

Parsis in the China Trade

MADHAVI THAMPI*





J. N. Tata.

In the interactions between China and India in the modern period, the region of the Pearl River Delta, and Hong Kong in particular, has undoubtedly played a most significant role. Similarly, the community of Parsi traders and businessmen from Bombay and the west coast of India have also played an extremely prominent role in the Sino-Indian relationship in modern times. While the significance of Hong Kong in these relations and the contributions of Parsis (Parsees) have been getting some recognition in recent years, the role of the Parsis still has not got the attention it deserves from scholars both in the East and the West.

One reason for this—and it is best to confront the reality up front—is that the role of the Parsis is very much connected with the notorious opium trade, and it is perhaps understandable that this is something which few today in China or India, including Parsis themselves, care to highlight. Yet, there is also another reason for the neglect of the role and activities of the Parsis in China in modern times. Both in India and outside, the tendency has been to view the Parsi (and in general the Indian) presence in China as merely an extension or subset of the British presence in China that hardly merits serious attention in itself. As an

example of this attitude, we can look at the subject of the growth of Hong Kong. While the role of the British in the development of Hong Kong has quite naturally received great attention, the important part played by Parsis in its development in spite of their relatively small number has not been highlighted much until recently, despite the tangible evidence of their contribution wherever you go in Hong Kong, including the University of Hong Kong, which came into being to a great extent because of the determined efforts of one Parsi, H. N. Mody!

From a scholarly point of view, the relative neglect of the Parsi role in the trade of the Pearl River Delta region with the outside world is not justifiable. This article seeks to bring out the following features of the Parsis' trading with China: First of all, it aims to give some idea of the broad scope of the Parsis' economic interaction with China, showing that it encompassed much more than opium, although the opium trade without doubt constituted an important part. Furthermore, it tries to clarify the nature of the Parsis' problematic relations with the British and Chinese in China, which included elements of collaboration as well as competition, friendship as well as antagonism.

THE ORIGIN OF PARSI TRADING TO CHINA

How did the Parsis come to the coast of southern China? While there is some evidence of people of the Zoroastrian faith having been present in China in pre-modern times, the presence of Parsis on the south China coast has more to do with the centuries-old trading patterns between India and China. Trading

* Senior lecturer, Department of East Asian Studies of the Faculty of Social Sciences of Delhi University. Her main research interest lie in the field of modern Sino-Indian relations. Her monograph on the Indian community in China, 1800-1949, is being published as a book this year. Her current research project relates to the impact of the China Trade on the growth of Bombay, and is being undertaken in collaboration with Dr. Shalini Saksena.

Professora Associada, Departamento de Estudos da Ásia Oriental da Faculdade de Ciências Sociais da Universidade de Deli. Os seus principais tópicos de investigação enquadram-se no campo das modernas relações sino-indianas. Autora de uma monografia sobre a comunidade indiana na China, 1800-1949, a ser publicada ainda este ano, prepara, em conjunto com a Dra. Shalini Saksena, um trabalho sobre o impacto do "China Trade" no desenvolvimento de Bombaim.

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relations between India and China date back to the second century B.C. or even earlier. These relations followed both the land routes through Central Asia and Tibet, the famed “Silk Road,” as well as the sea routes. The sea became the preferred channel of trade, especially from the Song period onwards. We know that both Guangzhou and Quanzhou were visited by traders from different parts of India in this period. However, with the development of Chinese naval power and navigational technology, Chinese began to replace Indians in the carrying trade between India and China. Later, from the late fifteenth century, the Ming emperors discouraged overseas trade and maritime ventures, and direct trade between India and China suffered as a consequence. Nevertheless, Sino-Indian commercial interaction continued, with Indian and Chinese goods being exchanged at intermediary points along the route, especially Malacca on the Malay Peninsula. From the last quarter of the seventeenth century there was a partial revival of direct Sino-Indian trade, with Indian traders venturing again into the China Sea. This was based largely on the import of gold, tea and porcelain into India from China in exchange for silver, pepper and other items from India.¹

By this time the most important ports in India for the intra-Asian trade were Cambay and later Surat on the west coast of India, in the region of present-day Gujarat. Gujarat is the region where the Zoroastrians who had fled Persia for India in the eighth century and who came to be known as Parsis had chosen to settle. Initially, the Parsis in Gujarat were engaged mainly in agriculture, spinning and weaving, carpentry and various other occupations, even though by the eighteenth century there were also a number of prominent Parsi traders and financiers in Surat. However, two factors led to a redefining of the nature of this community in occupational terms and to a turning-point in their fortunes. One was the rise of Bombay, south of Surat on the west coast, from a group of small fishing villages to a major port, a phenomenon which paralleled the decline of Surat as a trade and shipping centre. The other was the rapid growth from the late eighteenth century of the so-called triangular trade between Britain, China and India, in which Britain's rising imports of Chinese tea were paid for by the export of Indian raw cotton, and later opium, to China.

Bombay being an economically weak and politically vulnerable British enclave in the

eighteenth century, its administrators were eager to attract Indian settlers from other parts of the region and offered them favourable terms to come there, including freedom to pursue their own religious and social customs. In 1735 the East India Company invited the Parsi Lowji Nussarwanji Wadia to Bombay from Surat to become its master shipbuilder. He built and repaired ships of the Royal British Navy and private traders as well as those of the East India Company, establishing the foundations of a remarkable shipbuilding dynasty. Another personality who rose from a humble background to eventually dominate Bombay's China trade was Jamsetjee Jejeebhoy, the son of a poor weaver who began earning his livelihood in Bombay by participating in his uncle's bottle-selling business. By the 1780s the early trickle of enterprising Parsis and others into Bombay had become a large-scale migration, contributing to Bombay's growing prosperity along with Surat's further eclipse.

THE EARLY CHINA TRADE: RAW COTTON, SHIPPING AND OPIUM

The earliest Parsi merchant known to have voyaged to China was Hirji Jivanji Readymoney who, incidentally, acquired his name through his reputation for promptness in making payments. He went to China in 1756, but it was only about two or three decades later that there was a spurt in Bombay's trade with China that drew large numbers of other Parsi traders to it like a magnet. The passing of Pitt's Commutation Act by the British Parliament in 1784 enabled the East India Company to greatly increase its imports of Chinese tea. The East India Company found it impossible to balance its imports of tea with items exported from Britain, but found that there was a large and growing Chinese demand for raw cotton that could be sourced from India.² Within a few years, there was an approximately six-fold increase in the export of cotton from the west coast of India to China.³ The heyday of the trade in raw cotton between Bombay and China was the period from 1787 through the first decade of the nineteenth century, with 1805 being the peak year. In that year, the value of the cotton exported amounted to over Rs 9,400,000 out of the total value of exports to China of about Rs 15,000,000.⁴ For the period as a whole, the export of cotton to China

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amounted to an average of 80,000 bales worth approximately Rs 6,500,000 per year.

Whereas the direct trade between Britain and China was the monopoly of the East India Company, in the intra-Asian trade, or “country trade” as it was called, private traders, both British and Indian, were permitted to take part under East India Company license. Indian merchants from Bombay and its hinterland began to turn their attention to the Chinese market in a big way. The first community from India to plunge wholeheartedly into the China trade from Bombay was the Parsis. In contrast to the Bengali traders from Calcutta known as *banians*, who had become involved in trading with China even earlier, the Parsis were distinguished by their willingness to travel personally to China. They were even prepared to spend years far from their homes setting up and working in their family establishments, although a large number returned home after a tour of duty. Their spirit of adventure and enterprise was perhaps best exemplified by Jamsetjee Jejeebhoy, who made five voyages to China between 1799 and 1807. At that time, sailing to China was a dangerous affair because of the typhoons and squalls encountered as well as raids by pirate gangs that infested the waters of the South China Sea. There were also other dangers. During his second and fourth voyages, Jamsetjee Jejeebhoy found himself caught in the crossfire of Anglo-French hostilities during the Napoleonic Wars. Within a few days of the commencement of his fourth voyage to China in 1805, the ship on which he was travelling was intercepted by the French, who hijacked it in a westerly direction, all the way to the Cape of Good Hope in Africa! All his goods were confiscated. Eventually, he and some of his co-passengers managed with great difficulty to secure passage on a Danish ship that transported them to Calcutta, more than five months after they had set sail from Bombay.

Besides the Readymoneys and Jamsetjee Jejeebhoy, other prominent Parsis involved in the early decades of the China trade included the Dadiseths, such as Ardesir Dady; Pestonjee and Hormajee Bomanjee of the famous Wadia shipbuilding family; the Banajis such as Framji Cowasji and Dadabhoy Rustomjee who played a prominent role in the affairs of the Parsi community at Canton in the run-up to the Opium War; and the firm of Cowasjee Pallanjee & Co., whose forerunner firm had a branch at Guangzhou as early as

1794. In the small foreign mercantile community at Guangzhou and Macao in the early nineteenth century, Parsis were a prominent segment. A little-recognised fact is that, numerically at least, the Parsis were more prominent than even the private English traders on the China coast in the period before the Opium Wars. According to one source, in 1809 there was only one private English trader resident in Canton, as opposed to several Parsis there. The corresponding figures for 1831 and 1835 were thirty-two English private traders and forty-one Parsis, and thirty-five English as opposed to fifty-two Parsis, respectively.⁵ These Parsis on the China coast in the early period were predominantly men without their families. At Guangzhou they were to be found largely in what was known as the Chow-chow (*chaochao* or “miscellaneous”) Factory, which was also unofficially known as the “Parsi factory.” A contemporary Western observer, Toogood Downing, described them as striking figures in the streets of Guangzhou in the area of the foreign factories, with their white, loose-flowing clothes and caps, which, he claimed, suited their surroundings much better than the tight clothes and stiff hats of the Europeans!⁶ In fact, on account of their clothing, and in particular their white caps, the Parsi merchants came to be referred to by the Chinese, even in some official documents, as “whiteheads” (*baitouren*, *baitouyi*).⁷

In general, the reputation of the Parsi traders on the China coast was that they were enterprising and hard working, and inclined to bend the rules to achieve their commercial objectives, like their counterparts among the private British traders. Both the Qing authorities and the representatives of the East India Company in China despaired because the Parsis often contrived in violation of the rules to stay behind at Guangzhou after the end of the trading season in order to augment their profits.⁸ They were also deeply involved in the chronic problem that afflicted the trading system at Guangzhou before the Opium War, whereby one Chinese Hong merchant after another became hopelessly indebted to foreign traders and went bankrupt. What irked both the Chinese authorities and the East India Company's Canton Committee was that the Parsi traders appeared to actually go out of their way to get the Hong merchants indebted to them. They were accused of seeking out the most junior, inexperienced Hong merchants, and of urging them to take credit and loans from them.⁹ Because interest

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rates were much higher in China than in India, it was said that the Parsis transferred funds in bulk from India specifically for the purpose of money-lending. Once the Hong merchants were hopelessly bankrupt, their Parsi creditors showed little patience or charity towards them and troubled the authorities by vociferously petitioning for recovery of their funds. Money-lending was by no means practiced only by the Parsis among the foreign traders, but the fact remains that, in Chinese eyes at least, the Parsis were particularly identified with it. Generally speaking, they were known as aggressive traders who collaborated with the British, especially the private traders, when it suited their interests, but were also ready to differentiate their position from that of the British when they felt their interests demanded it.

Parsis were not only traders but shipbuilders and shipowners as well. The export of raw cotton required the building of huge ships capable of carrying this bulk commodity. Parsis were famous for their skills in shipbuilding. Made from Malabar teak, the country ships they constructed were reputed to last as long as sixty years, and even in some cases up to one hundred years. They resisted water logging and even damage from gunfire, which made them particularly useful during the Napoleonic and later the Opium Wars. Although initially commanded almost exclusively by European captains, the owners of these magnificent ships included both Europeans and Indians. As a rule, the Parsi merchants in the China trade preferred to ship merchandise in Parsi-owned ships. Among the prominent Parsi shipowners were the Wadias themselves, and also the Dadiseths, the Readymoneys, the Banajis, the Kamas, and the family of Jamsetjee Jejeebhoy. By 1840, for instance, the Banaji family owned as many as forty country ships.

The market for raw cotton from Bombay in China, however, entered a period of slump from the second decade of the nineteenth century. By 1824 it was commonly acknowledged that the market for Indian cotton in China was under an “irretrievable depression.” Cotton was always a speculative item, with the price at Canton fluctuating depending on the availability of Chinese cotton. The representatives of the East India Company at Canton wrote,

“It is difficult to account for the diminished demand of an article hitherto in such general estimation in China, otherwise than by attributing it to the

extended cultivation of the Chinese Native Cotton, the fertility of the Crops this year and the facility with which it is now brought Coastways from the northern provinces.”¹⁰

The increased availability of native Chinese cotton coincided with a glut in the market for Indian cotton after the throwing open of the trade between Britain and India to private traders in 1813. Another factor that contributed to the slump was the increasing importation into China of manufactured cotton piece-goods and cotton yarn from Britain, which began to depress the traditional Chinese hand-spinning and weaving industry.

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While some early Parsi and other China traders from Bombay lost heavily due to the slump in the market for cotton, others recouped and greatly augmented their fortunes by turning their attention to the export of another commodity—opium. Opium had been grown in Bengal and exported to China from Calcutta under East India Company supervision and license from the eighteenth century, even though the trade was banned by the imperial government of China. Opium of a slightly inferior variety also used to be grown in the Malwa region of western India. After the defeat of the Marathas in the early nineteenth century brought this region under British domination, the possibilities of exporting this variety of opium through Bombay became apparent. The Company initially sought to establish a monopoly over the cultivation and procurement of opium in Bombay as it had done in Bengal, but was unsuccessful because Indian

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cultivators and brokers resisted strongly. The production of and domestic trade in opium in the Malwa region thus remained firmly in Indian hands. This opium found its way to the port cities on the western coast, especially Bombay. The Parsi brokers, with their network of links to the inland traders as well as the relative ease with which they were able to deal with the British, functioned as the vital link securing the supply of opium for shipment abroad. They either consigned their supplies of the drug to the big European agency houses, such as Jardine & Matheson, or else shipped on their account. Often they were involved in both kinds of activities. Jamsetjee Jejeebhoy, for instance, was the major trading partner of the firm of Jardine, Matheson & Co., while at the same time he was an independent shipper commanding enormous clout of his own. Cursetjee Framjee, of the Wadia family of shipbuilders, was an agent of the American firm of Forbes & Co., one of Jardine Matheson's major rivals on the China coast. Although the British East India Company did not control the drug trade from Bombay in the same way that it did the opium business in Bengal, it nevertheless gave the trade full encouragement for two reasons: Firstly, it helped to resolve its balance of payments problem with the Chinese owing to the slump in the market for cotton there, and secondly, the government at Bombay derived considerable revenue from the transit duties imposed on the export of opium from there.

There is no doubt that the profits from the opium trade brought enormous wealth to Parsi and other Indian merchants—as it did, one might add, to British and American merchants and those of other nationalities as well. The importance of opium to the trade with China from Bombay can be seen in the fact that between 1830/31 and 1860/61, its share of Bombay's exports increased from 25 per cent to 42 per cent, and the value of opium sales increased by more than ten times.¹¹ It was also brought out very vividly at the outbreak of the Opium War. Of the 20,383 chests of opium surrendered at Canton to the Chinese authorities when the Qing Imperial Commissioner Lin Zexu cracked down on the trade, a major portion belonged to twenty-eight Indian firms. A total of 5,315 chests belonged to Parsi traders alone, of which one thousand belonged to just one Parsi trader, Dadabhoy Rustumjee.¹² Leaving aside the question of whether the Parsi and other Indian

merchants acted as agents or as independent traders, it is a sobering thought from the standpoint of today that Sino-Indian commercial interaction in the modern era depended so largely, though by no means exclusively, on a commodity that proved so injurious to the Chinese in a number of ways.

JAMSETJEE JEJEEBHOY AND THE MID-CENTURY DIVIDE

The mid-nineteenth century proved in many ways to be a turning-point in the fortunes of the Parsi China traders. Although Parsi business involvement in China continued long afterwards, by the mid-nineteenth century various developments contributed to the decline of the old China trade based on raw cotton, opium and shipping, and to a reorientation of Parsi business in China in the process leading to the folding-up of a number of once prominent Parsi firms. A look at the letters of Jamsetjee Jejeebhoy throws light on some of the problems encountered by Parsi China traders at this juncture in a more revealing way than mere statistics. His records are valuable, not only because his career was in many respects the most outstanding of the early Parsi China traders, but also because his letters give an insight into the actual working of the trade, the relationships among the British, Chinese and Indian traders and officials, and the anxieties and difficulties faced by the Parsis and other Indians who took part in the trade.¹³

After his initial voyages to China in quick succession, Jamsetjee Jejeebhoy was content to direct his voluminous business with China from his headquarters in Bombay. Nevertheless, because of the many contacts he had built up in China earlier on and his continuing intimacy with them, Jamsetjee retained a very lively interest in and understanding of developments in China and the China trade as they unfolded. Initially, Jamsetjee, like other Parsi and Indian traders, was most enthusiastic over the outcome of the Opium War insofar as it broke down the restrictions involved in the earlier system of trade. However, post-war developments caused him a certain degree of unease. Unlike some of the British merchants, Jamsetjee was cautious and believed in avoiding further confrontation as far as possible. In a letter to his partner Matheson in early 1843, he expressed strong reservations about resorting to hostilities once again. "What will be

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the consequence when the Emperor heard such row again take place," he worried, "and how bitter would be the authority against us." He advised that "keeping distance is far better than showing threat. They know very well now what we are and what is our force. This fear will do great good than by sending actual troops and destroy all the confidence among the Chinese."¹⁴ Jamsetjee also wrote to Henry Pottinger cautioning him against "pressing too severely upon the Chinese, who in common with all other nations are entitled to have their prejudices respected and their self-love not too rudely disturbed."¹⁵ Another matter which greatly worried Jamsetjee was the loss suffered by those Bombay merchants who surrendered their opium on the British Superintendent's recommendation, but who then found that they did not get the promised compensation, even after the British Government levied a huge indemnity on the Chinese as compensation for the destroyed opium. Even when compensation was finally received, about twenty years later, it amounted to only a portion of the value of the stocks they had surrendered. "You can have no idea of the ruin and misery which this China War had brought to many families here and abroad," wrote Jamsetjee.¹⁶ At least two Parsi traders committed suicide because of the delay in compensating them for their losses on account of the war.

Towards the end of his life, Jamsetjee's letters reveal a creeping disillusionment with his long-time partners in China, Jardine, Matheson & Co., particularly after the departure of his old friend William Jardine in 1839. Both on his own behalf, as well on behalf of his friends in India who had consigned their stocks to the British agency house, he accused them of unnecessarily delaying the disposal of shipments, of selling them at low prices and of other unfair practices that had led to "heavy loss."¹⁷ But he was even more worried about major changes that were taking place in the structure of trade and communications between Britain, India and the Far East that put the interests of his firm and of other Bombay firms like his at a disadvantage. As early as 1843 he wrote,

"The prospects of the shipping interests appear to be getting worse and worse instead of better, we have now in Bombay Harbour an immense fleet of free-traders who are willing to take cotton on to China for the very lowest freights, which it is impossible to sail in a country ship. Last year many of our fine Teak

ships were laid up, and this season have gone on at miserably low freights."¹⁸

In another letter to Donald Matheson in 1851 he lamented,

"Our Trade with China which, even when you were in Hongkong was beginning to be on a reduced scale is now even more limited, and where there are so many competitors in the field it is hardly worthwhile pursuing it. In fact, times are very much changed here ever since you left and many new Houses have sprung up in China."¹⁹

The background to Jamsetjee's winter of discontent, as well as to the increasingly strained relations between the Indian and British traders in China, lay in the changed economic and trading patterns of Britain, India and China. From around the mid-nineteenth century, Indian merchants were increasingly unable to compete effectively with the flood of private British trading firms drawn to the trade with China following the abolition of the company's monopoly in 1833, who were able to command far greater credit resources than the Indians. The Indian merchants were also at the receiving end of rate wars launched by European shipping firms with their new steamships. The huge country ships designed to accommodate bulky commodities like raw cotton could not profitably ship freight at the lowered rates offered by their competitors. In the midst of these troubles on the shipping front, there took place a series of mysterious fires in Bombay harbour that destroyed several of the fine old teak ships belonging to Parsi merchants. Jamsetjee found himself left in possession of just one of his once proud fleet of sailing vessels. He was deeply troubled and embittered by what he considered to be deliberate acts of sabotage. "Without some effectual plan to prevent these disgraceful and most shocking occurrences can be hit upon, there will be no safety, for either owners, shippers or underwriters," he wrote. But his laments were in vain. Jamsetjee himself died in 1859, and within a short time the interests of his family firm in the China trade, as well as those of a number of other pioneering Parsi firms, had lapsed.

REORIENTATION OF PARSI BUSINESS
FROM THE LATE NINETEENTH CENTURY

Parsi business ties with China continued, but in a modified form. Their domination of the China trade

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from Bombay was weakened as new business groups from India moved in, including Jews, Marwaris and later Sindhis. For instance, Jewish merchants, with the formidable Sassoon family in the lead, took over as the premier opium traders in the later nineteenth century, displacing even Jardine Matheson from this position by around 1870. In the last years before Bombay's opium trade was ended in 1913, it was the Marwaris who cornered the lion's share of the trade.²⁰

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There is some evidence that in the late nineteenth century, Parsis in China turned from trading and entrepreneurial ventures to less risky activities. This was the conclusion of Claude Markovits after studying the estates in China of six Parsis between 1882 and 1907. He found that real estate accounted for about 54 per cent of their total value, while shares, debentures and deposit receipts accounted for another 25 per cent.²¹ Yet the entrepreneurial or risk-taking spirit had by no means disappeared altogether. This is illustrated by the career of the famous house of Tatas in China (although it may be admitted that not all Parsi business houses were as adventurous as the Tatas).

The Tatas were not among the earliest Parsi families to go to China, but they managed to sustain their interests there for a considerable length of time, even though they were beset by a fair share of troubles. Initially they, like many other Parsi firms in China, engaged in the import of opium and cotton, and exported tea, silk, camphor, cinnamon, copper, brass

and Chinese gold. In 1864, the trading community in Bombay was badly jolted by the great crash in the share market. Many firms involved in the China trade were among those that collapsed as a consequence of this crash, including those of the second Sir Jamsetji Jejeebhoy, K. J. Readymoney and K. N. Cama. The Tatas were particularly hit, since their partner Premchand Roychand was one of those most deeply involved. They were forced to discontinue their China business for a while, but in a few years sought to revive it in the form of a new company called Tata & Co. The new company went through various teething troubles until it finally stabilized by around 1883.

The Tatas experimented with new lines of business in China. With one foot in industry in India, particularly the newly-established textile mills, they made the transition to exporting manufactured products to China. They also ventured, more adventurously, into steam shipping. Following the decline of Indian-owned country ships, Indian shipments of goods to China had been handicapped by the high freight rates they had to pay to the European shipping lines, which drove up the price of their goods in China. The European shipping lines jealously guarded their monopoly through the system of shipping "conferences" set up with the aim of keeping out competitors. Challenging the established shipping lines like the P. & O., Jamsetji Tata set up his own, the Tata Line, in collaboration with the Japanese Nippon Yusen Kaisha. The rates offered by the Tata Line were less than two-thirds of the going rates.²² However, Jamsetji's move predictably met with an outraged reaction on the part of his European rivals backed by the British Government. A fierce "freight war" accompanied by devastating propaganda against the Tata Line followed, eventually causing the Japanese firm to withdraw from the partnership and the Tata Line to fold up. Nevertheless, Tata, Sons & Co. continued to remain active in business in Hong Kong long after several other Parsi firms wound up their interests in China.

However, what really sustained the business interests of not just the Tatas but other Parsi firms in China for several decades from the later nineteenth century was the discovery of another commodity from India for which there was great demand in China. This commodity, cotton yarn, was not so much a product of India's agriculture—as were raw cotton and opium—

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or of her traditional handicraft industry, but was a product of her fledgling modern industry.

Following the great crash of the 1860s, and with the stagnation of the cotton and opium businesses in China, leading Parsi merchants sought new avenues for investment in India itself. Some experimented with founding banks, insurance companies, and steam navigation companies and with investing in the railways, but it very soon became apparent that the most promising field of investment was the textile industry. In 1858 the Petit family, old China traders and survivors of the share market crash, entered the field and set up several cotton mills. Merwanji Framji Panday was another former China trader who ventured into manufacturing textiles. The Tatas too set up their Empress Mills at Nagpur. Initially, the Indian mill owners tried to cater to the domestic market, but found

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that they could not compete with the imports of the British textile industry. Consequently, they turned to China, a market with which they were already familiar. The hand-weaving industry continued to survive in China despite the British attempts to flood it with their cotton goods, and Chinese weavers at that time preferred the coarse yarn produced by the Indian mills to the finer yarn from the British industry. From an average of just 2000 bales of cotton yarn exported to China in the period 1875-1879, the figure rose to 452,000 bales in 1895-1899.²³ By the 1880s, 80 per cent of the output of Bombay's cotton yarn industry was absorbed by the Chinese market. By the turn of the century, the value of the exports of cotton yarn amounted to 16 per cent of the total value of Bombay's exports—more than that of opium.²⁴ In 1892, 96 per cent of the total Chinese imports of cotton yarn came from India, in contrast to just 4 per cent from Britain,

which had been the sole supplier of foreign yarn to China before the 1870s.

However, the Indian domination of the Chinese market for cotton yarn did not last beyond the early years of the twentieth century. Already, by the mid-1890s, there were signs of trouble. The Chinese market could not absorb the available supplies of cotton yarn, which had increased due to bumper crops of cotton and improved output in India. But the more serious problem came from the Japanese, who engaged in aggressive marketing of their cotton yarn in China. In 1906 India still supplied 77 per cent of the Chinese imports of yarn, while the Japanese share stood at 23 per cent. But by 1913 Japanese yarn imports had overtaken Indian yarn. By 1924 India's overall share of China's cotton yarn imports had dropped to 24 per cent as compared to the Japanese share of 76 per cent.²⁵ Yet in the end, what finally put paid to the Indian export of cotton yarn to China (much as in the case of Indian export of opium earlier) was Chinese efforts at import substitution. By 1927 China was a net exporter of cotton yarn and 31 per cent of its exports went to Japan and India!²⁶

Although the loss of the China market for Indian cotton yarn did not spell the end of Parsi business involvement with China and Hong Kong, the early twentieth century appears to be a reasonable point to conclude this survey of the Parsis and the China trade. The character and scope of the economic interaction between Bombay and China changed in the latter decades of the twentieth century, and it is hard to speak of "the China trade" as such after this point. The basis of Parsi wealth and prominence in India also diversified from this period, with Parsis becoming more renowned as industrial entrepreneurs and for their eminence in various professions. Yet in the century and a half in which they were involved with it, the Parsis played a major, driving role in India's China trade and also made lasting contributions to the early growth and development of the two main poles of this trade: the great port cities of Hong Kong and Bombay. **RC**

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NOTES

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