

Indian merchants and Dukawallahs in  
the Natal Economy c 1875 – 1914

By

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and  
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*The Institute for Social and Economic Research*

Dear Prof Braun

18.06.90

Here is the version of our paper presented to the  
SER seminar, as requested. We have subsequently made  
one minor revision, but the substance of the argument  
remains the same. The paper will appear in the  
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INDIAN MERCHANTS AND DUKAWALLAHS IN THE NATAL ECONOMY, c1875-1914.<sup>1</sup>

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## 1. INTRODUCTION

By 1875 Indians had been present in Natal for fifteen years. They had come out under indenture from Calcutta and Madras (among other districts) to work on the sugar cane plantations and in the coal mines. At the time there was little indication of the impact they were to have on the region's economy other than in the capacity of labourers. By 1914, however, Indians had established a strong position for themselves in commerce and trading. The situation was described in 1936 in the following way:

At the time when the first shipload of Indian immigrants arrived, all the trade of the colony, and especially that of the small storekeepers and 'kaffir dealers', was in the hands of white men .... Now country and kaffir stores are almost wholly run by Indian traders.<sup>1</sup>

Sections of the local 'European' business community found this situation extremely threatening. Maureen Swan has attempted to demonstrate the political form that Indian response to this threat took - Indian merchants, since the late 1880s, but more noticeably after securing the legal services and support of MK Gandhi - mobilised to confront intensifying anti-Indian legislation, in the Transvaal and Natal.<sup>2</sup>

This paper, by contrast, attempts to provide an insight into the economic workings of the Indian traders, and in the main concentrates on their trade, credit and money-lending activities. The period covered by the study extends from the time Indian traders first arrived in the early 1870s to 1914, when Indian

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<sup>1</sup>. This paper was first presented at a seminar of the Institute for Social and Economic Research at the University of Durban-Westville, 23 May 1990. We would like to thank William Tanaka (Gervase Clarence-Smith) for his assistance and helpful comments on an earlier draft of this paper.

indentured migration had just ceased, the Indian Relief Bill which made some minimal concessions to the passive resistance campaign was passed by the still relatively new Union government, and the first wave of Indian merchants had in one or other way slipped from the limelight. The paper demonstrates that Indian traders played an important role in extending the colony's commercial network and in the area of informal credit extension and money lending, and reveals that they utilised alternative, informal credit and lending systems, which for some time remained outside and independent of the formal 'western' banking structures that existed. By doing so, this paper also emphasises the differences which existed within the Indian commercial community, in the nature of their economic activities, their ties with the global Indian diaspora, the nature and extent of their business relationships with the white commercial community, and the reasons for their successes and their failures.

Much of our knowledge of Natal's Indians has come from a number of well-researched analyses of the sugar economy in which most Indian labourers toiled.<sup>3</sup> With some exceptions, the affluent business, mercantile section of that community remains only partially understood. This situation is in part due to the fact that the study of Indians has been characterised by an uncritical acceptance of the 'racial group' as a unit of study, and therefore by a failure to understand growing class differentiations within both the category of ex-indentured workers and the trading and mercantile community.<sup>4</sup> In addition such studies have failed to locate the South African experience in a broader, regional context. This paper attempts to rectify both the omissions and the conceptual errors in the literature.

## 2. INDIAN TRADERS IN THE CONTEXT OF THE INDIAN OCEAN TRADE NETWORK

Indian interests in Africa, of a trading and financial nature, have a long history. From as early as the 6th century AD, traders from the Indian west coast had traded with Africa, initially for slaves and wild flora and fauna. The rise of Arabia and of Islam in the seventh century did not seriously prejudice Indian interests and there was much economic interaction between the newly Islamised

areas of North West India and the Arabian peninsula. The establishment of an aggressive Portuguese presence on the east African coast and the monopoly of the East India Company in the fifteenth and sixteenth centuries was not a major setback to Indian commercial fortunes.

In the eighteenth century, the French and British began to colonise India. By this time the productive forces of the sub-continent had already reached an advanced state. If two dominant features can be isolated from the mass of developments in this widely differing area, it would be the growth of its handicraft production of textiles, 'which was widely sold for export' and the existence of flourishing commercial and entrepreneurial centres such as the western port of Surat, where 'wealthy merchant groups existed'.<sup>5</sup> By the early decades of the nineteenth century, however, two factors contributed to a decline in the fortunes of some of the wealthy merchants in western India, and especially in Surat, which may in part explain why some, especially the younger, adventurous, members of these merchant families were attracted in large numbers to Mauritius, East and South eastern Africa from the 1830s.

The first related to the decline in the textile trade and 'of its foremost centre in western India, Surat' from about 1820. The second related to the decline by the 1840s in the fortunes of some of the older shipping families and merchants in western India as, with official support, British shipping gradually became dominant, especially in long-distance overseas trade.<sup>6</sup> The incentive to rebuild fortunes by striking out into establishing overseas branches of these merchant houses or independent ventures within the inviting Indian Ocean area, where from c1834 large numbers of Indians were being indentured as workers in sugar plantations, would have been strong, natural and obvious.

There were two major directions for the westward adventurer. The first was to the East African coast, the second led via the lush tropical islands to the east of Madagascar to southern Africa.

In the mid-nineteenth century the East African littoral offered many attractive propositions. In 1840 the Sultanate of Oman had

moved to Zanzibar, inaugurating a period of astounding prosperity and influence for Indian merchants. Indian merchants had already enjoyed a favoured position in Muscat under Sultan Seyyid Said and now this privilege was extended. They assumed the most senior financial positions in the Sultan's government, including the lucrative position of customs collector. Indian merchants thrived to the extent that in 1873 one of the most powerful among them had advanced no less than L434 000 to customers. It was estimated at this time that L1.6 million of Indian capital was invested in Zanzibar. They spread their influence and operations to the mainland. Despite the diminution of the Sultan's independence in the face of British encroachment Indian prosperity was not impaired though they became increasingly dependent upon Britain.<sup>7</sup>

The other important route of Indian merchant enterprise from about 1830 were the Indian Ocean islands of Mauritius and (to a lesser extent) Reunion. In Mauritius, sugar production utilizing indentured Indian labour had begun in 1834, was temporarily suspended in 1838 and resumed on a large scale between 1843 and 1848. Indian traders, mainly Muslims and mostly from Gujarati-speaking areas of western India followed quickly in their wake. Many arrived between 1829 and 1865.<sup>8</sup> Between 1865 and 1870 Mauritius was dealt two serious blows. Malaria, recently introduced from India, took the lives of 78 000 people. In 1869 the Suez canal was completed. In conjunction with the increasing use of steamships this meant that far fewer ships called at Port Louis and as a result, trade fell sharply. Traders looked to Natal to reverse their declining fortunes.<sup>9</sup>

The Indian traders who arrived in Natal did so in large numbers some ten to fifteen years after the indentured Indians arrived there, and there appears no overlap in merchant migration to these two colonies, suggesting that the attraction of Natal and greater opportunities offered in southern Africa as a whole after the diamond discoveries, depleted fresh Indian migrants to Mauritius after 1870. In fact as we shall see many prominent Indian traders, beginning with Aboobaker Amod in 1872, relocated (or diversified their interests) from Mauritius to Natal on the basis of 'better' business prospects in this colony. Thereafter it seems many Indian

traders and shipping merchants took the 'more direct route' to Natal.

Much Indian merchant activity in East Africa actually benefited from the Scramble of the 1880s. Although the protection afforded to Indian commercial interests in Zanzibar by the Bombay government ceased once the Imperial government took over in 1883, elsewhere, particularly in Malawi and Tanganyika, recently established colonialism provided new and lucrative opportunities. The old dominant trader groups, Arab and Yao, who had been involved in slavery, were unseated paving the way for the penetration of the interior by Indian traders. Indian merchants made themselves indispensable to colonisers by extending trade into the interior and drawing African cultivators into the colonial cash economy. This happy relationship was to continue for some time, spreading in particular to Uganda.<sup>10</sup> Yet for all its huge expanse, East Africa could not provide opportunities that southern Africa came to offer once diamonds had been discovered and the local economy invigorated.

In the early 1870s the first passenger Indians began arriving in Natal.<sup>11</sup> These included very wealthy merchants like Aboobaker Amod and Abdulla Hajee Adam, as well as smaller traders who were initially either agents of the large Indian business houses or who had a limited capital of their own.<sup>12</sup> For the most part they were Muslims, encompassing a variety of sects including Bohras, Khojas and particularly Memons.<sup>13</sup> Gujarati and Memon-speaking Muslims dominated early Indian commerce in Natal. They came, with few exceptions, from Surat (and rural villages such as Kathor in Surat district), a centre of Indian overseas trading for centuries, and Porbandar, the chief port of the Kathiawar district.<sup>14</sup> This regional concentration on Surat and Porbandar as the centres from which the Natal Indian merchants were drawn, contrasts with the 'Mandvi' dominance of Indian enterprise in East Africa.<sup>15</sup> Some Konkani-speaking Muslim traders, from Koknada, south-east of Bombay in the (present) state of Maharashtra, appear to have settled mainly in the Cape Colony at about the same time.<sup>16</sup> The small number of Urdu-speaking Muslim traders (mainly dukawallahs or small

traders) who settled in Natal and the Cape, came principally from Ahmedabad, the present capital of Gujarat state.<sup>17</sup>

The trajectory of capitalist growth in India itself was partially responsible for the timing of Indian trader arrival in Natal. Capitalist forces were undermining and transforming the character of links that had for long bound Indian traders in Africa and the Indian Ocean area with the Indian subcontinent. Factory production (predominantly in Indian hands) was now marginalising the indigenous forms of small scale cottage and petty commodity production which had hitherto fed the export trade and kept families in control of the process from the point of production to the point of sale. Family and business ties in India were no longer essential to be an effective trader in Africa. In addition trade within India began to fall under the control of British merchants in Calcutta and London, making the option of investment in foreign, undercapitalised countries attractive.<sup>18</sup>

This account of developments in the Indian Ocean region has tended to concentrate on the push factors which drove Indians to Natal. But the lure of profits in the late nineteenth century Natal economy was an equally important 'pull-factor'. The first Indian merchant to arrive in Natal, Aboobaker Amod, was reported to have been attracted by business prospects which (he believed) were better in Natal than in Mauritius. In another typical commentary, which touched on the attractiveness of Natal, Ashe, observes that

[i]t was to make money by supplying Indian needs that the Muslim traders like Abdulla had come over. The pioneer was a fellow citizen of the Gandhis in Porbandar [although this appears to have been no more than coincidental]. News of his profits lured the others over, with various employees and hangers-on, mostly from the same city and elsewhere in Gujarat.<sup>19</sup>

It would seem therefore that Natal's earliest visiting Indian merchants came for three major reasons. Narrowing or limited economic opportunities in India, East Africa and Mauritius, a long history of overseas links in trade, credit extension and finance and the attraction of business prospects in Natal.



While opportunities in East Africa and India continued to exist, Indian businessmen, many of them young, well-connected to business houses and who were looking to expand their investment horizons turned to Natal, where a ready made clientele of Indian indentured labourers who were at this time poorly served by local white traders awaited them. The numbers of indentured Indians had risen dramatically from 5 933 in 1872 to 29 828 by June 1886.<sup>20</sup> Bhana points out that white traders were slow to respond to the opportunities of meeting the demand of indentured Indians, especially for rice, other foodstuffs and spices and that the import of these items mainly from Calcutta and Bombay in India created the first commercial opportunities for these traders and especially for the larger merchants and ship owners and agents. <sup>21</sup> Later these Indian traders were to expand rapidly into wholesale trade and credit relations within their own mainly Gujarati Muslim networks. They also conducted business with large wholesale white merchants such as Randles Bros. and Hudson, as well as retail trade, credit extension and money-lending with Africans, and even white farmers, especially in the rural areas.

Before turning to an examination of the identifiable trends in the nature, character and pattern of Indian trading, finance and credit in the Natal colonial economy and a consideration of any idiosyncracies in these trade and financial relations, it is useful to provide brief biographical sketches of a few of the key Indian traders who were engaged in trade, credit-extension and money-lending in the period 1875-1914.

### 3. SOME KEY ACTORS

Although Natal's white settlers referred loosely to the traders as being Indian, 'Arab' or from 'Bombay' there were, in fact, at least two categories amongst the passenger (or non-indentured) Indians.<sup>22</sup> Besides a small select group of wealthy and internationally-connected traders - who we prefer to label the 'merchants' - there were also many more who were small storekeepers or shopkeepers, pedlars and hawkers both in the rural and peri-urban areas of the colony - those we refer to here as the

'dukawallahs'. The most prominent, visible and influential among the merchants were the Amod, Adam and Camroodeen families.

Aboobaker Amod, reputed to be the first passenger Indian merchant arrived in Natal in June 1875.<sup>23</sup> He was a Memon, born in Porbandar in 1850. When he arrived in Natal, he was still in his twenties, but had already accumulated wide business experience in Bombay, Calcutta and Mauritius. When just seventeen he had travelled from Porbandar to Calcutta, to work for the large merchant family, the Vania's. He remained in Calcutta for a year (1868) and was transferred to the Vania's Mauritian branch in 1869. In late 1869 he left Mauritius, reputedly disembarked at Delagoa Bay and travelled from there by ox-wagon to the Transvaal, from where after some years he moved to Natal.<sup>24</sup>

In evidence before the Wragge Commission in early 1886 Amod indicated that he owned ships, chartered others, imported merchandise, and that he had left Mauritius for Natal because of better business prospects in the latter colony. In his short stay in Natal he established the firm of Aboobaker Amod and Co., in West Street, in the commercial heart of Durban, with branches in the Transvaal. He also owned properties in Durban and adjacent areas to the north, Verulam and Blackburn.<sup>25</sup> Indicative of the esteem in which (in these early years) he and other big merchants were held by some of Natal's white settlers is this report in the Natal Mercury of 13 December 1877. In protesting the application of curfew laws, to these 'Arab' merchants the report continued:

No class of persons, no matter what their nationality might be, would be less likely to give occasion for a curfew bell than the Arabs, and especially Arabs of the grade to which Aboobaker [Amod] belongs...To expel them from our midst, to subject them to special pains and penalties because their skins may be a shade darker than those of Europeans, would be to do a manifest injustice, and to impair the well-being of the many Indians in our midst.

Aboobaker Amod left Natal for India in June 1886 apparently to reside there permanently and died in August of that year of cholera, aged 35. After his death the Durban branch of the company

continued to exist under its original name, but the Pretoria branch of the company was renamed Tayob Haji Khan Abdulla and Co..<sup>26</sup>

Abdulla Hajee Adam, was one of the earliest passenger Indians to arrive in Natal. Abdulla Adam was born in Porbandar in the district of Kathiawar, India, in the year 1854. In Natal, he became a managing partner in the firm of Dada Abdulla and Co., a firm of merchants and ships-charterer.<sup>27</sup> He is described as owning the 'largest Indian business throughout South Africa during the last decade of the past century.'<sup>28</sup> The company had some 15 branches throughout Natal in the 1890s and was a centre of an Indian trading and credit network to which was linked numerous small traders in Natal and the Transvaal. The firm also had business interests in Natal's wattle and timber industry.<sup>29</sup> It engaged in regular trade with India, England and Germany and owned two ships, the SS Courland and the SS Khedive and acted as a representative agent of another, the SS Naderi.<sup>30</sup> These ships were, on occasion leased to the British government, to carry Indian indentured workers to Natal. In 1897 the company in a letter to the Colonial Secretary referred to 255 and 356 Indians who were being transported to Natal aboard the SS Courland and the SS Naderi respectively.<sup>31</sup> The company also acted as a conduit for other passenger Indians, using its good offices to facilitate the entry of relatives, traders and its own employees to Natal, some of whom like N.A. Cama, worked for the company for a few months before branching out on his own to the Transvaal. Abdulla Hajee Adam died on 29 January 1912 aged 58.<sup>32</sup>

Mohamed Cassim Camroodeen, together with Abdul Gani and Abdul Kadir (and also probably a brother Ebrahim Camroodeen) were partners in the firm of M.C. Camroodeen and Co., a company of general merchants and direct importers with its headquarters in West Street, Durban and branches and extensive business interests in the Transvaal.<sup>33</sup> There is little doubt that in the entire 30 year period after 1880, it was, overall, the principal Indian firm in South Africa. Swan points out that the company had outstanding debts of over L25 000 among nearly 400 small traders and hawkers in Natal alone, and that it owned between L18 000 and L20 000's worth of property in Durban, some of which was rented out to smaller traders.<sup>34</sup> The company extended large amounts of credit to smaller traders, as the records

of the 50 assigned estates of Indian firms between 1882 and 1898 reveal.<sup>35</sup> The company was owed L2 165 out of a total debt of L8 367 in the estate of Rassool Hoosen which was assigned in 1897, and it was by far the largest single creditor in this estate.<sup>36</sup> In all, the company appears as a creditor in 22 of the 50 (Indian) assigned estates over the period 1882-1898.<sup>37</sup>

M.C. Camroodeen and Co., despite its size and apparent early success, appears to have run into financial difficulties by the end of the first decade of the twentieth century. A final sequestration order against the company was made in December 1909 in the Transvaal.<sup>38</sup> In 1912 there appeared a short report in the Natal Law Report of a claim by The Bank of Africa for L1 863.14s.4d. in the insolvent estate of M.C. Camroodeen and Co., who had apparently owed 'some thousands of pounds' to a variety of creditors.<sup>39</sup>

One feature about these merchants stands out prominently. Like most of the Indian merchants of the time, the Camroodeens firmly defended their status, as 'British' Indians, clearly of a different class and status to indentured Indians. In a letter to the Immigration Restriction Officer, Ebrahim Camroodeen for example, complained at the treatment he had received from an officer of that department, arguing that

no distinction is made between common and better class Indians, between educated and illiterate people...the treatment one receives at your office (of which I admit you must not be aware) is quite peculiar and humiliating...<sup>40</sup>

And in response to an application made by M.K. Gandhi on behalf of his client, the manager of Aboobaker Amod and Co., that an Indian citizen, a certain Moosa Abdoolla, be allowed to remain in the Colony to assist in the management of the firm, the Immigration Restriction Officer observed that in making such requests

prominence is given to the extent of the possessions of the persons concerned as though the possession of wealth in itself entitled [them] to special privileges,

and he went on to ask,

Are the interests of large Indian firms to be placed in front of the law and, if yes, why not those of the common Coolie also? 41

In 1906, the Indian Opinion, a paper set up by Gandhi and which 'primarily served as a spokesman for the Indian merchants in Natal and the Transvaal',<sup>42</sup> commented on an article in the Natal Witness, which had remarked critically upon the large number of insolvencies among Indian businesses at the time. Part of this response read:

Meanwhile, we would take the opportunity of pointing out that practically 50pc of the insolvencies among the Indian population are those of men who are themselves ex-indentured or the descendants of indentured persons. We emphasise this because we wish to remark that the insolvency rate amongst Indians in Natal would be very much lower were it not for the existence in trade of men who are not fitted by training or descent for such as career. Agriculture is the natural standby of all these people, and when they depart from the ancestral custom they will naturally run serious risk of failure.<sup>43</sup>

These remarks suggest that there was a widespread perception among the larger Indian merchants of being different from indentured and other Indians, and of being therefore entitled to special privileges. At the same time they also begin to shed some light into the world of the Indian merchants in the colony at the turn of the century, about their wealth, their status and their regional and international connections. The Gujarati merchants and financiers in Natal at the time could tap into multiple credit lines from an astounding global diaspora. For these merchants were

mainly drawn from the mercantile communities in India, whose members had spread over such important trade centres outside India as Burma, Straits settlements, Madagascar, Reunion, Mauritius and East Africa [as well as the Far East, Australia, the Carribean, West Africa and Britain]...these first traders, therefore, set foot in Natal as the accredited representatives of large and influential commercial families, controlling extensive business concerns.<sup>44</sup>

In stark contrast to the merchants were the dukawallahs. They originated from two different social sources. The first were formerly indentured labourers, predominantly Hindu, who had

completed their contracts. Some of these combined market gardening with petty trading in peri-urban and rural areas, while others accumulated sufficient capital to set themselves up as full-time traders. The second group were passenger Indians, by and large Muslim, with insufficient capital to compete successfully in urban areas. On arrival few had any business experience, being in the main formerly peasant farmers in India. They were consequently obliged either to set up in peri-urban and rural areas or to become dependent on the support of the merchants. Some gradually gained business experience working with the merchants and these and other small traders benefited from their insertion into the credit and trade networks of the merchants. The dukawallahs fanned out from Durban and the administrative capital, Pietermaritzburg, setting up small trading stores catering mostly to Africans in remoter parts of the colony. They were portrayed as hardworking, persevering, even, brave. Fischer comments that the 'pedlars carried their wares on their backs hundreds of miles into Zulu villages where no white man would try to do business.'<sup>45</sup> These pedlars went from farm to farm selling items of clothing and food. They had to walk miles from one centre to another and gained the sympathy of small Indian storekeepers who often took pity on them and allowed them to stay overnight at their own simple rural homesteads. 'They lived a very tough life.'<sup>46</sup>

The following are brief pen pictures which provide some insight into the social milieu of the dukawallahs. Hashim, who left Dadhel in India in 1883, served in Natal as a shop assistant to a merchant, before moving to the Natal interior and then the Transvaal. He lived in a small room, shared with friends, the room doubling as living quarters and a depot for the goods they hawked. He engaged in hawking calico, candles, needles, groceries and lace to farmers in the rural areas. In this way he was able to accumulate a little capital to build a shop of wood and iron and became a small trader.<sup>47</sup>

Some small traders eventually broke out of the ranks of the dukawallahs. An extreme case is that of Muhamed, a Sunni Vhora (bhora) from Surat. Muhamed came to Natal, when he was less than 15, and became a pedlar and hawker. His success in this early

venture enabled him to set up a chain of trading stores across northern Natal. Sometime in the first decade of the twentieth century he returned to Surat, where he bought the estate of a Sultan who had fallen on hard times and there he built a three storey mansion.<sup>48</sup>

#### 4. CARVING OUT A NICHE: TRADE AND CREDIT RELATIONS

The arrival of Aboobaker Amod (1872) was followed by that of a number of other wealthy merchants. Whereas in 1880 there were seven 'Arab' merchants operating in Durban, by 1884 there were 38. In a ten year period up to 1889 they came to exceed in number the existing Indian trader contingent which had been drawn from previously indentured labourers who had turned to trade.<sup>49</sup> In the credit starved Natal economy with its poorly developed banking structure there was opportunity for this first wave of merchants to make an impact, especially within the wider Indian trading network, to whom formal trade, banking and credit networks were, with few exceptions, closed. Within a short space of time they had demonstrated their ability as traders to such an extent that the local white traders began to grow resentful. A contemporary observer, Tulloch, wrote in 1885 of the 'coming evil...of the energetic Arab trader or Moorman [sic] who is gradually ousting all the small English shopkeepers', noting that while 'a few years ago these traders were unknown...their shops are [now] to be found in the most remote parts of the Colony.'<sup>50</sup>

Our earlier research into the origins and development of banking and credit in the Natal economy has demonstrated that Indian traders were, with few exceptions, largely excluded from the formal banking mechanisms in terms of the lending and discounting policies of the banks at that time.<sup>51</sup> This is especially true of the imperial, Standard Bank which urged its branch managers to have as little to do with most 'Indian, Arab or Banyan' traders noting in one instance that their business relations with these clients

call for special caution. The hole and corner way in which their business ramifications [sic] are conducted gives one a feeling of distrust and they bear a name for utter unscrupulousness if they find themselves in a bad way.<sup>52</sup>

But this 'cautious policy' by Standard Bank extended to most of the larger merchants as well. Our detailed study of Standard Bank records in the main commercial centres of Durban and Pietermaritzburg from the time these banks were set up in the early 1860s to 1910 reveal few, if any, of the names of the larger Indian merchant houses. There would undoubtedly have been a few exceptions, especially for the largest Indian merchant houses. Senator Marshall Campbell, speaking in the debate on the Indian Relief Bill (1913/4), for example, observed:

In connection with a contract I inquired at a bank as regards the character of a certain Indian trader and I was told by the bank manager that he had an overdraft of L41 000. On another occasion I was told by a merchant that he had trusted one of these Indian traders to the extent of L81 000.<sup>53</sup>

Although the local settler bank, the Natal Bank, appears to have adopted a more liberal policy towards lending to and otherwise dealing with Indian traders, this was in large part due to their own difficulties in meeting the growing competition from the better-connected Standard Bank. In a sense they were forced to take on 'riskier' clients in a desperate attempt to withstand Standard's competition and growing attractiveness to the local business and governmental clientele. <sup>54</sup> Although these were the two major banks in Natal at the time, we do know that some large Indian merchant houses took their business to other banks. The Camroodeens, for example, banked with, and received credit from, the Bank of Africa.<sup>55</sup>

Although we can say with some certainty that the proportion of Indians as borrowers from the formal banks was small, it is difficult to be as certain about Indian deposit accounts. We do know, to take just one example, that in Escourt, in the Weenen County of the Natal midlands, that there were, of the 1249 deposit holders at the Standard Bank over the period 1882-1901, only fifteen accounts (1pc) held by 'other-than-white' customers. Even this exaggerates the proportion, as in two cases (the Amods and Moodiens) a depositor had three separate accounts and in two other



cases (Abdoorahaman, and an 'exempted' African transport rider, Jonathan Kanyile), a depositor held two separate accounts.<sup>56</sup>

Thus despite the growth in the number of Indian traders in Estcourt in this time, few were integrated into the formal banking network.<sup>57</sup> Escourt's leading Indian merchant, Abdoorahaman, who owned 'one of the biggest and most beautiful buildings at that time in Estcourt', it is reported, had built this business undertaking 'on borrowed money.'<sup>58</sup> There is little evidence from Standard Bank branch records that money was borrowed from the Standard; rather, Estcourt traders relied on 'support' from the Camroodeens.<sup>59</sup>

Our evidence suggests that an extensive network of trade, credit extension and money-lending linked large coastal Indian wholesale and importer houses, such as the Camroodeens, Dada Abdulla and Co., both to one another and to the hundreds of smaller traders in both the commercial centres and rural areas of Natal. We would argue that at least in part such systems were set up as a response to their exclusion from formal 'Western' banking and credit sources which would otherwise have been used to negotiate bills of exchange, to take just example of an essential trade-related credit function.

However, it is also probable that the absence of large numbers of Indian traders from the formal banking system may, in part, have been a deliberate choice. Given the business history, experience and traditions of these Indian merchants in India, it is likely that they would have attempted quite naturally, whatever the attitude of Natal's banks, to employ trade and credit systems which had served them and their predecessors well in India for centuries. After all, many of these pioneering merchant families, as we have already noted, came from such well-established business and entrepreneurial centres as the western Indian sea-port of Surat and some had had extensive international business expertise. And in Africa, Fred Cooper has shown that Indians dominated 'networks that channelled credit and produce throughout the Indian Ocean region', from the early nineteenth century.<sup>60</sup>

The existence and efficacy of such alternative Indian credit systems, and there were literally thousands of variants ranging from those of the South Indian Chettiar bankers to the northern Marwaris, have not been universally recognised. As Rudner, for example, argues, most of the literature on Indian credit systems and resources lacks

any appreciation for the complex network of financial debts, opportunities and possibilities that indigenous money-lenders and bankers could activate outside of Western-style banks through relationships of kinship and caste or through common participation with potential investors and lenders in a variety of 'public' religious and secular institutions. Under the circumstances, it is scarcely surprising that the scale and scope of Indian financial operations have been denied when the very mechanisms for their transaction have gone unrecognised.<sup>61</sup>

Most existing views tend to stereotype Indian financiers, bankers and moneylenders as being either 'mystical, befuddled and irrational' or 'all too rational: preying upon their cultivator clients, luring them further and further into debt, and finally sucking them dry of surplus, savings, property and liberty.'<sup>62</sup> Such views are oversimplified and according to Rudner, often based on little empirical evidence of the actual mechanisms and organisation of Indian systems of finance and trade.<sup>63</sup>

The need to set up alternative financial systems or, at least, variants of 'Western' banking was also impelled by religious forces. In the case of Arab or Muslim traders, investors and bankers, for example, there was the problem of having to deal with a Western financial system underpinned by interest-taking, when religious constraints placed strict limits on the form and nature of such activities. Even today, a Muslim storekeeper in rural Natal affirmed the taboo against interest. 'We were not allowed to take interest, to this day God forbid that we should have to take interest .... (it) is one of the last things I would consider'.<sup>64</sup> Yet Indian traders succeeded precisely in setting up such a system. Frith, for example, notes that

Arab economic history has very many examples of successful entrepreneurship conducted with due regard to the prohibition

of the Koran upon taking of interest. The economic manipulations of Arab business men have been carried out with a high degree of success by their operations being couched in the form of profit-sharing...while excluding the taking of usury.<sup>65</sup>

Another way of getting around usury was to trade in futures. 'Islamic merchants who wished to abide by the religious injunction against the taking of interest nevertheless managed to provide credit and to get debts serviced by including the interest rate in the price fixed in advance for a future sale.'<sup>66</sup> The entire financial system developed by Indian (and Arab) traders, bankers and money-lenders in India and (it seems) in parts of Africa and the Middle-East, was based on the close ties which joined the trading community. Described by the traders themselves as 'mutual trust', the community of interest which cemented these ties also ensured that debt settlement was generally effected without recourse to outside sanction and in a way which did not disrupt the harmony of the whole. There were of course, as we have remarked upon already, substantial differences in the economic power of creditors and borrowers. Clearly certain merchants were very powerful and commanded the respect of their compatriots. The South Indian Chettiar bankers, for example, were backed up by the not inconsiderable resources of the wider family, caste or kinship network which gave them a position of preeminence in their area. Nevertheless the important thing to note is that 'mutual trust' worked to conserve the profits of the merchant community as a whole, thus ensuring their collective trade dominance for long periods.<sup>67</sup>

Swan has argued that through trade, credit and property rentals, an interdependency developed both within the group of elite wealthier merchants in Natal as well as between members of this group of merchants and hundreds of small traders in the colony. Swan herself cites, as examples, the Camroodeen trade and credit network mentioned already, the extensive practice by the Camroodeens of renting some of their L18 000-L20 000 worth of property to small traders, and a claim in a confidential government memorandum to the effect that up-country traders in Natal 'were "supported" by larger Indian houses which were established in Durban.'<sup>68</sup> In Durban

merchants like M.C.Camroodeen rented town property to Indian traders and went to great lengths to ensure that such contracts suited the client. It was naturally in the interest of the merchants to do so because properties left unrented and unutilised were a drain on potential income.<sup>69</sup> We have already referred to the 'support' which the Estcourt Indian trader, Abdoorahaman, received from M.C.Camroodeen and Co.. There are in fact frequent references in Standard Bank branch manager's reports to their smaller Indian trader clients being 'supported' by larger Indian merchants, as in the case of Monadeen S. Amod and his patron, Amod M. Omar, in Ladysmith, 1897.<sup>70</sup> The Inspector of the Greytown branch of the Standard Bank in 1902 warned against extending credit facilities to 'Arab storekeepers' and observed that in any event 'all are, more or less, supported, I fancy, by coast merchants of their own kindred.'<sup>71</sup>

Links between the big merchants, the intermediate size traders and the dukawallahs were augmented by smaller, regionally or locally specific trade networks. In the Greytown area, for example, the Muslim traders were in constant social, religious and economic contact. They assisted one another in all ways, perceiving themselves as a discrete community whose survival depended on such cooperation.<sup>72</sup> Within families trade ties were especially strong. Fathers frequently left their businesses to their sons, brothers assisted one another and uncles and nephews did likewise. These relationships were very complex. When attempting to assess death duties on a deceased estate, the Master of the Supreme Court was frequently reduced to impotent rage by the intricacies of these unwritten agreements which allowed heirs to avoid paying such duties.<sup>73</sup>

These sometimes intersecting networks of trade and credit, were invariably defined by kinship and family ties, and commonly linked to their place of origin in India. Gujarati Muslim traders from Kathor, for example, may have formed one such trade and credit network. Although this network may have itself been linked to another Gujarati Muslim network, rarely were really close bonds established with 'outsiders', such as traders who derived from the ranks of ex-indentured workers.

Dukawallahs, especially small Gujarati Muslim traders, were major beneficiaries of the importance and power of the Indian merchants. Yet their operations were not entirely dependent on merchant goodwill. They added their own ingredients to a recipe that ensured their success, though not always prosperity. Their main strengths were their willingness to operate on a small scale, using family labour, their propensity to work long hours, the form and terms of credit they extended to poorer Indians and Africans, and in their frugal and simple lifestyle (popularly characterised here and elsewhere in Africa as 'living on the smell of an oil-rag').<sup>74</sup> Very much the same language is to be found in descriptions of small Jewish traders in Africa. Kosmin for example, observes that the 'average Jewish storekeeper [in Zimbabwe] lived a hand-to-mouth existence. He worked long hours for small returns, competition was intense and there were numerous insolvencies.'<sup>75</sup>

One useful source of information on the trade and credit relationships among Indian traders in Natal is to be found in the records of the Master of the Supreme Court. We closely studied the records of all 50 Indian traders whose estates were assigned in the period 1882 to 1898, for which there are full and comparable data. Nineteen of these traders, whose estates were assigned, had businesses in Durban, seven were based in Pietermaritzburg; of the rest the majority were from Ladysmith, Dundee, Stanger and Newcastle. The majority of these traders were storekeepers and dukawallahs. This is evident from the size and composition of their assets and debts outstanding. The only possible exception was Rassool Hoosen, a Durban trader, whose assets of L12 450, including stock of L10 750 and outstanding debt of L8 367 suggests a somewhat larger business operation.

The names of all creditors in these estates, as well as, in most cases, the amounts owed, are indicated. Table 1 shows the names of those merchants, both Indian and white, who appear most frequently among the creditors in these 50 assigned estates. The number of occurrences is given in descending order, a minimum of ten occurrences being the qualification criteria for inclusion here.

TABLE 1  
MAJOR CREDITORS IN ASSIGNED ESTATES: 1882-1898

Name of creditor	Description	Occurrence
Dada Abdulla and Co.	Durban Indian merchant	32
H.T. McCubbin	Durban white merchant	23
M.C. Camroodeen	Durban Indian merchant	22
Randles Bros. and Hudson	Durban white merchant	20
Suleman Dowjee	Durban Indian merchant	18
Amod Jeewa	Durban Indian merchant	18
Payne Bros.	Durban white merchant	14
Corbishey White and Co.	Durban white merchant	11
Gumpelson and Lipinski	Durban white merchant	11
T. Jardine	PMBurg white merchant	11
A.M. Paruk	Durban Indian merchant	10

Source: NAD, MSC, Derived from records of assigned estates in the period 1882-1898.

This table shows that these small Indian traders had business dealings with both the larger white merchants in Durban and Pietermaritzburg (H.T. McCubbin, Randles Bros. and Hudson and Payne Bros., some of whom were British-based companies) as well as with large Indian merchant houses, most notably with Dada Abdulla and Co. and M.C. Camroodeen and Co.. There is no clear indication from this data whether white or Indian merchants were favoured. In most cases, however, Indian merchants dominate the list of creditors both in terms of numbers and amounts owed, although in every case at least one or two white merchants, also featured prominently. Thus for example, in the estate of Rassool Hoosen, whose estate was assigned in 1897/8, there were 23 creditors, of whom only five (including Randles Bros. and Hudson) were white. The largest creditor in this estate with an outstanding claim of L2 165 out of a total of L8 367, was M.C. Camroodeen and Co., incidentally also the largest single creditor.<sup>76</sup> In the estate of Ladysmith storekeeper, Shaikh Rassool Abdul Rahman, there were, in contrast, nine white creditors out of a total of seventeen, with A. McWilliam and Co., the largest single creditor (L170), followed by M.C. Camroodeen and Co. (L138) and Dada Abdulla and Co. (L127), in a total claim of L772.<sup>77</sup>

By the early 1880s the dukawallahs had penetrated far and wide into the Natal hinterland in search of a niche for themselves. There, often on the fringes of 'native locations' their customers were

naturally mainly African. The records of the Secretary of Native Affairs, make frequent reference to Indian traders who had located businesses in or near African mission posts, including those at Groutville, Inanda and Ifumi.<sup>78</sup> An Indian trader in Greytown, Y.I. Moolla, recalls that

in those days there were [Indian] shops throughout the country; if you went every 10-12 miles there was a country store. We have a store in Krantskop. Then there were [sic] Adam Mahomed's, 11 miles away, they had a store. If you go to Waschbank 10 miles away, there was another Indian store...the traders went into the country to serve the African people.<sup>79</sup>

Much of the Indian business, but also some limited proportion of the African trade, occurred on a credit basis. Moolla recalls that 'Africans were rarely given credit (except if we knew them well); the Indian people were generally credit customers.'<sup>80</sup> However, some whites believed that Indians extended credit to Africans against goods sold on a regular basis. In the Legislative Assembly in 1899, the member for Alexander County, T. Kirkman argued that Africans in his employ frequently purchased goods from Indian traders.

It is these men who go to these stores, and the Asiatics knowing these men to work for us, say, 'Yes, I can let you have these goods,' and later on the Kafirs come to you for money to give to Suliman, and, if you do not pay, Suliman runs them in, or makes them pay about 100 per cent in about two months. The Kafirs come to you over and over again for money to pay the debt that they owe to these horrible Asiatics.<sup>81</sup>

Although evidence is hard to find, that which is available confirms the existence of a large African clientele. At the turn of the century, for example, Indian merchants in the Transvaal had the habit of selling goods to Africans on credit and keeping these goods on their premises until they had been fully paid for - a kind of lay-by system.<sup>82</sup>

The particular form of credit which existed among and between Indian merchants and dukawallahs sometimes took the form of a deferred payment, involving a well-placed, respected merchant acting as a intermediary or bank and where no interest was charged.

Say, for example, that a dukawallah from Estcourt, a certain Mr Motala, owed M.C. Camroodeen, the Durban wholesalers and importers, a sum of L50 for goods purchased. Camroodeen would instruct Motala to pay his 'agent' in Estcourt, a fellow merchant (say Abdoorahaman) the L50. This debt between Camroodeen and Abdoorahaman would then be settled at a later date when they met to settle their personal debts, either in cash or goods exchanged. In a similar way a whole host of small traders in the Estcourt area would be linked through an agent such as Abdoorahaman to a larger wholesaler in Durban. Trade would be facilitated, no formal 'bank' or trade credit, or bills of exchange would be used, and no interest came into the reckoning. In effect Abdooraham and Camroodeen would act as private bankers. The entire system, in that close knit Indian trader community, operated on the basis of mutual trust.<sup>83</sup>

In India, among the Chettiar bankers, a form of bill or cheque, known as the 'hundi' developed as a means of facilitating trade, and operated at least until the 1930s. A hundi is more precisely defined by Rudner as

a kind of bill of exchange or written order for payment that its drawers used much in the same way that Americans use checks drawn on their checking accounts. In order to draw a hundi, a client had to open up an account and maintain a correspondence relationship with a [private] banker.<sup>84</sup>

A similar system was also used by the Indian traders of Natal. However, details about the system or its role in facilitating trade in the colony has proven difficult to obtain.<sup>85</sup> All of our older informants knew what a hundi is, and most agreed that some such form of rudimentary, indigenous bill or checking account system was used within the network of Natal's Indian traders in this period.<sup>86</sup> A.K.M. Docrat, for example, who had first hand experience of dealing with hundis in his native India and in Burma in the 1930s, reasons, for example, that in the period of our study some leading Durban Indian wholesale firms would, no doubt, have acted as 'private bankers', accepting the notes and bills (hundis) of up-country traders, scribbled, invariably in Gujarati, on little pieces of paper. Within a network defined by family or kinship or



village association, such bills or notes would be 'cleared', and net balances owing would be settled in cash at a later date.<sup>87</sup>

## 5. MONEY LENDING

Our earlier work has revealed that the two main banks doing business in the colony at this time, the Natal Bank and Standard, were generally not well-disposed to engaging in lending and discounting business with Indian traders.<sup>88</sup> Private money-lending by and among Indians, may have been a common response to this disability, although, as we have noted earlier, alternative money-lending networks may have been voluntarily preferred to formal bank loans.

It is not easy to get evidence about the extent or frequency of Indian money-lending because of its informal nature and the consequent absence of detailed records. The issue is complicated by the religious interdict against interest taking, among Muslims, and the fear that admitting to the existence of money-lending activities, might imply that such religious decrees were being flouted. There is little doubt, however that the practice was widespread in this period as the following cases, drawn from newspaper advertisements, bank records, court proceedings and interviews, illustrate.

First, for many years in the first decade of this century an advert appeared in the Indian Opinion, to the effect that amounts ranging from L5 to L5 000 was available to be lent against bonds, title deeds, promissory notes, scrip etc. Potential borrowers had to apply through the well-known Indian law firm of Bernard Gabriel and Co..<sup>89</sup> Secondly, the branch manager of Standard Bank reported in his report of June 1987, that an Indian named Mangaly, 'makes a good deal of money by short loans to Indians ...<sup>90</sup> Loans were not restricted to Indian borrowers as our third example illustrates. A white Zululand farmer writing in the Natal Mercury in 1907 referred to the Indian storekeepers in Zululand as being 'part storekeeper, part farmer and part money-lender', (our emphasis) adding that such traders were 'extremely obliging...in striking contrast to a great number of European storekeepers.'<sup>91</sup>

A fourth source of evidence of money-lending activity comes from an examination of the Civil Record books of various districts in the Natal colony in this period. The Estcourt Civil Record Book, for example, reveals that for an eight year period ending in August 1898 seventeen Indians brought civil cases. Seven of these involved promissory notes or money lent. In most cases the sums involved were small in the 10 shillings to L5 range, though in an 1895 case, Abdoorahaman successfully sued for L58. All the cases involved African or Indian defendants.<sup>92</sup> In sixteen civil cases involving Indians in Richmond between 1908 and 1913, thirteen involved actions arising out of the lending of money. In all but three of these cases the claims were small, ranging from 17 shillings to L49. <sup>93</sup> In some instances the rate of interest charged, was very high. In the claim by Ramathaur against Sibelo for L8.7s., in 1909, L5 was for the principal lent and L3.7s. was for the interest over 13 months, at the rate of 4 shillings per L1 per month! In 1909, Suliman E. Bobat brought an action against a fellow Muslim Dawood Suliman, for L2, being 'interest for money lent and advanced', indicating that not all Muslims felt bound by religious injunctions against the taking of interest.<sup>94</sup>

Finally, information about Indian money-lending activities was derived from our interviews. The Porbandar merchants, we were informed, brought to Natal, large quantities of gold and silver coins and bullion, there being few financial and exchange control regulations at the time.<sup>95</sup> In addition some of these traders were able to built up stocks of gold through trading with African miners, who until the early 1920s, refused to accept wage payments in any form, other than gold.<sup>96</sup> For Indian traders located near mines in northern Natal, this was an important way of increasing their net gold holdings. Given the high premiums obtainable in India, some of this gold may have been smuggled out.<sup>97</sup> Pyrelal, for example, noted that in the gold rush of 1888-90, 'when the import of gold into India was unrestricted and a pound was valued at thirteen rupees, ...many Indian merchants in South Africa [including a partner in the firm of Dada Abdulla and Co.] amassed a vast fortune.'<sup>98</sup>

However, these gold and silver 'reserves', also allowed some merchants to act as 'private bankers', making interest-free loans (usually in regular or privately minted gold coins) to members of their own family and to other small traders, the latter usually restricted to those from their own village or district in India. The fact that no interest was charged and that the practice was limited to members of the family or clan was emphasised by our informant, although some Indians (including Muslims) did not appear to be bound by these constraints. Most often these loans were made to help relatives to set up their own businesses.

Invariably, loans were extended on the basis of trust, with little or no legally acceptable proof or documentation of the financial obligation. Only on rare occasions, we were informed, would there be an exchange of a written note attesting and verifying the transaction.<sup>99</sup> One form of penalty for not meeting the obligation, was exclusion from the network of credit and trade, and onerous penalty indeed in those circumstances.<sup>100</sup> However, this did not appear to rule out recourse to the law. Private bankers, traders and moneylenders also used the courts to make good the commitments of potential defaulters.<sup>101</sup>

In order to take advantage of cash discounts, small traders, short of ready cash, often chose to utilise the services of private money-lenders. The money-lender would lend the small trader the money to pay in cash for goods purchased from a wholesaler, so receiving, say a 2pc cash discount. The money-lender would be repaid the non-discounted price of the goods purchased, in instalments over an agreed period, the 2pc discount being the effective cost of borrowing. Interestingly this 'rate of interest' was set in the goods market and not the money market! Therefore, because the interest was generated through a transaction conducted in goods and cash, the religious prohibition on the taking of interest applicable to Muslim traders, could be circumvented. Each money-lender would in this way be linked to a small circle of traders, his clients.<sup>102</sup>

## 6. TRADE AND CREDIT ACROSS THE COLOUR LINE

The Indian merchant houses imported goods from India to trade among Indians and Africans, but many also had extensive dealings with white retail customers and with Natal's white wholesale merchants. Most of the merchants claimed to be 'direct importers', specialising in such items as 'fancy goods', silks, groceries (especially rice) and spices, gold and silver jewellery etc, mostly imported from India.<sup>103</sup>

In smaller towns retail trade with whites was not uncommon. In Estcourt, for example, the prominent firm of Abdoorhaman and Co., had many white retail customers, mainly farmers. Some Indian merchants who also had retail interests, such as Aboobaker Amod, a firm located in the main commercial centre at 131 West Street, catered for a large white clientele.<sup>104</sup> Numerous Indian retail outlets were located in West Street before restrictions on the location of these business began to be imposed. Of the eight Indian merchants and storekeepers listed in the 1880 Durban Postal Directory, six had business premises in West Street.<sup>105</sup>

The custom of Indian merchant houses in the total trade of the white wholesale merchants was apparently large and important. In evidence before the Wragge Commission (1885), one of Natal's premier white sugar barons, C.J.R. Saunders, observed that the 'Indian trade was almost exclusively a clearing house for the white wholesale merchants who were making a fortune from the trade.'<sup>106</sup> It would appear that white wholesale merchants also extended 'easy credit' to their Indian merchant customers. Senator Marshall Campbell observed in 1914, that when these Indian merchants 'first came to Natal, they were encouraged in every way...they were given credit by the [whitel] merchants..[and] they bought goods from [thesel] merchants in Durban and Pietermaritzburg.' In 1907, at the time of the first passive resistance movement, there was even a suggestion that Indian traders withhold payments to their white creditors ('passively resisting creditors', it was referred to) as a means of putting pressure on the Natal and Transvaal governments to withdraw

racially discriminatory legislation directed at all Indians. Thus the Natal Mercury, reported that by

these means great pressure could be brought to bear upon the government through the wholesale merchants. Some of the Indian storekeepers have large accounts with wholesale houses. The Asiatic retailer has rarely much difficulty in obtaining credit: indeed it has been complained in the Transvaal and Natal that Indians can get credit when white storekeepers are refused.<sup>107</sup>

There is little evidence to support the view that Indian merchants in Natal at the turn of the century played an important direct role as financiers of white enterprise. While Indian merchants and traders contributed in many ways to the development of the colony's commercial sector, their marginal contribution to the servicing and financing of white business is in sharp contrast to the role that Indian merchants played elsewhere in Africa at this time. One possible explanation for this may be found in the presence and power of the mining and finance capitalists, who after c1885, offered alternative options to white borrower in southern Africa. Their presence also stimulated the development of a financial, credit and branch banking infrastructure which widened (for white farmers, traders and business) the available sources of local credit, and improved access to international credit lines. Thus the imperative to turn, as the white settler farmers of Kenya were often forced to do, to Indian merchants for credit, appears to have been less urgent and pressing in the Natal case.

The relationship between the Indian merchants and the white merchant/trader community reflected the different economic interests of the various strata of that white commercial class. The white wholesalers, as we have just noted, cherished and nurtured the business with Indian merchants because of its volume, the links which these merchants had with India (which facilitated the import trade) and its certainty. The merchants were punctual with payments and only became risky clients when pressures in the late nineteenth century began to mount against them. As businessmen, Indian traders 'had a high reputation among white merchants'. The relationship between the Indian and white merchants was additionally 'very informal' and cordial. Their orders for goods, we were told, would

on occasion, take the form of a personal letter to the head of the white merchant company, sometimes in Gujarati!<sup>108</sup> These white wholesalers were not endangered by Indian competition. If anything, the relationship between them was symbiotic. The smaller English storekeepers were a different matter. The failure of agriculture in Natal to provide a reliable livelihood to settlers meant that many turned to storekeeping. Here they met the competition of the dukawallahs, though evidence suggests that in the early period at least, they were not in an antagonistic situation with the Indian merchants. Over time economic enmity was transformed into racial hostility and by the turn of the century, English storekeepers railed against ALL Indians traders, a fact deeply resented by the Indian merchant class.

## 7. TRADER ORGANISATION

As the number of Muslims in Durban grew, they formed themselves into associations, for the purpose of celebrating or defending a variety of narrow religious, cultural and social distinctions, including one (the Rander Mehfile-e Ikhlaas) based on their places of origin in India.<sup>109</sup> By 1885 Muslim merchants had begun to organise to defend their commercial interests. Two prominent merchants Dada Abdulla and Haji Mohamed Haji Dada headed the Durban Indian Committee, formed in 1890. In 1891 the committee began a political campaign, whose goal was to 'protect the commercial interests of the Indian merchants in Natal, the Transval and the Orange Free State. The Natal Indian Congress (NIC) founded, by Gandhi and others, was dominated by merchants, and for the period 1894 to 1906, the leadership of the Congress was drawn mainly from the former members of the Indian Committee. At least until 1906, the Congress 'ideology' of protecting the privileged economic status of the merchants led it to emphasise its distance, both to the Indian underclasses and to the African majority.<sup>110</sup>

Initially, Indian merchants appeared to work within political organisations, such as the Durban Committee and the NIC to protect their interests. In 1907, Gandhi, was planning the first 'passive resistance movement' against the discriminatory treatment of Indians in Natal and the Transvaal. He was at the time based in the

Transvaal, from where the campaign was being spearheaded. As his philosophy and his reading of the political situation in the South African colonies gradually began to shift,<sup>111</sup> he came to recognise the importance of uniting all Indians, not just the merchants, in this campaign. This new strategy threw up important contradictions within the Congress movement and Gandhi found it difficult to maintain the allegiance and financial support of the merchants.<sup>112</sup>

Although the evidence is only circumstantial, we would suggest that the disillusionment of the merchants in the political strategy being followed by Gandhi, and their concern that Congress may not have been the most appropriate vehicle to represent their interests, led them into setting up more narrow 'trader' organisations, as they appear to have begun to do after 1907. Thus, for example, the leading merchants in Natal met in December 1908 at the offices of M.C. Camroodeen and Co. 'with the object of inaugurating a Chamber of Commerce in the interests of Indian traders in Natal.'<sup>113</sup> The organisation was named the Indian Chamber of Commerce, with Ismail Gora, of the firm Baboo Ebrahim and Co., as Chairman and P.V. Sanghavi, as Secretary. Those present were 'representatives of the leading firms in Durban'<sup>114</sup> and also included in addition to the above, Abdul Hai and Amod, Ebrahim Camroodeen, and Hoosen Cassim and Co..

The need for an organisation representing the Indian trader community, was also possibly impelled by the depressed state of the economy.

## 8. THE EBB OF THE FIRST WAVE

Few of the pioneering, wealthy and internationally-connected Indian merchant families who came to Natal between the years 1872 and 1900, survived economically intact beyond the outbreak of the Great War. Table 2 lists the largest Indian merchants (in terms of monthly turnover) in 1914. None of the names of the Indian wholesale and importing companies which dominated the commercial landscape in the first three decades following the arrival of the passenger Indian merchants, appear here.<sup>115</sup> Aboobaker Amod had

returned to India in 1886 and died in 1888, and although the company survived for some years, it had clearly dropped out of the big league. His brother, and partner, Omar Johari Amod first returned to India in 1892 and again in 1907, and although the family's commercial interests with Natal remained, they were now of an entirely different order. The fate of Dada Abdulla and Co. remains unclear. It is more than likely that upon the founder's death in 1912, the company broke up and was incorporated into or merged with others. M.C. Camroodeen and Co. went bankrupt around the time of Union, along with innumerable other Indian traders who succumbed to the economic depression which gripped Natal in the first decade of the twentieth century. Estcourt's largest Indian merchant Abdoorahaman had returned to India in 1901.

Even some of the companies which appear on this 1914 list, did not survive long after the war. The biggest, B. Ebrahim Ismail and Co., we were told, rapidly declined in significance by the 1920s.<sup>116</sup> We are not suggesting that all large wholesale Indian firms had been wiped out by World War 1. Indian traders continued to play an important, even dominating, role in Natal's commercial life even after 1914.

However, there was clearly a noticeable change in the character and place of the Indian mercantile community in the post-First World War Natal economy. The expansion, diversification and full integration of Indian merchants into the local capitalist class, had been interrupted for a variety of reasons. Those Indian traders who remained and began to prosper in later years, no longer possessed the influence, the glamour, the style, the confidence and the connections which the Amods, the Abdullas and the Camroodeens had displayed in their early pioneering years in the colony. More and more new entrants into commerce took to retail trade; direct importing from India and elsewhere and the importance of international business links, declined in significance. Furthermore, the accumulation of capital by the new group of Indian merchants, (the second wave) occurred under entirely different circumstances.



**TABLE 2**  
**LARGEST INDIAN FIRMS IN NATAL: 1914 (In terms of Monthly Turnover)**

**A. Monthly Turnover from L5000 - L10000**  
 B. Ebrahim Ismail and Co.  
 Abdool Hai and Amod  
 Hoosen Cassim and Co.  
 E.M. Paruk and Co.

**B. Monthly Turnover from L3000 - L5000**  
 C.A. Bassa  
 M.S. Randeree  
 A.H. Moosa  
 A.M. Shaik  
 G.H. MiaKhan and Co.  
 R.B. Chetty  
 R.P. Bhatt  
 Mahomed Ebrahim  
 Mahomed Jeewa  
 Moosa Haje Cassim  
 Amod Dawood and Co.  
 Bombay Bazaar  
 Kharsany  
 M.D. Seedat  
 Suliman Javary

SOURCE: Marshall Campbell Papers, KCM 32548.

How does one account for this decline and change? Was it a result of factors internal to Indian business operations? Was it linked to the state of the regional Natal economy as a whole? Was it brought about by factors and forces operating narrowly on Indian merchants only, such as growing racism and bureaucracy? Or was it also linked into national developments following Union in 1910 and to changes in the capitalist and imperialist world order at the time of the Great War?

We would argue (in contrast to some others) that explanations which are based principally on the the impact of growing racially-based restrictions are inadequate and that a combination of all the above factors contributed to the change in the nature, role and character of the Indian commercial sector around the time of the first world war.

A major historical study of Indian business procedures is required before it can be stated with any certainty how important changes in business practices itself were. From our limited research it is

possible to suggest that the nature, though not the existence, of extended family business ties changed. The extension of Natal business to the Transvaal, for example, followed the familiar pattern of pursuing good trading prospects. This move, however, seems to have produced different results. Companies split from the parent Natal institution and became more independent than had previously or normally been the case. This appears to have deprived them of certain advantages. Now instead of looking to the extended family or community for support, especially for credit, Indian traders were thrown into a commercial world of bankers, creditors, fussy bureaucrats and pernickety accountants. This resulted in a number of bankruptcies, including that of the Transvaal branch of the Camroodeen business empire.<sup>117</sup>

Regional dynamics, such as the depressed state of the Natal economy also adversely affected Indian traders. The Natal economy experienced a severe depression between the years 1903-9.<sup>118</sup> Indian traders were particularly badly hit and insolvencies among them were high. The Standard Bank Inspector's report for Durban in 1908 observed that 'insolvencies are still a matter of weekly occurrence, and during the past year or two the number has been very large, more particularly among the smaller shopkeepers and Arab traders.<sup>119</sup> This situation was not confined to Natal. The Director of Customs regularly reported on his inspection of the books of Indian merchants in the Transvaal, and in his report of 1908, he observed that

some thirty-five of the smaller dealers recently closed down, principally on account of the prevailing commercial depression, and in some instances on account of the stringent regulations required by the Asiatic Ordinance.<sup>120</sup>

Depression, famine and the Bambatha rebellion also took their toll on some Indian in the rural areas at this time, as the following petition drawn up in 1909 by six Indian traders in the northern Natal town of Pomeroy reveals. The traders were attempting to persuade the colonial secretary (unsuccessfully, as it turned out) to retain the magistrate's court in their town, claiming that its

transfer to a neighbouring town would further affect their business prospects:

...during the Native Rebellion of 1906, the premises and goods of some of your Petitioners were burnt and looted by the natives, and in view of the inadequate compensation...your petitioners had to borrow money to enable them to resume business...owing to the recent famine your petitioners have been unable to repay the money borrowed...and should the court be moved, with the subsequent depression of trade, their property may be confiscated...121

Racial discrimination against Natal's Indian population preceded formal legislation. In the 1880s the Durban City Council began to turn down applications by Indians to lease Council property in the central business district, and by 1891 building plans submitted by Indians were being strictly scrutinised 'to prevent the spread of slums and because of a concern for insanitary conditions and overcrowding'.122

Indian traders were also forced out of the heart of Durban's commercial district, in West Street, mainly by the tactic of refusing their license renewal applications. Most of the pioneer Indian merchants had established their businesses in West Street, soon after their arrival in the 1870s and 1880s.123 In 1885, 31 of the 41 Indian companies listed in the business directory of the Natal Almanac, were situated in the West Street-Field Street-Point Road area.124 After the passage of the Dealers Licences Act in 1897 the number of Indian owned shops in West Street fell dramatically. There was also a concomittant growth of shops owned by white town councillors in this area!125

In 1893 Natal was granted Responsible government. From this point on, anti-Indian legislation rapidly found its way into the statute books. Many of these laws limited and proscribed political, social and economic activity. Further entry into the colony was restricted.126 Severe minimum qualifications restricted Indian franchise rights.127 Indian traders were most directly affected by legislation which compromised enormously their ability to obtain trading licenses, placing this power in the hands of licensing officers appointed by local town councils or boards (The Dealers'

Licenses Act of 1897). The number of licenses held by Indian traders declined from a post-1895 peak of 1334 in 1904 to 1008 in 1908.<sup>128</sup> In the Borough of Durban alone 135 licenses were refused in 1906, an equal number in 1907 and 115 in 1908. Altogether for these years 594 licenses were refused to Indians. In 306 cases no reasons were given for the refusal.<sup>129</sup>

Much of the discriminatory legislation passed after Responsible government status was granted to Natal in 1893, derived as a result of pressure on Natal parliamentarians by white residents and especially white businesses in central Durban. The Dealers Licenses Act, for example was the product of 'pressure exerted upon Natal parliamentarians by the public and borough authorities' led by the Durban Patriotic Union. As Wyley contends

it is clear that the Durban City Council represented the interests of the white merchant class throughout the period. Proprietors of the principal white owned businesses in the town held office from time to time, most of them operated from premises in West Street in close proximity to the Indian stores under discussion or were officials of the Durban Chamber of Commerce and most were members.<sup>130</sup>

However, it would appear that not all white businesses were equally keen to bring about the demise of the Indian traders. White wholesalers and importers, such as Randles Bros. and Hudson, W.G. Brown (as we have noted) counted Indian traders as valuable customers. It was the white retail outlets such as Greenacres, who felt most threatened by the growth of Indian commerce in Durban. This differentiation in the attitude of white business is captured in the following comments by one of our informants:

Indians were being systematically thrown out [of West Street], even though we were no threat to them at all. Of course the big whites did not care about this. Jagger and Randles were too big to worry about this [and] for the wholesale European the Indian was a customer. Greenacres [on the other hand] was a retail shop...<sup>131</sup>

And as Swan observes, the larger Indian merchants, were affected both directly and indirectly by this licensing legislation.

They were unable to expand by opening a new branch, to break a partnership into its component elements, or to pass on a business to an heir. They were not generally affected by the most usual reasons for the refusal to renew an existing license - inability to keep books in English, or allegations of maintaining insanitary premises. But those with property holdings were indirectly affected by the Act if persons leasing business premises from them were refused renewal of license, and those with debtors among the petty traders stood to lose if their debtors were forced to shut up shop.<sup>132</sup>

By the end of the first decade of the twentieth century Indian merchants found themselves faced with another major problem. The Union of the Colonies (1910) failed to offer them the much sought after guarantee as full and 'first class' citizens of the British empire, and it seemed that the act of Union was finally going to close the doors on full franchise rights and all the privileges that such rights would accord.

Indian traders were also harrassed in innumerable smaller ways. Both legal, and sometimes arbitrary, restrictions limited their freedom to trade. There were restrictions, for example, in entering 'native' locations and mines in order to trade, deliver goods purchased or collect monies due to them.<sup>133</sup> By 1916 it became illegal to maintain business records and books in any language other than English and Dutch.<sup>134</sup> In the Transvaal, regular inspection of the accounting records and books of the Indian merchants were made by the Customs Department, to check on their authenticity and accuracy.<sup>135</sup> For many years the inability of some Indian traders to write or understand English or Dutch affected them in negotiating and drawing up promissory notes and rendered them vulnerable to unscrupulous traders and money-lenders, both white and Indian, with whom they dealt.<sup>136</sup>

But there were also larger national and international forces underlying the decline of the first wave of Indian merchants and the subsequent change in the character of the Indian mercantile community. At the turn of the century, the liberal commentator, J. A. Hobson, had expressed concern about the growing dominance of banks and shareholders. He believed that they were sapping the energies of capitalism by squeezing out the genuine capitalist entrepreneurs whom he much admired.<sup>137</sup> In the Natal context

there was some truth in this. Against the backdrop of fierce inter-bank rivalry, Indian money lending, informal trade and credit networks, were curtailed. The Standard Bank gained financial dominance in Natal with the demise of the Natal Bank in 1914. This signalled not just the ascendance of big banking, it also marked the loss of local hegemony within the Natal economy. From this point on, the Natal economy would be swayed increasingly by subcontinental and international economic forces. Within this changing economic environment links with London and Johannesburg overshadowed in importance links with India.

## 9. CONCLUSION

In the early years of the last quarter of the nineteenth century, Natal provided an ideal environment in which Indian merchants could flourish. Under-supplied with money and goods, with relative stability and with few bureaucratic hinderances, Indians could import both their goods, their skills and their time-tested commercial and financial methods. Although the first wave of merchants found a niche mainly in the market for trade, credit and money-lending within the colony's Indian community, the potential and possibilities for breaking out beyond these limits remained very much alive, if only the battles for full political rights which the merchants fought so tenaciously, could be won.

By the end of the century, however, things had begun to change. Europe had seized Africa, a new conservative attitude to commerce had set in and rivals were regarded with suspicion. Unable successfully to assert a British belongingness, Indians in Natal were caught up in the general xenophobia. Tolerance of their methods, their enterprise and their success, gave way to persecution.

In contrast, white interests were shamelessly championed. Capitalists throughout the world have found the patronage or at least the forbearance of the state essential for prosperity. By 1914 this was no longer the case for Indian merchants. Economics would determine that the second wave of Indian merchants (the firm of Lockhat Bros., being the best example here) would continue with

some considerable economic success in the path of their predecessors, but it would be in the role, politically, of second-class citizens.<sup>138</sup> We conclude with some observations on the 'second wave' of Indian merchants.

In the inter-war years, some of the second-wave of Indian merchants (most notably A.I.Kajee and E.M. Paruk) played a prominent role in Indian political organisations. However, their resistance became almost exclusively based on a defence of their growing commercial interests in contrast to a wider amalgam of motives (including the defence of Indian national honour, and the appeal to full citizenship rights as British subjects) which underpinned the resistance of the first wave of merchants. As a result the politics that flowed from this narrow base became more pragmatic, accommodative and servile.<sup>139</sup> (In neither period did Indian merchant politics transcend racial or class boundaries). However, many more merchants after 1914, (the Lockhats included) eschewed political involvement of any kind, choosing rather to concentrate on the single-minded pursuit of wealth, albeit in the racially-defined spaces which they were 'allowed' in the rapidly solidifying racial order of South African society.

The racial form in which South African society was organised after 1914 was to have a differential impact on Indians and Africans. Though clearly morally and politically reprehensible, and economically restrictive in some ways, segregation and later apartheid also created opportunities for the economic advancement of the second wave of Indian traders. Limited access to capital, geographic restrictions on their mobility, trade and licencing barriers, language, educational and technical disabilities, (most related directly to racial discrimination) were some of the factors which had the effect of suppressing the growth of an African commercial class. Some of these restrictions and disabilities either did not apply to Indians or were less severe, both in terms of the laws themselves and/or in their application. In other instances, such as in education, Indians were themselves able to mobilise the resources to overcome the discriminatory allocation of state funds, giving them an important advantage in terms of (English) language ability and technical proficiency and skills.

In the absence of white competition for Indian and African custom (by choice, especially in the more remote rural areas), and African competition (by differentiated racial legislation and custom), the post-1914 Indian commercial sector (the second wave) was handed an 'artificially protected market' in the racially-segmented African and Indian retail and wholesale trade, especially in Natal, but also later in the Transvaal, which they readily and eagerly exploited. Clearly, the differences in the material conditions under which some Indian traders and most Africans co-existed under segregation and apartheid were to have a much more enduring and negative impact on Indo-African relations as a whole, as the Durban riots of 1949 and the Inanda riots of 1985, testify to. But that forms the subject of another paper.

In short, in the infant capitalist economy of colonial Natal, opportunity existed for globally-connected Indian traders, wholesale merchants and money lenders. In the 'new society', changes in internal business practice which rendered them more vulnerable to new and variable regional and national economic conditions, as well as bureaucracy, racism and powerful, metropolitan-aligned economic forces were destined to slowly crush the economic challenge of the Indian merchants and to force the second wave to adopt a different (though by no means less successful) modus operandi and profile.



## ENDNOTES

1. L.C.A. Knowles and C.M. Knowles, The Economic Development of the British Overseas Empire (London, 1936), p.28.
2. Maureen Swan, Gandhi The South African Experience (Johannesburg, 1985).
3. For example Peter Richardson, 'The Natal Sugar Industry in the Nineteenth Century', in W. Beinart, P. Delius and S. Trapido (eds.), Putting a Plough to the Ground (Johannesburg, 1986); Jo Beall and Dan North-Coombes, 'The 1913 Disturbances in Natal: The Social and Economic background to 'Passive Resistance'', Journal of Natal and Zulu History, VI (1983). Evidence is now coming to light of a well developed independent response by former indentured Indian to market opportunities in agriculture. For this see Bill Freund, 'The Rise and fall of the Indian Peasantry in Natal', paper delivered to the History Workshop, University of the Witwatersrand, 1990.
4. For example, L.M. Thompson, 'Indian Immigration into Natal, (1860-1872)', Archives Year Book for South African History, 11 (1972); J. B. Brain, Christian Indians in Natal 1860-1911: An Historical and Statistical Study (Cape Town, 1983).
5. Neil Charlesworth, British Rule and the Indian Economy 1800-1914 (Basingstoke, 1982), p.14.
6. Asiya Siddiqi, 'The Business World of Jamsetjee Jejeebhoy', The Indian Economic and Social History Review, XIX, 3&4 (1982), pp.312-323.
7. S. Digby, 'The Maritime Trade of India' in T. Raychaudhuri and I. Habib (eds), The Cambridge Economic History of India, 1 (Cambridge, 1982); J.S. Mangat, A History of the Asians in East Africa (London, 1969), pp. 11, 19.
8. Timothy N. Thomas, Indians Overseas: A Guide to Source Materials in the Indian Office Records for the Study of Indian Emigration, 1830-1950 (London, 1985), p.2; A.C. Kalla, 'The Gujerati Merchants in Mauritius c. 1850-1900', Journal of Mauritian Studies, 2, 1 (1987), p.49; Burton Benedict, Mauritius: The Problems of a Plural Society (London, 1965), p.20.
9. A. R. Mannick, Mauritius: The Development of a Plural Society (London, 1979), p.47.
10. A.J. Temu, 'Tanzanian Societies and the Colonial Invasion 1875-1907' in M.H.Y. Kaniki (ed), Tanzania Under Colonial Rule (London, 1979); J. McCracken, 'The 19th Century in Malawi' in T.O. Ranger (ed), Aspects of Central African History (London, 1968, reprint 1980).

11. 'Passenger Indians' comprised mainly traders from Indian and Mauritius, who came to Natal at their own expense, in contrast to the 'indentured Indians' who were brought out between 1860-1911 under a pact between India, Natal and the British government to work under contract in Natal's sugar cane fields and coal mines.

12. Mangat, History of the Asians, p.14. Some dukawallahs also emerged from the ranks of the ex-indentured Indian labourer population.

13. Memon, also spelt Meman, is a sub-dialect of a dialect called Kacchi, spoken in Kach, between Kathiawar (Gujarat State) and Sind (now in Pakistan). Kacchi itself is a dialect of Sindhi, not Gujarat. For this see R. Mesthrie, 'Prolegema to the History of Indian Languages in South Africa' The Journal of the University of Durban-Westville, 1 (1984), p.62.

14. Charlesworth, British Rule and the Indian Economy, p.14.

15. Mandvi is a town north-east of Surat in Surat District.

16. Konkani is a dialect of Marati, spoken in south-east Bombay. We are indebted to Dr R. Mesthrie, Department of Linguistics, University of Cape Town for this and other information on the languages and dialects spoken by the Indian merchants in Natal and the Cape.

17. We are indebted to AKM Docrat, for this information. It is interesting to note that to this day very few Urdu-speaking Muslims, have graduated to the big league of Indian entrepreneurship in Natal. They have remained either small traders, or religious teachers and scholars, in the main.

18. A. Dasgupta, 'Indian Merchants and the Trade in the Indian Ocean' Cambridge Economic History of India, 1 (Cambridge, 1982), p.420-21; D. Rothermund, An Economic History of India, (Beckenham, 1988), p.44; Charlesworth, British Rule and the Indian Economy, p.45.

19. G. Ashe, Gandhi: A Study in Revolution (London, 1968), p.56.

20. Report of the Indian Immigrants (Wragge) Commission, Natal Government Gazette, 39, 2262, GN 430/1887, p.37.

21. Surendra Bhana, 'Indian Trade and Trader in Colonial Natal' in Bill Guest and John Sellers (eds), Enterprise and Exploitation in a Victorian Colony: Aspects of the Economic and Social History of Colonial Natal (Pietermaritzburg, 1985), pp.234-6.

22. We have attempted in this paper to reserve the term 'merchant', for those traders who were wholesalers and direct importers, were to some extent internationally mobile and who had widespread business interests in southern Africa and retained some links with business and shipping houses in India. The term 'dukawallah' or small trader refers mainly to small-scale retail dealers with limited resources and connections and who were pretty much hemmed in by local colonial imperatives and restrictions. The term

'trader' when used without qualification covers both these categories.

23. Aboobaker Amod is referred to variously as Abubakr Amod, Aboobaker Amod Jhaveri, Aboobaker Hajee Ahmed Jhaveri as well as numerous permutations of these names. See for example, Swan, Gandhi, p.3; The Wragge Commission Report, 1887; The South African Indian Who's Who (Durban, 1936/7), p.77. Some sources give the date of his arrival as 1872. (See, for example The South African Indian Whos' Who, p.77.)

24. Ebrahim Sulliman, 'Historical Study of the Largest Mosque in the Southern Hemisphere, namely the Jumma Masjid, Durban'. Unpublished BA (Hons) thesis, University of Durban-Westville (1986), p.9-10. There is a great deal of uncertainty about the exact date of Amod's arrival in Natal, with Sulliman, for example, putting the date as 'towards the end of 1871.' Other references say 1872, yet others say 1874 and 1875.

25. The Indian Trader: Report to the Chairman and Members of the Round Table Conference (Cape Town, 1926), p.5; Swan, Gandhi, p.6; The Wragge Commission Report (1887); Hassim Seedat, 'The South African Indian Trailblazers', The Leader 7 March 1980; Sulliman, 'Largest Mosque', p.5; Natal Archives Depot (NAD), MSCE (Master of the Supreme Court, Estates) 6, 313.

26. See for example his partner's written evidence before the Master of the Supreme Court on his decision to reside there permanently, NAD, MSCE, Deceased Estates, 33, 163; Natal Mercury 11 August 1887; Swan, Gandhi, p.6.

27. He himself was variously referred to as Abdoolla Adam, Abdoolla Hajee Adam Jhaveri, etc and the firm was also referred to as Dada Abdoolla and Co. See for example Indian Opinion 3 February 1912; Bhana, 'Indian Trade and Trader', p.240.

28. Indian Opinion 3 February 1912.

29. NAD, NHD (Natal Harbours) 11/1/136

30. Indian Opinion 3 February 1912.

31. NAD, CSO (Office of the Colonial Secretary) 1457, 1897/257.

32. Indian Opinion 3 February 1912; NAD, MSCE 197/XLIV.

33. Natal Law Report, 20, 1899, p.171ff.

34. Swan, Gandhi, pp.7-9.

35. An assignment is 'an agreement whereby a debtor transfers or agrees to transfer his property to one or more persons, called assignees for the benefit of his creditors. By means of an assignment the same result is arrived at as in insolvency... [differing in that] the assistance or intervention of the court is not required...and further the debtor does not suffer the stigma of being declared insolvent but retains all his rights of

contracting.' Wille and Millin, Mercantile Law of South Africa (Cape Town, 1963.)

36. NAD, MSC 2/31 No 87, 1897.

37. Calculated from MSC records over this period.

38. TAD (Transvaal Archive Depot), MCD 1951/09. It would appear as if this order was withdrawn on the 24 February 1910, although it is not clear what this implied for the continued existence of the company. There is no evidence that the company continued trading, either in Natal or the Transvaal thereafter, under this name. The private estates of two of the partners of the Transvaal branch of MC Camroodeen and Co., were later rehabilitated - Abdul Gani's on 20 May 1913 and Hassan Mia's on 30 March 1915.

39. Natal Law Report 1912, 33 p.105.

40. E. Camroodeen to Immigration Restriction Officer, NAD, 32 IRD (Immigration Restriction Department) 1154/1904.

41. NAD, IRD 826/1901.

42. Swan, Gandhi, p.58.

43. Indian Opinion 27 October 1906.

44. The Indian Trader, p.9.

45. Louis Fischer, The Life of Mahatma Gandhi (London, 1951), p.62.

46. Interview, F. Mehtar, 7 February 1990.

47. Fatima Meer, Portrait of Indian South Africans (Durban, 1969), pp. 17/8.

48. Meer, Portrait, p.19.

49. Annual Report, City of Durban Police, 1889.

50. Tulloch, quoted in R.P. Haswell, 'Arab Stores in Natal' in Natal in the Colonial Period, a collection of papers on developments in Natal before Union, presented at a workshop at the University of Natal, Pietermaritzburg, October 24-25 1984.

51. See R. Morrell, V. Padayachee and S. Vawda, 'Banking, Credit and Capital in Colonial Natal' in K. Sugihara (ed) Local Suppliers of Credit in the Third World, 1750-1945 (London, 1990).

52. Standard Bank Archives, Standard Bank Inspector's Report, Newcastle, 7 May 1904.

53. Killie Campbell Library, Marshall Campbell Papers, KCM 32548.

54. Unfortunately, the destruction of Natal Bank's archives in a fire in the early 1960s makes it impossible to obtain a more precise picture of the extent and nature of its lending and discounting policies towards Indian clients.

55. Natal Law Reports 1912, NLR 33, p.105.
56. Fort Durnford Museum, Estcourt, Standard Bank signature Book (1882 (ie when the branch opened) -July 1901).
57. See for example the number of Indians who were regular customers of Estcourt iron and glass ware trader and importer, WJ Felgate as indicative of this. Fort Durnford Museum, Estcourt.
58. The Gazette (a local Estcourt paper) 25 July 1980.
59. The Standard Bank Inspector's Report of 22 January 1894, for example reports that Abdoorahaman was 'supported' by the firm of MC Camroodeen and Co.
60. Fred Cooper, 'The State and Agricultural Labour: Zanzibar after Slavery', in D.C. Hindson (ed) Working Papers in Southern African Studies, 3 (Johannesburg, 1983), p.2.
61. D Rudner, 'Banker's Trust and the Culture of Banking among the Nattukottai Chettiars of Colonial South India', Modern Asian Studies, 23, 3 (1989), p.422.
62. Rudner, 'Banker's Trust', p.418.
63. Rudner, 'Banker's Trust', p.419.
64. Interview, Y. I. Moola, Storekeeper, Greytown, 14 September 1989.
65. R. Firth, 'Capital, Saving and Credit in Peasant Societies: A Viewpoint from Economic Anthropology', in R. Firth and B.S. Yamey (eds), Capital, Saving and Credit in Peasant Societies (London, 1969), pp.33/4.
66. Rothermund, Economic History of India, p.4.
67. Rudner, 'Banker's Trust', p.431.
68. Swan, Gandhi, p.9.
69. C. H. Wyley, 'The Natal Dealers' Licences Act of 1897 and the conflict between Indian and White Capital in the Borough of Durban 1897-1909', unpublished BA (Hons) thesis, University of Natal (Durban) (1986), p.28.
70. Standard Bank Branch Manager's Report on outstanding liabilities, Ladysmith, 19 June 1897.
71. Standard Bank Inspection Reports, Greytown, 20 March 1902.
72. Interview, Y. I. Moola, 14 September 1989.
73. NAD, MSC, 35, 104. Estate of Ebrahim Essop Badat, died 23 March 1909.

74. See for example Vali Jamal, 'Asians in Uganda 1880-1972: Inequality and Expulsion', The Economic History Review, Second Series, XXIX, 4 (November 1976).
75. B.A. Kosmin quoted by P. Lipitz, 'The Jewish Community of Zimbabwe, A Review Essay', Zimbabwean History, 12 (1981), p.41.
76. NAD, MSC 2/31, Case No. 87.
77. NAD, MSC, 2/30, Case No. 84.
78. See for example, NAD, SNA (Secretary for Native Affairs) 891/83, 1/1/67; SNA 433/83, 1/1/69 and SNA 783/1896, 1/1/221.
79. Interview, Y.I. Moolla, 14 September 1989.
80. Interview, Y.I. Moolla, 14 September 1989.
81. Natal Legislative Assembly Debates on the Indian Immigration Bill, 25 (1899), p.101.
82. TAD, RAD, 55, 1215. Compensation for losses of goods during the Anglo Boer War.
83. Interview, A.K.M. Docrat, 20 December 1989.
84. Rudner, 'Banker's Trust, p.435.
85. The use of hundis in Natal in this period has been confirmed by two of the people we interviewed, A.K.M. Docrat and A.L. Moosa.
86. A.K.M. Docrat, M.H.A Karrim and N. Barbenia, among those interviewed by us attest to their existence, but few have any knowledge, of the precise mechanisms employed. F. Mehtar denies that hundis were ever used in Natal.
87. Interview, AKM Docrat, 20 December 1989.
88. Morrell, Padayachee and Vawda, 'Banking, Credit and Capital'.
89. See for example, Indian Opinion 4 January 1908.
90. Standard Bank, Branch Manager's Report, 19 June 1897.
91. Natal Mercury report reproduced in the Indian Opinion 26 January 1907.
92. NAD, 1/EST, 2/2/1/1/1, Civil Record Book, 30 December 1889 to August 1898. Records of other magistracies are not available, though for Richmond, in a later period, Indian civil action for money lent and promissory notes was common. NAD, 1/RMD, 2/4/1, Civil Judgement Book, 1918-38.
93. NAD, Richmond Civil Record Book, 1/RMD 2/2/1/1/2.
94. NAD, Richmond Civil Record Book, 1/RMD 2/1/1/1/2, Case Nos. 37 and 98.

95. Indian traders also brought rupees to Natal, which for a few years circulated as a medium of exchange (with a value of 2 shillings per rupee) in the colony, until the banks decided against accepting rupees in 1876. The Resident Magistrate for Inanda, for example, reported in 1876 that the quantities of rupees held in Natal was 'considerable', adding that 'payments to Coolies and Kafirs have been made hitherto chiefly in Rupees.' In response to the decision of the banks, both Africans and Indians attempted to rid themselves of the Indian coinage. Thus the Resident Magistrate for Durban reported that Africans 'have taken advantage of their earlier knowledge [of the banks' decision] and managed to pass the rupees to natives residing at a distance from the towns and consequently not so well-informed. This I know has been done by the Coolies who I have heard of being seen in the country purchasing poultry of the Kafirs with these coins (NAD, CSO 561, 1876/2279; Colony of Natal, Natal Blue Books Auditor General's Report for 1874, p.U3).

96. A Banking Centenary Barclays Bank (Dominion, Colonial and Overseas) 1836-1936 (Great Britain, 1938), (Private Circulation only), pp.167ff.

97. A Banking Centenary, p171; Interview, A.L. Moosa, 30 January 1990.

98. Shri Pyarelal, Mahatma Gandhi: The Early Phase (Ahmedabad, 1965), p.295.

99. Interview, M.H.A. Karrim, 30 January 1990.

100. Interview, A.K.M. Docrat, 20 December 1989.

101. See, for example, NAD, Richmond European Civil Record Index, 1/RMD 2/3/1/1; Estcourt Civil Record Books, 1/EST 2/2/1/1/1.

102. Interview Y. Karodia, 31 January 1990. Mr Karodia was informed of this system of money-lending and credit extension by his father, who had for virtually the whole of his life earned a living in this way.

103. See for example, Indian Opinion 28 January 1904; Bhana, 'Indian Trade and Trader', p.242.

104. Bhana, 'Indian Trade and Trader', p.242.

105. Natal Almanac, 1880.

106. Quoted in Hassim Seedat, The South African Trailblazers, Leader, 7 March 1980.

107. Natal Mercury report republished in Indian Opinion 17 August 1907.

108. Interview, F. Mehtar, 7 February 1990. The white merchant would obviously have to get someone to translate the order into English.

109. Sulliman, 'Largest Mosque', p.7.

110. Swan, Gandhi, Chapters 1 and 2.
111. For this see Swan, Gandhi, Chapters 4ff.
112. Swan, Gandhi, Chapter 4.
113. Indian Opinion 5 December 1908.
114. Indian Opinion 5 December 1908.
115. The firm of Amod Jeewa and Co., listed in Table 1, may have been the same one as that listed as Mahomed Jeewa in Table 2, although his cannot be confirmed. In general it has proven impossible to check all the different names which individuals businessmen and companies assumed in this period.
116. Interview, F. Mehtar, 7 February 1990.
117. TAB, MKB (Department of Mines) MCD 1951/09.
118. See Morrell, Padayachee and Vawda, 'Banking, Capital and Credit'.
119. Standard Bank Inspectors Report, Durban, 18 July 1908.
120. TAB, DCU (Director of Customs) 114, 388.
121. NAD, CSO 4129/1909.
122. Wyley, 'Natal Dealers' Licenses Act', p.10.
123. The Indian Trader, 1926, p.5.
124. Natal Almanac, 1885.
125. Wyley, 'Natal Dealers' Licenses Act', Diagram 3.
126. The Immigration Restriction Act, 1897.
127. The Franchise Act, 1896.
128. Antony Arkin, The Contribution of the Indians in the Economic Development of South Africa 1860-1970: An Historical-Income Approach, unpublished PhD dissertation, University of Durban-Westville, 1981, p.72.
129. Calculated from figures given in a document entitled a 'Precis of Replies to Circular calling for returns showing for the years 1906-7-8 the number of licenses refused to Indians'. NAD, CNC 1955/1909. Following protests, subsequent amendments to the legislation in 1909 made it essential for reasons to be provided for refusals.
130. Wyley, 'Natal Dealers' Licenses Act', p.29.
131. Interview, F. Mehtar, 7 February 1990.
132. Swan, Gandhi, p.68.



133. See for examples of some of these legal restrictions on trading, *R v Shapiro*, Natal Province Department Law Report NPD (1935), pp. 155ff, which quotes government notices on such long-standing regulations. For examples for arbitrary restrictions, see *NAD, CNC 1530/15, 1915*, where application is sought for the lifting of an arbitrary police restriction on a trader A.M. Paruk delivering goods to Africans in the locations of Inadi and Ngwevebu in the Greytown District.

134. See for example, Natal Law Report (1925) XLV pp.145ff in the case of *Vawda vs A.F. Brokensha and Co. Ltd and Others*.

135. See for example, *TAB DCU 79, 926/06 and DCU 114, 388*. In both these years the Inspector reported that 'their books, invoices...are well kept and properly filed.'

136. See Indian Opinion 4 July 1904.

137. Bill Freund, The Making of Contemporary Africa (London, 1984), p.85.

138. The best example of the 'second wave' were the Lockhat Brothers. They 'started in a small way in 1909.' and grew by 1937 to being the 'largest Indian wholesale business in the sub-continent...' (Durban Past and Present (Durban, nd c1937), pp. 263/4.

139. A similar point is made by U.S. Mesthrie in a paper entitled, 'Indian National Honour versus Trader Ideology: Three unsuccessful attempts at Passive Resistance in the Transvaal, 1932, 1939 and 1941', South African Historical Journal, 21 (1989), p.54. (The objectives and central concerns of her paper are, however, different from those here.)