the more money they advanced to the producers, while continuing to smuggle through various outlets the part of the crop which they did not sell to the Company. In 1821–1822, sales of Malwa opium in China reached 1,715 chests, and the following year they shot up to 4,000 chests, a level at which they remained during most of the 1820s.¹⁵ At the same time, to compensate for the closure of the route through Gujarat, a new route was found through Sindh, an independent polity which had delicate relations with British India.

The new route appears to have been in use from 1819, but it was only in 1821 that Company officials took notice of it. As it is described in various official reports,¹⁶ it started in Pahli, in the territories of the maharajah of Jodhpur, a small locality to which the drug was conveyed by caravans from the various marts in the producing areas of Malwa, of which the most important was Mundissore, near Ujjain. From

exaggerated. On the conditions of the opium-growing peasantry in Malwa, see Farooqi, *Smuggling as Subversion*, pp. 66–71.

¹⁴ Which tended to increase, as data from early 1823 reveal that the price of Bihar opium had climbed to (Spanish)\$2,350 per chest, while that of Malwa opium had only increased to \$1,380. Consultation 7A, 17 April 1823, Bengal Board of Revenue (Miscellaneous) Proceedings (Opium), 7 January to 27 June 1823, Oriental and India Office Collections of the British Library, London.

¹⁵ Trocki, *Opium*, pp. 79–87.

¹⁶ See in particular, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, Consultation 8A, 9 March 1824, enclosing letter from opium agent in Malwa to Board of Revenue, dated 17 February 1824, enclosing 'Memorandum respecting the export of opium to Pahlie and Demaun', and Consultation 18, dated 22 April 1824, *ibid.*, enclosing information collected at Pahli by a native informant.

Pahli, it was carried on camelback to Jaisalmer and then crossed the Thar Desert via Umarmkot on the Sindh side (Akbar's birthplace) to Hyderabad in the Indus valley from where it reached Karachi. From there, small boats took it to Damao in Portuguese territory from where it was shipped to Macao, to be smuggled into Canton (via the island of Lintin, which had become after 1815 the main hub of the contraband trade) and sold on the Chinese market. From Mundissore, it took approximately two months for the drug to reach Damao: 15 days by mulepacks from Mundissore to Pahli, 12 days on camelback from Pahli to Jaisalmer, 30 days for the crossing of the Thar desert and the Indus valley to Karachi, and a five day boat journey between Karachi and Damao.¹⁷

In February 1822, in a letter to the Supreme Government in Fort William, the Bombay Revenue Department expressed confidence that the restrictive measures taken to counteract the clandestine transit of the drug through the territories of British India and the allied native states had so forced up the cost of transit through what it called the 'circuitous' Sindh route as to render the operation unprofitable.¹⁸ In a cautious aside, however, tending to show that the officials in the Department had only limited faith in their own reasoning, they added that these difficulties 'would be considerably enhanced if the route through Jeysalmer and Pallie (sic) be closed, and above all if the Ameers of Scinde could be induced to prohibit the transit of opium through the Scinde territories, and the port of Currachee in particular'. But they made it clear that the Company Government had 'not ventured to solicit such a favour from a government whose policy and suspicion of our views are of so averse a character'. Even if it had been solicited, one must add, it is most unlikely that the government of Sindh would have deferred to British wishes, as opium transit duties were increasingly providing it with the bulk of its revenues, a point to which we shall return. Unable to block the route to the sea, the EIC tried to impose treaties on the producing states so as to regulate the output and the prices, and most of them entered into agreements by 1826. But Gwalior held out, and this considerably limited the effectiveness of the EIC policy.¹⁹

¹⁷ Enclosure no 8B in *ibid.*

¹⁸ Bombay Revenue Department to Secretary to the Supreme Government in the Territorial Department at Fort William, 27 February 1822, enclosed in Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, 4 January to 28 June 1822, consultation no 16.

¹⁹ Farooqi, *Smuggling as Subversion*, pp. 94–106.

In 1830, faced with its continued failure at preventing the 'illegal' trade, the Company government officially abandoned its policy of restrictions and tried to at least benefit from it by taxing it heavily. It levied a duty of Rupees 175 per chest on all Malwa opium transiting through Bombay, but, since the smuggling through Damao continued unabated, it reduced it to Rupees 125 in 1835.²⁰ Epistolary exchanges between the authorities in Bombay and the opium agent in Malwa, the man on the spot in charge of implementing government opium policy in the producing areas, led to the airing of some detailed information about costs, which is worth mentioning here. The agent, in a letter to the Bombay Revenue Department, explained that, when the pass had first been introduced, the differential in the cost of transport of one chest from Malwa to the coast between the Bombay route and the Damao route had amounted to Rupees 85 in favour of the former (which was not enough to cover the price of the pass, fixed at Rupees 175), and that it had since been reduced to only Rupees 66. He estimated the cost of transport of one chest of opium from Malwa to Damao to be about Rupees 100, as against Rupees 34 for transport from Malwa to Bombay,²¹ an estimate which, by the way, does not tally exactly with the evidence he appended to his letter, based on information provided by native opium trading firms. The latter indicates a cost of only Rupees 88 for the Damao route, as against Rupees 42 for the Bombay route, i.e. a differential of only Rupees 46, which seems more plausible.

Whatever the true figures were for the cost of land transport (and the agent might well have 'doctored' figures to exaggerate the differential, a way of defending his own record), given that the cost of maritime freight on the India-China run was only marginally lower on Portuguese than on British vessels (Rupees 19-7-0 as against Rupees 20-0-0, for one chest of opium), it was clear that the big difference in the total cost of transit of one chest of opium between Malwa and Lintin was entirely due to the price of the pass. According to the calculations presented by the agent, the transit cost of that chest amounted to approximately Rupees 100 less via Damao than via Bombay. The price of the pass amounted to much more than the total of the duties levied at different stages by various non-British

²⁰ Trocki, *Opium*, p. 86.

²¹ Opium Agent in Malwa to Bombay Revenue Department, 29 May 1835, Bombay Revenue Proceedings for 1835, 17 June 1835, no 2740, Oriental and India Office Collections of the British Library.

authorities on the route. Curiously, duties levied in Sindh do not figure in the calculations, which may be an oversight, but may also be due to a lack of detailed information. But another source estimates them to have been Rupees 100 by chest²² in 1838, which would have tended to equalise costs. In spite of his own (not too reliable) evidence pointing to the fact that the high price of the passes was the main parameter enhancing the Damao route over the Bombay route, the opium agent did not plead for a drastic reduction. He advised the authorities at Bombay to reduce the price by a minimum of Rupees 25. Although the government eventually settled for a reduction of Rupees 50, from Rupees 175 to 125, even this concession did not stop the trade through Damao, which continued unabated till at least 1839. It is clear that, in their dealings with the 'illegal' Malwa opium trade, the Company authorities were hampered by their fiscal policies, especially after they had ceased, in 1833, to deal directly in opium. Only a drastic reduction in the price of passes could have brought about an end to the trade through Sindh by making the attractions of the Bombay route irresistible. But it would have meant accepting a fall in revenue for which the authorities were not ready. One can therefore surmise that the stopping of that illegal trade was not really a top priority for the Company.

It was only when the Company occupied Karachi in 1839, as a preliminary step to its ultimately disastrous Afghanistan campaign, that it could actually close the Sindh route. After the annexation of Sindh in 1843, some residual smuggling probably continued through other routes, but basically the Company was thence able to channel the trade through Bombay and to raise transit duties to Rupees 200 per chest in 1843, to 300 in 1845 and to 400 in 1847.²³ By the 1850s, the Malwa opium trade was yielding to the Government of India an annual revenue of over Rupees 30 million, i.e. approximately 60% of total Indian opium revenue,²⁴ having thus superseded 'Bengal' opium.

²² In 1838, duties amounted to 234 kora or kashani rupees (local currencies of Sindh), equivalent to 200 Company rupees per camel load of two chests, i.e. Rupees 100 per chest. See Alexander Burnes, 'On the Commerce of Hyderabad and Lower Sind' in *Reports and Papers, Political, Geographical and Commercial, Submitted to Government by Sir Alexander Burnes, Lieutenant Leech, Dr Lord and Lieutenant Wood Employed on Missions in the years 1835–36–37 in Scinde, Afghanistan and Adjacent Countries*, Calcutta, 1839, p. 21.

²³ Trocki, *Opium*, p. 87.

²⁴ Richards, 'The Opium Industry', Tables 1, 2, pp. 54–58, and Table 5, pp. 74–77.

The 'illegal' trade in Malwa opium, which occurred on a significant scale between 1803 and 1839, was certainly a thorn in the flesh of the EIC and prevented it, prior to 1833, from enjoying the fruits of a complete monopoly of this most lucrative of trades. As to its economic effects, they are difficult to estimate. The Bombay government lost revenue, mostly after 1819, but on the other hand, Bombay's loss was a gain to the governments of several native states, including Sindh. Whether they put this increased revenue to good or ill use is of course a different question, to which no answer can be given here. It seems to me that the story of the Malwa opium trade, which I have here briefly recounted, raises two different kinds of question: the role of Indian merchants in the trade and the latter's contribution to capital accumulation in India, as well as the role the opium trade had in integrating certain areas of the subcontinent, in particular Sindh, which is the special focus of my attention, into the global colonial economy.

Subversion or Opportunism?: The role of Indian Merchants and Officials in the Malwa Opium Trade

The Malwa opium trade mobilised different types of operators, whose identities varied overtime. Hence, the difficulty of presenting a clear picture, and the temptation to exaggerate the degree of coherence of the operation. Four different locations were involved: the native states in Malwa, mostly Gwalior and Indore, where the poppy cultivation and the preparation of the drug took place; the transit areas, i.e. the territories through which the drug had to be carried to reach the coast; the ports, from where the drug was shipped to China; and lastly, the cities where the capital was raised to finance the trade, and where also the official auctions took place, which had a direct impact on the 'illegal' trade. In each type of location, there were different kinds of operators involved, which is why they have to be considered separately.

In Malwa, the producing area, apart from the peasants who cultivated the poppy, three different groups of agents were involved. The first group consisted of the 'Malwa sowcars' (*sahukars*), a generic term for a whole range of operators, from local moneylenders to city bankers, often Marwari, who controlled the money market in Malwa. Amongst them were village banias who made advances to the cultivators and purchased the raw produce as well as big opium

dealers in the cities of Malwa who centralised the produce.²⁵ The former often borrowed from the latter funds, which they lent to the cultivators. The second group consisted of the *gomasthas*, both Marwari and Gujarati, who were the local agents of big Indian firms from Bombay or Ahmedabad. They bought the semi-refined produce from the *sahukars* and had it further refined so as to transform it into chests of opium ready for transportation. The third group was made of officials from the native states, who, apart from 'protecting' the merchants, were often themselves directly involved in the trade. Thus, it is mentioned in one British source of 1824 that Ganga Appa, or Appa Gangadhar, who is described as 'the manager of Scindia's territories', is 'under hand' a partner with a big local merchant in all opium transactions.²⁶ In another document, mention is made of a particular trading house 'belonging to Tantiah Joog,²⁷ Holkar's (the ruler of Indore) Minister' having sent to Damao 2,000 chests of opium.²⁸ These three different kinds of agents were closely interlinked: the big *sahukars* had particularly close relations with state officials, to the point that the two groups could be difficult to distinguish one from another.

The transit areas presented a particularly complex picture. They were a patchwork of native states of various sizes, at first mostly situated in Gujarat, but after the area had fallen in 1803 under British direct or indirect domination, mostly in Rajputana, to which, from 1819 onwards, was added Sindh, an area I shall consider separately. In the states of Rajputana, the main agents involved in the opium trade were, on the one hand, Marwari merchants, who organised and financed the caravans crossing the Thar Desert; and on the other hand, state officials whose actions did not however attract much attention from the British and remain largely anonymous to us. Under British pressure, they seem to have acted sometimes to interrupt the caravans,

²⁵ For a good description of the trading circuit, see Farooqi, *Smuggling as Subversion*, pp. 71–73.

²⁶ Enclosure no 8B, in Consultation no 8A, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, 9 March to 22 June 1824. On Appa Gangadhar, the main revenue farmer of Sindhia in northern Malwa, see Farooqi, *Smuggling as Subversion*, pp. 113–114.

²⁷ Tantiah Jog, or, as he is more frequently called, Tatyajog, was a Maharashtrian Brahmin, the head of the firm of Ganesdas Kisnaji, which belonged to the Kibe family. He played a major role at Holkar's court. See *Ibid.*, pp. 46–47.

²⁸ Swinton, Opium Agent in Malwa, to Trotter, Secretary to the Board of Customs, Salt and Opium, Fort William, 2 January 1827, enclosure no 12 in Extract Bengal Salt and Opium Consultations, 8 February 1827, Board's Collections, 1784–1858, no 29139, Oriental and India Office Collections of the British Library.

but without much success,²⁹ which tends to suggest that some of them had been bribed.

The ports of shipment of the drug to China were many, but there was an increasing concentration of the trade in Damao. Prior to 1819, Mandvi in Kutch, Diu and Goa in Portuguese India, and other places are also mentioned, but at a later stage, they tend to disappear from the records. Portuguese trade returns recently published by Rudi Bauss show that, in the years 1816–1819, the share of Goa in Macao imports of opium (which came entirely from the ports of Portuguese India) varied between 4% and 23%, meaning that Goa accounted for a significant share of the trade.³⁰ But after 1819, Damao seems to have practically monopolised the opium trade between Portuguese India and Macao. The main advantage of Damao seems to have been that it was less easily accessible by land than Goa (or Diu), and therefore, better adapted to the clandestine nature of the trade. British officials rarely ventured there,³¹ and the smugglers who entirely dominated the trade of the port (there was apparently no other trading activity) could operate quite freely. They just had to bribe the few local Portuguese officials (in Goa, where Portuguese officials were much thicker on the ground, many more would have had to be bribed). The ‘Damao merchants’ mentioned in British documents seem to have been mostly Gujaratis, judging from their names. In one document dated 1824, it is reported from Ujjain by the opium agent in Malwa that ‘the heads of all the Gujarat Houses (i.e. firms) residing there . . . have sent and

²⁹ It is thus reported by the Political Agent at Udaipur in December 1827 that ‘a party of smugglers have found their way in spite of opposition of Maharajah’s troops’, although a further report appended describes an ‘affray’ with 200 Megnahs (tribals?), in which 149 bags of opium were seized by the army of the Rana of Mewar. Political Agent at Udaipur to Captain Dangerfield, 5 December 1827, enclosed in consultation no 11, 5 January 1828, Board’s Collections, no 29139.

³⁰ R. Bauss, ‘Textiles, bullion and other trades of Goa: Commerce with Surat, other areas of India, Luso-Brazilian ports, Macau and Mozambique, 1816–1819’, *Indian Economic and Social History Review*, 24, 3, 1997, pp. 275–287. See also C. Pinto, *Trade and Finance in Portuguese India: A Study of the Portuguese Country Trade 1770–1840*, Delhi, Oxford University Press, 1994.

³¹ A visit by two Englishmen, probably government spies, who requested that the Customs house be shown to them, is described in an intelligence report written by an official, the ‘Native Superintendent of transit customs’. When alerted to the presence of the Englishmen, the Bombay merchants who were there ‘writing out contracts for 4000 maunds of opium’, ‘concealed themselves in a room’, so that the English gentlemen-spies ‘did not see the merchants’. Enclosed in Collector of Surat to Secretary to the Government, Bombay, 2 May 1823, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, 7 January to 27 June 1823.

established a House at Damao both for the purpose of present and future sales'.³² It is clear that the Damao merchants were thus directly linked to the Malwa *gomasthas*. As to the boats doing the run between Karachi and Damao, they seem to have belonged either to native or to Portuguese merchants. Shipping from Damao to Macao was on Portuguese ships, often hailing from Bombay.³³

The fourth tier in the system was represented by the big capitalists and speculators operating from a few cities, mostly Ahmedabad, Bombay and Calcutta. At different moments in time, European merchants and speculators were heavily involved in the illegal Malwa opium trade. In a minute dated April 1823, an official of the Bombay Opium Department, Warden, offered a brief history of that trade. He stressed that the trade in Malwa opium had been 'founded and increased by the enterprise of British Merchants, carried on by British capital, in position not of national but of foreign interests, as nearly the whole has found protection and encouragement under the Portuguese flag from Damao and Goa, ostensibly for Portuguese merchants'.³⁴ This was a familiar pattern in the history of British private capital in India: when it found itself hampered by the regulations of the East India Company, it assumed the guise of non-British European interests. Although European capital was present in the initial stages, the major role seems to have been increasingly played by Indian capitalists,³⁵ mostly Parsis and Gujarati Hindus based in Ahmedabad

³² Swinton to Secretary, Board of Customs, Salt and Opium, 4 March 1824, consultation no 18, 23 March 1824, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, 9 March to 22 June 1824.

³³ In the above-quoted intelligence report, the British intelligence agent in Damao reports that '3500 maunds of opium have arrived, and two ships belonging to Sir Roger de Faria, Portuguese, are expected soon from Bombay to take it to Macao'. See note 31 above.

³⁴ Minute dated 30 April 1823 by Warden, enclosed in Territorial Department, Revenue Opium, Bombay, to Secretary to the Supreme Government, 5 May 1823, Bengal Board of Revenue (Miscellaneous) Proceedings Opium, 7 January to 27 June 1823.

³⁵ In a report to the Governor General by three officials in the Opium Department in 1823, it is mentioned that 'During the first three years, it was Macao and Calcutta capital, mostly the latter, which financed the purchases of smuggled opium. However, Calcutta capital in present year withdrew and Bombay merchants have become the principal if not the only purchasers'. The officials added that 'the principal speculators resident in Bengal and China' had turned to the purchase of the Company's Malwa opium in the Bombay auction with Calcutta and Macao capital. Larkin, Lindsay, Sargent, of the Opium Department, to Governor General in Council, 4 August 1823, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, 11 July to 30 December 1823, consultation no 12, 8 August.

and Bombay, who had their agents both in Malwa and in Damao. They shipped the opium to Macao on Portuguese-owned vessels, and had Portuguese agents in Macao who despatched the opium to Lintin. They were the ones who invested the largest amounts in the trade and probably reaped most of the benefits, although many operators at different stages also took their cut.

Having thus described the different kinds of participants in the Malwa opium trade, and shown that they were interlinked in many ways, forming a whole supply chain which linked Central India with Western India and Southern China, we are faced with the question of whether they formed a real combine, or represented an aggregate of operators pursuing diverse aims and brought together artificially by the opportunities for profit represented by the opium trade. The British at times saw them as a combine. Thus, the opium agent at Indore, James Taylor, wrote in July 1822 that the Government faced 'combined, active and persevering competition on the part of the merchants of Malwa, Kota and Mewar in conjunction with the Chief Native Merchants of Bombay and Damao'.³⁶ But this kind of statement was rare, and no big conspiracy theory surfaces through the mountains of official documents available on the Malwa opium trade. Company officials saw their adversaries as a circumstantial alliance of wily speculators and corrupt state officials out to deprive the Company government of legitimate revenue. But they did not see in that smuggling operation a major challenge to British rule. Amar Farooqi makes much of the presence of fairly large armed contingents to escort the smugglers' caravans, which did not hesitate to engage in skirmishes with the troops of the Company and its allies.³⁷ Although such breaches of Company Bahadur's monopoly on violence at times worried its officials, they were not of such magnitude as to represent a real threat to British law and order. The British were after all used to fighting armed smugglers at home: in Britain, the last encounter between the forces of the law and a gang of smugglers took place in 1833.

It is difficult to pinpoint the motivations of this range of very diverse operators. But the idea advanced by Farooqi of a conscious political

³⁶ James Taylor to Opium Agent, Bombay, 13 July 1821, enclosed in Revenue Department, Bombay, to Secretary to the Supreme Government in the Territorial Department, 27 February 1822, consultation no 16, Bengal Board of Revenue (Miscellaneous) Proceedings Opium, 4 January to 28 June 1822.

³⁷ *Smuggling as Subversion*, pp. 145–151.

defiance of the East India Company by indigenous capitalists³⁸ does appear far-fetched, considering that in 1817–1818, the last indigenous power standing up to the Company, the Mahrattas, had been soundly defeated and that, after that date, nothing stood in the way of Company Bahadur's domination over the whole of India. It would have been extremely unlike Indian merchants—on the whole stark realists (at least it is my reading of them)—not to accept the new realities and to harbour any hope of some return to the past. The key to their behaviour more likely resided in opportunism rather than in any 'subversion'. This is not meant to deny them agency, but 'subversion' is a strong term when applied to capitalists: it cannot be equated with the everyday forms of resistance by poor and illiterate peasants. Unless we have some kind of proof of subversive intent on the part of Indian capitalists, we cannot simply ascribe to them that kind of intentionality. Their interests largely coincided with those of the rulers of the native states of Central India, and one of the keys to the success of the whole operation was undoubtedly the close relationship established between the merchants-financiers and the authorities of the native states of Central India where the poppy cultivation took place. To sustain the thesis about 'subversion', one would have to be able to prove that the rulers of the native states of Central India were also engaged in trying to subvert British rule. Given the fact that they had just been defeated by British armies, it seems more plausible to assume that they were only trying to survive in the new conjuncture of unalloyed British domination.³⁹ Opium, which carried a higher rate of land tax than other crops,⁴⁰ was a big potential money earner for them, and they had no reason to spurn its benefits. By encouraging poppy cultivation in their dominions, they were just imitating what the British were doing in Bihar, and there was no moral or legal ground on which the Company could prevent them from doing so. While the disbanding of their large armies had undoubtedly reduced the expenditure of the surviving Mahratta states of Gwalior and Indore, it had also dried up large sources of revenue, and these states were in

³⁸ He writes: 'What we encounter here is not just "resilience of the bazaar economy" . . . but a serious conflict between colonialism and Indian capitalists, wherein indigenous merchants were able to engage in a contest at various levels including that crucial arena- the market', *Ibid.*, p. 8.

³⁹ Farooqi distinguishes between the attitude of Holkar's regime, which he finds more amenable to British pressures, and that of Sindhia's which appears to have been more intransigent. *Ibid.*, p. 49.

⁴⁰ *Ibid.*, p. 70.

a dire financial condition. Opium revenue was the remedy at hand to avoid financial collapse, and there is nothing intrinsically subversive in the fact that the native states of Central India seized on it.

As far as the merchants were concerned, they were reacting to a certain shrinking of opportunities linked to the advent of British domination in Western and Central India. Lakshmi Subramaniam has shown how the end of the 'Anglo-Bania' partnership led to a diminishing role for the merchants-bankers of Western India in the first decade of the nineteenth century.⁴¹ Trading in Malwa opium, for which there was a constantly growing demand in China, was an opportunity not to be missed. The Government was aware that restrictions on the trade might provoke 'discontent among the trading classes', but 'the fact that the development of the Malwa trade in the drug... was of very recent origin and was the result of the pacification of Central India by British arms and treasure, was considered to be a sufficient justification of an artificial restriction of their commercial dealings'.⁴² Ironically, the ineffectiveness of official attempts at restricting the trade between 1819 and 1829 saved the Government from facing the discontent of the trading classes, the prospect of which it appeared to take so lightly.

It is difficult to measure the specific contribution this branch of the opium trade made to indigenous capital accumulation in Western India. While there is no doubt that overall the profits of the opium trade were a major source of capital to the Bombay trading classes and largely account for the initial investment in cotton mills in Bombay from 1854 onwards, there is no way one can disentangle the profits gained in the 'illegal' Malwa trade from those accumulated in the 'legal' trade after 1819, since the same merchants were involved in both. Besides, it is easy, in the absence of reliable figures, to form an inflated idea of the size of the profits gained in the 'illegal' trade. It was a highly speculative venture, in which some undoubtedly earned large profits, but others severely burnt their fingers. A report of a visit to the producing area in 1824 written by the opium agent in Malwa,

⁴¹ Lakshmi Subramaniam, *Indigenous Capital and Imperial Expansion: Bombay, Surat and the West Coast*, Delhi, Oxford University Press, 1996, pp. 336–337.

⁴² Letter from Deputy Secretary to Government in attendance upon Governor-General to Resident at Indore quoted in 'Historical Memorandum' by R.M. Dane, Appendix B to *Royal Commission on Opium, 1894–95, Vol. VII, Final Report, Part II, Historical Appendices*, London, 1895, p. 54.

Swinton,⁴³ brings out how different outcomes could be for different types of operators. According to Swinton, ‘Sowcars lose considerably by their speculation to Damao’, and he provided detailed figures to support his point. ‘But’, he added, ‘merchants such as Punnah Chand, Hurruck Chand and Lalloo Beyo (?), who purchase for the house of Bhoomanjee Hormusjee of Bombay, their case is widely different; they watched the market and the moment it fell under 60 Rs... they purchased largely in every mart...; they are safe receiving a Commission, and their principal the opium at rates that promise profit’. Here we see a clear distinction between on the one hand some Sowcars, probably endowed with limited capital and forced to dispose of their stocks at the lowest point in the price cycle, and on the other hand, the *gomasthas* working for a big Bombay Parsi capitalist firm, supplied with an abundance of funds, and therefore, able to play the market successfully.

The overall contribution of opium to their capital accumulation is likely to be exaggerated in the absence of reliable figures on firms’ profits, even in the case of Bombay capitalists, both European⁴⁴ and Indian, some of whom undoubtedly made great gains in the Malwa opium trade, both legal and illegal. As to the ‘Malwa sowcars’, mostly Marwaris, we have seen that at times they lost heavily on the opium market, and it is impossible to evaluate precisely the contribution of opium to their own process of capital accumulation. In his seminal work on the Marwaris, Thomas Timberg focuses mostly on those profits that some Marwari merchants made in speculating on opium futures in the last years of the nineteenth century and the first decade of the twentieth century,⁴⁵ which are well documented. But he has little to say on the earlier period, for which understandably (since the Malwa opium trade was then a ‘clandestine’ operation) no records seem to have survived.

A narrative of Indian capitalism that gives central place to the Malwa opium trade as a source of capital accumulation is therefore an alluring proposition, and different authors have succumbed to the slightly

⁴³ Enclosure, dated 17 February 1824 in Consultation no 8A, 9 March, Bengal Board of Revenue (Miscellaneous) Proceedings, Opium, 9 March to 22 June 1824.

⁴⁴ Farooqi mentions the names of several Bombay-based British and Portuguese firms involved in Malwa opium. See *Smuggling as Subversion*, p. 115.

⁴⁵ T.A. Timberg, *The Marwaris: From Traders to Industrialists*, Delhi, Vikas, 1978, pp. 162–163.

perverse appeal of that tune.⁴⁶ But it remains largely speculative, in the absence of precise quantitative data on profits and investment in India in the first half of the nineteenth century. On the other hand, a closer look at one particular region, Sindh, shows that the impact of the trade was considerable.

Sindh as a Drug Frontier of British India

Between 1819 and 1839, most of the 'illegal' Malwa opium reached Damao through Sindh. The reasons why the smugglers turned to that state were that it was the only coastal state in the subcontinent which was not in a treaty relationship with the Company, and that it was considered rather hostile to the British. Besides, it had in Karachi a port that offered a fairly safe maritime route to Damao. Even if the British resident at Kutch seems to have kept a close watch on the movements of ships between those two ports,⁴⁷ there was nothing much the British could do legally to interdict ships plying between the two sovereign states of Sindh and Portuguese India. Their only hope was to cut the land route that passed through some of the Rajputana states, mostly Marwar and Jaisalmer, which were in a treaty relationship with the Company. But even there they failed. One suspects that the Company was not ready to invest too much political capital on a venture that in any case, given the nature of the terrain, had little chance of success. Even nowadays, most of the smuggling between India and Pakistan passes through the Thar Desert between Rajasthan and Sindh! It is not known whether the Sindh authorities did anything to attract smugglers to the route through their territories. It is most probable that the latter saw its advantages on their own and did not need any incentive, but a fruitful relationship appears to have been gradually established involving merchants and capitalists in British India as well as in the native states of Malwa and Rajputana, Sindh merchants, the Sindh authorities, and Portuguese merchants

⁴⁶ Apart from Farroqi, they include J.F. Richards, 'The Opium Industry in British India' and C. Markovits, 'Bombay as a Business Centre: A Comparison with Calcutta', in A. Thorner and S. Patel, eds., *Bombay, Metaphor for Modern India*, Delhi, Oxford University Press, 1995, pp. 26–46.

⁴⁷ See the detailed report on ship movements between Karachi and Damao in 1821–22 sent on 19 March 1822 by Charles Norris, the resident at Kutch to the Bombay Revenue Department. Enclosed in Bombay Revenue Proceedings for 1822, 10 April 1822.

and shipowners who seem to have had their own connections with Sindh. Such was the attraction of the Sindh route in the early 1820s that it was even reported that some 'Patna' opium had been despatched to Damao through Karachi, a very circuitous route indeed.⁴⁸

The Malwa opium trade became a crucial source of revenue for the Sindh darbar in the 1820s and 1830s as well as an important source of income for the Sindh merchants in the three major trading centres of the province, Karachi, Hyderabad and Shikarpur. The notion of 'drug frontier' seems applicable to that region during the 1819–1839 period, although it would certainly need further elaboration. It seems to me that 'frontier' connotes both a contact zone, and a certain absence of state regulation, but not necessarily a space ruled by the market. A 'drug frontier' additionally involves the domination of transactions in a commodity, which is at least partly illegal. In as much as its role was that of a transit route between the producing zones in Central India, the ports in Western India, and the consumer market in China, and since the trade implied flouting British regulations, Sindh appears to fit the definition. The same notion could be applied to Portuguese India during these years, but my focus here will be on Sindh. The business of the Sindh merchants was not so much in trading in opium itself, in which they were at best junior partners of the big Parsi and Gujarati capitalists based in Bombay and Ahmedabad, as in organising the caravans throughout the Sindh part of the route and in getting the duties levied on the caravans remitted to the Sindh authorities through their *hundis*,⁴⁹ i.e., native bills of payment. It is impossible to estimate even roughly the profits the merchants derived from these operations, but they must have been significant, since in the post-annexation period, the loss of that source of profit was often invoked to account at least partially for the overall reorientation in the activities of the merchants.

Although little quantitative evidence is available on the finances of Talpur Sindh, stray British reports underline the importance of opium revenue to that fledgling state. In 1823, the British Resident at Kutch, Gardiner, was informed that, following the restrictions on the opium trade, the value of the revenue farm of Karachi had

⁴⁸ In a letter, the Governor of Bombay observed that opium had come 'from Hindoostan' through Sindh. Secretary to Government of Bombay to Secretary Supreme Government at Fort William, 29 July 1822, Bombay Proceedings 1822, 31 July.

⁴⁹ See C. Markovits, *The Global World of Indian Merchants 1750–1947: Traders of Sind from Bukhara to Panama*, Cambridge, Cambridge University Press, 2000, pp. 41–43.

more than trebled, while the farms of three small localities in the vicinity had also shot up.⁵⁰ In November 1830, Henry Pottinger, then the Resident in the neighbouring state of Kutch, forwarded to the Bombay authorities a letter from the native agent in Sindh, a local official who was the British representative at the Talpur court, asserting that, during the preceding year, a total of Rupees 540,000 (Company) had been paid to the Amirs' treasuries in Khairpur, Mirpur and Hyderabad as duties on 2,400 camel loads of opium that had transited through Sindh territory at a rate of Rupees 225 per camel load of 8 Surat maunds (a local measure of weight which was roughly equivalent to a quarter of a picul).⁵¹ This probably represented by far the largest single item of revenue for the Sindh government, a weak government that could not tax its own population heavily. How important that revenue was to the Sindh darbar is indicated in the same letter by the report of a negotiation into which the Sindh authorities entered with the merchants of Marwar and Jaisalmer. The latter asked for a reduction in the duties levied in Sindh and promised in exchange to bring increased quantities. The report commented, 'The Ameers seeing the loss of revenue which they would suffer by this arrangement . . . immediately sent back word . . . that they would lessen the duty five Rupees on each camel-load and at the same time to tell the merchants to bring the opium quickly'. It is clear also from this piece of evidence that the merchants knew how to play different authorities one against the other so as to bring down their costs. If the Sindhians did not comply, they could threaten to use the Bombay route, which would have brought about an enormous fall in the revenues of Sindh. When the British occupied Karachi in 1839 and imposed a treaty on the rulers of Sindh, no mention was made of opium. In March 1839, Noor Muhammad Khan, the ruler of Hyderabad, applied to the British resident in Sindh, as reported by the latter,⁵² to ask him to address a letter to the ruler of Jaisalmer 'to the effect that the drug might come through Sindh as it had done previously to our troops entering that Province'. The Resident declined to comply with the request and asked for instructions from the Government of Bombay, which relayed the demand to Calcutta. The response of the Supreme Government

⁵⁰ Mentioned in Farooqi, *Smuggling as Subversion*, p. 119.

⁵¹ Native Agent in Sind to Colonel H. Pottinger, dated 27 November 1830, translated by A. Burnes, Assistant Resident, 30 November 1830, Bombay Revenue Proceedings, December 1830, no 135.

⁵² Resident in Sindh to Chief Secretary to the Government of Bombay, 26 October 1839, Bombay Revenue Proceedings 1839, no 7477, 31 December 1839.

was clear: 'failing the reestablishment of a complete monopoly on the Bombay side like that of Bengal (an outcome which was obviously considered premature), the next best thing for both sides (meaning Bengal and Bombay) is a high rate of duty with limited export'.⁵³ This was the death warrant of the Sindh route, which de facto ceased to be used.

Looking back on the episode, it becomes clear that, apart from boosting government revenues in the short term, becoming a drug frontier of British India had other long-term consequences for Sindh. Not only did it tend to focus much more British attention on an unruly neighbour, whom they had previously more or less left to its own devices, it also had the effect of bringing Sindh merchants into the whole structure of colonial trade and finance from which they had remained separated by the fact of the continued political independence of the region. Whether therefore, closing the Sindh route to Malwa opium was or was not the prime motivation for the annexation of Sindh in 1843, as claimed by J. Y. Wong,⁵⁴ the fact remains that its participation in the Malwa opium trade at least indirectly contributed to its coming into the British political sphere. The drug trade could be instrumentalised by the British to bring Sindh into their imperial orbit, even if strategic considerations were probably paramount in dictating the decision to annex the province. It had in particular, the effect of integrating the Sindh trading classes, which were mostly Hindu, into a global imperial trading system extending to China. Some of Sindh's biggest merchants, in particular, the great Karachi bania Seth Naomal Hotchand,⁵⁵ helped the British conquer Sindh in 1839–1843. Although their motivations were complex, and their actions ultimately self-defeating, since they lost the revenues

⁵³ Secretary to Government of India to Secretary to Government of Bombay, 28 August 1839, *ibid.*, no 6157, 23 October 1839.

⁵⁴ J.Y. Wong, 'British Annexation of Sind in 1843: An Economic Perspective', *Modern Asian Studies*, 31, 2, 1997, pp. 225–244. The weakness of Wong's argument is that it is purely retrospective and also largely speculative. Because the annexation of Sindh (actually the occupation of Karachi in 1839 four years before the official annexation of Sindh) led to a suspension of the smuggling through Sindh, it is inferred that obtaining it was the real motive for the annexation, a typical ex post facto rationalisation. Besides, the emphasis on the role of Ellenborough, who is supposed to have had a particularly good grasp of the financial aspects of the China opium trade, must remain speculative in the absence of policy statements on his part.

⁵⁵ See *A Forgotten Chapter of Indian History as described in the Memoirs of Seth Naomal Hotchand, C.S.I. of Karachi 1804–1878*, Exeter, 1915 (reprint Karachi, Oxford University Press, 1982), a fascinating memoir by this great merchant, translated into English by one of his descendants.

they had derived from the opium trade after the British occupation, it seems nevertheless that their participation in the Malwa opium trade played a role in forging their connection to the British. A different outcome would have been possible only if the Sindh authorities had used the additional income they derived from the opium trade for the purpose of modernising their army and administration to strengthen their regime in the face of British Indian encroachments. But this they failed to do for reasons of a largely structural nature, as the Baluchi tribal regime of the Talpurs had no cultural propensity or incentive to embark upon far-reaching reforms that would have endangered its own existence. Ultimately, therefore, one is led to emphasising the link between opium and imperial expansion rather than its role in fostering indigenous capitalism.

In a broader political economy perspective, how to interpret the existence of an 'unofficial' circuit of opium trade to China in breach of the monopoly of the East India Company and its capacity to survive for almost four decades in a subcontinent which, after 1818, was clearly under British domination? It raises firstly, the general question of the relationship between smuggling and states.⁵⁶ Although smuggling tends to deprive states of income, it is also a direct outcome of state policies, and never have states been able to completely prevent smuggling. Smuggling can be said to be structurally linked to the creation of state borders. As the author of a recent history of smuggling in Southeast Asia put it, 'boundary production and boundary transgression' can be shown to be 'two sides of the same coin'.⁵⁷ Smuggling has rarely threatened the state and taken on a subversive political dimension, as it did in colonial North America at the time of the Boston Tea Party. There is no compelling reason to view the smuggling of Malwa opium as one of these rare occurrences. Rather than seeing in it a testimony of ongoing resistance to British economic domination by indigenous actors, as Farooqi does, it seems more sensible to characterise it as a phenomenon of residual leakage, due to the fact that the maritime frontiers of India were at the time not entirely controlled by the British. There remained ports that were under the control of non-British rulers, in particular, on the

⁵⁶ Two recent contributions to the topic are: E. Tagliacozzo, *Secret Trades, Porous Borders: Smuggling and States Along a Southeast Asian Frontier, 1865–1915*, New Haven, CT, Yale University Press, 2005, and L.R. Grahn, *The Political Economy of Smuggling: Regional Informal Economies in Early Bourbon New Granada*, Boulder, Col., Westview, 1997.

⁵⁷ Tagliacozzo, *Secret Trades, Porous Borders*, p. 3.

West Coast: apart from Dutch Cochin (which was ceded in 1826 to the British), the ports of Sindh, mostly Karachi and the Portuguese ports of Diu, Damao and Goa. The existence of these non-British enclaves offered obvious opportunities to smugglers, especially given that Macao, to which the drug was shipped for entry into China, was also under Portuguese control.

Actually, it was the combination of Portuguese naval enterprise, together with British and Indian speculative capital (in league with the authorities of some of the native states) that made the whole operation possible. Without Portuguese ships to carry the opium from Damao to Macao, it could simply not have reached the Chinese market. The Portuguese input in the Malwa opium trade story is therefore essential, a fact that Farooqi recognises, but from which he does not derive any qualification of his thesis about indigenous 'resistance'. For their part, Portuguese officials were purely opportunistic and devoid of any political motives. The Portuguese were too much dependent globally on the British, especially after the loss of Brazil in 1822, to mount any kind of challenge to them in Asia, and Portuguese officials just made use of the opportunities offered by the channelling of the Malwa opium trade through ports that were under their rule to line their pockets. As for the Sindh rulers, they were too weak to do anything more than fill up their depleted coffers while the going was good. No real anti-British alliance between those two minor powers, Sindh and the Estado da India, was in the cards, and Indian capitalists were sufficiently shrewd to know that. They also were content with making the best of a god-sent opportunity, but without harbouring any idea of challenging British economic domination, which would have been a dead end. It is interesting to note that, as soon as China had been 'opened' by British guns in the wake of the First Opium War, the same Bombay Parsis and Gujaratis who had organised the smuggling of Malwa opium became the agents of the big private British firms in Canton. One particular Parsi operator, Sir Jamsetjee Jeejeebhoy is known to have supplied the big firm of Jardine and Matheson with a third of the opium they had in their Canton warehouses in the mid-1840s.⁵⁸

Indigenous capital accumulation was fostered as much if not more by this participation in the 'legal' drug trade after 1842 than by the profits derived from the smuggling of Malwa opium in an earlier period. Even

⁵⁸ Mentioned in A. Siddiqi, 'The Business World of Jamsetjee Jeejeebhoy', *Indian Economic and Social History Review*, 19, 3-4, 1982, pp. 301-324.

in the post-1842 phase, it is possible to exaggerate the importance of opium's contribution to capital accumulation in Bombay. A quick look at the history of the best-known Bombay firm, the House of Tatas, shows that, while it participated actively in the opium trade with China after 1842, two non-opium ventures contributed even more decisively to the initial fortunes of the firm. One of these was its participation in the financing of the British military expedition to Persia in 1856, and the other was its role in the financing of the military expedition to Abyssinia in 1867, which can be directly traced as the source of J. N. Tata's first venture into the cotton textile industry.⁵⁹ Even the fortunes of Bombay's capitalists were more closely intertwined with British-led ventures than admitted by Farooqi, who attempts to make the great Western Indian port-city the stronghold of an 'indigenous' capitalist class relatively independent from the British connection.⁶⁰ Actually, Ahmedabad better answers that definition, and its link to Malwa opium, although not insignificant, has been much more tenuous than Bombay's.

⁵⁹ See F.R. Harris, *Jamsetji Nusserwanji Tata. A chronicle of his life*, Bombay, Asia publishing, 1958 (2nd ed.), p. 11.

⁶⁰ See in particular, his recent *Opium City: The Making of Early Victorian Bombay*, Gurgaon, Three Essays, 2006.