

The Global World of Indian Merchants, 1750–1947

In his latest book, Claude Markovits tells the story of two groups of Hindu merchants from the towns of Shikarpur and Hyderabad in the province of Sind. Basing his account on previously neglected archival sources, the author charts the development of these communities, from the pre-colonial period through colonial conquest and up to independence, describing how they came to control trading networks throughout the world. While the book focuses on the trade of goods, money and information from Sind to such widely dispersed locations as Kobe, Panama, Bukhara and Cairo, it also throws light on the nature of trading diasporas from South Asia in their interaction with the global economy. In an epilogue, the author brings the story up to date in a discussion of the origins of the present-day diaspora of Sindhi Hindus, the most wide-ranging of all the diasporas from the Indian subcontinent.

This is a sophisticated and accessible book, written by one of the most distinguished economic historians in the field. It will appeal to scholars of South Asia, as well as to colonial historians, to historians of diasporas, and to students of religion.

CAMBRIDGE
UNIVERSITY PRESS

ISBN 0-521-62285-9



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MARKOVITS
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CAMBRIDGE

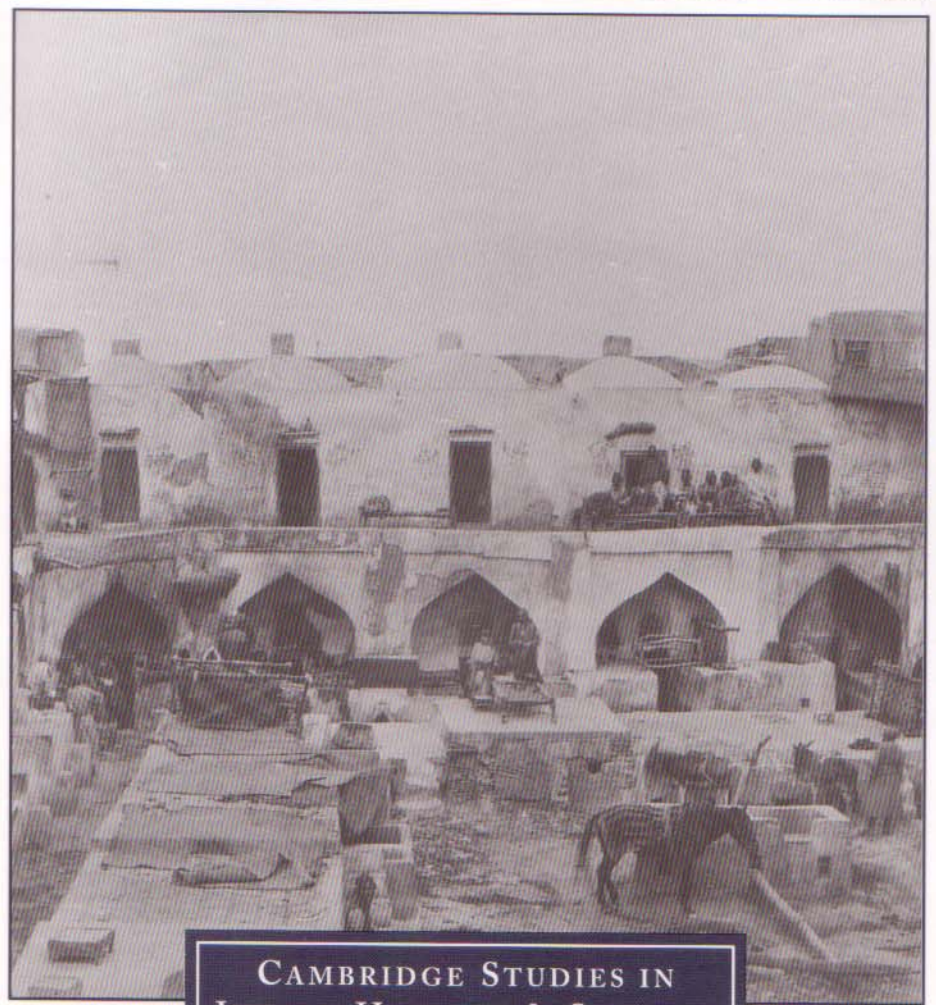
**THE GLOBAL WORLD OF
INDIAN MERCHANTS**

1750-1947

Traders of Sind from Bukhara to Panama



CLAUDE MARKOVITS



**CAMBRIDGE STUDIES IN
INDIAN HISTORY & SOCIETY**

Table 4.3. *Destinations of employees of six major firms in Hyderabad 1915–16*

Firm	D. Chellaram	M. Daldas	Pohoomull	J.T. Chanrai	W. Assomull	Chotirmall
Naples	4				1	
Gibraltar	32	23	24	4		
Cairo	9		17	1		
Algeria	3		1			
Yokohama	1		2		4	
Singapore	6		1		2	13
Manila	21		7		12	
Saigon	4		2			
Alexandria	4		3			
Catania	2					
China	4					
Egypt	3					
Hong Kong	1	2			3	
Sierra Leone		3		5		
Port Said		2				
Java		3				
(unspecified)						
Colon		1	2	3		
Tenerife		1	3	1		
Beira			6			
Tunis			2			
Malta			3			
Panama			1			
Salisbury			3			
Trinidad			2			
Shanghai			1			
Canton			1			
Melilla				2		
Lagos				2		
Casablanca				2		
Vigo				1		
Ceuta				1		
Las Palmas				1		
Tetuan				1		
Punta Arenas				2		
Chile				1		
(unspecified)						
Japan				1		
(unspecified)						
Penang					6	
Batavia					4	
Bangkok					3	
Surabaya					3	
Macassar					1	
Total	94	35	81	28	39	13

The only global post-1907 estimate of the size of the Sindworkie network is given in a document of the Sindwork Merchants Association of 1937³⁵ at the time of the Spanish Civil War, in which it was claimed that the total manpower employed by the network was 25,000. Assuming that half this personnel was employed in Hyderabad itself and in other locations in India, it would put the size of the global Hyderabad worldwide diaspora close to 12–13,000, i.e. more than double the estimate given by Aitken in 1907. Most of the expansion must have taken place in the 1907–27 period, but it would be futile to try to guess the exact chronology.

The second kind of information given by the certificates concerns the size of firms. The 492 applicants known to have been employed by firms were not equally spread between the 58 firms; 6 major firms employed 290 of them, while the remaining 202 were employed by 52 firms. It thus appears that the 6 firms of the first group sent an average of 48 men, while the 52 firms of the second group sent an average of 4 men. These figures do not necessarily reflect exactly the respective size of the different firms in terms of employees, depending on whether in the particular year under consideration firms were having to replace personnel or not. However, the divide between two types of firms is clear and will be elaborated upon at a later stage. Table 4.3 shows the destinations of the employees of the six major firms.

Even among the six largest firms, there was a clear distinction between two subtypes: the 'global' firm, with branches across the world, of which D. Chellaram and Pohoomull Bros. were the two most conspicuous examples, although M. Daldas also answers the definition, and firms with a more regional network, of which one, J. T. Chanrai, was mostly a 'Western' firm, while the other two, Wassiamall Assomull, and K. A. J. Chotirmall were 'Eastern' firms.

Given the wide differences between even the big firms, the question arises as to what extent can the Sindwork merchants be seen as a network. Sindwork firms constituted a network both economically and socially, because they all traded in the same kind of goods, using the same commercial techniques, sharing information and recruiting staff from the same local pool of labour. The unity of the network came from

³⁵ Telegram from Sindwork Merchants Association, Hyderabad, Sind, to Government of India, Foreign & Political Department, 9 February 1937, which said: 'Entire Sind Work business, worth 20 crores, affecting 25,000 men, nearly paralysed.' Enclosed in PZ 1086 1937, telegram from Government of India, Foreign and Political Department to secretary of state for India, 15 February 1937, IOR, Political & Secret Department Records, Departmental Papers: Political External Files and Collections, c. 1931–1950, 'Spanish Civil War: protection of British Indian lives and property in Spain, Spanish Morocco and Canary Islands 1936–40', L/P&S/12/210.

its extreme centralization at Hyderabad. The headquarters of all the firms were situated in the narrow lanes of the bazaar, and telegrams kept circulating to and from the branches dispersed across the world. It was in Hyderabad that the yearly accounts of all the branches were settled, and the principals of the firms all resided in the same locality, Hirabad.

Besides, credit circulated a lot within the network, although the Sindworkies, unlike the Shikarpuris, were not a banking community, and chains of suppliers also existed. At the same time, individual firms played a larger role in Hyderabad than in Shikarpur. Most of the major firms were created between 1858 and 1875, and only one large firm was founded at a later stage.

A quick look at the history of the six big firms of 1915 is in order here. The oldest was the firm of Pohoomull Brothers, which traced its origins to 1858, although it is difficult to know whether it actually started trading in Sindwork at that early date. It was founded by four brothers of the Khiani family, one of whom, not the most active, was called Pohoomull, and the firm was named after him following the advice of the family pandit-astrologer.³⁶ The firm became active in the 1870s in Egypt, where it seems to have been extremely successful and to have made large profits which fed its further expansion. By the 1890s it was trading all over the Mediterranean between Port Said and Gibraltar and had started expanding into the Far East with branches in China, Japan and the Philippines. In 1911, an entry in a directory gave a list of twenty-two branches outside India: Cairo, Alexandria, Algiers, Tenerife, Las Palmas, Budapest, Karlsbad, Gibraltar, Malleija (Malta), Beira, Salisbury, Durban, Johannesburg, Cape Town, Hong Kong, Canton, China (?), Manila, Iloilo, Yokohama, Kobe and Kuala Lumpur.³⁷ It was probably the largest of all the Sindwork firms in terms of turnover, although D. Chellaram had a more extended network of branches. It was also the most 'classical', purchasing in India through its Bombay branch and its Madras and Calcutta agencies, and in the Far East through its five branches in China and Japan, vast quantities of silk cloth and different kinds of curios which it sold in its retailing outlets in the Philippines, in Southern Africa, in Egypt (by far its largest branch), all over the Mediterranean and even in Central Europe. Very similar was the firm of D. (Dhanamal) Chellaram, founded in 1860, whose founder, Seth Dhanamal Chellaram Chulani is said to have been the first Hyderabad merchant to travel westward to Egypt in 1860.³⁸ The firm of J. T. Chanrai, founded in 1860, had a more 'Western' orientation,

³⁶ Interview with Mr L. Khiani, Gibraltar, 4 September 1992.

³⁷ *The Singapore and Straits Directory 1911*, pp. 188–90.

³⁸ Bharadwaj, *Sindhis Through the Ages*, p. 292.

Table 4.5. Major Sindwork firms in the 1930s according to date of foundation

Name of firm	Date of foundation	Number of branches c. 1932–39
Pohoomull Bros. (Europe)	1858 (1932)	17
Pohoomull Bros. (India)	1858 (1932)	11
D. Chellaram	1860	19
J. T. Chanrai	1860	21
W. Assomull	1866	13
M. Dialdas & Sons	1870	21
K. A. J. Chotirmall	1875	5
B. K. Choithram	1880	5
Jhamatmal Gurbhamal	1883	2
K. Hassaram	1885	11
K. Hoondomall & Sons	1888	9
G. Ramchand	1894	8
A. Neechamall Bros.	1896	2
Tikamdas Bros.	1897	6
Watanmal Boolchand	1908	4
Watumull Bros.	1910	4
K. Chellaram & Sons	1915	15
Dalamal & Sons	1916	5
Dayaram Bros. (Japan Bazar)	1918	8
T. Jhamandas	1920	6
Kewalram & Bulchand	1921	3
Verkomal Shewakram	1924	3
OK Gidumal & Watumull	1926	4
Utoomal & Assudamal	1928	3

Sources: *The Japan Times Yearbook 1933*, s.l., 1933; S. A. Waiz (comp.), *Indians Abroad Directory*, Bombay, 1934; *Business Directory of Hong Kong, Canton, Macao*, Hong Kong, 1938.

the Philippines (prior to the entry of the USA into the war), the Canary Islands and Spanish Morocco. This led to suspicions on the part of the British authorities that some Sindhi firms were using neutral territory for trading with the enemy. The firm of K. A. J. Chotirmall in particular, which was very active in the Dutch East Indies, was the object of an enquiry from the military authorities, even though they were eventually cleared of suspicion.⁵⁴

The return of peace brought in its wake a new spurt of growth in the

⁵⁴ The 'China Command Suspect List' compiled at Hong Kong in March 1917, which recorded the names of firms and individuals suspected of having dealings with the enemy had, under the caption 'Chotermall, silk merchant', the following comment: 'Chotermall firm gravely suspect and known to be means of transmitting and receiving enemy money (12.12.15).' A supplementary note was appended, which read: 'Letter from General Staff, Singapore, dated 28 December 1915, states that firm of Chotermall no longer suspicious although their correspondence is still examined.' Unfortunately it

Islands and West Africa, and even, prior to the First World War, in Central and South America. It had also many retailing establishments⁷⁸ which catered to the passengers of the steamers bound for Britain.

Tenerife⁷⁹ also played the role of an entrepôt, closely linked to Gibraltar, in relation to West Africa and Central and South America. The presence of a British colony and of a regular stream of visitors from Britain attracted by the mild climate of the islands provided a ready-made market for the Oriental curios sold by the Sindworkies. Prior to the Spanish Civil War, there was a colony of around 100 Sindhi merchants in the Canary Islands, of whom 60 were in Tenerife, 35 in Las Palmas, and 5 in an unnamed island of the archipelago (Palma?).⁸⁰ Their business appears to have been thriving prior to the Civil War, and

Their ability to survive after the abolition of the capitulatory regime shows, however, that they did not depend entirely on these favourable political circumstances, but were able to carve for themselves a specific niche in Moroccan trade. There is still a Sindhi community in Morocco.

Sindhis were also present in the other North African countries, Algeria, Tunisia and Libya. In Algeria, a directory of 1901 lists three Sindhi establishments in Algiers. See *Annuaire commercial, industriel, administratif, agricole et viticole de l'Algérie et de la Tunisie, 1902*, Paris, s.d., 'Professions d'Alger', pp. 279 ff. On Sindwork merchants in Lybia, some detailed information is found in PRO, Foreign Office Records, Embassy and Consular Archives: Tripoli (Lybia), 'Properties of Indian Merchants in Tripoli, 1940', FO 161/6. The presence of large European populations was the main attraction of the North African countries for the Sindwork merchants.

⁷⁸ In spite of the adoption in the 1920s and 1930s of various legal measures meant to restrict the activities of alien traders, who were not allowed to have more than one shop per firm, and had to obtain special licences to be allowed to trade, the Sindwork merchants continued to expand, and a list of shops and employees as of 1939, compiled by the Sindwork Merchants' Association in 1946, indicated the presence of 21 firms with 25 shops, employing a total of 129, which meant a global expansion, but at the same time revealed the closure of at least 7 of the shops which had been in existence in 1920. See copy of statement furnished by the Sindwork Merchants Association, Hyderabad Sind, showing numbers of Indians in all Indian firms in Gibraltar in 1939, enclosed in letter no. F 123/45 O.S., 16 May 1946, from Government of India, Department of Commonwealth Relations, to secretary, Political Department, India Office, IOR, Public & Judicial Department Collections, Collection 108/12 B, 'Indian Merchants in Gibraltar', File POL 8546 1946, L/P&J/8/236. In 1938, the governor of Gibraltar remarked on the fact that Main Street, the main thoroughfare, had gained the sobriquet of 'Bombay Street'. See governor of Gibraltar to secretary of state for the colonies, 20 April 1938, copy in *ibid.*

⁷⁹ The origins of their presence seem to go back to the 1890s when the firm of J. T. Chanrai pioneered trade routes west of Gibraltar, and established a branch in Tenerife. Tenerife and Las Palmas were ports of call for the steamers of the Union Steamship Line which plied the New Zealand-Britain route via the Cape, and Chanrai is known to have had a branch at Cape Town at the time.

⁸⁰ See British Consulate, Tenerife, 15 March 1938, to under-secretary to the Foreign Office, enclosed in under-secretary to the Foreign Office to under-secretary to the India Office, dated *ibid.*, P.Z. 2402 1938, copy in IOR, L/P&S/12/210. The same document lists twelve branches of Sindwork firms in the islands, of which eight in Tenerife and four in Las Palmas. Four of the big seven firms (D. Chellaram, J. T. Chanrai, M. Daldas and Pohoomull Bros.) were represented, and altogether these firms

they generally were paid in sterling, which was of course advantageous in more ways than one. The presence of those Sindwork firms laid the basis for the development of a Sindhi colony which is now several thousand strong and is the largest in western Europe and one of the largest in the world, mostly concentrated in Tenerife.

The third tier of localities consisted of those where only retailing operations took place. There were many such localities, widely spread out between Kobe and Panama. Some were large colonial port cities such as Rangoon in Burma,⁸¹ Colombo in Ceylon,⁸² Saigon in French Indochina,⁸³ Algiers and Casablanca in French North Africa, Alexan-

contributed annually a total of approximately 250,000 pesetas to the economy of the islands in the form of taxes, rents and contributions to social services.

⁸¹ The Sindhi presence in Burma seems to have been an offshoot of their move into Calcutta, which happened in the 1870s. The Burma Census of 1891 revealed the presence of 863 natives of Sind, of whom 749 were males, in the province. See *Census of India 1891*, vol. X, *Burma*, part III, *Tables*, Rangoon, 1892, Table XI, pp. 174-83. No detailed information is available as to who they were, but it is probable that at least some of them were Sindworkies. A clearer indication as to the presence of a Hyderabad community is provided by the 1921 Census which enumerates the surprisingly large number of 2,720 males and 687 females born in the district of Hyderabad. See *Census of India 1921*, vol. X, *Burma*, part II, *Tables*, Rangoon, 1923, p. 163. This figure is to be taken with caution, however, as the number of Sindhi-speakers in Burma was put at only 152 males and 15 females. There remains therefore a lot of uncertainty regarding the actual size of the Hyderabad diaspora in Burma. However, information gathered from trade directories shows several Sindwork firms in Rangoon to have been active in the silk and curio trade, mostly for a European clientele.

⁸² Regarding Sindh in Ceylon, the evidence available is mostly demographic. The earliest data, from the 1921 Census, indicate the presence on the island of 107 Sindhis, a figure which the census authorities themselves recognized to be 'subject to considerable errors'. See *Census of Ceylon, 1921*, vol. I, part I, Colombo, 1923, p. 229. The story of the presence of Sindwork merchants in Ceylon seems rather specific. Trade directories reveal that none of the well-known Sindwork firms had branches in the island. See the list of firms in *The Ceylon Mercantile Directory 1933*, Colombo, 1933. Seventeen Sindhi firms are listed in Colombo, all in the silk and curio business. This suggests strongly that the first arrivals were pedlars who broke their journey on the way to Singapore and the Far East, and, having found that there was good business in Colombo, an important port of call for steamers plying the Europe-Far East routes, prolonged their stay, and, after a while, set up shop in Colombo, and, later, in other localities of the island with a European population. Apart from the usual silk and curios, they also seem to have been engaged in the export trade in semi-precious stones. Although of less economic weight than other Indian communities like the Nattukottai Chettiars, they were sufficiently distinct to have their own association, the Sindhi Merchants Association of Ceylon. In the 1920s and 1930s the Sindhi population seems to have increased steadily, as the 1946 Census reported the presence of 371 Sindhis. See *Census of Ceylon, 1946*, vol. I, part I, Colombo, 1950, p. 162. The Sindhi community included a few Shikarpuris, who had developed financial interests, but the bulk of it consisted of Sindworkies, who seem to have generally migrated individually and without contracts. They prospered, and one of these merchants, Hirdaramani, became one of the largest industrialists in post-independence Ceylon and owner of a large textile mill.

⁸³ The pioneering firm there was K. A. J. Chotirmall, whose presence in the colony is known from the 1890s. In the early 1900s, both Pohoomull Bros. and W. Assomull established branches, and smaller firms followed suit. The Sindwork firms came to

Association in Hyderabad closely coordinated its interventions with an association in Manila, called the Bombay Merchants' Association, which represented the five big Sindwork firms in the islands.

A lot, however, could depend on the kind of relationship established with the local representative of the British government, be he a consul or a colonial governor. The attitudes of these officials varied enormously. Thus it seems that, in the early 1920s, the British consul in Manila went out of his way to help the Sindwork merchants fight the effects of the restrictive immigration legislation adopted by the US authorities. He even risked the wrath of his superiors by writing directly to the Government of India, by-passing the Foreign Office.⁵⁴ It is not known how the Sindhi merchants in Manila managed to capture the confidence of this representative of His Majesty's government, but his determined support undoubtedly helped them to get a hearing from Delhi and London. On the other hand, the governor of Gibraltar, who was traditionally a military man, had no sympathy for or interest in the Sindhi merchants and only reluctantly allowed the India Office to interfere in the business of the colony.

In Gibraltar and the Philippines, in the early 1920s, the Sindwork merchants succeeded in preserving the freedom of circulation of their employees, even if they had to accept some limitations on it. After 1925, the major problem for them was the immigration restrictions in Panama, but the case of this independent Republic will be taken up in a separate section.

Apart from Panama, the major trouble spot in the 1930s was Spain, due to the Civil War. In 1936 there were 200 Sindwork merchants in Spanish Morocco and 100 in the Canary Islands. Many Sindwork firms, including four of the big seven (Pohoomull Bros., D. Chellaram, J. T. Chanrai and M. Daldas) had branches which were doing good business in these two territories. As soon as the conflict started, the Sindwork Merchants Association alerted the Government of India to the plight of the Sindhi merchants in Spanish Morocco, and New Delhi cabled the India Office that they would be 'grateful for any action that may be possible for protection of British Indian interests in Spanish Morocco'.⁵⁵ The British consul in Tetuan, who tried to intervene on their behalf with the Nationalist authorities, had to confess in December 1936 that 'the only alleviation (he) could obtain for them (was) a

⁵⁴ Consul Parke-Smith wrote two letters addressed directly to the secretary to Government of India in the Foreign and Political Department in January and May 1924.

⁵⁵ Telegram from Government of India, Foreign & Political Department to secretary of state for India, 7 August 1936, File P.Z. 5730, copy in IOR, Political & External Files and Collections, L/P&S/12/210.

promise to consider their demands favourably'.⁵⁶ In February 1937 the Sindwork Merchants Association, in a telegram to the Government of India, harped on the 'terrible hardships' suffered by Sindhi merchants in Morocco and the Canary Islands, due to the Spanish authorities having banned all withdrawal of money and merchandise, and not allowing men to leave Spain. These unheard-of restrictions, the telegram went on, have created panic in business circles. 'Entire Sind work business . . . nearly paralysed. Disastrous consequences. Pray help release money, men, merchandise from Spain.' Faced with these shrill demands, the Government of India could only reiterate that it would be 'grateful for any action that may be possible for protection of British Indian interests in Spain, Morocco and Canary Islands'.⁵⁷

In February 1937, the British consul in Tetuan reported that he had obtained from the Nationalist authorities in Spanish Morocco permission for the merchants in Tetuan and Ceuta to close their shops and transport their goods to Gibraltar.⁵⁸ Similar interventions by the British consuls in Tenerife and Las Palmas in favour of the Sindhi merchants in the Canary Islands did not meet with much success. The great problem for the firms was that the income they derived from sales was mostly in sterling, and they were obliged to change sterling at the official rate, which was extremely disadvantageous. As a result, they had no sterling available to send remittances to their families and principals in Hyderabad, or to pay for passages to India.⁵⁹ Attempts by the British consul in Tenerife to get a monthly sterling quota for the firms⁶⁰ were rejected by the Nationalist government in Burgos.⁶¹ The Sindworkies in the Canary Islands were thus forced to stay, and their principals in Hyderabad had

⁵⁶ British consul, Tetuan, to consul-general, Tangier, 30 December 1936, copy in File PZ 8319 (?1936), *ibid.*

⁵⁷ Telegram from Government of India, Foreign & Political Department, to secretary of state for India, 15 February 1937. File PZ 1086 1937, *ibid.*

⁵⁸ Consul Tetuan to consul-general Tangier, dated 17 February 1937, enclosed in Foreign Office to under-secretary of state for India, dated 3 March 1937, File P.Z. 1491 1937, *ibid.*

⁵⁹ See the petition addressed on 15 November by representatives of eight Sindwork firms to the British consul in Santa Cruz de Tenerife, enclosed in British Consul, Tenerife, to Foreign Office, 17 November 1937, enclosed in under-secretary of state for foreign affairs to under-secretary of state for India, File P.Z. 8030 1937, *ibid.*

⁶⁰ See British consul, Tenerife, to under-secretary of state, Foreign Office, 15 March 1938, enclosed in under-secretary of state, Foreign Office to under-secretary of state, India Office, File P.Z. 2402 1938, *ibid.*

⁶¹ Hodgson, the British ambassador at Burgos, wrote to Lord Halifax on 10 May 1938 on being informed by the Ministry of Finance that 'the Foreign Exchange Committee cannot grant foreign exchange to cover the expenses in India of British subjects residing in the Canary Islands. Nor can they grant foreign exchange to cover the journey expenses of their return to India.' Enclosed in under-secretary of state, Foreign Office, to under-secretary of state, India Office, File P.Z. 3687 1938, *ibid.*