

CHAPTER FIVE

THE VOC TRADE IN CANNANORE (1663-1723)

Introduction

The foremost objective of the VOC in Malabar was to win control of the regional spice trade, in particular pepper. The Company's initial commercial strategy in Cannanore was essentially designed to achieve this primary goal. Although the Dutch engaged in both import and export trades with Cannanore merchants, it was the pepper from Cannanore—'the bride around whom everyone dances'—that attracted them the most¹.

VOC trade in Cannanore: Export

1. *pepper*

At the outset of its establishment in Malabar, the VOC was confident enough of its prowess to appropriate a larger share of the pepper production in Malabar and market a major part of it within Asia itself, 'leaving behind a decent quantity for the fatherland'.² From this commercial point of view, Cannanore was not as important as Cochin or Calicut which had extensive pepper-producing hinterlands. The superior quality of Cannanore pepper was not taken seriously by the Company which was more concerned with a broader idea of controlling the pepper trade in the Indian Ocean without it falling into the hands of its European competitors. This would enable it to regulate price of pepper in the European market. We have shown how the attempt by the VOC to control the Malabar pepper trade through arbitrary contracts was unsuccessful because alternative means to supply pepper were available to the local merchants. This 'smuggling' was more rampant in the northern regions where a rich indigenous ship-owning maritime commercial group maintained a strong presence, than in the South.³

The highly competitive market situation created by both European and Asian merchants kept the prices in Cannanore and Calicut higher than those in the southern ports of Malabar, especially Cochin and Kayamkulam. This price difference obstructed the regular purchase of pepper in

¹ 'Instruction of Jacob Hustaert to Commander Ludolph van Coulster and Council of Malabar, 6 Mar. 1664' in s'Jacob, *De Nederlanders in Kerala*, 26.

² VOC 1239, Missive from Cochin to *Heren XVII*, 19 Feb., 1663, fo. 1695v.

³ VOC 1242, Missive from Jacob Hustaert and the Cochin Council to *Heren XVII*, 25 Feb. 1664, fo. 1119v.

Cannanore from the very beginning.⁴ It made the VOC trade in Cannanore pepper economically unviable. Compounding the problem, the local Company officials were obliged to buy pepper at a price fixed in Batavia, which made the Company commercially more vulnerable in such a highly flexible and competitive market situation as in Cannanore.⁵ Hence, Van Goens highly ambitious plans to buy up a large part of the pepper production in Cannanore and Calicut at the market price and in such a way control the pepper price never did materialize.⁶ The local trade in pepper continued unabated in spite of the Company's legal claim to its trade. It eventually forced the Company to suspend the purchase of Cannanore pepper by 1684.⁷

Despite the array of problems, there were constant efforts on the part of the local Company servants to restore the pepper trade with the North Malabar ports, although flying in the face of Batavia's serious doubt concerning the profitability of such an effort. Instead of giving up the pepper trade of North Malabar altogether, the Cochin Commandement suggested adopting strategic market interventions to eliminate local competition. As early as 1666, it was suggested to the *Heren XVII* that the Company should buy pepper at a higher price in Cannanore and Calicut and sell this at a lower profit in Surat and Persia, thereby making it difficult for the local competitors to make profit out of their trade.⁸ The VOC men in Malabar argued that a total withdrawal from the North Malabar pepper markets would only mean an increasing participation of its competitors in this branch of trade which would ultimately destroy the Company's prospects in Persia and Surat.⁹ Although, the strategic importance of Cannanore as a major outlet for pepper and the continuous pressure exerted by the local officials forced the Company to keep it under control, the purchase of pepper from Cannanore remained irregular. The Company trade accounts show unequivocally that the procurement of Cannanore pepper was for the most part paid for in merchandise.¹⁰

⁴ The Company complained that the pepper price in Kayamkulam was only one-third of that in Cannanore. VOC 1242, Missive from Cannanore to Batavia, 11 Feb. 1664, fo. 1058v.

⁵ For instance, in 1707 Commander Moerman reported that the Company could not buy pepper from North Malabar at the low price fixed at Batavia (18 Moorish Ducat per *kbandil*) as the English and the French were ready to pay a higher amount for the same (24 Moorish Ducat per *kbandil*). VOC 1740, Missive from Commander Willem Moerman to Batavia, 23 Apr. 1707, fos. 123v-124r.

⁶ Van Goes was convinced that, although the Company was entitled to the entire pepper supply by virtue of their contracts with local rulers, because of the weak position of the Company north of Cranganore River, the commercial policy should be regulated 'according to our power and not according to our wish'. VOC 1245, Missive from Van Goens and the Council of Cochin to *Heren XVII*, 9 Jan. 1665, fo. 479.

⁷ VOC 1396, Missive from Cochin to *Heren XVII*, 18 Nov. 1684, fo. 697r.

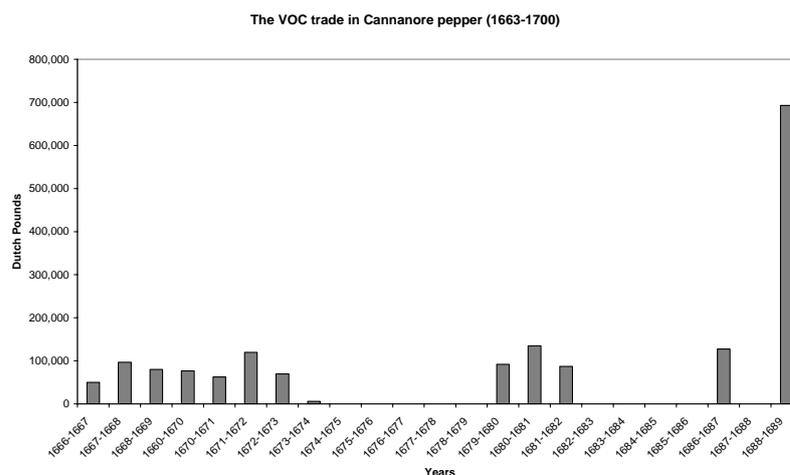
⁸ VOC 1251, Missive from van Goens and the Council of Cochin, 6 Mar. 1666, fo. 1725.

⁹ VOC 1388, Missive from Commander Marten Huijsman and the Council in Cochin to Batavia, 30 Apr. 1683, fo. 1905v.

¹⁰ VOC 1474, An account of the Company's pepper trade in Malabar between 1659 and 1689, fo. 456v.

Another fly in the ointment was that the high price in Cannanore encouraged the local traders to transport pepper from South Malabar.¹¹ In 1678, the Dutch cancelled the procurement of pepper from Cannanore for this very reason.¹² The Company was not ready to buy the same pepper which it could have procured from South Malabar at a lower price. As a result of such irregular trade, Cannanore pepper figured less prominently in or was altogether absent from the annual purchase list of the Company in Malabar. The Company did make irregular purchases of pepper from Cannanore between 1663 and 1700 [Table I]. It was only for three years in the first quarter of the eighteenth century that the Cannanore pepper figures in the annual export list of the Malabar Commandement. There were long gaps between the years 1674 and 1680 and again between 1689 and 1701 when the Company did not purchase pepper from Cannanore at all. Again, after a short period of pepper trade between 1701-2 and 1705-6, the Company withdrew altogether from the Cannanore pepper market. This indicates that Cannanore merchants had successfully outplayed the VOC and were regulating the local supply according to the international demand by the beginning of the eighteenth century.¹³ [Figure 1]

Figure 1



Besides the failure of the Company to keep out local and other European traders from participating in the pepper trade of Cannanore, the withdrawal of the Company from the Cannanore pepper market by the end of the seventeenth century was no doubt also linked to the increasing control of the VOC over the pepper supply from South-East Asia. The Company's

¹¹ VOC 1274, Missive from the Commander and the Cochin Council to Batavia, 14 Aug. 1670, fo. 110r.

¹² VOC 1349, Memoir of Daniel Joncktus to Jacob Schoors, 21 Sept. 1678, fo. 1491r.

¹³ Taking into account that the Company's pepper procurement from Calicut and its satellite ports, such as Ponnani, did not fare much better than Cannanore, the exclusion of the Company from the northern Malabar pepper market was almost complete by the beginning of the eighteenth century. We have only two entries (1699-1700, 1700-1701) which mention the export of 'Noordse pepper', which usually denoted the pepper from Calicut in the export list of the Dutch Company from Malabar during the period under discussion.

procurement of pepper in Bantam and Palembang had risen considerably and at a lower price than it would have had to pay in Malabar. Besides this, the increasing stock of pepper in Malabar and Gale in Ceylon also had compelled the Company to slow down the pepper trade in Malabar.¹⁴ In this situation it was not surprising that the Dutch did not display much enthusiasm for continuing their pepper trade in Cannanore.

Table I
The Dutch East India Company's Pepper trade in Cannanore (1663-1723)

Years	Quantity (Dutch Pounds)	Years	Quantity (Dutch Pounds)
1667	50,000	1680	92,054
1668	96,717	1681	134,672.5
1669	79,995	1682	87,014.5
1670	76,545	1687	127,228
1671	62,545	1689	692,917
1672	119,411	1701-2	54,882
1673	69,608	1703-4	146,152
1674	5,825	1705-6	7,000

Sources: VOC 1474, 1658, 1713, 1724.

2. *Cardamom*

In addition to pepper, the Company had a particular interest in buying cardamom from Cannanore. The major cardamom production centres of Malabar were located in the high ranges of North Malabar.¹⁵ As a result, the Cannanore settlement developed as the most important centre of the Company's cardamom procurement [Figure 2]. The VOC considered it important to keep the cardamom trade under its control, as there was only very little trade in other spices which could profit the Cannanore settlement.¹⁶ Besides Europe, the Company considered West Asia the most promising market for Cannanore cardamom. Apparent from the annual Malabar export list to the VOC settlement in Gamron, a regular annual supply in this commodity from Malabar was ensured by the Company. The Company also tried to market Pegu cardamom in Persia, but the VOC factory at Gamron preferred the Cannanore variety because of its higher profit margin and the lower risk of it being spoiled during shipping.¹⁷ Surat, which was the main entrance to the vast hinterland consumer markets of Mughal India, however, did not attract much of the Company trade in cardamom because of the low profit margin.¹⁸

¹⁴ s'Jacob, *Rajas of Cochin*, 92.

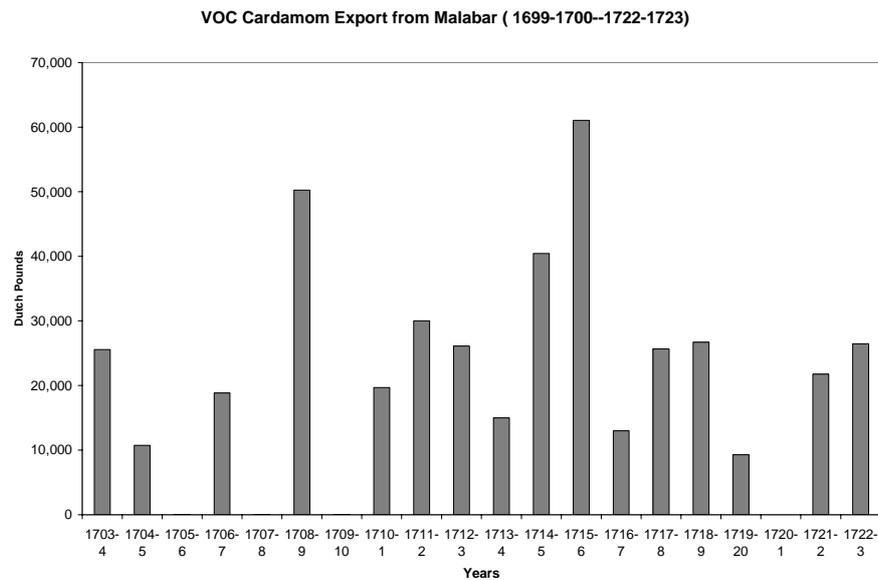
¹⁵ According to the Dutch report, the best cardamom was produced in Kottayam. Cardamom from Karangotte, Kakkatte, and Taliparamba was also considered to be of good quality. The least quality cardamom was produced in the region of Maday. VOC 1349, Memoir of Daniel Joncktus to Jacob Schoors, 21 Sept. 1678, fo. 1491v.

¹⁶ VOC 1333, Letter from Marten Huijsman to Cannanore, 17 Nov. 1678, fo. 489v.

¹⁷ VOC 1255, Report from Gamron to *Heren XVII*, 6 Aug. 1667, fos. 1100-1101.

¹⁸ VOC 1242, Missive from Rijckloff van Goens to Batavia, 10 Nov. 1663, fo. 1024r.

Figure 2



The Company tried to control cardamom trade through various treaties with the Kolathiris and the Ali Rajas, but such arrangements mostly failed to meet the requirements of the Company. As in the pepper trade, the VOC failed to adjust its commercial policy it to the local situation. The Company had to compete with both local and European traders in this branch of trade too. It was apparent to the Company servants that the local traders would gain more profit from elsewhere than from supplying the Company with cardamom.¹⁹ ‘The Muslims’, the VOC complained, ‘speak one day thus and the other day entirely different [to the Company] and finally give the commodity to those who pay the highest’.²⁰ The Company’s perseverance in trying to trade spices mostly for merchandise greatly affected the cardamom purchase, because the local traders in Cannanore and Calicut preferred specie to merchandise for their cardamom deliveries.²¹ Naturally, the best quality cardamom was kept by the Mappilas for their own trade with Mocha and Muscat.²² They also supplied good quality cardamom to the English who were ready to pay a higher price in specie. In 1717 Commander Johannes Hertenberg wrote to Batavia that the English, bidding a higher price for cardamom, were able to appropriate a share which had already been promised to the Company by local traders.²³

Again, the attempt of the Company to procure cardamom at a price fixed in Batavia limited the freedom of the local officials to compete with other potential buyers in the market.²⁴ Attempts by

¹⁹ VOC 1316, Missive from Hendrik van Reede and the Cochin Council to Batavia, 27 Mar. 1676, fos. 653v-654r.

²⁰ VOC 1340, Missive from Jacob Lobs and the Cochin Council to Batavia, 5 Jan. 1678, fo. 1467v.

²¹ VOC 1299, Missive from Commander Van Reede and Cochin Council to Batavia, 21 July 1672, fo. 461r.

²² VOC 1349, Memoir of Daniel Joncktus to Jacob Schoors, 21 Sept. 1678, fo. 1491r.

²³ VOC 1891, Missive from Commander Johannes Hertenberg and the Cochin Council to *Heren XVII*, 25 Nov. 1717, fos. 27v-28r.

²⁴ VOC 1807, Missive from Cochin to *Heren XVII*, 25 Nov. 1711, fo. 7r.

the Dutch to compensate the diminishing supply of cardamom from Cannanore by making alternative arrangements with merchants in the nearby principalities failed either because of the obstacles created by Mappila merchants of the bazaar or the low prices quoted by the Company.²⁵ The procurement of cardamom from Calicut was ruled out as it required advance payment in specie.²⁶ The Company was invited by the neighbouring princes of Kottayam and the Vazhunnavar of Vadakara to establish a trade settlement in their territories, but both offers were declined although the local VOC men were hesitant about rejecting such an opportunity to limit their dependence for spices on Cannanore Mappilas.²⁷

There were attempts on the part of the Company to grow cardamom in the conquered lands of Paponetty and Edatturuty, but the sandy soil of these regions was not suitable for such a venture.²⁸ Occasionally, unpredictable weather also spoiled the Company's endeavour to improve its share in the cardamom trade. On more than one occasions, heavy rain damaged the harvest of cardamom and subsequently the Company trade in this commodity.²⁹ There were also occasions when the time difference between the cardamom harvest in Cannanore and European shipping affected its export to Europe. According to Company men, the earliest moment at which this spice could be harvested was in January, but this was too late for direct export to Europe. The VOC felt it difficult to preserve well the stock in its storehouse until the next shipping season.³⁰

The competition from both Asian and other European traders and the annual increase in price level made it impossible for the Company to maintain a prominent share in the cardamom trade. This situation put Mappila traders and the English in a formidable position to control the lion's share of the cardamom output from Cannanore and Calicut.³¹ However, as can be deduced from the export list, the Company continued its regular presence in the regional cardamom trade, though with considerable fluctuations, throughout the first quarter of the eighteenth century [Table. II].

²⁵ VOC 1349, Memoir of Jacob Schoors, 21 Dec. 1678, fo. 1491v. VOC 1694, Report from Gerrit Mulder to Commander Abraham Vink, 25 Mar. 1703, fo. 86.

²⁶ VOC 1448, Missive from Commander Isaack van Dielen and the Cochin Council to *Heren XVII*, 17 Jan. 1689, fo. 354v.

²⁷ The VOC men suspected that the intention of the princes was only to appropriate gifts from the Company and promote their own interests rather than those of the Company. VOC 1373, Missive from Marten Huijsman and the Cochin Council to *Heren XVII*, 28 Mar. 1682, fos. 376v-377v. VOC 1619, Translated letter from Vazhunnavar of Vadakara to Cochin, 15 Dec. 1698, fos. 69-70. VOC 1674, Missive from Abraham Vink and the Cochin Council to *Heren XVII*, 1 Nov. 1703, fo. 118r.

²⁸ VOC 1977, Missive from Commander Hertenberg and Wijnhout to Batavia, 14 Apr. 1722, fo. 151r-v.

²⁹ VOC 1329, Missive from Cochin to Batavia, 17 Mar. 1677, fo. 1332v. VOC 1838, Translated letter from the Ali Raja to Barent Ketel, 12 Dec. 1712, fo. 318v.

³⁰ VOC 1321, Missive from Commander van Reede and Cochin Council to Batavia, 27 Mar. 1676, fo. 950r-v.

³¹ VOC 1370, Missive from Hendrik van Reede and the Cochin Council to *Heren XVII*, 9 Dec. 1675, fo. 2221v.

Table II

The Dutch East India Company's cardamom export from Malabar [1700 – 1723] ³²

Years	Quantity (Dutch Pounds)	Years	Quantity (Dutch Pounds)
1669-1700	38,611 (including 4,875 <i>bariga</i>)	1711-12	30,000
1700-1	30,400	1712-13	26,100
1701-2	33,875	1713-14	15,000 <i>bariga</i>
1702-3	?	1714-15	40,450 (including 1,000 <i>bariga</i>)
1703-4	25,575	1715-16	61,050
1704-5	10,750	1716-17	13,000
1705-6	52	1717-18	25,650
1706-7	18,850	1718-19	26,700
1707-8	50	1719-20	9,300
1708-9	50,250	1720-21	Nil
1709-10	50	1721-22	21,750
1710-11	19,700 <i>bariga</i>	1722-23	6,450

Sources: VOC 1634, 1646, 1658, 1713, 1724, 1731, 1741, 1757, 1773, 1790, 1807, 1825, 1905, 1912, 1924, 1959, 1977, 1994, 2011

3. Timber

Except for pepper and cardamom, the amount of other VOC exports from Cannanore was insignificant. The Company showed particular interest in the procurement of first class timber for ship-building from the hinterland of Cannanore. The plan was to transport the logs along the Baliapatanam River with the help of local labourers but also in this case the local merchants insisted on receiving advances in specie.³³ The unfavourable attitude of the local princes killed this venture in the bud.³⁴ Alternative attempts were made by the Company to procure mast-wood for ships

³² Unfortunately there is insufficient documentation on the export of cardamom from Malabar by the VOC during the seventeenth century. The information is only available for the eighteenth century. The Company usually purchased high quality (*cabesa*) cardamom from Malabar and at times the second grade *bariga*, which I have noted separately. It is notable that, though cardamom was produced mainly in the hinterland of Cannanore and Calicut, it was not from the local Mappila traders, but from the local brokers that the Company purchased most of its cardamom in Cochin.

³³ VOC 1268, Missive from Colombo to Batavia, 13 June 1668, fo. 1123r-v.

³⁴ VOC 1277, Missive from Cochin to *Heren XVII*, 16 Feb. 1670, fo. 1677r.

from the Ali Raja, though it seems that this trade remained marginal throughout our period of study.³⁵

4. *Ambergris, wild cinnamon and coconut products*

The Company's attempt to purchase cowry and ambergris from the Ali Rajas did not result in any considerable success.³⁶ The Company servants alleged that the Ali Raja, though he annually conveyed a considerable amount of ambergris from the Maldives-Lakshadweep Islands, was trying to hide this from the Company so as to trade it with the English for a higher price.³⁷ The Company paid scant attention to trading in such various local bulk merchandises as wild cinnamon, coconuts, coconut oil, and the like from Cannanore, despite their importance to the local economy. The Company briefly had designs on utilizing iron ore from the hinterland of Cannanore for the establishment of a foundry in Cochin in order to expedite the Company's ship building enterprise in Malabar, but had to relinquish the idea after initial testing of the samples showed that 'it would not worth even the coal' for its refining.³⁸ The upshot was the Company had to depend largely on an import market to improve its balance of trade in Cannanore.

The VOC trade in Cannanore: Imports

1. *Opium*

The advantage of the Cannanore traders over the Company in the regional export market was also reflected in its imports. For the Company men, Malabar was 'not a land of great consumption in merchandise'.³⁹ This forced the Company to opt for commodities which were more readily saleable in the region. Opium was considered a commodity to be in immense demand throughout Malabar. In a report sent to *Heren XVII* from Cochin in 1675, it is stated, 'Opium, next to money, is the foremost merchandise [in Malabar] and considered [by the locals] like rice or bread among us'.⁴⁰ Although obviously an overstatement, there is little doubt that opium was in widespread use both

³⁵ VOC 1284, Missive from Commander Hendrik van Reede and the Cochin Council to Batavia, 20 Apr. 1671, fo. 2088r.

³⁶ There are but few instances when the Company succeeded to buy cowries from Cannanore. VOC 1757, Missive from Malabar to Batavia, 13 Apr. 1708, fo. 76r. VOC 1807, Missive from Cochin to Batavia, 24 May 1711, fo. 45v.

³⁷ VOC 1396, Missive from Commander Gelmer Vosburgh and the Council of Malabar to *Heren XVII*, 18 Nov. 1684, fos. 698v-699r.

³⁸ VOC 1454, Missive from Commander Isaack van Dielen and the Council of Malabar to *Heren XVII*, 17 Dec. 1687, fo. 1218r-v.

³⁹ VOC 1242, Missive from Van Goens from Colombo to Batavia, 10 Nov. 1663, fo. 1008r.

⁴⁰ VOC 1321, Letter from Cochin to *Heren XVII*, 9 Dec. 1675, fo. 912v.

among the common people and the elite as an intoxicant and as a medicine.⁴¹ The Company had realised the high marketability of opium prior to its permanent establishment in Malabar.⁴²

From the very beginning of its settlement in Malabar, the Company was well aware of the difficulty in monopolizing the opium trade in Malabar owing to the competition from the local merchants.⁴³ The Ali Raja and his Mappila traders were said to be providing opium throughout Malabar and bringing back pepper from the southern regions.⁴⁴ The treaty [1664] which had been signed between the Ali Raja and the Company strictly prohibited the import of opium by the former and asserted it was a Company monopoly.⁴⁵ In spite of these contracts with the Ali Raja and with the rulers of Cochin and Kayamkulam, the Company remained dubious about whether it would be able to force the Calicut merchants to abandon this profitable trade.⁴⁶ This observation proved to be right in the course of time.

Traditionally, the northern port towns, mainly Surat, were the main sources of opium imported to Malabar by the local Mappila traders. The Company, with its factories in Bengal, showed particular interest in vending the cheaper Bengal opium.⁴⁷ The retail trade of the Company in this commodity in Malabar initially seemed to be quite promising. In 1666, it was reported that the Company was able to prevail over other traders in the retailing of opium in Malabar and derived considerable profit from it.⁴⁸ Apparently, opium received particular attention from local officials as an article of great local demand 'without which no pepper could be obtained'.⁴⁹ However, the initial optimism did not last long as the Company failed to contain the local trade. In 1679 the Malabar Commandement complained that the intensive retail of opium by Cannanore Mappilas, who remained largely beyond the Company's control system, had completely spoiled the market.⁵⁰ The Mappila merchants from North Malabar since opium constituted an important part of their return cargo from the northern ports, the intensive coastal trade between both regions exerted a decisive

⁴¹ Joan Nieuhof noticed the widespread use of opium among the people of Malabar. Joan Nieuhof, *Joan Nieuhofs Gedenkwaardige Zee en Lantreizje door de Voornaemste Landschappen van West en Oostindien* (Amsterdam: Voor de Weduwe van Jacob van Meurs, 1682), 143.

⁴² VOC 1133, Missive from Barent Pietersz from Surat to van der Veer, 1 Dec. 1639, fos. 399-400.

⁴³ VOC 1239, Missive from Cochin to *Heren XVII*, 19 Feb. 1663, fo. 1695v.

⁴⁴ VOC 1242, Missive from Cannanore to *Heren XVII*, 11 Feb. 1664, fo. 1058v. *Dagh-Register [1664]*, 573.

⁴⁵ *Dagh-Register [1664]*, 175-6.

⁴⁶ VOC 1242, Report from the Cochin Council to *Heren XVII*, 2 Feb. 1664, fo. 1110r.

⁴⁷ VOC 1242, Memoir of Rijkloff van Goens to Jacob Hustaert, 26 Dec. 1663, fos. 966v-967r.

⁴⁸ It was reported that the Company managed to get 75 to 80 per cent profit more than its competitors from its retail in Bengal opium. VOC 1259, Missive from Rijkloff van Goens and the Cochin Council to Batavia, 18 May 1666, fo. 2630.

⁴⁹ VOC 1355, Missive from Commander Harman Fentsel and the Council of Hugli in Bengal, to *Heren XVII*, 21 Nov. 1680, fo. 293r.

⁵⁰ VOC 1349, Missive from Cochin to Batavia, 13 Feb. 1679, fo. 1459v.

effect on the opium market in Malabar. In 1692, the Malabar Commandement reported that the Malabar market was awash with opium brought from the north by the Mappila traders.⁵¹

Besides the Mappilas, a large quantity of Bengal opium was soon transported across the Ghats by the Tamil Pattar Brahmins and other traders from the Coromandel Coast. This also undermined the opium monopoly imposed by the Company.⁵² Although the Company tried to dislodge its market competitors by fixing a low exchange ratio against pepper (1 lb. opium for 40 *kbandil* pepper), this did not produce any remarkable result.⁵³ The local merchants succeeded in flooding the Malabar market with opium at an even lower price, considerably reducing the profit margin of the Company.⁵⁴ The situation deteriorated even more with the entry of other European competitors, against which the Company had no other remedy than to register its protest through official channels.⁵⁵ Cannanore, inhabited by a flourishing Mappila merchant community, was never in short supply of such 'smuggled' opium. This could satisfactorily explain why opium, though regarded as the most sought-after article of consumption in Malabar, is missing altogether from its import lists to Cannanore.

2. *Japanese Copper*

It was the growing local demand for Japanese staff copper which, to an extent, compensated the mounting Company expenditure in Cannanore. The imported copper, though consumed to some extent locally for manufacturing household utensils, roofing temples and other purposes, was mainly sold in the interior markets of South India.⁵⁶ This trans-regional demand prospered with the booming copper trade of the VOC with Japan.⁵⁷ Copper was in such demand in Cannanore, the Company at times failed to meet the local requirements.⁵⁸ The Company derived a substantial profit from copper in response to this soaring trade and there was no serious competition from either local or European traders.⁵⁹ We have no regular information about the quantity of Japanese copper imported to Cannanore during the seventeenth century. The data available imply that the

⁵¹ VOC 1499, Missive from Isaack van Dielen and the Cochin Council to *Heren XVII*, 31 Jan. 1691, fo. 555r.

⁵² VOC 1273, Schriftelyck advijs of Van Reede to the Commander Van der Dussen, 16 Mar. 1669, fo. 1511v.

⁵³ VOC 1273, Missive by Commander and the Cochin Council to *Heren XVII*, 27 Feb. 1669, fo. 1389r.

⁵⁴ VOC 1740, Missive from Malabar to Batavia, 23 Apr. 1707, fo. 126r-v.

⁵⁵ VOC 1352, Report from the Commissioner Marten Huijsman to Batavia, 11 Mar. 1680, fo. 367r. VOC 1284, Missive from Commander Hendrik van Reede and the Cochin Council to Batavia, 20 Apr. 1671, fo. 2086v.

⁵⁶ VOC 1321, Missive from the Commander and the Council of Cochin to *Heren XVII*, 9 Dec. 1675, fos. 912v-913r.

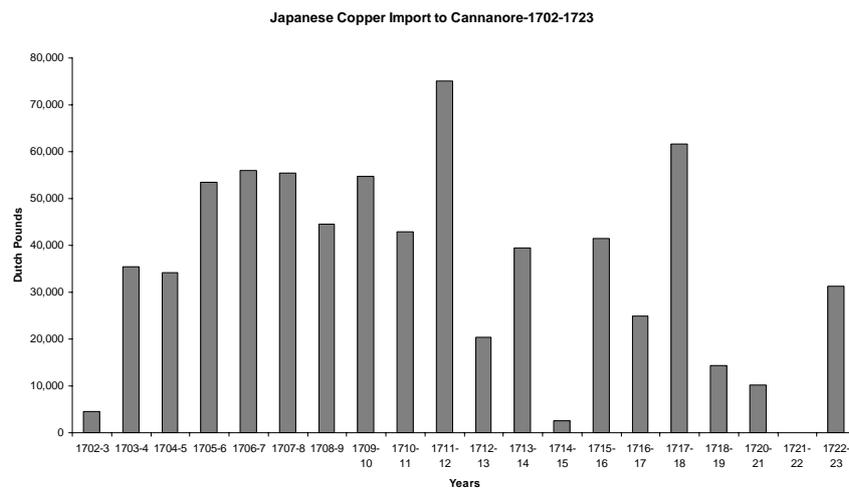
⁵⁷ For a detailed study on Japanese copper trade of the VOC during the eighteenth century see, Ryuto Shimada, *The Intra-Asian Trade in Japanese Copper by the Dutch East India Company during the Eighteenth Century* (Leiden: Brill, 2006).

⁵⁸ VOC 1807, Missive from Cochin to Batavia, 24 May 1711, fos. 50v-51r.

⁵⁹ '...om dat dit een coopmanschap is, geen bederf onderworpen, en waer in wij bevinden boven alle andere waren nog wel den meesten vertier te wesen, en goede winsten komt op te werpen'. VOC 1598, Missive from *Opperkoozman* Coesaert, 14 Apr. 1697, fo. 320.

annual import by the Company to Cannanore was comparable to that in the eighteenth century.⁶⁰ Copper was mostly exchanged for spices. By the early eighteenth century, when Cannanore pepper almost disappeared from the Company trading list, Cannanore became rather an import market for the VOC than a place to buy. Hereafter, copper was traded in Cannanore mainly for ready money. As the chart below clearly demonstrates, Japanese copper was regularly traded in Cannanore during the first quarter of the eighteenth century [figure 3].

Figure 3



3. Cotton

Cotton, another marketable commodity in Malabar, remained largely under the control of Asian traders. While Muslim and Bania traders joined the local Mappilas in supplying Malabar with large quantities of cotton from Surat, there was also a considerable transport of the fibre from the Madurai region.⁶¹ The Company was averse to pursuing this trade as it was voluminous and less profitable.⁶² Nevertheless, the tactical importance of the cotton trade did not escape the attention of the Company. It was felt that an extensive participation in the cotton trade could deter Asian merchants from Malabar and consequently from the participation of the latter in the spice and opium trade of the region.⁶³

⁶⁰ In 1688, 26607 lbs Japanese copper was traded in Cannanore and a quantity of 71280 ½ lbs in 1696-7. VOC 1474, List of merchandise traded at Cannanore from 1 Jan. 1688 to 31 Dec. 1688, fos. 472v-473r. VOC 1598, List of merchandise traded at Cannanore from 1 Sept. 1696 to 31 Aug. 1697, fos. 618v-619r.

⁶¹ VOC 1321, Report from Cochin to Patria, 9th Dec. 1675, fo. 912v.

⁶² Ibid.

⁶³ VOC 1349, Missive from Commissaries Marten Huijsman, Commander Jacob Lobs and the Cochin Council to Batavia, 13 Feb. 1679, fo. 1460r.

4. *Horses and elephants*

For various reasons, the Company was deaf to the requests of the local merchants to participate in the flourishing trade in war animals. The Company officials judged the transport of Ceylonese elephants was not only risky, but economically unviable.⁶⁴ Through experience, the Company realized that the imported elephants often had to be handed over as 'gifts' to the local elites.⁶⁵ Nor was the Company enthusiastic about dealing in war horses. It rejected the invitation of the Mysorean ruler to supply horses from Persia through Cannanore, though the reason for the refusal remains unclear.⁶⁶ The efforts of the Company to make a deal with the Ali Raja in facilitating the import of coffee had to be accounted a failure as the local traders were content with a meagre profit from this trade.⁶⁷

5. *Spices and other small-quantity merchandise*

The marketing of South-East Asian spices, especially clove, nutmeg and mace, in Cannanore remained negligible. Nevertheless, the Company was cautious not to sell them at a low price in Cannanore, because there were reports about the re-export of this merchandise from Cannanore to other coastal markets, especially Surat, which could ultimately affect the Company trade in these commodities.⁶⁸ Besides the various pieces of merchandise mentioned above, the Company also imported limited quantities of tin, sandalwood, quicksilver, vermilion, lead, powder sugar, and various silk clothes from Bengal into Cannanore. Occasional attempts to increase the price of imported goods drew a negative response from local traders, who simply kept away from the market.⁶⁹ The same happened in 1713 when the High Government in Batavia insisted on payments in ready cash from the local traders for Company merchandise. This new regulation created great difficulty for the local merchants and limited the scope of their trade with the Company.⁷⁰

The unfavourable commercial atmosphere in the region forced the Company to search for alternative means to improve the financial condition of the settlement. As early as 1664, Van Goens had suggested exploiting the limited amount of landed property in and around the fortress by planting young coconut palms to provide the settlement with an additional income. Eight or ten

⁶⁴ VOC 1410, Missive from Gelmer Vosburg to Batavia, 29 May 1685, fos. 616v-617r.

⁶⁵ VOC1625, Missive from Commander Magnus Wichelman and the Cochin Council to Batavia, 31 Dec. 1698, fo. 12

⁶⁶ See the section below; 'Into the hinterland of Cannanore'.

⁶⁷ VOC 1740, Missive from Malabar to Batavia, 11 Jan. 1707, fo. 85r-v; VOC 1757, Letter from Malabar to Batavia, 13 Apr. 1708, fo. 78v.

⁶⁸ The price of nutmeg which was brought to sell in Cannanore was fixed on a par with the Surat price in order to prevent its re-export by the locals. VOC 1388, Missive from Marten Huijsman and the Cochin Council to Batavia, 30 Apr. 1683, fo. 1936v; VOC 1634, Report from Cochin to Batavia, 24 Feb. 1700, fo. 142v.

⁶⁹ VOC 1598, Missive from Cochin to *Heren XVII*, 13 Dec. 1696, fo. 113.

⁷⁰ VOC 1838, Letter from Ali Raja to Barent Ketel, 12 Jan. 1713, fo. 357r-v. VOC 1839, Letter from Barent Ketel to Ali Raja, 6 Feb. 1713, fos. 664v-665r.

slaves were sent along with the new Cannanore *Opperhoofd* Vosburg to undertake this task.⁷¹ The Malabar Commandment was confident of deriving a considerable income from the 50,000 young coconut palms planted within the fortress.⁷² However, the Company did not possess any sizeable landed property beyond the fortress. It was necessary for the Company to explore new commercial opportunities to tide itself over this situation successfully. The attempt of the Company to open up a new trade channel to Mysore with the help of local partners should be analyzed against this background.

Into the hinterland of Cannanore

In 1679, Marten Huijsman, who was in charge of the Malabar Commandment, wrote to Batavia about the initiative taken by the Wodeyar of Mysore to establish trade relations with the VOC in Cannanore. The Nayaka had sent a Brahmin envoy to Cannanore to open negotiations. This Brahmin requested the acting *Onderkoopman*, Jacob Schoors, to send somebody along with him to Mysore to discuss some toll concessions and other privileges which the Mysore ruler would like to confer on the Dutch.⁷³ The envoy also warned the Dutch that they should not miss this opportunity as it would be very difficult for them to manage their own affairs without the active consent of the Mysore court.⁷⁴ Commander Marten Huijsman informed the High Government in Batavia that, since Mysore was a lucrative market, situated almost next door to Cannanore, the Cochin Council had decided to authorize Schoors to send Assistant Hellingh to Mysore with a small present 'in order to listen to what this Nayaka desires, to accept the privileges and also to observe what trade can be done there without being obliged to make any promises; to try to bring the [Mysorean] traders down to Cannanore or at least try as far as this was possible in order to conduct the trade'.⁷⁵

This incident illustrates the doubts and hesitations entertained by the Dutch officials about the trade prospects of the inland markets of south-west India. Having no acquaintance with the situation in the hinterland and having no clear idea about the future prospects of such an attempt, the Dutch naturally failed to grasp the importance of the opportunity. They were prudent enough to make preliminary enquiries rather than simply jumping into murky waters. Consequently, instead of doing business directly with the Nayaka king, the VOC wished to place the responsibility and

⁷¹ VOC 1261, Instructions to Gelmer Vosburg from Colombo, 14 Dec. 1664, fos. 312v-313r.

⁷² Calculating that a coconut palm would yield one *fanum* per year, fifty thousand *fanums* or 2,083 *rixdollars* were expected to be earned from the Company garden in Cannanore. VOC 1321, Report from Cochin to *Heren XVII*, 9 Dec. 1675, fo. 913r.

⁷³ VOC 1349, Letter by Commander Marten Huijsman and Jacob Lobs from Cochin to Batavia, 4 Apr. 1679, fo. 1503r-v.

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

risk on the shoulders of the Mysorean traders. Nevertheless, the commercial prospects were too attractive for them to be rejected immediately.

For some reason, as appears from the subsequent letters, this first diplomatic move was postponed. The Cannanore factory appears to have been too suspicious of the intentions of the Nayaka. It was believed that the invitation of a Dutch mission was solely intended to impress the Nayaka's main political rivals, in particular the Madurai Nayaka.⁷⁶ After some reconsideration, when it was decided to go ahead with the mission, this was once more aborted because the Chetty trader who was entrusted with the task of conducting the Dutch Assistant to Srirangapatnam did not turn up on account of some illness.⁷⁷

After these hiccups, the Mysore ruler again took the initiative. This time the Cannanore factor received a letter from the 'Governor' of Srirangapatnam via a Chetty, apparently the 'mint master' of Cannanore. He, in the company of the *Onderkoopman* Jacob Schoors, brought this letter to Cochin.⁷⁸ The Governor's letter once again stressed the lucrative prospects of opening trade relations with Mysore, also referring to spices, minerals, lacquer and other sought-after commodities. The Governor also suggested that, in order to make an auspicious start, the Nayaka should be presented with two Ceylonese elephants and 400 or 500 horses. For the latter he was ready to make an attractive payment.⁷⁹ On their part, the Dutch, with some hesitation, responded that they would be able to comply with regard to the elephants. The supply of horses, though, was a different matter. They explained to the Chetty that the best they could do was to make a request to Batavia to procure six or eight six-year-old Javanese horses.⁸⁰ But the Chetty observed that the Nayaka would prefer Muscat horses to Javanese ones.⁸¹ His horses should be robust, able to endure hardship and of a particular colour, preferably either entirely black or entirely white but bays and a variety of yellowish coloured animals would also be acceptable. The Mysore ruler was ready to pay 1000-2000 *pagodas* as an advance to the Dutch. But, as the Dutch were not in a position to give any assurances on this, they missed a splendid opportunity to revive the once flourishing horse trade to the Carnatic through Cannanore.⁸²

Apart from horses, Mysore desired black and other varieties of lacquer. The Dutch showed some interest in this trade, because they had learned that the English used to import a large quantity

⁷⁶ VOC 1360, Letter from Commander Marten Huijsman and the Council in Cochin to Batavia, 28 Apr. 1680, fos. 1756v-1757r.

⁷⁷ Ibid. fo. 1757r.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ For more details about horses in Indonesian history see, Peter Boomgaard, 'Horses, horse-trading and Royal courts in Indonesian history, 1500-1900', in Peter Boomgaard and David Henley (eds.), *Smallholders and Stockbreeders: History of Foodcrop and Livestock Farming in Southeast Asia* (Leiden: KITLV Press, 2004), 211-32.

⁸² VOC 1360, Letter from Commander Marten Huijsman and the Council in Cochin to Batavia, 28 Apr. 1680, fo. 1757v.

of coral and lacquer into Calicut, which they sold mainly in Mysore.⁸³ Before taking any further steps, the VOC servants tried to acquire more information about this English trade. The English annually imported some quantity of ‘tack’ coral of different varieties and managed to market it for an impressive price.⁸⁴ According to this information, the English sold the best sort of coral weighing 50 pounds for 600 to 800 *rixdollars* and the second quality of 75 pounds for 750 to 900 *rixdollars*, and the third quality of 100 pounds for 600 to 640 *rixdollars*.⁸⁵ Consequently, they felt it necessary to compete with the English and appropriate a share of this lucrative trade for the benefit of the Company.⁸⁶ In order to become better acquainted with this new trade, the Dutch decided to send Assistant Jan van Raesvelt to the Nayaka bearing a gift and a letter. They also decided to reply to the earlier letter written by the Governor of Srirangapatanam.⁸⁷

Although they took this initiative, the Dutch were pessimistic about the response of Ali Raja and his Mappila followers. The launching of a direct VOC trade channel with Mysore beyond the control of the Mappila traders of Cannanore could well mean the gradual erosion of a profitable branch of trade away from the hands of the latter. Naturally, the Dutch feared that Ali Raja would try to hinder the smooth operation of this trade contact with Mysore.⁸⁸ Therefore, they preferred to strengthen the patrolling of the coastline of Cannanore which could curtail his power, which depended largely on his thriving maritime commerce. This measure, they hoped, could revive the commercial fortunes of the Company, which was rather balanced on a knife-edge in Cannanore, locked in constant combat with the stiff competition from the local traders.⁸⁹

In 1680 the Malabar Council grew more optimistic about the trade prospects in Mysore as it envisaged linking the Canara rice trade up to the West Asian horse trade. For a very long time Canara had been the rice bowl of the Arabian Sea.⁹⁰ The Council calculated that, because of the war between the Arabs and the Portuguese, there would be a great demand for rice in Muscat and the adjoining areas. By supplying rice, it could reap huge profits as well as establish good relations with Muscat. On the ships transporting rice to this region, the VOC could bring horses back to Cannanore where they could be sold for the Mysorean market.⁹¹ To take charge of such voyages,

⁸³ Ibid.

⁸⁴ VOC 1361, Letter from Commander Marten Huijsman and the Council in Cochin to Batavia, 19 June 1680, fo. 517r.

⁸⁵ Ibid.

⁸⁶ VOC 1360, Letter from Commander Marten Huijsman and the Council in Cochin to Batavia, 28 Apr. 1680, fos. 1757v-1758r.

⁸⁷ Ibid. fo. 1757v.

⁸⁸ Ibid. fo.1758r.

⁸⁹ ‘.want die bekruysingh voor het souverainste middel gehouden werd, om den vervallen handel van d’ Edele Company alhier weder geheel in ‘t gewenste wesen te herstellen’. Ibid.

⁹⁰ For a discussion on the rice trade of the port city of Basrur on the Canara Coast during the Portuguese period see, Sanjay Subrahmanyam, ‘The Portuguese, the port of Basrur and the rice trade, 1600-1650’, *Indian Economic and Social History Review*, 22/4 (1984), 433-62.

⁹¹ VOC 1360, Letter by Commander Marten Huijsman and the Council in Cochin to Batavia, 28 Apr. 1680, fo. 1755r.

the Council advised employing some efficient captains, such as Simon van den Berg or Govert Wyngaard, who were considered to have sufficient experience in Persia and Muscat.⁹² It was further suggested that the Company could earn eighty *rixdollars* for each load of rice in Muscat, and hence it could reap a good profit from both the rice and the horse trade.⁹³

To realize this plan, Assistant Jan van Raasvelt was sent to Srirangapatnam where he had several meetings with the Nayaka.⁹⁴ In spite of the fact that the Nayaka preferred the Company to bring its merchandise directly to Mysore without resorting to any intermediaries, this was unacceptable to the Company as it had no acquaintance of the land and its administration.⁹⁵ The Company would have preferred the Mysore traders to come down to the Dutch factory in Cannanore to purchase merchandise with ready cash.⁹⁶ Even though from the Dutch accounts it is not clear why the Nayaka insisted on direct commercial dealings, what is very obvious is the ongoing hesitation on the part of the Dutch to become too closely and too directly involved in areas which were beyond their immediate control.

Leaving such problems aside, the Company envoy Van Raasvelt made a thorough survey of the market conditions in Srirangapatnam, the capital of Mysore. Consequently, his report not only provides detailed information on the local prices, it also conveniently compares them with the prices in Surat.⁹⁷ This market analysis helped the Company to determine the quantity, quality, and price level of the commodities to be imported.⁹⁸ The large quantities of marketable merchandise quoted by the report draws attention to the significance of Mysore as the most important hinterland of Cannanore: a large market for Indian Ocean merchandise and a lucrative opportunity to the local traders, including the Mappilas of Cannanore, to enhance their commercial fortunes through trade with that region.

Cotton and local iron and steel were the items of merchandise which could be purchased from Mysore in exchange for the above-mentioned commodities.⁹⁹ Van Raasvelt noted that, in Mysore 500 pounds or one *kbandil* of cotton would cost 28 *pagodas*, local iron and steel would cost 8 *pagodas* and 10 *pagodas* respectively.¹⁰⁰ The information received by the Company through the inland trader Ballachitty and others also substantiated the details given by Van Raasvelt.¹⁰¹ The big price difference between Surat and Srirangapatnam indicates the risks and expenses involved in

⁹² Ibid.

⁹³ Ibid. fo. 1755v.

⁹⁴ VOC 1370, Missive from the Commander Marten Huijsman and the Council of Cochin to Batavia, 30 Apr. 1681, fo. 2134r.

⁹⁵ Ibid.

⁹⁶ Ibid. fo. 2134r-v.

⁹⁷ VOC 1370, Missive from Marten Huijsman to Batavia, 30 Apr. 1681, fo. 2134v.

⁹⁸ Ibid. fo. 2134v. VOC 8985, Statement of Jan van Raasvelt from Cannanore, 28 Feb. 1681, fos. 118v-119r.

⁹⁹ VOC 1370, Missive from Marten Huijsman to Batavia, 30 Apr. 1681, fo. 2134v.

¹⁰⁰ Ibid. Report of the Assistant Jan van Raasvelt to the Resident Schoors at Cannanore, 28 Feb. 1681, fo. 2167v.

¹⁰¹ Ibid. fo. 2168r.

the inland trade of that time. The description of the large number of inland toll centres which existed within such a short distance as that between Cannanore and Mysore explains one of the reasons behind this price difference. Dutch reports stated that the journey between Cannanore and Srirangapatanam would take five to six days and letters would take at least four days.¹⁰² There were two trading routes across the Western Ghats connecting Cannanore to Srirangapatanam. The first one, the Perambadi Route, passed through Irukkur. The route to Irukkur was within the domain of the Kolathiris. The second option was the Peria Ghat Route passing through North Wynad, which mainly meant journeying through the sphere of influence of the Raja of Kottayam. The Dutch considered that the Irukkur Route was nearer to Cannanore and therefore more appropriate to the Mysore link.¹⁰³ The Kottayam Route, however, was considered safer. Along this route, there were nine Kottayam and six Mysorean tollhouses.¹⁰⁴

Although a large amount of details about the various trade prospects at Mysore had been successfully gathered, now all depended on the capacity and willingness to act upon them. Here, the Dutch faced problems from the very beginning. Although the Company insisted on the Mysorean traders journeying down to Cannanore to fetch goods, it also stimulated its own local brokers to be involved in this trade. Therefore, soon after receiving the report from Raasvelt, the Company signed a contract with Baba Prabhu, the influential Konkani broker, stating that the latter would receive goods from the Company in Cannanore, mainly in order to resell them at the Mysorean markets.¹⁰⁵ Baba Prabhu agreed to supply the Company with 320 *kbandil* pepper from Kottayam and to receive merchandise at a value of 5142 ½ *Sao Tome*, which he agreed to pay for cash within a year.¹⁰⁶ He was allowed to retail the merchandise in cash either to the Mysorean merchants or to the Cannanore traders and was allowed to enjoy ½ per cent brokerage fee from this trade.¹⁰⁷ He was permitted to sell sugar in Calicut and in the northern part of Malabar as far as Mangalore, but other merchandise could be sold only in Kolathunadu or in Mysore, under the penalty of the confiscation of goods.¹⁰⁸ This was clearly an attempt on the part of the Company to keep Baba Prabhu away from the markets in southern Malabar.

Nevertheless, the Company servants remained sceptical about the successful fulfilment of the contract with Baba Prabhu and therefore decided to assign two smart *topaz* soldiers to keep an eye on him.¹⁰⁹ As already surmised, the results of the contract were not encouraging. In 1682 it was

¹⁰² VOC 1360, Letter by Marten Huijsman and the Council in Cochin to Batavia, 28 Apr. 1680, fo. 1755v.

¹⁰³ VOC 8985, Report from Jan van Raasvelt, 28 Feb. 1681, fo. 119v.

¹⁰⁴ Ibid. fo. 120r. Unfortunately, the names of these toll centres are not given in the documents.

¹⁰⁵ This treaty was signed on 20 June 1681.

¹⁰⁶ VOC 1370, Missive from the Commander Marten Huijsman and the Council of Cochin to Batavia, 30 Apr. 1681, fos. 2272r-2273r.

¹⁰⁷ Ibid. fo. 2272v.

¹⁰⁸ Ibid. fo. 2273r.

¹⁰⁹ Ibid. fo. 2134r.

reported that only one-third of the commodities assigned to the Mysorean trade was sold by Baba Prabhu, who was alleged to be promoting his own private fortune by indulging in trade relations with the English and the French.¹¹⁰ The VOC officials also claimed that part of the failure could be attributed to the interference of the Mappilas of Cannanore, who several times attempted to obstruct Baba Prabhu and his assistants in carrying out this trade.¹¹¹ The Malabar Council, however, hoped to give the Mysore trade another impetus by encouraging the import of larger quantities of spices and copper from Batavia. In 1683, the Council ordered 3-4000 pounds cloves for Malabar, expressing the hope that a large share could be diverted to Mysore.¹¹² It also requested more Japanese copper to be exchanged against merchandise from Mysore in Cannanore.¹¹³

Initially, the results of the Mysorean connection looked promising. For example, in 1683 one prominent Mysorean trader approached the VOC servants in Cannanore requesting the Company to deliver its merchandise at 'Oemesjerre', an inland bazaar in Kottayam, situated a few miles inland from Cannanore.¹¹⁴ The Dutch rejected the proposal by insisting that the payment should be made in Cannanore, after which the Company would be ready to provide an escort up to the above-mentioned place, but at the merchant's own risk.¹¹⁵ It is more probable that the Mysorean Chettys used to procure necessary commodities at the inland bazaars of Kolathunadu and Kottayam through the Mappila traders, a move which avoided the inconvenience and expenses of coming down to the coastal centres. An incident such as this indicates the weakness of the Company in complying with the demands of the Mysorean merchants, making it convenient for the latter to depend on the Mappila traders rather than on the Dutch.

One year later, on behalf of the Company, Commander Marten Huijsman entered into a contract with some Mysore traders in various items of merchandise.¹¹⁶ However, by the end of 1684, Commander Gelmer Vosburg wrote to *Heren XVII* that the trade with the Mysorean merchants could not fulfil the high expectations raised by the initial successes.¹¹⁷ It appears that the traders from Mysore were either unable or unwilling to pay cash for the merchandise the Dutch offered them.¹¹⁸ They wished to obtain at least a share of the Company goods on credit. On their part, the Dutch feared bad debts and kept insisting on payments in cash.¹¹⁹ As a result, the inland

¹¹⁰ VOC 1373, Missive from Marten Huijsman and the Council of Cochin to *Heren XVII*, 21 Dec. 1682, fo. 344v.

¹¹¹ *Ibid.*

¹¹² VOC 1388, Letter by the Commander Marten Huijsman and the Council of Cochin to Batavia, 28 July 1683, fo. 1974v.

¹¹³ *Ibid.* fo. 1975r.

¹¹⁴ *Ibid.* fo. 1976v.

¹¹⁵ *Ibid.*

¹¹⁶ VOC 1396, Letter by the Council of Cochin to Batavia, 18 May 1684, fos. 718v-719r.

¹¹⁷ VOC 1396, Letter from Commander Gelmer Vosburg and the Council of Malabar to the *Heren XVII*, 18 Nov. 1684, fo. 704r.

¹¹⁸ VOC 1410, Letter from Commander Vosburg and the Council in Cochin to Batavia, 3 Apr. 1685, fo. 572r.

¹¹⁹ VOC 1434, Letter of Gelmer Vosburg and the Council of Cochin to Batavia, 30 Apr. 1687, fo. 78r-v.

traders stayed away from the Dutch factory in Cannanore. As the Dutch themselves avoided the trade markets in the interior, they soon had to adjust their expectations.¹²⁰ Looking for other options to market their merchandise, their attention was once again focused on their main rivals: the Mappilas of Cannanore. One of them, one Koy Kutialy Krauw, was allowed to buy the Company merchandise at the Surat price level with the certain guarantee that he would pay the amount back by the coming December.¹²¹ He bought 2,000 pounds of nutmeg from the Company at the rate of 220 Moorish heavy *ducats* or 440 *rixdollars*.¹²² Now, the Dutch felt that they were actually better off dealing with the Cannanore Mappilas than with the merchants of Mysore.¹²³ Under these conditions, the Company was still able to make profit from their Cannanore settlement in 1684.¹²⁴

The change in the attitude of the VOC towards the Ali Raja and the Cannanore Mappilas is reflected in the treaty which was signed between Commander Vosburg and the Ali Raja, the *Karanavar* and Koy Kutialy Krauw of the Cannanore bazaar in 1686. Under the terms of this treaty, the Mappila traders of the bazaar agreed to accept Company merchandise which was valued up to 10, 000 ducats.¹²⁵ The Cannanore merchants agreed to pay within one year after receiving the goods from the Company. The Company for its part agreed not to supply these commodities to any other party during the next twelve months.¹²⁶ After these initial attempts, it appears that, at least during the seventeenth century, the Dutch never managed to develop direct commercial relations with Mysore and that in this regard continued to depend on the Mappila mercantile network.

Figure 4

¹²⁰ Ibid. fo. 78v.

¹²¹ VOC 1396, Missive from Gelmer Vosburg and the Council in Cochin to Batavia, 9 Aug. 1684, fo. 741r-v.

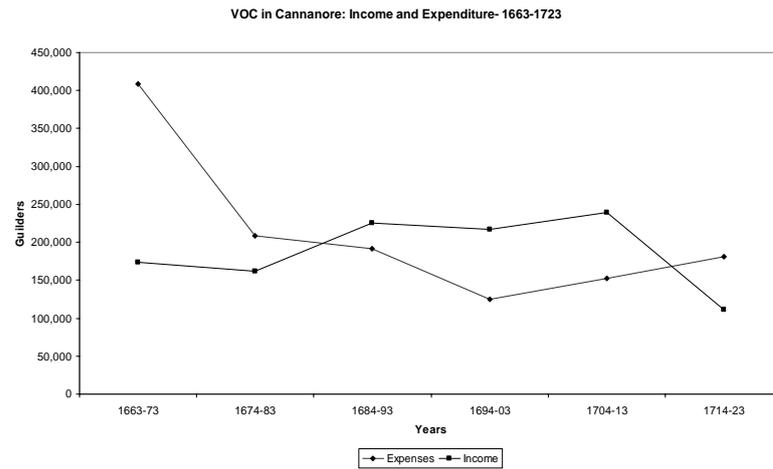
¹²² Ibid. fo. 591v.

¹²³ VOC 1410, Original missive from the Commander Gelmer Vosburg and the Council in Cochin to the *Heren XVII*, 28 Nov. 1685, fo. 540r.

¹²⁴ The Cannanore settlement reaped a profit of *f.* 23742.7.11 in 1684.

¹²⁵ H. R. 599, Letter from Batavia to Malabar, 27 Aug. 1686, fo. 355.

¹²⁶ VOC 1425, Briefing from Commander Vosburg to the residents of Cannanore, 16 Mar. 1686, fo. 129r.



Conclusion

A general overview of the income-expenditure record of the VOC settlement shows that the Company was able to maintain a favourable economic balance in Cannanore at least for a period between 1685 and 1715 [Figure 4].¹²⁷ This was remarkable in comparison with the general condition of the Malabar Commandement during the period under study.¹²⁸ However, considering the rather insignificant amount of trade carried out by the Company in Cannanore, the settlement was actually an administrative burden on the Company with little commercial significance. Added to it, the failure of the Mysore venture further undermined the optimism of the Company to revive its commercial fortunes in Cannanore.

Initially, the primary objective of the VOC in Malabar was to acquire a major share in the pepper output of the region which could enable the Company to regulate the pepper price in Europe. Therefore, it was indispensable for the Company to prevent Malabar pepper falling into

¹²⁷ However, it should be borne in mind that the income and expenditure list of the VOC settlement in Cannanore did not include either the profit or the loss on the sales of the goods procured from there or the transport costs incurred by the Company. In that case, the actual income and the expenditure of the Company in Cannanore may have been somewhat different from the figures mentioned in the VOC documents.

¹²⁸ The Malabar Commandement was able to make a net profit only in four financial years throughout its existence in Malabar. But, if we take the total VOC trade in Malabar into account, the share of Cannanore was comparatively insignificant. In that case the profit/loss made by the Company in Cannanore was not very decisive in determining the financial success or failure of the Malabar Commandement. s'Jacob, *Rajas of Cochin*, 176-178.

the hands of other European rivals, especially the English and the French. However, the Company was neither able to prevent them from trading with the local traders. Eventually, the Company was able to glut the European market without Malabar pepper as it enjoyed relatively successful control over the South-East Asian pepper trade. The imported items of merchandise, except for copper and opium, were not in high demand in the inland markets. The Company's opium trade was affected by the inflow of the commodity into the inland markets by local traders, especially the Mappila Muslims of Cannanore.

One of the major reasons for the failure of the VOC to control the pepper trade in Cannanore was its price policy. The prices of the spice were fixed not locally, but at the VOC headquarters in Batavia. The failure of the Company to adapt to the market fluctuations minimized its purchasing power in Cannanore. Its import trade also faced the same problem. The Company found it difficult to market at a price quoted at Batavia its merchandise in Cannanore where a free market was in operation. Consequently, it had to compete with other Asian and European merchants who were more flexible in and adaptive to the local situations.

The Dutch East India Company—the largest commercial entrepreneurial establishment in the seventeenth-century Indian Ocean—also suffered from internal disadvantages. Being a highly centralized commercial enterprise, it had to bear considerable institutional expenditures and protection costs compared to the commercial enterprises of local merchants. It had to demand a comparatively high profit margin from its commercial transactions. In this aspect of trade, the local merchants enjoyed an advantage over the Company. As observed by the Company servants, the local traders were content with a small profit margin as their business did not incur any of the unnecessary expenses which the Company had to endure.¹²⁹ Consequently, the Company was never in a position to influence or control the regional and intra-regional trade of Cannanore, its poor performance over there was not unexpected.

¹²⁹ VOC 1284, Missive from Commander Hendrik van Reede and the Cochin Council to Batavia, 27 May 1671, fo. 2113r.