

**Chapter 6****Mutual Evasion between Afghanistan and the Global Marketplace****The Sethis of Peshawar and the British Recruitment of Secret Asiatic Agents**

The Sethis of Peshawar are the city's most renowned and historically active family trading firm. The Sethi firm was based in Peshawar and had branches of operation throughout India, Afghanistan, Central Asia, and beyond in the nineteenth and early twentieth centuries. According to senior representatives of the family interviewed in 1995, the family migrated from the town of Bhera in the Punjab to Chamkani, a village suburb a few miles east of Peshawar, during the period of Sikh rule.<sup>1</sup> At that time the family is said to have dealt in karakul wool, copper, gold thread, skins, Russian crockery, dried fruit, and, especially tea and timber. Branches of the Sethi family business in Shanghai and Vladivostok organized the export of Chinese tea to Central Asia via India and Afghanistan.<sup>2</sup> The Sethis indicate that Abd al-Rahman granted their family the right to lease the Jaji forest in the Paktia province of eastern Afghanistan from where they exported timber through Parachinar to Thal in British India.<sup>3</sup> In Kabul the Sethi business house and serai complex was located in the southeastern section of the city near the masjid-i hamam in Shor Bazaar and the two streets where the Hindu population was concentrated, *guzar-i kalan* and *guzar-i khurd*. In Peshawar, the center of their mercantile network, the Sethis funded the construction and renovation of many mosques and bridges. A number of Sethi families residentially congregated in a section of Peshawar now known as the *mahalla Sethian*.<sup>4</sup>

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The Sethis employed a number of agents who resided in the cities where family business branches existed. It is unclear whether these agents were Sethi family members or contracted employees. In Kabul the Sethis' gumashta or trading agent was "very friendly with Amir Abd al-Rahman, and frequently visited him in the hamam" or bathhouse.<sup>5</sup> The head of the Sethi family, who represents the merchant capitalist known as a shah, sahuakar or sarraf in Markovits' model of the Shikarpuri firms, is said to have received correspondence directly from Abd al-Rahman.<sup>6</sup> The Sethis and their local agent in Kabul did not suffer the same kind of confiscations and seizures of merchant capital as experienced by a number of other Indians living and working in Afghanistan during the reign of Abd al-Rahman. Instead of being mulcted the Sethis were favored by Abd al-Rahman, and their family firm and its agents apparently prospered in other fluid political environments Central, South, and East Asia.<sup>7</sup> During the nineteenth century an agent of the Sethi firm in Central Asia is said to have been in direct correspondence with the Viceroy of India.<sup>8</sup>

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The commercial experiences of the Sethi family firm and its agents draw attention to the importance of Peshawar as a site of information collection and dissemination concerning Afghanistan. To understand why Peshawar assumed the role of a depot for intelligence about Afghanistan, a trait still very much in evidence today, it is important to appreciate the dearth of information supplied from Kabul during the reign of Abd al-Rahman. As per the terms of the agreement between the British and Abd al-Rahman, the latter received a Muslim Indian as the representative of the British Government to his court.<sup>9</sup> The British Agent in Kabul faced severe restrictions in all areas of communication outside of the rigidly controlled public setting of Abd al-Rahman's court. The Agent's movements were increasingly restricted and the people with whom he talked or exchanged correspondence were often subject to severe punitive sanctions. Colonial officials in India referred to the British Agent in Kabul, even "under the best circumstances (as) a second rate reporter."<sup>10</sup> 3

Abd al-Rahman used a variety of methods to discourage and restrict communication with the British Agent in Kabul. For example, the Agent was once visited at his residence by an uncle who was subsequently executed and dismembered and whose remains were placed in public view by Abd al-Rahman as an object lesson to others.<sup>11</sup> Subsequent to these events the British Agent in Kabul advised two local agents of a Peshawar merchant not to visit him for fear of such reprisals.<sup>12</sup> However, the intelligence needs conditioned by the "Great Game" competition between England and Russia over mutual imperial advances in Afghanistan and Iran could not be measured by merely a few non-European lives lost. Therefore, the British Indian Government directed the Peshawar merchant in question to have his agents continue to call on the British Agent in Kabul. The colonial agenda was to gain access to the networks of information converging on Kabul, and it was with great disappointment that authorities in British India noted the near stifling of commercial intelligence from that crucial site early into Abd al-Rahman's reign. For example, by 1885 estimates of the declining state of Indian exports to Central Asia had become extremely vague: 4

Most of the goods which are sent to Central Asia from India go by Kabul . . . [and] it is impossible to say what portion of the goods crossing the frontier into Kabul is sent forward to the Central Asian markets. After they pass the frontier they are lost sight of, and all that can be ascertained in regard to the Central Asian trade is what is said by traders at Peshawar.<sup>13</sup>

In May 1884 Henry Mortimer Durand, whose name symbolizes the eastern Anglo-Afghan boundary, the so-called Durand line of 1893, commented about the state of Central Asian intelligence: "At present our information is undoubtedly very defective, and we cannot afford to let it remain so."<sup>14</sup> As part of the larger colonial effort to recoup lost sources of data concerning Afghanistan, Durand offered eight specific comments on a report prepared by Charles MacGregor regarding the means of procuring better intelligence from and about 5

Central Asia.<sup>15</sup> One of MacGregor's seven potential sources of information fell under the heading "Secret Asiatic Agents," and Durand's first comment about MacGregor's entire report honed in on this category in the following way:

We often get really valuable information from Peshawar. There is a large trading community, and other means of collecting information are not wanting, both with regard to Afghanistan and with regard to northern countries.<sup>16</sup>

In his capacity as Secretary to the Foreign Department of the Government of India, Durand commissioned the Punjab Government to prepare a list of British Indian subjects active in the Central Asian trade. This query resulted in an inventory prepared by Gulab Khan for the Lieutenant Governor of the Punjab. In this catalogue of seventy-seven possible recruits for the colonial regime there were fifteen "natives of Peshawar," four of who were Sethi family members.<sup>17</sup> There are number indications that members of the Sethi family and/or their agents were successfully recruited as "Secret Asiatic Agents" by the British. One convincing piece of evidence supporting that conclusion is a 1914 report submitted to the Viceroy of India by Haji Karam Elahi Sethi on his life and travels.<sup>18</sup> In this short autobiography Karam Elahi claims his ancestors "wholly and solely carried on trade in Bukhara, Samarkand, and Afghanistan," and mentions:

. . . [a]bout 500 men from Peshawar, Attock, Nowshera, Makhad, and Shahpur district conduct trade mostly in tea in this city (Bukhara). They have started a No. of banks in the country, thereby giving impetus to trade in various forms.<sup>19</sup>

In addition to this commercial intelligence on Bukhara, Sethi's travelogue also provides a glimpse into the flows of various currencies across Afghanistan's boundaries. Chapter 3 of this work discussed the movement of British Indian rupees into Afghanistan, but Sethi here describes a reverse movement of Durrani currency into British India. Sethi journeyed from Kabul, "a beautiful valley and fit for being the metropolis of Afghanistan in every respect," to Parachinar in British territory and commented that:

. . . [t]he route passes between hills and occasional villages where food &c., is easily procurable. Along the way the lands appeared well cropped and cultivated. My halting station, viz., Para Chinar is the last British town resided by a political Agent. It is a great market for fruits, etc. and bartering (sic.) often takes the form of Cabul coin.<sup>20</sup>

Local commercial lore in late twentieth century Peshawar relied heavily on the image of Russian rubles held by the Sethi firm filling the streets as confetti would after the 1917 Soviet Revolution rendered those paper notes nearly worthless. However, quite a different image of the Sethis' relationship to Russian rubles emerges from colonial documents produced in 1920.<sup>21</sup> In this archival file we find Haji Karam Elahi Sethi carrying the new title, Khan

Bahadur, a status achieved in large measure by providing commercial and other forms of intelligence on Afghanistan and Central Asia to colonial authorities. Sethi contacted the Chief Commissioner of the North-West Frontier Province, Hamilton Grant, to seek permission to import 29,22,500 Russian rubles from Kabul to Peshawar.

Sethi claimed the Bukhara branch of his business dispatched the ruble notes to Kabul on or about January 1, 1920. Prohibition on the import of Russian rubles was imposed between then and September 1 when Commissioner Grant wrote the Government of India on Sethi's behalf in pursuit of having the new law waived. Arguments about the security of the ruble notes in the Peshawar Treasury and their serving as payment for goods supplied were to no avail. The Government of India rejected Sethi's plea to import Russian rubles from Afghanistan into India. The denial was based on a stated desire not "to grant any facilities for the movement of ruble notes, which might have the effect of establishing an exchange value for them in Afghanistan."<sup>22</sup> **9**

This aspect of imperial Britain's anti-Russian policy toward Afghanistan was designed to impede the Durrani state's ability to profit from intercurrency exchanges involving rubles, but in practice it also negatively affected bankers in the country whose livelihoods were closely associated with such transactions. The colonial contradiction in this instance was that the bankers were an important source of intelligence for the British, but British monetary policy deprived them of the kind of business that kept them in Afghanistan. In other words, the British policy of inhibiting the movement of Russian rubles through Afghanistan impaired the business presence of Peshawar-based interregional traders like the Sethis and their agents in Kabul. But at the same time, the dearth of information about the region prompted an increased reliance by colonial officials on Peshawri merchants and firms for commercial intelligence about Kabul, Afghanistan, and greater Central Asia. **10**

### **North Indian Tea Trade Circumventions**

We have seen how the Sethi firm shifted its base of operations and the focus of its diverse activities through time. The family firm moved its headquarters from Bhera to Chamkani to Peshawar, and in each location the focus of their enterprise changed from indigo, to tea and wood, to currencies, and finally to fur. It stands to reason that at each stage of its development the firm revised its associations with the various types of agents who served it away from the home base. The Sethis and a number of other merchants and firms based in Peshawar were heavily involved in the tea trade from China and India to Central Asia through Afghanistan. This section concerns the response of a collection of North Indian tea traders and their commercial associates based in Peshawar to Abd al-Rahman's policies and practices regarding the movement of foreign commodities through Afghanistan. **11**

The period of colonial rule in India gave rise to a number of tea plantations in the Himalayan foothills north of Delhi. The tea trade was a blossoming global enterprise during the nineteenth and twentieth centuries that had a substantial impact on producers, merchants, and consumers in a number of regions of the world including China, India, Central Asia, Iran, and England.<sup>23</sup> Before Abd al-Rahman's rule in Afghanistan, a consortium of tea planters from Kangra, Kumaoun, and Dehra Dun were engaged in a lucrative export trade of their products overland through Peshawar and Kabul to Bukhara. They valued their export business at 30,000 maunds per year which, at 95 pounds to a maund, comes to two million seven hundred thousand pounds. Estimating a camel to carry 450 pounds, six thousand camels would have been employed for the long-distance transport of this product to market. First quality Kangra tea sold for 4 annas per pound at the point of production, which meant a cost of approximately Rs. 140 per camel load, and a total investment of Rs. 8,40,000, at the start of the marketing cycle.<sup>24</sup> 12

It is necessary to consider the variety of transit tolls levied by Abd al-Rahman on goods moving through Afghanistan before addressing the tea traders' response to them. In the first instance, the amounts of the transit fees varied, as did the locations of their collection in Afghanistan. Despite the limited information received from and about the country, colonial officials produced two estimates of the transit duties and carriage costs imposed by Abd al-Rahman on the North Indian tea caravans traversing his realm. The first involved five separate impositions the sum of which was Rs. 120 per camel load, and the second comprised eight fees totaling Rs. 106 per tea-loaded camel.<sup>25</sup> In both cases, the transit taxes on camels carrying tea came to over 80 percent of the purchase cost, and it is important to reiterate this was only for the Afghanistan portion of the route. A notable difference between the sums is the varying amounts, methods, and location of their extraction, which collectively reflect a wide and expanding range of techniques employed by Abd al-Rahman to reap dividends from the transport of foreign goods through his territory. In addition to the array of transit taxes levied at various locations in Afghanistan, Abd al-Rahman imposed another set of charges on the overland conveyance of commodities from India to Central Asia. The second category of exactions included: 13

. . . kafilabashi at Peshawar, octroi duty from Dakka to Kabul, customs duty on arrival at Kabul, *goshi*, state brokerage, customs duty on leaving Kabul, kafilabashi for Turkistan, octroi duty from Kabul to Kahmard, *Tangi Khalam* duty, *dahana kocha* Khulum, sarai Mazar, kafilabashi Bukhara.<sup>26</sup>

Regarding these charges, the qafilabashi fees and state brokerage were the most remunerative for Abd al-Rahman.<sup>27</sup> The Durrani Government Caravan Office was overseen by the head qafilabashi or superintendent of caravans.<sup>28</sup> Other state-appointed qafilabashis were found in many villages and towns and in all cities in Afghanistan, and, perhaps most significantly, in Peshawar in British India. The qafilabashis were responsible for arranging, documenting, and 14

taxing commercial traffic to, from, and throughout Afghanistan. Qafilabashi fees were assessed by the animal and varied widely. There were different amounts charged depending on what kind of animal was carrying what type of commodity, and according to the distances, trajectory, and route segment covered. State brokerage was another distinct claim made by Abd al-Rahman on goods in transit through Kabul. A colonial document addressing Abd al-Rahman's perceived strangulation of commercial traffic between Peshawar and Bukhara noted "[t]he precise amount of state brokerage (is not) counted in adding up the total amount of [transit taxes and customs] dues of the whole length of the road."<sup>29</sup> Another source points to a working relationship between Afghan state brokers and octroi officials in Kabul:

. . . when goods arrive in Kabul their value is fixed by those "dalals" who are servants of the Octroi Department, and they add 50 per cent (i.e., things valuing Rupees 100 are considered worth Rupees 150) and the owners have to accept this arbitrary assessment; afterwards the Octroi officials add another 20 per cent making 170 per 100, and tax them accordingly; at the time of the same goods leaving the city an extra duty of different rates is levied on loads. In levying this duty indigo and tea are weighted with their boxes, wrappers, etc. and their value is fixed according to the weight of each load . . . these goods can be divided into three parts, one part consists of piece-goods and pushmeena, another tea, and of the third part half consists of indigo and half peddler's wares. In exchange for these goods one-third or one-fourth of the sale proceeds is brought in gold coins of Russia and Bokhara, and the remainder mostly in silk, horses, charras, and silk clothing made in Bokhara.<sup>30</sup>

The transit taxes, state brokerage dues, and qafilabashi fees imposed by Abd al-Rahman on merchandise moving through Afghanistan were pronounced departures from the commercial scenario envisaged by the British when they appointed their client in 1880. The British opinion about Abd al-Rahman's transit-trade policies and practices reflected some aspects of the reforms Burnes and Trevor made to the Kabul customs house and fiscal registers during the first colonial occupation of Kabul. British officials hoped for, but did not receive two commercial concessions from Abd al-Rahman. First, they wanted to replace the multiple toll posts found throughout Afghanistan with single collection points on each border. Colonial officials also called for a simplification of various rates of taxation then levied according to the kinds, volumes, and method of animal transport with one fixed tax of not more than 5 percent based on a preagreed and consistently applied tariff value for the commodity or commodity group in question.<sup>31</sup> Compared to the approximate 80 percent of purchase cost paid in transit taxes on tea moving through Afghanistan, the 5 percent maximum called for here was rather unrealistic. Ultimately, British officials wound up having to vent among themselves about the state of the Afghan through trade. The benign colonial reflections on this matter included:

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The Amir might be shown from the returns of trade from the last 10 years that trade has practically not advanced in that period although peace has prevailed on

the whole and the pulsing of our railways right up to the Afghan frontier has greatly cheapened merchandise and should have much facilitated trade. This stagnation must be attributed to the heavy transit duties and even still more to the uncertainty of traders as to changes which may at any moment be made to their detriment, and the harassment and extortions to which they are subject by repeated examinations of their goods at various stages in transit.<sup>32</sup>

Such a rational presentation to Abd al-Rahman never occurred, and colonial officials consistently chose not to attempt to affect any real change regarding the transit trade of Indian tea or any other commodity through Afghanistan until after his death in 1901.<sup>33</sup> However, in response to Abd al-Rahman's rather unbridled taxation and confiscation impulses, Indian tea traders diverted their consignments away from the traditional path through Peshawar, Kabul, and Tashkurgan to the sea route via Bombay and Bandar Abbas in the Persian Gulf, then overland through Iran to Meshed and then Bukhara.<sup>34</sup> Peshawri Muslim merchant firms such as the Sethis were prominent as brokers of the North Indian tea trade with Central Asia. No longer relying on their commercial agents and agencies in Kabul, Peshawri Muslim traders and firms arranged for an entirely new routing and handling of tea from the production sites in the Himalayan foothills north of Delhi to Bukhara and the markets of Central Asia. **16**

In Bukhara, Muslim traders and the firms they formed, such as the Sethi trading house, dealt with Hindu merchants such as the Shikarpuris to dispose of North Indian tea routed by sea, seemingly quite far away and immunized from claims emanating from Kabul.<sup>35</sup> The cash garnered by the Hindus in Bukhara from their handling of the tea was remitted to Jews in the city. These Jewish merchants sent the money they received from Hindus in Bukhara to Moscow by telegraph. From Moscow the cash acquired through the sale of North Indian tea in Central Asia was wired to Bombay for payment to the Peshawri Muslim brokers.<sup>36</sup> In this way, the various forms of merchant capital associated with the Central-South Asian tea trade completely circumvented Afghanistan. A significant feature of this arrangement was the cooperation displayed by Hindu, Jewish, and Muslim mercantile communities in Bukhara. **17**

The Peshawar merchants' redirection of their tea consignments to the more circuitous sea route was designed to avoid the enormous exactions made by Abd al-Rahman on the flow of goods through his territory. The northwesterly flows of items such as tea were not the only commercial streams subject to heavy Durrani state impositions. An equally wide array of taxes and duties applied to the southeasterly flow of commodities, and various forms of money received in Central Asia as payment for Indian and other products imported through Afghanistan were particularly targeted by Abd al-Rahman.<sup>37</sup> Abd al-Rahman regularly seized gold and silver bullion and coins or forced unfavorable terms of sale on those holding it, so carrying more than trivial sums of hard cash from Central Asia to India through Kabul would have been financially irresponsible. Iranian merchants also shipped North Indian tea from **18**

Bombay to the Gulf and then on to Bukhara. The Peshawris claimed Iranians in Bukhara were able to sell the same product for 24 to 26 tillas per package, while as a result of Durrani state tax burdens and the need to avoid them they were compelled to charge 36 tillas per package of tea in order for their venture be cost-effective.<sup>38</sup> The new sea routing removed the Peshawris' competitive advantage over Iranians in the Bukhara tea market.

Abd al-Rahman did not express any reservations about the various forms of taxes imposed on Indian goods carried to Bukhara through his territory. In 1885 he communicated with certain Peshawri merchants through their agents in Kabul about the transit-trade situation.<sup>39</sup> Abd al-Rahman expressed entitlement to a share of the profits merchants transferred back to the subcontinent, despite the facts that the tea never entered his territory and the money received for the tea moved from Moscow to Bombay by telegraph without traversing his realm! In 1887 it was reported that Jan Muhammad Khan, the *sandukdar* or Durrani State Treasurer, issued the following directive to the agents of certain Peshawar merchants residing in Kabul: 19

If you send your merchandize to Moscow by this route you should bring your money also by this way. Before this you entailed a loss of 40 lakhs of rupees on the State. If you agree to what I have proposed, then well and good; if not, do not send anything from Peshawar by this road.<sup>40</sup>

Durrani state officials made it clear to the Peshawar merchants that if they wanted to maintain any commercial activity or presence whatsoever in Afghanistan they would need to remit their cash earnings in Central Asia to India through Kabul. In December of 1887 Abd al-Rahman reiterated his demand for two years of back transit duty from thirteen Peshawar merchants.<sup>41</sup> Furthermore, Abd al-Rahman rejected their pleas for compensation for goods stolen in Afghanistan and justified the admitted theft on the grounds that the merchants were allowing someone other than he to profit from business conducted outside his territory. His letter to the Peshawar merchants concludes with the following ultimatum: 20

You have one of the two alternatives: —Either discontinue sending your light merchandise by way of Moscow and bring it via Afghanistan, so that Afghanistan may benefit a little or much, or do not claim compensation for any goods that may be plundered in my territory. You should consider how unjust it is that you should receive compensation from the revenues of Afghanistan for your things, which may be looted while you pay duty on your goods to a foreign Government. You send your heavy things by this way but light ones by that way. It is evident that you make mere excuses and that you are unjust. I cannot repeal my order. If you want to trade by this route, you should send your heavy goods by this route and bring your light articles, such as *tilas*, &c., also by this route. If you wish to give up this route and use the other, you are at liberty to do so. But if you want to send only your heavy goods by this way, give an agreement to the effect that you



will not ask for compensation when your goods are robbed. Until you do so the former order shall not be revoked.<sup>42</sup>

In this letter, Abd al-Rahman implies admittedly plundered goods were justly confiscated. He seems to consider the commodities moving through his territory to the north, such as tea, indigo, and textiles to be heavy goods. The only item mentioned as moving south, the gold tilla currency, is considered light. The distinctions being muddled here are between bulky and relatively cheap commodities on the one hand, and compact and generally valuable goods on the other. The caustic tone used toward the Peshawar merchants reflects Abd al-Rahman's pangs of foreign currency deprivation as a result of the Peshawri merchants' cessation of remitting cash from Bukhara to India through Kabul. Concerning his attitude toward and treatment of these merchants Abd al-Rahman was warned by one of his high-ranking accountants, Munshi Ahmad Jan, that "such usage does exist in any other country (and) Your Highness will get a bad name by introducing such dues." Abd al-Rahman was undeterred by the prospect of being branded with a poor commercial reputation, and continued to press his uniquely construed claim for multiple years of back taxes from the Peshawar tea traders.<sup>43</sup> In order to execute his intentions in this matter, Abd al-Rahman relied on a cadre of accountants, bookkeepers, and clerks sometimes referred to as *daftaris*, but most often termed mirzas. 21

Abd al-Rahman assigned Mirza Jafar to pursue the claim against the Peshawar merchants labeled remiss for transferring money earned in Bukhara to Moscow and then Bombay.<sup>44</sup> The Peshawri "firm of Mian Muhammad Amin, Fazl Kadir, and Abdur Rashid" sold tea and other Indian and European commodities in Central Asia. Although they went to great lengths to avoid Afghanistan on both legs of their annual interregional trading cycle, Abd al-Rahman was intent on securing a share of their capital and profits. Dispatching a mirza to conduct a fiscal audit was a very common practice during Abd al-Rahman's reign, and the outcome was almost without exception devastating for the targeted person or consortium of people. In April 1889 the Kabul-based agents of the Peshawar merchants approached Haji Asad Khan, one of Abd al-Rahman's closest confidantes, with a letter from their superiors or "principals," identified here as Muhammad Amin and Mir Ahmad.<sup>45</sup> The letter dealt primarily with the closure of some shops the Peshawris owned in Qandahar, but in that correspondence they also claimed Mirza Jafar's case against them for remitting money from Bukhara to Bombay through Moscow was "groundless." Referring specifically to the latter matter, Haji Asad responded to the Kabul agents of the Peshawar merchants as follows: 22

I am not going to hear all these excuses. Write to your masters to say that it is my order that they should employ somebody whom they can trust and send him to this place, otherwise I will confiscate their firm which is here and imprison their agents.<sup>46</sup>

Most likely because all available capital had been extracted from the existing agents of the Peshawar merchants, and their relatives, friends, associates, and neighbors in Afghanistan, Haji Asad again instructed the firms to appoint new agents to manage the claim being enforced on their firms by the Durrani state. The Peshawar merchants replied that their existing agents would suffice, and reiterated their belief that Mirza Jafar's case lacked both merit and a factual basis. They also said they were fully prepared to pay not only the principle amount claimed, but also the interest on that sum, if documents could be produced to support the Durrani state's claim on their resources.<sup>47</sup> This information comes from the British Agent in Kabul who witnessed Haji Asad's reception and reading of this mercantile letter from Peshawar. Continuing with his report, the Agent indicates:

Previous to his receipt of this answer the Haji received a letter from the Amir (Abd al-Rahman). It stated as follows:—"Do not show any indulgence to the Peshawar merchants or be slow in the matter of Mirza Jafir's case, for the Mirza is ill at Peshawar. Should he die these liars will give another turn to this case and spoil it. You should therefore decide the case soon." On receipt of this order the Haji became audacious. In short, seven lakhs of rupees are being demanded from the above named merchants.<sup>48</sup>

Evidently quite gleefully, on May 8 Haji Asad dispatched *mohassils* or armed men deputed to execute state orders, that is, bill-collectors, to the local agency houses of the Peshawar firms of Muhammad Amin and Mir Ahmad in Kabul.<sup>49</sup> The Kabul agents of the Peshawar merchants responded that the claim against them had nothing to do with Islamic law based on the *sharia*, which was a lobbying point proffered in order for the case to be referred to a panchayat council convened by Abd al-Rahman to resolve commercial disputes.<sup>50</sup> The local agents also offered a written guarantee to pay the principal with interest, provided the case against them could be proven in accordance with commonly accepted mercantile regulations which they mistakenly thought would be enforced in Abd al-Rahman's panchayat.<sup>51</sup>

The Peshawar merchants and firms possessed a number of contacts in the political and fiscal infrastructure of the Durrani state. The Peshawaris availed themselves of these associations and wrote about their plight to an unnamed Durrani state official who appears as either a competitor or superior of Haji Asad. The accused merchants were successful in using that local network leverage to get Haji Asad to withdraw the *muhassils* he had earlier placed at their agents' homes.<sup>52</sup> However, Haji Asad merely reassigned the *muhassils* to the task of getting the local agents to "execute a bond" or give him and Abd al-Rahman "something so they might purchase their liberation."<sup>53</sup> In effect, this was a ransom demand for the Peshawar agents who had become commercial hostages of the Durrani state. Extortion of mercantile firms by taking

their local agents hostage was not an uncommon occurrence in Abd al-Rahman's Afghanistan, and a later report from the Peshawar Confidential Diary provides another example of this practice:

Ahmad Gul and Mir Ahmad, bankers of Peshawar, have sent orders to their Agents in Afghanistan to return to Peshawar whether any book debts are realized or not, but the Amir (Abd al-Rahman) has directed them to furnish security before obtaining passports (so) that they will return to Kabul. As no individual believes that these men will go back (to Kabul) from Peshawar, they are unable to find security, and come to Peshawar. Ahmad Gul's agent has been placed in confinement.<sup>54</sup>

## Notes

**Note 1:** Interview with Nissar Ahmed Sethi and Manzur Ahmed Sethi, Peshawar, May 15, 1995. The family's move from Bhera to Chamkani probably occurred in the 1820s or 1830s. While in Bhera the Sethis dealt primarily in the export of indigo to Central Asia. Bhera is located near Sargodha and was founded by Sher Shah Suri (see H. Khan [1994] for more on Sher Shah). Bhera became a center of local governance during the Mughal period and is said to have been plundered by the Durrani. Apparently, Bhera was then re-populated by the Sikhs and thrived under early British rule until waning with the development of canal colonies in the Punjab. The site is now deserted. The preceding information on Bhera comes from a tourist guidebook for Pakistan consulted in Lahore in the spring of 1995 that remains regrettably uncited in my notes.

**Note 2:** Muhammad Ismail Sethi, interviewed on April 2, 1995, refers to Vladivostok, while other family members cite only Shanghai as the family business branch that organized the export of a variety of Chinese teas to Central Asia.

**Note 3:** Interviews with Nissar Ahmed Sethi and Manzur Ahmed Sethi, Peshawar, May 15, 1995, and Yunus Sethi, Islamabad, April 12, 1995. Jaji is a *woleswali* or subprovince of Paktia. The Afghan timber was apparently sold to the British who used it in their construction of railroads in India. The Sethis indicate the Jaji forest-leasing privilege was removed from them by Nadir Shah (ruled in Afghanistan from 1929 to 1933), whose reentry into Afghanistan from India the family claims to have funded.

**Note 4:** Nissar Ahmed Sethi and Manzur Ahmed Sethi (*ibid.*) indicate their family funded the construction of the Islamiyya College mosque and the renovation of the Mahabat Khan mosque in addition to contributing in some form to mosques near the Reti gate, Shaheen Bazaar, Namak Mandi and Sarbani street. They also indicate financial involvement in the madrassa Jettan Yakatut and the Mia Guja bridge across the Barra river.

**Note 5:** Interview with Yunus Sethi, Islamabad, April 12, 1995.

**Note 6:** Interview with Muhammad Ismail Sethi, April 2, 1995. See Chapter 1 for more on Markovits's model of the Shikarpuri merchant network (see also Markovits, chs. 3 and 5).

**Note 7:** In the 1990s, at least, most Sethi family members, as well as the general populace in Peshawar, dated the end of the firm to the Soviet Revolution of 1917. One prominent exception to that understanding is Yunus Sethi (interviewed in Islamabad on April 12, 1995) who indicates the family business survived in some form until 1930 when the focus of activity shifted to exporting furs to England and Germany from Delhi. According to Yunus, the demise of the family firm came at the beginning of World War II when a ship carrying some of their furs was sunk on the way to Germany.

**Note 8:** Interview with Muhammad Ismail Sethi, April 2, 1995. The Sethis had agents in Bukhara, Samarqand and Tashkent, and this correspondence would have likely occurred after 1860. The Sethi family member mentioned by Muhammad Ismail who was then in correspondence with the Viceroy of India may in fact have been Karam Elahi who wrote to the Viceroy 1914. See later.

**Note 9:** See Kakar (1971), appendix VII for the text of this agreement, and S. M. Khan, vol. II, pp. 243–58 for Abd al-Rahman's reasons for wanting a Durrani representative in London, which never occurred.

**Note 10:** "Restrictions on the Kabul Agent's Intercourse with His Friends by the Amir, and the Execution of Taj Muhammad Khan and Others," NAI, Foreign Secret-F K.W., February 1885, Proceeding Nos. 346–52. See Kakar (1971), p. 212 for a list of the British Agents in Kabul during Abd al-Rahman's reign.

**Note 11:** Ibid. The British Agent was then Sardar Muhammad Afzal Khan and he was visited at his residence in the Murad Khani neighborhood of Kabul (in the chindawul or Qizilbash section of the city) by his uncle Taj Muhammad Khan and the tutor of his brothers, Mullah Muhammad Shah. This contact was reported to Abd al-Rahman by a new "policeman," Jafar Ali. Abd al-Rahman ordered these two men removed from their homes during the night of 28 January 1885 and confined to an underground cell or *tabkhana* in the palace of the former Durrani Amir Sher Ali (ruled 1868–79). On February 3, Taj Muhammad Khan, Mullah Muhammad Shah, and a cousin of the British Agent, Rustam Ali, were each cut with swords into three pieces. Their remains were placed in a public square or *maidan* with a sentry stationed nearby to inform passers by who inquired that the body parts belonged to spies of the British Agent. In this case and many others Abd al-Rahman relied on the local kotwal or magistrate and his deputy the naib kotwal to execute his orders. See S. M. Khan, vol. II, pp. 202–3 for Abd al-Rahman extolling the virtues of his Intelligence Department composed of spies and detectives "who thwarted the extortionate practices of local chiefs and officials who were accustomed to taking bribes."

**Note 12:** Ibid. The Peshawar merchant was Mian Ahmad Gul Raur, and his agents, Muhammad Bakhsh Anryal and Muhammad Bakhsh Lakhesar, were from Rawalpindi.

**Note 13:** "1. Question of Russian Customs Supervision in Central Asia and of the Measures Adopted in Regard to It and 2. The British Agent at Kabul Instructed to ask the Amir to Relax His Heavy Transit Duties," NAI, Foreign Frontier A, December 1885, Proceeding Nos. 3–8.

**Note 14:** "Proposed Organisation of an Improved News Agency on the Russo-Persian-Afghan Frontier," NAI, Foreign Secret F, March 1886, Proceeding Nos. 303–13.

**Note 15:** MacGregor was then the Quarter-Master General and is perhaps best known to contemporary scholars as the compiler of the military and political reference handbook on Central Asia, part II of which concerns Afghanistan (see MacGregor).

**Note 16:** "Proposed Organisation of an Improved News Agency on the Russo-Persian-Afghan Frontier," NAI, Foreign Secret F, March 1886, Proceeding Nos. 303–13.

**Note 17:** Ibid. Of these seventy-seven, eight resided in Kabul, seventeen in Tashkurgan, thirty-nine in Bukhara, three in Katta Kurgan, two in Karshi, three in Kolab, one in Charjui, one in Yarkand, and four in Ourganj or Khiva. The "tribal" affiliations of these seventy-seven possible recruits were broken down as follows: sixty-seven Paracha, one Lakesar, four Sethi (Mir Ahmad, Ghulam Jelani, and Mokam Din in Khiva, and Rahim Bakhsh in Bukhara), one Matha, one Zargar, one Bhati, one Cabdol. A different breakdown of these seventy-seven possible recruits has forty-four labeled natives of Nowshera, five from Attock, fifteen from Peshawar, nine from Bhera (see earlier), and four from Makhad.

**Note 18:** "Report Compiled by Haji Karam Elahi Sethi of Peshawar Containing an Account of His Visit to Europe and Other Countries," NAI, Foreign General B, March 1914, Proceeding No. 166.

**Note 19:** Ibid., where we also find the following useful characterizations, first about Bukhara: "As a habit all Bukharis are given more or less to trade which is chiefly comprised in skin, cotton, silk and tea. The first two articles are of local produce, while the last ones wholly or solely depend on China. The business is carried on interest system." The quote in the text is noticeable as evidence that Indian traders were then extending their provisioning of cash and extension of credit into the lower layers and outer reaches of the regional economy centered on Bukhara. This statement also indicates Chinese tea filled the niche resulting in large measure from Abd al-Rahman's transit trade policies that curtailed the flow of Indian tea to Central Asia (see later).

**Note 20:** Ibid. The pawindah nomadic carriers were known for transporting silver-based Kabul rupees and other coins, such gold tillas from Bukhara, to Dera Ismail Khan. In Dera Ismail Khan the Kabul rupee was known as the *Nandrami*, a word having Hindu connotations. See *Gazetteer of the Dera Ismail Khan District, 1883–1884*, p. 149.

**Note 21:** "Refusal of Permission to Khan Bahadur Haji Karam Elahi Sethi & Messrs. Sher Ahmed and Iqbal Ahmad of Peshawar, to Import Russian Ruble Notes into Afghanistan," NAI, Foreign and Political, Frontier B, October 1920, Proceeding Nos. 165–6.

**Note 22:** Ibid.

**Note 23:** For the increasing consumption of tea in Qajar Iran see Matthee, and for the same in England see Mintz. In both locations the consumption of tea was preferably accompanied by sugar as a condiment. See Chapter 4 for more on the import of sugar into Afghanistan.

**Note 24:** "Commercial Relations Existing Between India and Afghanistan and Central Asia," and "Representation Made to the Amir by the Tea Planters of Northern India Regarding the Tea Trade with Central Asian and Afghanistan," NAI, Foreign Secret F, November 1890, Proceeding Nos. 114–29.

**Note 25:** Ibid. Rs. 6,84,000 is one possible estimate of the potential annual revenue for the Durrani state deriving from tea transit taxes. This figure is arrived at by taking Rs. 114 as the mean between 106 and 120, then multiplying by 6,000, representing the number of camels estimated to have been involved in the tea trade alone (see earlier).

**Note 26:** "Customs and Other Dues Levied in Afghanistan," NAI, Foreign Secret F, May 1893, Proceeding Nos. 287–91. It is important to appreciate that many other categories of commodities in addition to tea were subject to these taxes while moving through Afghanistan. Besides "Indian and Chinese teas," the commodities listed as moving from India to Central Asia in this document are: "candles; raw cotton; manufactured cotton piece goods including European chintz, long cloth, muslin, turkey red, European thread, and Indian piece goods including plain and gold edged lungis, country cloth, and Indian thread; the dyeing materials indigo, tumeric, saffron; earthenware and porcelain; manufactured leather shoes; metals and manufactures of metals including brass, copper, and iron; kerosene oil; salt; manufactured silk kimkhab; spices; refined and unrefined sugar; manufactured woolens including Abra, Kashmiri embroidered cloth, and khalil khani shawls."

**Note 27:** Regarding these additional fees, the qafilabashi fee is addressed in Chapter 5, and state brokerage is addressed later in this chapter and in Chapter 3.

**Note 28:** S. M. Khan, vol. I, pp. 200–1, and vol. II, pp. 64–65.

**Note 29:** "Customs and Other Dues Levied in Afghanistan," NAI Foreign Secret F, May 1893, Proceeding Nos. 287–91.

**Note 30:** "Memorandum of Information Available in the Foreign Department on the Government, Revenue, Population, and Territorial Divisions of Afghanistan," NAI, Foreign Secret (Supplementary), January 1880, Proceeding Nos. 536–44.

**Note 31:** Ibid.

**Note 32:** "Proposal to Ask Amir of Afghanistan to Concede Certain Points in Regard to the Trade Carried on With Afghanistan," NAI, Foreign Frontier B, November 1888, Proceeding No. 25.

**Note 33:** As the tea planters' petition was funneled up and down the colonial bureaucratic ladder, commentary about the case was attached. Some of that fascinating marginalia has survived the censors' and weeders' cuts. The following excerpts reveal a noticeable British reluctance to complicate Great Game politics with economic realities and address Abd al-Rahman about his commercial conduct: "when advising him to reduce his trade duties (Abd al-Rahman replied) our representation was an interference with his internal affairs (and) he refused point blank to reduce the duties," "I

would not put any pressure on (Abd al-Rahman) or write in an aggrieved tone," "I would on no account complicate matters by criticising his financial policy," "we had rather not move in the matter," "it will be convenient to wait a few weeks to see what (Abd al-Rahman's) temper will be like once he has settled down again in Kabul," "the time, I think, has not yet come for administering a lecture on free trade," "we cannot touch the question," "the present would be a particularly unfavorable time for anything of the sort." See "Commercial Relations Existing Between India and Afghanistan and Central Asia," and "Representation Made to the Amir by the Tea Planters of Northern India Regarding the Tea Trade with Central Asian and Afghanistan," NAI, Foreign Secret F, November 1890, Proceeding Nos. 114-129. The British voiced disapproval of Abd al-Rahman's transit trade policies primarily to his Envoy with the Government of India. See "Restrictions Placed by Amir on Trade Passing Through Afghanistan," NAI, Foreign Frontier A, April 1888, Proceeding Nos. 126-132, and Chapter 4 for more on Durrani state commercial agents in India, including the Envoy. Abd al-Rahman's opinion on free trade can be found in S. M. Khan, vol. II, p. 209: "Though I am not ignorant of the advantages of free trade, yet it is not at present the time for us to adopt the policy of free trade; we are obliged to place certain restrictions on the foreign goods we import."

**Note 34:** "Restrictions Placed by Amir on Trade Passing Through Afghanistan," NAI, Foreign Frontier A, April 1888, Proceeding Nos. 126–32.

**Note 35:** Ibid.

**Note 36:** Ibid.

**Note 37:** "Customs and Other Dues Levied in Afghanistan," NAI, Foreign Secret F, May 1893, Proceeding Nos. 287–91. In addition to fruit and currencies, which are also addressed in Chapter 1, the commodities listed as moving to the southeast in this document are animals (horses and mares), silk (raw, and manufactured items such as Gulbadan Kanarwez, Jamakarrawa, Satari, Postins and Shashgula, Bistgula, Nim Astin, Astindar, Kot Guldar, Jackets and Bibiana, and plain and worked rugs), wool (manufactured Kabuli Puttoo cloth, and Shinjab and Khazz furs), and drugs and dyes such as opium and asafetida.

**Note 38:** "Restrictions Placed by Amir on Trade Passing Through Afghanistan," NAI, Foreign Frontier A, April 1888, Proceeding Nos. 126–32.

**Note 39:** Ibid.

**Note 40:** "Transit Duties on Indian Goods Passing Through Afghanistan," NAI Foreign Secret F, June 1887, Proceeding Nos. 181–5, where it is also reported Abd al-Rahman ordered Jan Muhammad Khan to "(m)ake a memo of the goods forwarded by the Peshawar merchants to Bokhara through Afghanistan. As they received the money through Moscow and Bombay, they should be called upon to pay duty on it calculated on the value of the goods originally sent through Afghanistan during the last years." The author of the Kabul Newsletter of February 18, 1887, enclosed in this file then comments "[t]he transit dues paid by them from Dakka to Tashkurgan amount to 18 or 20 lakhs of rupees per annum. If they had to pay dues on the cash as well for the last seven years, their shops would be ruined."

**Note 41:** Ibid. "Mian Fazl-i-Kadir, Mir Ahmad, Muhammad Amin, Mian Ilahi Bakhsh, Ahmad Gul, Mian Abdul Majid, Rahim Bakhsh, Mian Muhammad ud-din, Sadr ud-din, Mian Pir Bakhsh, Shukrullah, Mian Ghulam Muhammad, and Ataullah" were the Peshawar merchants to whom Abd al-Rahman wrote on December 20, 1887.

**Note 42:** Ibid.

**Note 43:** Munshi Ahmad Jan is referred to as the "head of the Accounts Office" in the extract from the Kabul Newsletter dated 4 March 1887 enclosed in the file "Transit Duties on Indian Goods Passing Through Afghanistan," NAI, Foreign Secret F, June 1887, Proceeding Nos. 181–5. Abd al-

Rahman apparently threatened to double transit dues at or around this time. At least one British official called such a proposal "humorous" and felt that even were it not instituted "the Peshawar trade (would be left) to die a lingering death instead of killing it with a 'short, sharp, shock.'" Ibid.

**Note 44:** "Information Received by Peshawar Merchants Which Makes Them Cease Trade With Bokhara," NAI, Foreign Secret F, June 1889, Proceeding Nos. 142–55. Abd al-Rahman relied on a diverse and growing class of accountants, secretaries and clerks, known locally as diwans, sarishtadars and mirzas, to execute his commercial policies and practices. See Chapter 5 for more on these revenue functionaries and their management of Durrani state texts and account books.

**Note 45:** Ibid. Haji Asad Khan may have then held the influential post of Naib Kotwal or deputy magistrate in Kabul. The Kabul agents' representation of their two superiors in Peshawar varies from the three people identified in the targeted Peshawari firm. Among the four people identified in those two groupings, only one person, Abdur Rashid, was not among the thirteen Peshawar merchants to whom Abd al-Rahman wrote in December 1887. See above. In reviewing all of these names the inconsistent application of the title or rank of *Mian* to Muhammad Amin and Fazl Kadir stands out, but the implications of the title are not clear.

**Note 46:** Ibid.

**Note 47:** Ibid.

**Note 48:** Ibid., quoting the Newsletter written by the Munshi to the British Agency in Kabul, Sayyid Diwan Muhammad, dated May 1, 1889.

**Note 49:** Ibid., citing the Kabul Newsletter of May 8. Muhammad Amin and Mir Ahmad are here identified as firms in their own right.

**Note 50:** Kakar (1979), pp. 34–35 describes how Abd al-Rahman replaced the Indians on the panchayat with Afghans, thus 'nationalizing an international court.' The panchayat was clearly contrived and manipulated by Abd al-Rahman and Kakar, *ibid.*, indicates the panchayat "did not influence [Abd al-Rahman's] commercial policy."

**Note 51:** Ibid. The author of the Newsletter indicated his belief that even if the case was not proved through standard mercantile proceedings, that is, through the panchayat, Abd al-Rahman would nevertheless "seize their firm and take all their property consisting of goods and cash, and they would not say anything." The Durrani state was here estimated to gain "50 lakhs of rupees [if] the case be proved against them."

**Note 52:** Ibid., quoting the May 15, 1887, Kabul Newsletter.

**Note 53:** Ibid.

**Note 54:** The Peshawar Confidential Diary excerpt is quoted in "1. Introduction of New Octroi Duty in Central Asia by Russia, 2. Necessity for the Appointment of a British Consul at Bokhara, 3. Condition of Trade between India and Afghanistan, 4. Depression of British trade in Khorasan," NAI, Foreign Secret F, April 1895, Proceeding Nos. 81–94. See Chapters 3 and 5 for more on book debt.