

Partners in Business

The Workings of the Indian Traders of Zambezia, Mozambique,
1870s-1910s

*Partenaires en affaires. Le travail des marchands indiens de Zambézie,
Mozambique, années 1870-1910*

*Parceiros de negócios. O trabalho dos comerciantes indianos da Zambézia,
Moçambique, 1870s-1910s*

Luisa Pinto Teixeira

**Electronic version**

URL: <http://journals.openedition.org/lusotopie/767>

ISSN: 1768-3084

Publisher:

Association des chercheurs de la revue Lusotopie, Brill, Karthala

Printed version

Date of publication: 30 June 2008

Number of pages: 39-58

ISSN: 1257-0273

Electronic reference

Luisa Pinto Teixeira, « Partners in Business », *Lusotopie* [Online], XV(1) | 2008, Online since 02 February 2016, connection on 19 April 2019. URL : <http://journals.openedition.org/lusotopie/767>

PARTNERS IN BUSINESS

The Workings of the Indian Traders of Zambezia, Mozambique, 1870s-1910s

In Zambezia in the second half of the nineteenth century, the development of the trade in export commodities involved all sectors of the social and economic system, and was largely a response to external stimuli. During this period, the Indian traders reinforced their key role in the inland trade, connecting the peasant producers to the European trade firms that controlled the export trade. By the late 1880s, the colonial state sought to create an infrastructure that would protect and promote Portuguese interests through the ensuing of a new legal and judicial system in the 1890s, and the establishment of a plantation system in Zambezia. Such implied the organization and control of trade, and labour and, consequently, the reduction of both Indian and peasant autonomy. Faced with the rapid growth of the colonial companies' trade monopoly, Indians responded positively to the new economic challenges, establishing new partnerships and cooperating with the companies.

The latter used them as means to achieve territorial and trade control over the *prazos*. Indeed, the fears of loss of control over the Africans, which represented a deficit in terms of taxation and labour obligations, prompted the establishment of a commercial alliance with the Indians. This suggests that the establishment of both effective colonial rule and modern capitalist enterprise was dependent to a degree upon an Indian-dominated trade network.

Partenaires en affaires.

Le travail des marchands indiens de Zambézie, Mozambique, années 1870-1910

En Zambézie, au cours de la seconde moitié du dix-neuvième siècle, le développement du commerce d'exportation des marchandises a impliqué tous les secteurs du système économique et social, et constituait en grande partie une réponse à un stimulus externe. Pendant cette période, les marchands indiens ont renforcé leur rôle fondamental dans le commerce intérieur, faisant le lien entre les paysans producteurs et les sociétés commerciales européennes qui contrôlaient les exportations. Dès la fin des années 1880, l'État colonial a voulu créer une infrastructure qui assurerait la protection et la promotion des intérêts portugais par la mise en place d'un nouveau système légal et judiciaire dans les années 1890, et l'établissement d'un système de plantations en Zambézie. Ceci impliquait l'organisation et le contrôle du commerce et du travail et, par conséquent, la réduction de l'autonomie tant indienne que paysanne. Confrontés au développement rapide du monopole commercial des compagnies coloniales, les Indiens ont répondu de façon positive aux nouveaux défis économiques, en établissant de nouveaux partenariats et en coopérant avec les compagnies.

Ces dernières les utilisaient comme un moyen d'obtenir le contrôle territorial et commercial sur les *prazos*. En effet, la peur de perdre le contrôle sur les Africains, ce qui aurait représenté un manque à gagner, tant en termes de taxes que de travail obligatoire, a été à l'origine d'une alliance commerciale avec les Indiens. Ceci suggère l'idée que l'établissement à la fois d'un gouvernement colonial efficace et d'une entreprise capitaliste moderne dépendaient jusqu'à un certain point d'un réseau commercial dominé par les Indiens.

*Parceiros de negócios.**O trabalho dos comerciantes indianos da Zambézia, Moçambique, 1870s-1910s*

Na Zambézia, na segunda metade do século dezanove, o desenvolvimento do comércio de exportação de mercadorias envolveu todos os sectores do sistema social e económico, e constituiu em grande parte uma resposta aos estímulos externos. Durante este período, os comerciantes indianos reforçaram o seu papel fundamental no comércio interior, estabelecendo uma ligação entre os produtores camponeses e as sociedades comerciais europeias que controlavam as exportações. A partir do final da década de 1880, o Estado colonial desejou criar uma infra-estrutura que asseguraria a promoção e a protecção dos interesses portugueses através da implementação de um novo sistema legal e judiciário na década de 1890, e o estabelecimento de um sistema de plantações na Zambézia. Isto implicava a organização e o controlo do comércio e do trabalho e, consequentemente, a redução da autonomia tanto indiana como camponesa. Confrontados ao rápido desenvolvimento do monopólio comercial das companhias coloniais, os Indianos responderam de maneira positiva aos novos desafios económicos, com o estabelecimento de novas parcerias e a cooperação com as companhias.

Este estado usou-os como um meio para alcançar um controlo territorial e comercial sobre os *prazos*. Aliás, os receios da perda de controle sobre os Africanos, que representavam um défice em termos de tributação e obrigações laborais, levou à assinatura de um pacto comercial com os Indianos. O facto sugere que o estabelecimento tanto de um governo colonial eficaz, como do empreendedorismo capitalista moderno se encontravam, em certa medida, dependentes de uma rede comercial dominada pelos Indianos.

On 31 December 1898, the recently established *Companhia da Zambézia* signed a two-year contract with the Bathia merchant Damodar Anandgi that gave him the trade monopoly at *prazos* Andone and Anguaze, Macuze and Licungo¹. Two months later, on 15 February 1899, a similar contract was signed with Agy Taibo Agy Selemane, another prominent merchant of Quelimane, for *prazos* Maganja d'Além Chire and Massingire². Damodar Anandgi also received a trade licence for *prazo* Marral, which further contributed to strengthen his commercial network in Quelimane district.

Why would a colonial company such as the Zambézia Company sign these exclusive contracts with two leading Indian merchants precisely at the time when the companies were regarded by the state as part of the solution to effective colonial rule? Before we address this question, we should take into consideration the historical context of Zambézia in this period.

¹ Arquivo Histórico de Moçambique, Companhia da Zambézia (AHM/CZ), pasta 9, *Contracto entre a Companhia da Zambézia, representado por M. Machado e a firma comercial de Damodar Anandgi, representada pelo seu gerente Aridaz Goculdaz*, 31 December 1898, annexed to "Carta", Mariano Machado to Administradores em Lisboa, Quelimane, 10 January 1899. Damodar Anandgi was also granted the trade monopoly over Maganja da Costa, this time by the colonial state. Public Record Office, Foreign Office (PRO.FO) 2/230 n°1, "Indian Merchants to Vice Consul", Quelimane, 28 November 1899.

² AHM/CZ, *Cópia do Contrato entre a Companhia da Zambézia e Agy Taibo Agy Selemane*, pasta 9, 15 February 1899, annexed to "Carta", Mariano Machado to Administradores em Lisboa, Quelimane, 20 February 1899.

From the second half of the 1800s the Indian merchant diaspora in the western Indian Ocean re-established itself. In Mozambique, this process coincided with the implantation of the Portuguese colonial system at the close of the century, while, in an international context, the country was inserted in the regional economy, namely that of southern Africa whose motor was the boom of the mining industry in nearby South Africa.

Several factors are linked to Zambezia being a dominant destination of Indian immigration to Mozambique. For centuries Mozambique had participated in the economy of the Indian Ocean. On its western side, trading relations connected Africans, Arabs, Indians and Europeans, thus contributing to the commercial networking of East Africa. Here, business was initially dominated by gold and ivory, but in the 18th century, slaves became the dominant item. In the Indian Ocean, the slave trade went beyond the regional market, extending to the Atlantic trade to Brazil and Cuba. In the second half of the 19th century, the expansion of the slave traffic in the context of abolitionism and the transition to export trade or 'legitimate' trade; the revolution of the oilseeds and the development of a plantation economy that crossed African, European and Omani interests; and the nearby South African region, with the development of the mining and plantation economies in the Transvaal and Natal respectively, had a direct impact on the economy of Mozambique, and therefore on the merchant sector, Indians included³.

In Mozambique, by the mid-1800s the Indo-Portuguese community (from Goa, Diu and Daman), long established in northern Mozambique where Mozambique Island was the centre of merchant activity, had also moved to the southern districts,

³ The literature on the workings of the Indian Ocean and East Africa in the 18th and 19th centuries is extensive. However, two works remain the main reference: E.A. ALPERS, *Ivory and Slaves. Changing Patterns of International Trade in East Central Africa to the Later Nineteenth Century*, Berkeley, University of California Press, 1975, and A. SHERIFF, *Slaves, Spices and Ivory in Zanzibar. Integration of an Eastern African Commercial Empire into the World Economy, 1770-1873*, London, James Currey Publishers, 1987. See also, V. TEELock & E.A. ALPERS (eds), *History, Memory and Identity*, Mauritius, Nelson Mandela Centre for African Culture – University of Mauritius, 2001; K. CHAUDURI, *Asia Before Europe. Economy and Civilisation of the Indian Ocean from the Rise of Islam to 1750*, Cambridge, Cambridge University Press, 1990; G. CLARENCE-SMITH (ed.), *The Economics of the Indian Ocean Slave Trade in the Nineteenth Century*, London, Frank Cass, 1989; U. BISSOONDOAYL & S.B.C. SERVANSING (eds), *Slavery in South West Indian Ocean*, Moka (Mauritius), Mahatma Gandhi Institute, 1989; G.S.P. FREEMAN-GREENVILLE, *The Swahili Coast, Second to the Nineteenth Centuries*, London, Variorum, 1988; D. LOMBARD & J. AUBIN (eds), *Marchands et hommes d'affaires dans l'Océan Indien et la Mer de Chine, 13^e-20^e siècles*, Paris, EHESS, 1988. For Mozambique, see the summary of the general regional background in V. TEELock & E. ALPERS, "Introducing Mozambique": 111-116 and ALPERS: 117-155 "Becoming Mozambique: Diaspora and Identity in Mauritius", in *History, Memory and Identity*, Port-Louis, Nelson Mandela Centre for African Culture and University of Mauritius, 2001; J. CAPELA, *O Escravismo Colonial em Moçambique*, Porto, Afrontamento, 1993; E. MEDEIROS, *As Estapas da Escravatura no Norte de Moçambique*, Maputo, Arquivo Histórico de Moçambique, Núcleo Editorial da Universidade Eduardo Mondlane, 1988; N. HAFKIN, *Trade, Society and Politics in Northern Mozambique, c.1733-1913*, Ph. D. thesis, Boston University, 1973; R. GRAY & D. BIRMINGHAM (eds), *Pre-Colonial African Trade. Essays on Trade in Central and Eastern Africa before 1900*, London, Oxford University Press, 1970, among many others.

namely to Inhambane and Lourenço Marques. Evidence lets us believe that these Hindu and Muslim merchants, who were called *banians* and *moors*, had started from Mozambique Island in the 17th century, following the establishment of the Company of The Banians of Diu in 1686, which had the exclusivity of commerce between Diu and Mozambique Island. Concomitant to this Indo-Portuguese immigration, there are traces of Indo-British at the turning point of Mozambique's history, that of the transition towards colonialism in the twentieth century, which, in Zambezia, coincided with the boom in oilseeds production, i.e., from the 1870s onwards. In fact, there followed a new wave of immigration, predominantly Gujarati Indians, which the economic development of southern Africa conditioned and consolidated⁴.

The records indicate that in the last four decades of the 19th century many of the Indian traders operating in Mozambique were from the Gujarat state and conducted business as British subjects. Of the Hindus, the Bathias were the most prominent group, whereas of the Muslims, the Shia Muslims, mainly Khoja-ismailis and Bohras, were more numerous. The advances in Indian retail penetration, especially in the 1870s and 1880s, can be attributed in part to the boom on the oilseed market. Working as agents for the French and Indian commercial firms of Quelimane, the Gujarati Indians consolidated their place in the trade system of Zambezia, and remained the crucial trade intermediaries, connecting the suppliers of commodities, the Africans, and the purchasers of these commodities, the European firms and the gross and retail traders that proliferated in Zambezia as the century came to its end. Theirs was a dual role: as agents of the export firms, they secured their share of the crop by advancing trade goods on credit; these goods, in turn, had been obtained on credit from the firms, whom thus secured their share in the

⁴ For Indian presence in Mozambique in the colonial period see L. MACAGNO, "Uma domesticação imaginária? Representações coloniais e comunidades muçulmanas no norte de Moçambique", *Travessias* (Lisbon), 4/5, 2004: 181-205; L. PINTO TEIXEIRA, *Redes mercantis indianas em Moçambique e o estado colonial português, c.1870-1930: mudança e continuidade*, paper to the VIII Congresso Luso-Afro-Brasileiro, Rio de Janeiro, 2-6 September 2002; L. PINTO TEIXEIRA, *The State, Taxes and People Control: Indian participation in mussoco collection in Zambezia, 1870s-1900*, paper presented at the annual Conference of the Canadian Association on African Studies, Quebec, 27-30 May, 2001; L. PINTO TEIXEIRA, *Trade and Commerce in Mozambique: Indian enterprise in Zambezia, ca.1870-1900*, Ph. D. thesis, Kingston (Ontario), Queen's University, 2001; J. PEREIRA LEITE, "Indo-britanniques et indo-portugais: la présence marchande dans le Sud du Mozambique au moment de l'implantation du système colonial portugais (de la fin du XIX^e siècle aux années 1930)", *Revue française d'histoire d'Outre-Mer* (Paris), LXXXVIII (330/331), 2001: 13-37; V. ZAMPARONI, "Monhês, Baneanes, Chinas e Afro-maometanos. Colonialismo e racismo em Lourenço Marques, Moçambique, 1890-1940", *Lusotopie* (Paris, Karthala), 2000: 191-222; P. MACHADO, *The Indian Trade Factor in Mozambique, c.1680-1800*, MA dissertation, Durham, University of New Hampshire, 1997; L.F. ANTUNES, *A Actividade da Companhia de Comércio dos Baneanes de Diu em Moçambique (1686-1777)*, MA dissertation, Lisbon, Universidade Nova de Lisboa, 1992; A. RITA-FERREIRA, *Presença Luso-Asiática e Mutações culturais no sul de Moçambique*, Lisbon, 1982; A. RITA-FERREIRA, "Moçambique e os naturais da Índia Portuguesa", *Seminário Internacional de História Portuguesa*, Lisbon, 1980: 615-648; C. SERRA, *O Capital Mercantil Indiano em Moçambique (1687/1835) – Um Sistema de Pilhagem*, Maputo, Universidade Eduardo Mondlane, 1978, mimeo; C. HROMNICK, *Goa and Mozambique: the Participation of Goans in Portuguese Enterprise in the Rios de Cuama, 1501-1752*, Ph. D. thesis, Syracuse (NY), Syracuse University, 1977.

export market. Indians also played an important role in the informal credit and money-lending systems, thus contributing to a viable economic structure⁵.

Settling in Mozambique compelled Indians to adapt to the country and to adopt African institutions in order to survive and succeed in their business. The characteristics of the process of adaptation to the country suggest that a 'survival' strategy was adopted by the immigrant traders, which implied settling in towns and the insertion in the local Indian trade network, a good relationship with other traders operating in the region, and a closer contact with the Africans, especially if the new settler planned to move into the hinterland.

Settlement in the interior drew a good number of Indians into relationships with African women⁶. Inter-marriage in Zambezia, however, was not just a matter of sexual satisfaction. It built alliances with chiefly families, affected business opportunities for trade. It conferred the right to settle and build a store on customary owned land. This was something the Portuguese had been doing for centuries. A contemporary example was Manuel Antonio de Sousa, the greatest of the *muzungo prazo* lords, who in the 1870s was said to have had fifty or so wives scattered around the boundaries of his *prazo* domain, Gorongosa, protecting his rights⁷. Much like the *muzungos* (Afro-Portuguese) of Zambezia, the Indian immigrants found that it was convenient to establish close links with the Africans, buying their way into a matrilineal, matrilineal system of settlement and inheritance.

Settling down in the interior thus involved a series of strategies and alliances, by which the new settler was introduced to the region and to the chiefly families, in view of the predominance of African rules over the bureaucratic Portuguese. Until the reformation of the *prazo* system in the late 1880s, it was the African matrilineal system, also based on an ancient customary owned land system, which ruled the region. Hence, a local union could be regarded as a way to secure safety in the inhospitable interior of Zambezia, while reinforcing the Indian networking. A fact that was noted by R.C. Maugham, the British council in Mozambique in the early 1900s, who wrote that "these men intermingle freely with native women, and a half-caste is fairly numerous which exercises no small influence over the native tribes among which it has made appearance"⁸.

This issue raises a strategy question: why would an African want to marry an Indian? The same rationale that led Indians into these unions might be used

⁵ See Pinto TEIXEIRA, *Trade and Commerce...*, *op. cit.*: chapters 2 and 3.

⁶ Indians drew their wills according to their religious laws, hindu or muslim, just as they did in British India, where British law did not apply in these matters. Hence, the family assets remained joint property and were managed by the stipulated heir, often the oldest son or a brother. Many of the wills recorded by Indians on the Notary Books of Quelimane and Sena indicate that they had a union with an African woman. See AHM/Cod.11.5836 Gh4; Cod.11-5841 Gh5; Cod.11-5842 Gh5; Cod.11-5843 Gh5; Cod.11-5844 Gh5; Cod.11-5845 Gh5; Cod.11-5847 Gh5; Cod.11-5849 Gh5; Cod.11-5851; Cod.11-5858 Gh5; Cod.11-5867 Gh5; Cod.11-5872 Gh5; Cod.11-5873 Gh5; R.C.F. MAUGHAM, *Zambezia: A General Description of the Valley of the Zambezi River from Its Delta to the River Aroangwa*, London, John Murray, 1910: 275.

⁷ M. NEWITT, *Portuguese Settlement on the Zambezi: exploration, land tenure and colonial rule in East Africa*, London, Longman, 1973.

⁸ R.C.F. MAUGHAM, *Zambezia...*, *op. cit.*: 275.

here – power, safety, survival, in sum, the factors that contribute to a smoother adaptation to the changing times. From an African perspective, a union with an Indian trader was also advantageous, both in economic and political terms. The chiefly families were as interested as the Indian in establishing such alliances. The latter, with their access to import goods, from the basic cotton textiles and soap to the prized alcohol and guns, had an economic value that could not be ignored – a union with a trader secured access to the import goods which brought power and prestige to the African partner. On the other hand, Indians usually left part of their assets to their children with an African woman, and often the women also inherited the house where they lived, and some money. At a time of economic changes, when the family-unit production was determined by the insecurity in the *prazos*, and aggravated by droughts, famines and the impositions of *musso*, this was a factor to take into account.

The case of Mamud Bay Ussene, a Muslim trader of Quelimane, is a good example of their workings. According to costume, his Indian family stayed back home in India, but in Zambezia he married several African women who bore him six children. In Quelimane district he owned two palm groves, and had rented from the state 100 hectares where he built a house. He formed a society with Mamud Bay Ussene and Valleguy Faquir for local trade, which rented seventy-five square meters of his estate, and where they set up houses, an olive mill and cattle stables. The rest of the property belonged to him and his African families⁹.

Another example is that of Caetano de Sousa Vasconcelo's, a catholic Portuguese subject who lived in Quelimane. He had married in Goa, where his wife and four children lived. He was the holder of *prazo* Marral in Quelimane district, which he left to his daughter. His family was to inherit his assets, which included a house, palm groves and slaves in Quelimane, more palm groves in Quelimane district, and a few houses and a palm garden in Goa. In addition, the ivory which he had, plus that which he expected to be collected in *prazo*, as well as gold, were to be sent to his wife in Goa.

To his servant Martinho he left ten slaves of *prazo* Marral; to the African woman Ines, one *palmar* and some slaves. The money he had lent was mentioned in the promissory notes, which he kept at home. He owed 600 *reis* to Goldino Jose Nunes, small amounts to four people not mentioned by name, and to Curgy Damodar of Mozambique Island, "the amount stated on the bill". He also owed the emancipation licence of six slaves¹⁰.

Changes in the import and export trade

A periodization of Mozambique's export economy helps locate the country's major economic periods. A time series of the import and export trade data suggests that the economic history of Mozambique falls into four main phases. These were, a) ivory and gold (to ca.1770); b) slaves and varying quantities of ivory (to ca.1860);

⁹ *Testamento de Mamud Bay Ussene*, AHM/Cod.11.5857, Cartorio Notarial, Quelimane, fls.46-47V, Quelimane, 28 December 1899.

¹⁰ *Registo de testamento de Caetano de Sousa Vasconcelos*, AHM/Cod.11.5836, Cart. Not., Quelimane, fls.108V-110, Quelimane, 1 July 1852.

c) oilseeds, ivory and rubber (to ca.1895, but regionally longer); and d) plantation and peasant products, as well as labor services (after 1895). Throughout the centuries and up to the late 1880s, ivory remained an important export product, while the diversification of bulk commodity trade took place during the period from 1840 to 1870¹¹. For the period under study, Liesegang has suggested a time series in terms of trade, one for the years 1860-1885 and another for 1880-1914¹². These series reflect the major changes in the economy, which nevertheless should take into account the regional specialization of commodities.

The transition from merchant capitalism to colonial capitalism in eastern southern Africa in the second-half of the nineteenth century, and the region's integration into the world economic system had a profound impact on Mozambique's economy. In Zambezia, the penetration of capitalism was ultimately reflected on the development of a plantation economy in the hands of the large and expanding *prazo* companies of the late century, and hence, on the exploitation of labour rather than the export of labour, as had been the case with merchant capitalism. By mid-century the country's economy began a thoroughgoing change, whereupon trade in export commodities became dominating, superseding the slave trade which until then had been the most important trade activity.

The growth of the export of peasant-produced commodities from the 1870s onward was connected to external demands for oilseed products and contributed to the insertion of the region into the world economy. Quelimane became the centre of a thriving trade in oilseeds and groundnuts, while a new field of consumer demand for import goods was encouraged by the inland trade, whose main actors were the Indian petty-traders who acted as intermediaries between the European export firms and the African peasant-producers. The colonial state supported peasant production of export crops, whilst it also encouraged investment in the country through various measures such as the granting of concessions and the revision of the colonial tariffs system, which hitherto discriminated against all goods of non-Portuguese origin. According to Vail and White, two changes that occurred in 1877 resulted in a fundamental restructuring of the economy of the lower Zambezi area. The first change was the reduction of tariffs, in order to stimulate the commerce and the agricultural production in the region and encourage the export of various food products, notably sesame seed, groundnuts and copra. The new duties system began on 8 August 1877, and coastal trade was declared open to all countries. The second change concerned the local and regional trade, when the Zambezi River was opened to foreign trade and foreign vessels¹³. Concomitant to these changes were the improvements in navigation and transportation, the legislation regarding the land and mining concessions, the

¹¹ G. LIESEGANG, "A First Look at the Import and Export Trade of Mozambique, 1800-1914", in G. Liesegang, H. Pasch & A. Jones (eds), *Figuring African Trade. Proceedings of the Symposium on the Quantification and Structure of the Import and Export and Long Distance Trade in Africa (1800-1913)*, Berlin, 1983: 451-523, 458-459, 467.

¹² *Ibid.*: 498.

¹³ H. LEROY VAIL & L. WHITE, *Capitalism and Colonialism in Mozambique: A Study of Quelimane District*, Minneapolis, University of Minnesota Press, 1980: 162-163.

reforms of labour that included the abolition of slavery, and the reforms of the colonial military system¹⁴.

The dynamics of the expanding regional economy also contributed to the commercial revolution that ensued from the boom in agricultural peasant production and peasant commodity gathering in the 1870s. A market system soon developed in Zambezia as a response to the growing demand for export peasant-produced commodities. Its development stimulated the production and trade of oilseeds and groundnuts in the lower Zambezi and lower Shire regions. This created the conditions for the Indians' intermediary role in the *prazo* trade, and its overall control by the European export firms.

It seems that at the time, the hypothesis of establishing plantations in lower Zambezia was never regarded by the state, in face of the enormous economic investment that it would require. Instead, it became obvious that the easiest and cheapest method would be to purchase the crops from the Africans through the itinerant Indians, who henceforth became agents of the commercial firms¹⁵. Thus, the Indians gradually monopolised the whole of the inland trade, and have been regarded "the vanguard of European capitalist penetration into the region" in view of their importance in the trade networking that linked the African producers to the European export firms¹⁶.

The French firms of Augustin Fabré & Fils and Mante Frères & Borelli de Régis Ainé, in Mozambique Island since the 1850s, opened their offices in Quelimane in 1868, to market oilseeds in the region. Soon the Vereenigde Oost Afrikaanische Compagnie, the German firms of Wilhelm Philippi & Co, Fried Scheed, and Deuss, Vertin & Co, and by numerous other European and Indian commercial houses joined them. Coconut and copra, sesame and groundnuts became Quelimane's main exports. Not surprisingly, the colonial state instituted the systematic collection of *mussoco*, the nominal head tax, to be paid in kind or money, and later in labour as well¹⁷. Concerning imports, there occurred adjustments in the consumption of import goods. Cotton textiles and beads were joined by weapons and alcohol as the main currency.

¹⁴ V. ALEXANDRE, *Origens do Colonialismo Português Moderno*, Lisbon, Sá da Costa Editora, 1979, vol. III: 55-56.

¹⁵ J. BUCHANAN, *The Shire Highlands*, London, William Blackwood and Sons, 1885: 17.

¹⁶ M.V. JACKSON, *European Powers and South-East Africa: A Study of International Relations on the South-East Coast of Africa, 1796-1856*, London, Longmans, Green & Co, 1942: 96, 99-100.

¹⁷ Decree of 22 December 1854 established *mussoco*, the head tax in Zambezia. J. J. da SILVA, *Índice Remissivo da Legislação Ultramarina, desde a época das descobertas até 1902 inclusivé*, Lisbon, n.d.: 222. For Indian participation in *mussoco* collection, see L. PINTO TEIXEIRA, *The State, Taxes and People Control...*, *op. cit.* For the introduction of taxation in Mozambique see J. NEGRÃO, *One Hundred Years of African Rural Family Economy. The Zambezi Delta in Retrospective Analysis*, Ph. D. thesis, University of Lund, 1995; M. NEWITT, *A History of Mozambique*, London, Hurst & Co, 1995, ch.15; S. ISHEMO, "Forced Labour, *Mussoco* (taxation), Famine and Migration in Lower Zambezia, Mozambique, 1870-1914", in A. Zageye & S. Ishemo (eds), *Forced Labour and Migration. Patterns of Movement within Africa*, London-Munich-New York, Hans Zell Publishers, 1989: 109-158; L. VAIL & L. WHITE, *Capitalism and Colonialism*, *op. cit.*; C. SERRA, *A Introdução do Capitalismo na Baixa Zambezia e Emergência do Sistema de Plantações (1879/1915): Alguns apontamentos para reflexão*, Maputo, Universidade Eduardo Mondlane, march 1979, mimeo; A. ISAACMAN, *Mozambique: the Africanization of a European Institution: the Zambezi Prazos, 1750-1902*, Madison, University of Wisconsin, 1972.

Working for the European export firms and for wealthy Indian houses, the Indians became the linking figures in the hinterland, maneuvering between the African producers and the export firms¹⁸. Indeed, it is during this period that their economic standing in Zambezia becomes increasingly apparent. Specializing on the *prazo* trade, they secured their share of the crop or of the commodities by advancing trade goods on credit. Most of them were small-scale traders, *caixeiros*, the salesmen who worked for merchants and trade firms, and itinerants working for the export firms, who moved inland, peddling and establishing mobile or fixed market spots, trade shops and *boticas* (stores). Africans traded with them export products such as groundnuts and oilseeds, ivory, beeswax and rubber. Rice, beans, sugar cane, cassava, millet and corn were also exchanged for the imported products offered by the Indians. Cotton cloth was mostly valued. Alcoholic beverages and firearms were highly valued, as well, but ornaments and general utensils were also exchanged for small quantities of the export commodities.

The growth of Indian merchant activity in Zambezia was directly connected to the development of the export trade in oilseeds and groundnuts. Indians were active in the expansion of the commercial system in Zambezia, and in the area of informal credit extension. Although no data are yet available neither on the scale of the Indian trade network nor on the volume of their trade, several studies indicate the growth of the export and import trade and of the maintenance of its volume during the 1880s¹⁹.

The sharp rise on the value of Quelimane trade from mid-1870s to the early 1890s is clear by looking at some figures. In 1875, imports totalled 100 *contos de reis*, and exports to 98. At the close of the decade, in 1879, imports amounted to 259 *contos de reis* and exports to 142, and despite slight variations, the increase of trade remained consistent. By 1884, imports totalled 465 *contos de reis* and exports 287, and in 1892, 685 *contos de reis* and 570 respectively²⁰.

Oilseeds and groundnuts

As the trade in slaves and ivory declined, peasant-produced crops became increasingly important to the regional economy of east-central Africa, including that of Mozambique. It was a period of economic changes and adjustment to the new

¹⁸ J. BUCHANNAN, *The Shire Highlands*, *op. cit.*: 17.

¹⁹ See L. PINTO TEIXEIRA, *Trade and Commerce...*, *op. cit.*; J. NEGRÃO, *One Hundred Years...*, *op. cit.*; A. RITA-FERREIRA, "A Sobrevivência do Mais Fraco. Moçambique no 3º Quartel do Século XIX", in *Reunião Internacional de História de África: Relação Europa-África no 3º Quartel do Século XIX*, Lisbon, 1989: 299-347; A. CHILUNDO, "Quando Começou o Comércio das Oleaginosas em Moçambique? Levantamento Estatístico da Produção e Exportação no Período entre 1850 e 1875", *Cadernos de História* (Maputo, Universidade Eduardo Mondlane), 7, 1988: 107-123; G. LIESEGANG, "A First Look...", *op. cit.*; C. SERRA, *A Introdução do Capitalismo...*, *op. cit.*

²⁰ See Tables 3.1., "Growth of Quelimane Trade, 1875-1893", and 3.2., "Value of Quelimane exports, 1881-1892, in reis", in L. PINTO TEIXEIRA, *Trade and Commerce...*, *op. cit.*: 141 and 198 respectively. See also W.M. CHURCHILL, *Report on the Trade and Commerce of the Consular District of Mozambique for the Year 1893*, FO, Annual Series no.1463, 1894: 7, and G. LIESEGANG, "A First Look...", *op. cit.*: 482 and 489.

commercial objectives. In the 1860s, exports of vegetable oils such as sesame, peanuts and copra, totalled an annual average of 178 tons, a sum that increased sharply to 1,318 tons in the following decade. Sesame went from forty-seven tons to 396 tons, peanuts from eighty-eight to 755 tons, and copra from forty-three to 167 tons²¹.

In lower Zambezia, the rapid development of agriculture had repercussions on the local trade, and on the import and export trade. The growth on the value of exports was also connected to the 1877 tariff reform and to the establishment of a new marketing system. The revision of the tariff, which reduced the export duty on exports and imports, stimulated the growth of the export trade, thus increasing the colonial revenues. In 1875, when peasant production of oilseeds was expanding, the value of Quelimane exports was 98:000\$000 *reis*, with the bulk of the trade in ivory and hippo teeth. A few years later, in 1881, the district's total exports stood at 364:000\$000 *reis*. In 1881, the 1877 tariff was revised, increasing the export duties on all imports and exports ranging between 33 percent and 1.000 percent for imports, and in the export tariff from one percent *ad valorem* to five percent *ad valorem*. Notwithstanding these changes, the value of Quelimane exports maintained an average of 380:000\$000 *reis* until the new 1892 tariff. In that year, which may be considered the final year of free peasant production, the value of Quelimane's exports was 507:675\$065 *reis*²².

Quelimane exports consisted of oilseeds and groundnuts, such as sesame seed and copra, indiarubber, beeswax, ivory, gold dust, sugar and local native tobacco. The oilseeds, indiarubber and wax were exported to England, France, Germany and Holland; the ivory to Bombay, England, and Germany; gold-dust to Bombay; sugar to Portugal; and tobacco to other places in the province of Mozambique. Imports consisted of cotton cloth, printed textiles, beads, utensils, timber, rum, provisions, wines, salt fish, flour, Mauritius sugar from India, empty bags, and a series of articles for European domestic or personal use²³. Likewise, the main importers were the European and the Indian firms, and most imports were bartered for produce to be exported. Indians imported from Bombay the cheap cotton that formed the large bulk of imports, provisions and sundries for domestic use, and also "the hundred and one small articles sold in retail"²⁴.

The boom in agricultural production did not occur evenly in Zambezia, due in part to geographical factors such as the quality and irrigation of the soils, ecological factors like droughts, which obviously affected crop productions, and internal factors linked to the social-political instability caused by the Zambezi Wars (1840-1870s/1902) and the imposition of *mussoco*²⁵. Oilseed and groundnut produc-

²¹ J. NEGRÃO, *One Hundred Years...*, *op. cit.*: Table 1, p. 255, based on data collected by G. LIESEGANG, "A First Look...", *op. cit.*

²² F. CARVALHO, *Distrito de Quelimane: Relatório do Governador, 1911-1912*, Lourenço Marques, Imprensa nacional, 1912: 102-103.

²³ W. M. CHURCHILL, *Report on the Trade...*, *op. cit.*: 19-20. See also G. LIESEGANG, "A First Look...", *op. cit.*: 470-71.

²⁴ W. M. CHURCHILL, *Report on the Trade...*, *op. cit.*: 20.

²⁵ For an excellent summary of what was at stake during the Zambezi Wars, see M. NEWITT, *A History of Mozambique*, *op. cit.*: chs. 12-14. See also L. PINTO TEIXEIRA, *Changes over time: alterations on the social-economic structure of Zambezia in the transition to the Portuguese colonial system in Mozambique*,

tion was thus exclusive to the Zambezi delta until the turn of the century when it began in upper Zambezia. Whereas the delta population adjusted to the new times and responded to the new market opportunities, in the middle Zambezi region, the area to the west of the Lupata Gorge and the Shire, and in upper Zambezia, the steady end of the slave trade did not give rise to agricultural commodity production. Here, the old forms of trade remained for a long period still, with an increased dependency on the ivory trade. This was the result of the partial depopulation of the *prazos* in consequence of the slave raidings and the Zambezi Wars, but there was also an economic reasoning, since the cost of transportation and the distance to the coast did not make the trade in oilseeds a profitable venture. Consequently, the Zambezi delta witnessed a much faster growth in peasant prosperity than the valley and upper Zambezi regions.

The cost of transportation was a very limiting factor. Long-distance trade in particular depended upon the mobilization of an enormous work force, and its drawbacks, namely the length of the route, the danger and the hard work involved, were severe. Nevertheless, profits were considerable, this being one of the reasons why long-distance caravan trade has persisted over time.

In northern Mozambique, agricultural products were carried over distances of more than 150 kilometres to the coastal ports by both traders and peasant producers. Hence, longer distances limited the profitability of a production area for oilseeds and cereals to the coastal areas. On the other hand, non-perishable products that could be transported over longer distances, since their price in relation to bulk and weight was higher, remained valuable inland export goods, thus securing a much desired profit for the caravan traders. As such, beeswax, salt, textiles, tobacco and ivory were the goods mostly traded in the interior. Ivory remained the most important commodity until the mid-1880s when it became scarce. In Tete district, the trade in ivory had been the mainstay of commerce. However, the scarcity of elephants as a result of massive elephant hunting expeditions and the re-routing of the ivory caravans to the northern routes of east Africa led to their close extinction. Local trade in ivory, rubber, beeswax, and also in foodstuffs supplied to the caravans suffered from this re-routing and was almost extinct at the close of the 1890s²⁶.

In Zambezia, we can distinguish two economic periods in the last three decades of the century. A first period, from the 1870s to 1892, during which peasant production of commodities and foodstuffs and peasant gathering of export commodities such as rubber and wax increased, and a second period from 1892 to 1901, which indicates a steady decline in exports through Quelimane, hence in peasant production. In 1886 a sharp decline in exports reflected a temporary

1850-1910s, presented to the Centro Brasileiro de Análise e Planejamento/Cebrap, São Paulo, 17 September, 2003; J. CAPELA, *Donas, Senhoras e Escravos*, Porto, Afrontamento, 1995; R. PÉLISSIER, *História de Moçambique. Formação e oposição 1854-1918*, Lisbon, Editorial Estampa, 1994 [1st French ed. 1984]; H. LEROY VAIL & L. WHITE, *Capitalism and Colonialism...*, *op. cit.*; S. ISHEMO, *Prazos, Capital and Patterns of the Zambesian Social Formation, c.1850-c.1890: a tentative analysis*, Manchester, University of Manchester, 1978, mimeo; A. ISAACMAN, *Mozambique: the Africanization op. cit.*

²⁶ AHM/CZ, Pasta 9, "Relatório Anual 1898", Mariano Machado to Administração Central.

decline in peasant activity, and the effects of the re-routing of the ivory caravans to the northern routes. The decline in peasant activity was associated to the introduction of *musso* taxation and the subsequent uprisings and migrations that began in the late 1870s, which spread during the 1880s in the *prazos* of the Shire and the right bank of the Zambezi and through the 1890s all over Zambezia. As expected, peasant agricultural production was disrupted.

Other factors also contributed to the instability of the 1880s. Gerhard Liesegang has suggested that the developments in the Atlantic capitalist system, namely the difficulties in the markets where the raw materials were sold, and ecological crisis such as droughts, were the main reasons for the crisis²⁷.

The prosperous period that had begun in the early 1870s came to an end two decades later. The impact of the decline in the exports of oilseeds, rubber and ivory affected the Africans, the Indians and the export firms. At the close of the century, the Marseilles firms that had led the export market were no longer among the most important commercial houses of Quelimane.

Partners in business

Gray and Birmingham have noted that during the late-nineteenth century transitional period, when market-oriented trade was still in an embryonic stage, the populations of central and eastern Africa lived in varying levels of dependence on subsistence agricultural production and market exchange, and that subsistence-oriented trade often continued to co-exist with an incipient, developing commerce²⁸.

In Zambezia, where the presence of a marketing tradition connected with the trade in ivory and slaves already existed, there developed a strong marketing system connected with the trade in oilseeds and groundnuts and peasant-gathered export commodities. The extent of the vegetable oil trade and, by implication, the prosperity of a trade system that involved all sectors of the social and economic system was largely a response to external stimulus. Indeed, as western demand for colonial commodities increased, so too did their local production and consequently their marketing, thus contributing to changes in the local economy.

During the oilseed period, arguably the most visible phase of market-oriented trade in the period covered here, the production of export goods by African agricultural producers, hunters and gatherers was a response to an external economic stimulus. Nevertheless, subsistence agriculture remained predominant on their lives.

African response to the oilseed trade is a clear example of their receptivity to economic change. In fact, the boom in agriculture would not have occurred at all without their participation. The development of Zambezia's inland trade, by way of itinerant traders and periodic *feiras* (markets), followed the export market course. The itinerants and petty-traders contributed to foster commerce by providing goods usually unavailable inland. At a higher level of the commercial system, the firms and the

²⁷ G. LIESEGANG, "A First Look...", *op. cit.*: 495.

²⁸ R. GRAY & D. BIRMINGHAM, "Some Economic and Political Consequences of Trade in Central and Eastern Africa in the Pre-Colonial Period", in R. Gray & D. Birmingham (eds), *Pre-Colonial African Trade...*, *op. cit.*: 1-23, 5.

factories also provided goods, by way of their agents, and services, such as transportation, which also contributed to the development of the inland and export trade.

Hence, it could be argued that Africans became producer-retailers, while on the other extreme of the market system, their close trade partners, notably the Indian agents of the export firms, became the key participants in the inland trade because they made this emerging system function. Indians were a vital element in the system, but no more important than the Africans.

A trade relationship with the producer was thus created, as a new field of consumer demand for import goods was encouraged by the inland trade. On the *prazos*, trade operated at different levels. Indigenous trade functioned on an immediate, local level, with the exchange of agricultural products. Free trading between the *prazos* was permitted, which contributed to its expansion beyond the limits of the *prazo*. Africans and the petty traders, the itinerants, the hawkers and *caixeiros* travelled inland and met periodically at the *feiras* where goods and commodities were exchanged and sold.

Zambezia was covered by a web of local and regional trade networks, and the latter circuits touched on the long-distance trade-routes. Markets operated on a local level, but also on a regional and long-distance level. Some were located on the caravan trade routes and constituted the main markets for both local and long-distance trade. They served as provisioning points for the caravans, where they obtained food supplies and trade goods for their journey to the coast. Trade influence must have been felt over large areas, and not only on the markets and the *prazos*. The supply of European and other imported goods expanded rapidly through the regional networks. This explains the increased importance of alcohol, gunpowder and firearms as items of trade, in a system where trade was done by barter, and cloth served as the standard of value.

Feiras were also an incentive to produce the surplus of cash-crop commodities to be exchanged for trade goods. Another aspect of the marketing system was the adaptation to the existing periodicity of the seasonal trade. Indeed, in Zambezia trade remained seasonal, and largely confined to the post-harvest period of the dry season. Most trade licences were thus requested in accordance with the trade season, and were either geographically fixed or divisible. In the first case they regarded the rent of market stalls or market shops, whereas in the latter, the fees covered either local or regional trade, or both²⁹.

It could also be argued that another underlying reason for the licences' periodicity were the overhead costs for the traders. As it happened, the financial strains upon traders included not only the licences, but also the payment of tolls levied by some *prazo* renters, as was the case of Massangano during its heyday from the mid-century until its defeat in 1888. The economic pressure also included the tributes and presents given to the African chiefs with whom traders established social and economic alliances.

²⁹ AHM/Fundo do Século XIX (FSD), Cx 8-29, M2. Ofício 55, Vereador da Câmara Municipal de Quelimane to Governador do Distrito de Quelimane, Quelimane, 5 February 1857; Cx 8-29, M3. Ofício 94, Vereador da Câmara Municipal to Governador de Distrito, Quelimane 25 February 1878. Also, see Tables C1.n "Trade licenses for commercial houses in Quelimane, 1857" and C2., "Trade licenses for the district of Quelimane, January-February 1878", in L. Pinto TEIXEIRA, *Trade and Commerce...*, *op. cit.*: 456-457.

On the other hand, there were cases in which the firms and the leading merchants requested annual licences, which in itself is indicative of their stand in the market. As leaders of the export trade, they could afford annual licences that enabled their agents to peddle their wares on the *prazos* throughout the year, thus further extending their network and developing the credit system that was the basis of the commercial system.

Trade was generally made through barter, as money and its concept were still at a very early stage of development. The emphasis was placed on the product's value, which explains the importance of divisible commodities in the inland trade, since they could be easily measured and divided. As such, cotton cloth, one of the major items of trade if not the standard item, alcoholic beverages and firearms, became common trade units. Yet, and regardless of the item used in the transaction, most trade in Zambezia was done on credit. And here is another aspect of the credit system at work. Although the scantiness of capital may be regarded as an inhibitor to commercial expansion, it proved otherwise as it became a stimulus to the credit networking that linked all sectors involved in the inland trade: the African producers, their trade partners, the Indian itinerants and the *caixeiros*, the Goanese and Portuguese merchants, the *prazo* renters and the colonial officials who were also involved in the inland trade, and finally the European and the Indian export firms.

Overall, though, it was the itinerant who was the central figure, and his response to the marketing system was the participation in periodic marketing as well as the ability to work within long distances of the home base. In Zambezia, the itinerary of the mobile trader included the local *feiras*, but it also extended beyond them to distant locations.

The 1890s: predicted changes

By the early 1890s the colonial state had created the conditions for capital accumulation, and for the establishment of colonial companies, the majority of which were financed by foreign capital³⁰.

³⁰ For a discussion of the development of colonial capitalism in Mozambique, see the contemporary view of António ENES, *Moçambique: Relatório*, Lisbon, Imprensa Nacional, 1893. See also L. Pinto TEIXEIRA, "Changes over time...", *op. cit.*; V. ALEXANDRE, *Velho Brasil Novas Áfricas. Portugal e o Império (1808-1975)*, Porto, Afrontamento, 2000: 147-179; M. NEWITT, *A History of Mozambique*, *op. cit.*: chs.14 and 15; J. Pereira LEITE, "La formation de l'économie coloniale au Mozambique. Pacte colonial et industrialisation: du colonialism e portugais aux réseaux informels de sujétion marchande - 1930/1974", Ph. D thesis, Paris-Ehess, 1989; W.G. CLARENCE-SMITH, *The Third Portuguese Empire, 1825-1975. A Study in Economic Imperialism*, Manchester, Manchester University Press, 1985; A. GUIMARÃES, *Uma Corrente do Colonialismo Português. A Sociedade de Geografia de Lisboa, 1875-1895*, Porto, Livros Horizonte, 1984; G. PRIO, *Commerce, Industry and Empire: the Making of Modern Portuguese Colonialism in Angola and Mozambique, 1890-1914*, Ph. D. thesis, University of California, Los Angeles, 1982; G. PAPAGNO, *Colonialismo e Feudalismo. A questão dos prazos da coroa em Moçambique nos finais do século XIX*, Lisbon, A Regra do Jogo, 1980 [1st. ed. 1972]; C. SERRA, "O Capitalismo Colonial na Zambézia 1855-1930", *Estudos Moçambicano* (Maputo, Universidade Eduardo Mondlane), 1, 1980: 33-52; H. LEROY VAIL & L. WHITE, *Capitalism and Colonialism...*, *op. cit.*; J. CAPELA, *A Burguesia Mercantil do Porto e as Colónias (1834-1900)*, Porto, Afrontamento, 1975.

A shift in Portugal's imperial policy towards a more active participation in the African colonies became clear in the last years of the 1880s. This transformation was obviously not monocausal, but was above all influenced by changes in the economies of Portugal and southern Africa. The colonial interests represented by the Lisbon Geographical Society and the two metropolitan economic sectors, the ascending commercial and industrial bourgeoisies of Lisbon and Oporto, were significant factors of change. Portugal was immersed in a serious financial crisis and in a political turmoil, which doubtless also contributed to the orientation of its colonial policies. Furthermore, the change in the African regional economy brought about by the South African mining revolution was also a major factor of change, stressing the necessity of a state infrastructure capable of securing fixed investment. Concurrently, the 1890 British Ultimatum and the Anglo-Portuguese Treaty of 1891, which finally established Mozambique's modern boundaries, also contributed to the impending changes and to a more assertive local administration.

The main feature of this phase of colonial expansion was the search for markets. The Portuguese cotton textile and the wine industries, constrained by a crisis that had begun in the mid-1870s, became powerful pressure groups lobbying for a colonial expansion that would provide them with markets for their cotton and wine. As it turned out, Angola and Mozambique became the solution to the textile industry's problems, since cotton production was institutionalized to cater to the industry's need of raw material. Southern Mozambique became the major market for the special mixture known as "wine for the blacks" that aimed in particular at the repatriated Mozambican miners working for the South African mining industry. The metropolitan pressure groups also lobbied for the reinforcement of a protectionist tariff. The colonies were penalized in this process since the income that could have been obtained from exports did not stay there but went instead to Portugal. Re-exports through Lisbon were directed by tariffs that were favourable to Portuguese shipping ports, thus leaving foreign exchange in Lisbon rather than in the colonies.

In Mozambique, the answer to the colonial problems was devised by the *Prazos* Commission of 1888 and by the policies adopted in the 1890s, which together indicated the framework for the establishment of a stronger colonial government: highly protectionist tariffs for the colony and the metropolis, such as the colonial tariff of 1892, concessions to colonial companies financed by European capitalism, and the new land, tax, labour, and trade legislation. In short, they formed the basis for the development of a colonial plantation economy in Zambezia, and set the conditions for the take over of large areas of Mozambique by two chartered companies in 1891, the Mozambique Company and the Nyassa Company, financed by foreign capital. Implicit was also the view that the colonial treasury should finance the colony's administration and economic development. Hence, part of the solution rested on customs revenues. Export and import taxes were increased as a revenue-raising measure, which in itself is symptomatic of the manner by which the financing of the colony was conducted. Foreign investment in the *prazos* was also sought. The regulations also imposed trade restrictions.

For Zambezia, the solution was clear: it was necessary to secure territorial control and proceed with an economic investment that favoured the development of a plantation economy. The recommendations of the *Praço* Commission were in

this direction, and were soon enacted by the new legal and judicial system imposed in the 1890s, in particular the so-called Antonio Enes legislation (the 18 November 1890 decree and the *Regulamento* of July 7, 1892). Basically, the legislation established that the *prazos* were to be divided into two classes, depending on whether they were already pacified or not. In either case *mussoco* was to be collected. As for trade, the renters were theoretically expected to allow free trade in the *prazos*. Trade itinerancy was forbidden, and stipulated fairs were designated as business locations which required trade licences, while the peasant producer kept a free hand at choosing where to sell his surplus produce.

However, the facts turned out quite different. The emphasis was put upon the periodic markets at circumscribed areas. At the *prazos*, the traders were forced to accede to the renters who charged them a fee that was either a percentage of their profit, usually eight percent, or a stipulated rent, in return for the (illegal) permission to trade in their domains.

As expected, these measures also affected the Africans, who were forced to sell their produce to the renters or to the traders for the price that was offered to them, and which was usually much lower than the market value. However, the major objective of this measure was the eviction of the Indians. In a period when a wave of Portuguese settlers was arriving in Mozambique and more were expected to come, Indians were regarded by the state and by the Portuguese merchant class as an economic threat and even as the commercial enemy in Zambezia. Antonio Enes himself held that the “renewed invasion” of the Indians was the cause for the decline of the European merchants³¹. This fear was rooted in economic competition. In Zambezia, the flexible Indian trade network facilitated their business with the Africans. It also facilitated commerce in terms that others could hardly achieve. It should be recalled that the Indians were also proprietors of rural and urban estates and that their money-lending business extended beyond their community.

The immediate result of the legal restraints imposed by the new trade legislation was the need to set up shops at the *prazo* fairs. However, the pattern of trade retained its characteristics. Nevertheless, and as expected, the new legislation had a strong impact on the traders, especially on the Indian petty-traders. This impact was vividly described by W. M. Churchill, the British Consul at Mozambique Island, who in 1893 attested that the *prazo* regulations, by practically creating trade monopolies in the *prazos*, had affected trade, in particular the current of trade coming from the country north of Quelimane. The legislation also had an effect on the British Indians, who for years had been the chief intermediaries between the African producers and the European exporters,

“These [the Indians] spread over the country, built their grass stores in native villages and on the banks of rivers, bartered their small stores of trade goods with the natives, and sent the results of their dealing to the coast in canoes, boats, or lighters. Many have gone back to India, and others are coming into the town itself and have taken service for low wages in the shops of their wealthier brethren to wait for better times. Many others have gone up the Zambezi and Shire, where there is greater freedom of trade than in the region north of Quelimane [sic].”³²

³¹ A. ENES, *Moçambique. Relatório, op. cit.*: 33-34.

³² W.M. CHURCHILL, *Report on the Trade...*, *op. cit.*: 21-22.

Elsewhere I have argued that overall Indians reacted positively to the restraints imposed on their commercial activities, in spite of the interpretation that contends that they were crushed in the early 1890s. Instead, I suggested that they responded positively to the new economic challenges. The numerous requests for trade sites at the pre-established *prazo* fairs in Quelimane district, and the contracts for trade monopoly at some *prazos* of the Zambezia Company established between the company and two leading Indian merchants of Quelimane, confirm that they indeed maintained their economic activity³³. On the other hand, the contracts established with leading merchants Damodar Anandgi and Agy Taibo Agy Selemane were part of a strategy devised by the company to secure a share in the *prazos'* yearly revenue³⁴.

Indians were not alone in this process. The contemporary records show a substantial volume of trade partnerships established in the two last decades of the century. Given the validity of the contracts, from one to five years, we can probably assume that perhaps most traders were being cautious in face of the economic insecurity of these years³⁵.

Let us take some examples, as they illustrate my argument, that overall the threats to economic activity were not absolutely effective. In 1887, the long established Quelimane merchants João A. Correia Pereira and Carlos Nandim de Carvalho, renters of *prazo* Mahindo since 20 March 1886, formed Correia & Carvalho on 18 February for agricultural and industrial enterprise in their *prazo*. The society was renewed in 1888³⁶. In this year, the Quelimane merchants Victorino de Mello and Valleggy Mussagy set up a firm at Tete³⁷, and Dande Mamade and Fakir Mamade renewed their partnership with which these two Quelimane brothers had been operating at Bazar, on *prazos* Andone-Anguaze. In 1890, the house of Abdul Ramane Camissá opened in Quelimane as a result of a new partnership³⁸, and Mamud Bay Ussen and Valleggy Bay Faquir, two Quelimane brothers, legalized a partnership that already existed, under the commercial name of Mamud Bay Ussen³⁹.

³³ Cf. The discussion in L. Pinto TEIXEIRA, "Changes over time..." and *Trade and Commerce...*, *op. cit.*

³⁴ AHM/CZ, Pasta 9: "Contrato entre a Companhia da Zambézia e a firma commercial de Damodar Anandgi...", 31 December 1899, and "Copia do Contrato entre a Companhia da Zambézia e Agy Taibo Agy Selemane", 15 February 1899. See also L. Pinto TEIXEIRA, *Trade and Commerce...*, *op. cit.*: ch. 4.

³⁵ AHM/Quelimane: Cod.11-5846 Gh5, 1886-1888; Cod.11-5847 Gh5, 1888-1890; Cod.11-5848 Gh5, 1890; Cod.11-5849 Gh5, 1890-1892; Cod.11-5850 Gh5, 1892-1893; Cod.11-5851 Gh5, 1897-1898; Cod.11-5852 Gh5, 1892-1899; Cod.11-5853 Gh5, 189; Cod.11-5856 Gh5, 1899; Cod.11-5861 Gh5, 1897. AHM/Sena: Cod.11-5872 Gh5, 1894-1897; Cod.11-5873 Gh5, 1897-1898; Cod.11-5879 Gh5, 1896-1897.

³⁶ AHM/Cod.11-5847, Cartório Notarial de Quelimane, fls.lv-4v, Quelimane, 18 February 1888.

³⁷ AHM/Cod.11-5846, Cartório Notarial de Quelimane, fls.40v-42, Quelimane, 16 January 1886.

³⁸ AHM/Cod.11-5849, Cartório Notarial de Quelimane, fls.16v-19, Quelimane, 23 June 1891.

³⁹ AHM/Cod.11-5847, Cartório Notarial de Quelimane, fls.83v-84v, Quelimane, 18 January 1890.

The following year, more firms appeared. Faria & Cia, established by the Quelimane merchant Antonio R. Faria Guimarães⁴⁰, and Pinto & Rodrigues, a firm from Mozambique Island, opened a branch in Quelimane headed by Albino Nunes da Silva, a local merchant. On 11 November 1892, the firm was extinguished, and the Quelimane house was transferred to Albino Silva. Also in 1891, Pereira, Dulio & Cia was established in Quelimane, to operate in Zambezia, especially on the *prazos* along the Shire. The firm also expanded beyond Zambezia. On 11 November 1892, one of the partners, Francisco Dulio Ribeiro, signed a contract with Henrique Carlos Lima to open a branch of Dulio Ribeiro in Beira. The terms of the partnership were renewed on 12 July, 1893, only this time the objective was to open trade stores at the *prazos* of the Mozambique Company. In the same year, the German entrepreneur Carl Wiese raised capital and joined Pereira and Dulio, forming Pereira, Dulio & Wiese. He left the firm in 1895, which became once again Pereira, Dulio & Cia in January 1896. Notwithstanding its importance in the market, in 1900 the firm was no longer operating in Tete⁴¹.

On 3 August 1897, the British merchant of Quelimane, Charles Achilles Chasting and Jayme Arthur de Moura, a Tete merchant, formed Chasting & Moura, at Tete. The contract was good for five years, but the firm only lasted one⁴².

These contracts also make it clear that at the close of the century the new firms were no longer limited to specific areas of Zambezia. Quelimane and the delta region remained important, but Tete was no longer a primary destination. This region was seriously hit by the changes that occurred in this period and also by the effects of the re-routing of the ivory caravans to the northern routes. By 1898, the volume of trade at Tete was at its lowest. In Macanga, the Zambezia Company's western territory, trade in gold and ivory had almost disappeared⁴³.

For most of the century Zambezia had been subjected to mercantile capitalism: slave and ivory traders and the agents of the vegetable oil market, the Indian traders and the European export firms, some of which later became *prazo* companies. However, the major plantation companies like the Sena Sugar Estates, the Companhia do Boror, Société du Madal and the Companhia da Zambézia were creations of the 1890s.

These companies were a vehicle for territorial control, which in practical terms represented the control over the Africans, i.e., over taxation and labour. Established in 1892, the Zambezia Company developed a policy of territorial occupation that met the objectives of the state. This was only possible because the reformation of

⁴⁰ AHM/Cod.11-5849, Cartório Notarial de Quelimane, fls.7v-8, Quelimane, 20 January 1891.

⁴¹ AHM/Cod.11-5850, Cartório Notarial de Quelimane, fls.16v-18, Quelimane, 12 July 1893. C. WIESE, *Expedition in East Central Africa, 1881-1891: A Report*, edited and commented by H.W. Langworthy, Norman, University of Oklahoma Press, 1984: 14.

⁴² AHM/Cod.11-5861, Cartório Notarial de Quelimane, fls.3-5v, Quelimane, 3 August 1897.

⁴³ AHM/CZ, Pasta 9, "Relatório Anual 1898", Mariano Machado to Administração em Lisboa; AHM/CZ, Pasta 9, "Carta", Mariano Machado to Administração Central, Quelimane, 12 July 1899, p. 20. Also, W.M. CHURCHILL, *Report on the Trade...*, *op. cit.*: 22.

the *prazos* and the trade legislation of the 1890s created the conditions for the establishment of a trade monopoly controlled by the *prazo* renters. In the early days of the colonial companies, trade remained the dominant economic activity in Zambezia. For the company, traders were regarded as the immediate solution to territorial occupation⁴⁴.

* * *

In Zambezia, where the presence of a marketing tradition connected with the trade in ivory and slaves already existed, there developed a strong trade system connected with the trade in oilseeds and groundnuts and peasant-gathered export commodities. The extent of the trade in vegetable oils and, consequently, the prosperity of a trade system that involved all sectors of the Zambezia social and economic system was largely a response to external stimulus. The economic boom of the 1870s and 1880s would not have been possible had it not been for the Africans' response to European stimulus, which in itself suggests receptivity to economic change. This situation was by no means unique to Zambezia, as Africans had been responding to such economic stimuli for centuries. In the late 19th century, a series of factors affected the regional economy of eastern southern Africa and contributed to the economic boom of the period, namely the discovery of diamonds and gold in South Africa, the establishment of railways, the opening of the Suez Canal, and the establishment of colonial and chartered companies and of effective colonial rule, among others, which in turn speeded the establishment of colonial capitalism in the region.

However, despite the Africans' adaptation to the significant changes in the economy, and their responses to the market opportunities, subsistence agricultural production remained the predominant economy of the *prazos*. Africans became producer-retailers at a subsistence level, while at the other extreme of the market system their close trading partners, the Indian agents of the European and Indian firms, became the key elements for the functioning of the inland trade system.

In Zambezia, where the access, holding and transmission of land were ruled by customary laws which also shaped its social and political life until the colonial legislation began to impose changes in the late 1800s, inland business was subjected to the guidelines established by the paramount chiefs. In other words, neither the commercial firms nor their agents had a free hand in their trading relations with the Africans. If trade was to take place, it became necessary, even vital, to establish strong and lasting alliances with the African kingdoms. Overall, Indians grasped this situation, and established kinship and economic alliances with the Africans, which strengthened their trade networking. The alliances, however, were not the only factors for their success. Their resourcefulness and diligence worked in their favour, as did the Africans' increasing dependency on import goods, as items of European manufacture entered their markets and western commodities expanded. Indeed, as trade developed in the *prazos*, the position of the Indians and of the firms strengthened, while a relationship of interdependence between both the

⁴⁴ For an analysis of the Zambezia Company's strategy in its early years, see L. Pinto TEIXEIRA *Trade and Commerce...*, *op. cit.*: ch. 4.

African producers and the foreign traders emerged, whereby both participants came to appreciate what the other had to offer.

The boom in agriculture production, however, did not occur evenly in Zambezia, mainly due to geographical factors such as the quality and irrigation of the soils, to ecological factors like droughts that obviously affected crop productions, economic factors such as the state of overland and river transportation and the distance to the coast, and geo-political factors such as the instability caused by the Zambezi Wars and the imposition of *musso*. Oilseeds production was thus exclusive to the Zambezi delta until the turn of the century when it also began in the middle and upper Zambezi regions. The delta *prazo* population adjusted to the new times and responded to the new market opportunities, but in the valley and in upper Zambezia the old forms of trade persisted.

The changes in the colonial policies that began in the late 1880s had profound consequences in Zambezia, and the ensuing new colonial legislation was indicative of a shift of the state's strategy vis-à-vis the colonies. The state was prepared to create an infrastructure that would protect and promote the Portuguese economic interests, and above all, the colony's development. The colonial legislation of 1890-1892 promulgated by Antonio Enes, which created the conditions for the establishment of a plantation system controlled by the colonial companies and for the exploitation of the Africans through *musso*, who henceforth lost their autonomy, was the beginning of such change.

The new legislation had a strong impact in Zambezia, where the decline in peasant production and consequently in the export of oilseeds, rubber and ivory was felt, affecting both the Africans and the purchasers of their products, the Indians and the export firms. At the close of the century, the French firms that had led the export market were no longer among the most important commercial houses of Quelimane, and the petty traders, especially the Indian itinerants who, until then, had been the central figure in the inland trade, were restricted from trading in the *prazos*, whilst the *prazo* renters and the *prazo* companies expanded a *de facto* trade monopoly over their territory. However, Indians reacted positively to the policy of economic discrimination against them and to the new economic challenges. As expected, the petty traders were the group who suffered the most. Some moved to nearby British territories, others went back to India, while others remained in Zambezia, where they began working for their better-off kin or for the colonial companies. The leading Indian merchants retained their place in the market system, and expanded their business beyond Zambezia and northern Mozambique towards the south and into nearby South Africa. In a decade of structural changes, the Indian-dominated trade network revealed itself necessary for the establishment of effective colonial rule and business enterprise, as the administrative and commercial strategy adopted by the new colonial companies well illustrate.

15 May 2007

Luisa PINTO TEIXEIRA

University of Oxford