THE TRADE AND COMMERCE OF MALABAR DURING THE FIRST HALF OF THE NINETEENTH CENTURY

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INTRODUCTION

Malabar from ancient time had attracted traders, like Arabs, Assyrians etc. for its spice, specially pepper. The arrival of Vasco-de-Gama at Calicut in 1498 had opened a direct sea route from Europe to Malabar. This lead to an acrimonious scramble for trade monopoly and political supremacy in Malabar. It finally culminated in the conquest of Malabar by the English East India Company in 1792. The result of the British conquest was politico-economical and commercial consolidation of Malabar.

while the trade and commerce of Malabar before the 19 century received the attention of the scholars, no actual work is done on this aspect during the 1st half of the 19 century. For the

1. Here Malabar means the old district of the Madras Presidency, extending from North to South along the western coast, a distance of about 150 miles, lying between N latitude 10° 15' and 12° 18'. E. longitude 75° 14' and 76° 56'. It has an area of about 5787 sq. miles. Logan, Vol. I, p. 1.

2. For a detailed account of Malabar's ancient, Medieval and Modern Maritime trade see, Warminster, E.H., The Commerce between Roman Empire and India, II edition (Delhi 1974), Kerala Charitrem, Chapters 1-3, Kerala History Association, (Tranakulam 1974); Sreedhara Manon, A., A Short History of Kerala (Kottayam 1967); Pannikkar, K.M., The Portuguese in Malabar; Gallettin, A., The Dutch in Malabar (Madras 1902).

3. Ashin Das Gupta, Malabar in Asian Trade 1740-1800 (Cambridge 1967). A well documented work gives an account of Malabar's trade with special reference to the Dutch trade in Cochin; Pamela Nightingale, Trade and Empire in Western India 1784-1806 (Cambridge 1970) gives a detailed account of Malabar's trade during the first decade of the Company's rule in India. It also describes how Company's policies in Malabar were formulated to suit the commercial interest of the Company and its servants.
19 century rich material is available, though it is to found in MSS and similar 'raw' form. In the present dissertation an attempt has been made to discuss, with the available data, the trade and commerce in Malabar between 1800-1850 and to see the impact of British control on Malabar's economy.

The chief source I have used is the unscanned Malabar Collectorate Records, kept in the Tamil Nadu Archives, Madras. There are about 7000-8000 volumes of the above records, perhaps the largest number of Collectorate Records kept in that archives. These are the true copy of the letters sent and received by the Principal and Custom Collectors to the and from Board of Revenue and Board of Trade. These letters give considerable information about Malabar's trade. But the collectorate records have several defects. The volumes are catalogued only upto 1835. Very often the contents of the volume doesnot agree with the catalogue. Therefore sometimes, I have to scan the whole volume. The volumes are arranged neither in chronological order nor content-wise. Most of the pages have more than two page numbers. In such a case I have used the page given on the top right side. The date of the despatch or receipt of the some of the letters are not clear. The enclosures sent along with the letters are missing, which otherwise would have given more information about trade. Most of the volumes are in brittle condition.

The next important source is the General Reports of the
Board of Revenue, which was mainly based on the information given by the Principal Collectors. These are printed sources and give much information about the organisation of trade. There are 55 volumes during from AD 1793 to 1836. Sometimes two or three volumes are bound together. Where page and para numbers are given I have used both, otherwise only page number is given.

The Revenue Reports (printed) prepared by the Collectors of Malabar, under the instructions of the Board of Revenue were also used in this work. They provide considerable information about trade. The first and second joint Commissioners reports of Malabar also give much information about Malabar's trade.

The British Parliamentary Papers also give much details about the trade, salt and tobacco monopoly and custom regulations etc. These are well prepared and arranged into 24 books.

The other sources are contemporary books like F. Buchanan's Journey through Mysore, Malabar and Canara gives a very detailed account of Malabar's trade during and before 1800-1801. No other book gives as much information as Buchanan's.
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CHAPTER - I

EXTERNAL SEA COMMERCE
Malabar's trade was mainly seaborne because of its proximity to sea and a large number of sea ports. Ever since the arrival of Vasco da Gama at Calicut, in 1498, Malabar had direct maritime trade with the west. But the political consolidation of Malabar by the Company lead to economic and commercial consolidation. This, to a great extent changed Malabar's pattern of external sea commerce. Before the conquest of Malabar by the Company, most of the Indian and foreign traders had approached Malabar market for her products like Pepper, Cardamum, Ginger, Turmeric, Timber, Coir and Coir rope etc.

After the conquest, Malabar's external sea commerce was channelized through Bombay. Gradually Bombay became the emporium of Malabar's products, and consequently Malabar lost, to a great extent, its century old direct trade with many nations. From this period onwards Bombay merchants began to play a vital role in the seaborne trade of Malabar. Most of the trade was controlled initially by the Parsees and later on by Marwaris, Gujaratis and Bombay merchants from Poona, who had come to settle in the district in considerable numbers.

The following break-up, in terms of percentage, will give an idea of the profounderance of Bombay in Malabar's sea commerce:

**Bombay 90.93%:**

Bulk of the external trade of Malabar was carried on by the agents of merchants residing at Bombay. 83% of Malabars import trade and 78.26% of expert trade was carried through Bombay. The main exports to Bombay were pepper, copra, coconut, coir and coir-rope, timber, sandalwood, cardamom, gingely and ghee, cotton and cotton piece goods, etc. The imports from Bombay were iron, iron-nails, piece goods of cotton and silk, wheat, salt, cotton, drugs and madder etc., during 1840's treasure was the only export of the Company to Bombay. The volume of trade fluctuated according to the demand for each article and its production in Malabar. If the market was over stocked by the previous years export or import, then during the next year its import or export would decline.

**Bengal 4.67%:**

To Bengal were exported Pepper, Copra, Cardamons, Coir, Coir-rope, Coconuts, Sandalwood etc. From Bengal were imported piece-goods, drugs, soft sugar, saltpetre etc.

**Arabia 3.69%:**

The main export to Arabia included Pepper, Cotton piece goods, rice and Paddy, Timber planks, Turmeric etc. The imports

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3 These statistics are for a period from 1840-41 to 1850-51 with the gap for years 1842-44. Reference-M, Vol. No. 7904 to 7914.
included dates, drugs, almonds, copper and copper-nails. Malabar's trade with Arabia underwent a decline following the former's occupation by the Company. The Arabs directed towards Bengal, China and the Eastern Islands their trade in those articles for which they were formerly indebted to Malabar.

United Kingdom 3.17%:

Malabar's trade with the United Kingdom was always very insignificant. The imports were hardwares, brass, spirituous liquor, copper and copper-nails etc. The occasional export consisted of pepper and cardamom.

Ceylon 2.3%:

The exports mainly were grain and some time pepper also. The imports were spirituous-sugar, silk piece-goods and sappon woods. The reason for low trade with Ceylon was that she herself produced most of the articles which Malabar could supply.

Travancore 1.29%:

Main articles of export were rice, paddy, iron piece goods etc. The imports consisted of cotton, copra, coir and coir rope.

Maldives 1.24%:

The direct trade with Maldives also underwent a change. Formerly Maldivian traders had brought cowries, coir and coir rope

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to Calicut and Cannanore. But from the second decade of the 19th century onwards, Maldivians started to trade with Bengal and Sumatra more frequently than with Malabar.

**Mauritius - 0.32%:**

Malabar's trade with this country was neither significant nor frequent and consisted of occasional import of species.

**China - 0.47%:**

Malabar's direct trade with China diminished to a great extent. There was no regular commercial intercourse with China. Supplies were, however, occasionally received from ships touching enroute, the Malabar ports. Malabar received China-wares from Bombay while China got sandalwood, sharkfins and wax candles of Malabar from Bombay.

**Malacca Settlement - 0.36%:**

From Malacca were imported soft sugar, chinaware, silk and cotton piece goods.

**France - 0.3%:**

The exports consisted of pepper and coir, and imports of wines and liquors.

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6 This particular spelling makes it difficult to decide whether this means liquor or liqueur.
Goa - 0.23%:

The exports of Malabar were cotton, cotton piece goods, coir and coir rope. The imports were wine spiritous sugar and salt.

French Ports in India - 0.23%:

The trade with these ports was insignificant. The exports consisted of grain and salt while the imports included principally softsugar and spiritous liquors.

United States of America - 0.14%:

The trade with U.S.A was too insignificant to mention.

Malabar had more ports than any of the districts in the Madras Presidency. With well developed roads and navigation system. Malabar started to handle a good amount of the Presidency's total trade, especially in cotton and cotton piece goods.

In accounted during 1840's, for 70.8% of the Presidency's total trade with Maldives, 40.42% with Bombay, 37.2% with Travancore, 28.71% with Bengal, 7.8% with France, 2.97% with Ceylon, 2.93% with United Kingdom, and 3.54% with China.

Apart from the above places, Malabar had limited maritime trade with Canara, Travancore, Tinnelvely, Tanjore, Madras and other small ports in the Madras Presidency.
Malabar's general trade at different times was often adversely affected by wars, famines and epidemics. For example, the Maratha wars had detrimental effect on Malabar's trade with Bombay. A rebellion in Ceylon about the same time retarded commercial intercourse between Ceylon and Malabar. The plague epidemic in Gujarat during the beginning of the second decade affected Malabar's trade with that region, from where there was considerable flow of specie to purchase Malabar's surplus production. No vessel from the Gulf of Persia was permitted to touch any of the Malabar ports during 1832-33 because plague was rampant in the Gulf region.

The value of the trade fluctuated according to the variation in the prices of articles traded and consequent changes in the tariff value of the articles. However there was an increase in value of the maritime commerce of Malabar from Rs. 17,63,426 in 1804 to Rs. 56,97,310 in 1837-38, which included the value of the imports and exports by sea. It further increased to Rs. 77,73,705 (import Rs. 23,73,996 and export Rs. 53,99,709) in 1845-46. Moreover throughout the first half of the 19th century the balance of trade was in favour of Malabar.

7 Sarada Raju, op.cit., p. 216.
8 H.S. Gream's Report, op.cit., p. 274.
The history of commercial relations between Malabar and other foreign countries was perhaps the history of Pepper trade. It was black Pepper, the pungent condiment, which attracted many foreign countries to trade with Malabar and other small states on the (Malabar) coast. Even though Malabar was often referred to as the "Mother of Pepper", there seems to be some difference of opinion regarding its origin i.e., whether Pepper was indigenous to the Malabar coast or to the Malayan archipelago and Indonesia.

That black Pepper was indigenous to the Malabar coast becomes more than plausible in view of Malabar's Pepper trade with China; for, if the Chinese could have obtained a supply of black Pepper from the eastern islands, they would not have sailed their junks all the way to the Malabar coast.

According to K.A.N. Sastrl, South India had trade relations with China since as back as the first century B.C. M.S.A. Rao writes that a steady demand for Pepper existed in

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China during the second century A.D. and probably earlier, and that was one reason for the Chinese junks sailing to the Malabar coast during this period. O. W. Wolters statement also corroborate this. According to him, the first Chinese ship sent to India was by Han Wuti (141-87 B.C.) to Huang-chi or Kanchi. Moreover, early Indian sources did not mention the import of black Pepper from south east Asia, although ships from south India and the Gangetic region travelled to the straits of Indonesia during the first and second centuries A.D. Only one hint, according to Wolter, suggested that western Indonesia acquired the reputation of a pepper producing area around 400 A.D. Cubeb Pepper, which was growing wild in the northern port of Sumatra, had got the only chance of appearing in early Indo-Indonesian trade. He further claimed that Indians, during their booming paper trade with the Romans, used long Pepper and Cubeb Pepper to adulterate the black Pepper. E. H. Warmington's statement also supports

6 Kanchi is the modern Kancheepuram lying north of Madras.
7 Ibid., p. 34.
8 Cubeb Pepper, a native of East Indies, is the product of Piper Cubera, Encyclopedia Britannica, Vol. 17, p. 497.
9 Wolter, op. cit., p. 67.
10 Long Pepper is the product of Piper trofractenum
11 Wolter, op. cit., p. 67.
Wolter's argument. According to Warmington Rome got Pepper from Malabar and Travancore and this chiefly consisted of common black Pepper. He further states that the Pepper cargo to Rome included another kind of Pepper, called long Pepper, which was used chiefly in medicines and was native to various ports of India, Ceylon and Malaya.

The Sangam literature also throws much light on this aspect. Purannar described that the Chinese bought their Pepper from Chera Kingdom. Moreover the Javanese term for Pepper was Maricha, a sanskrit form, and this indicates the possible introduction of Pepper from India. Its name in Pedir or Pider of northern Sumatra was Malaga, a south Indian name for Pepper.

No mention of pepper appears in an early 13th century Chinese source on the export of Srivijaya, (modern Palembang of Sumatra) a commodity which later assumed such prominence in the economy of Srivijaya.

12 E.H. Warmington - The Commerce Between the Roman Empire and India (IInd edition 1974) p. 182.
13 According to Sastril, K.A.N., The Sangam age had extended from A.D. 100 to 250, A History of South India (Oxford-193) p. 112.
14 Parannar, Puranamur (Tamil) 343 stance, 4th edition(Madras 1964). Malabar was a part of Chera Kingdom during this period.
In any case, the actual origin of Pepper apart, in the ancient world Indians had no rivals in the cultivation and trade of Pepper. While Malabar Pepper dominated the western and eastern trade in the early centuries, by the late 13th century its monopoly was being challenged. The 13th century witnessed the emergence of little Pepper producing and exporting countries like Pase and Pade in northern Sumatra. The Chinese merchants visited Pase for Pepper, who probably obtained Pepper there even before the rise of Malacca in the 14th century. Towards the end of the 15th century Malacca started to export Pepper in significant quantities. In 1556 Achin sent five ships to Mecca with 24,000 cantara of Pepper. Pepper was intensively cultivated in northern Sumatra at the beginning of the 16th century. Pepper exports were higher in the eastern island at this time than those of the Malabar coast. In the 16th century Malaya and Sumatra surpassed Malabar in the export of Pepper. In the 18th century the entire production of the Indonesian archipelago averaged 9,000 bahar per with the peak output of 19,000 in the year 1724.

18 Mrs. Mallink Roelofs, 'Indonesia Archipelago Prior to the Arrivals of the Europeans! Islam and the Trade of Asia.' Edited by Rickards, p. 142.
19 Roelofs, op.cit., p. 154.
20 Ibid., pp. 363(n) 140. One Cantara was equal to one Portuguese quintal of 112 English Pounds.
21 Ibid., p. 360(n) 8. Bahar is same as bharam, which is discussed in the weights and measures.
Pepper from Sumatra and Malaya was more polished and better in appearance than that of Malabar. Yet in terms of its qualities including its Pungence, Sumatran and Malayan Pepper was not as strong as of Malabar Pepper. The Malabar Pepper was considered the best in Asia and much superior. That explain, why it was sought by all nations.

Even before the arrival of European traders south Indian traders, especially from the coromandel coast had exported textile goods, salt and opium to Achin in exchange for tin, gold, pepper, cloues, betelnuts, benzoin etc. Pepper of Malabar and Sumatra was one of the main articles of export in the maritime trade in the Indian ocean and Arabian sea. During the late 16th century Masulipatnam, Bengal and Meca got Pepper from Sumatra, Pegu from Achin and Sumatra. Malabar Pepper was also exported to St. Thomas and Nagapatanam, and Malacca was a centre for Malabar Pepper. China received Malabar Pepper and Sumatran


spices through the Portuguese in the 16th century. Even at the beginning of the 17th century Dutch and English secured small portion of Malabar pepper from Masulipatnam, though it was expensive.

Back Pepper has been the chief article of European export from Malabar Principally to Europe directly through Bombay and Cochin. Pepper was an article which was not consumed much in Malabar. The remaining was exported by indigenous traders to the Bay of Bengal, Surat, Cutch, Sind, Mecca and Muscat.

The Portuguese and, later on, the Dutch, entrenched at Cochin, the British at Tellichery, and the French at Mahe' tried to monopolize the Pepper trade of Malabar. They entered into treaties with local Rajas and chieftains for Pepper, but they miserably failed in monopolizing the Pepper trade. It was said that the Pepper contract originally entered into with the local Rajas and the Europeans Companies invariably led to political relations, which had terminated in the subjugation of the princes by the western powers and finally in British supremacy.29

The decline of Surat made Calicut a prominent port in the western coast. Surat was the exchange place for Malabar goods. This among with the fall of Safavid dynasty caused a dislocation of trade in the Persian Gulf. Which further resulted in a boom in the Pepper market at Calicut during late 1720's. The businessmen who, previously obtained their Pepper at Surat and the Gulf, were now forced to seek their supply at Calicut.

During the 18th century there was fluctuation in the price of pepper in Malabar particularly at Calicut. In 1714-15 the Portuguese bought pepper at 25 Pagodas (about 76.50) and above per condoy. But the price rose above Rs. 80 per condoy because of continuing, Portuguese demand. However it was obtained at 69 and 70 rupees per condoy also. The Tellichery records gave more or less the same account of the price fluctuation. It showed that the price of pepper rose to Rs. 84/- per condoy because of the demands of the French in 1737. In 1760 it was Rs. 70/- per condoy and the factors at Tellichery

30 Ashin Das Gupta, 'Trade and Politics in the 18th century in India', Islam and the Trade of Asia, op.cit., p. 197.
31 Balkrishna, op.cit., p. 17.
32 Diary of Mr. Strutt, October 1714 to January 1715 (Madras-1935), p. 12. Strutt was commissioned to inspect and examine the accounts and to make a report on the company's settlement on the coast of Malabar.
expected that the price would be fall further if there was no French demand. The French, however bought Pepper at Rs. 95/- per candy towards the end of 1750. On 30th March 1751 the Company contracted pepper for Rs. 95/- per candy. The price like was always attributed to French demand and drought.

But according to A. Das Gupta, the price of pepper which had been virtually stationary during the first half of the 18th century, between Rs. 60/- and Rs. 62/- for a candy of 660 lbs. shot up to between Rs. 105 and 125 in the 1750's. To quote him further this new demand for Malabar pepper was at the expense of Indonesian variety which the Dutch used to supply at the Gulf and then in Surat. This boom continued till Malabar was conquered by the Mysore Sultans.

Tipu established a monopoly in the trade in Malabar and paid to cultivators Rs. 100/- per candy for Pepper supplied to the government warehouses. Though, the price given by Tipu was higher than what the local Rajas paid to the cultivators, i.e. Rs. 65/- to Rs. 65/- per candy, it was definitely less than the

35. Ibid., p. 16. Letter dated 15th December 1750.
36. A. Das Gupta, op. cit., Island and Trade of Asia, p. 197.
market price. The Batavian letters to Cochin during 1775-76 had asked to pay Rs. 100/- per candy of 500 lbs. of Northern Malabar Pepper. But the price of Pepper, sold from the indigenous vessels was from Rs. 120/- to Rs. 130/- Buchanan says that the price of Pepper were brought down after the fall of Tipu. This might be because of Tipu's monopoly in Pepper. The European merchants had to buy Pepper from the government warehouses at a price fixed by the government. This naturally led to increase in price of pepper, particularly the Pepper bought by the Europeans through illegal means. According to Pamela Nightengale the Mysorean invasion had a repercussion on the Pepper cultivation and on the trade of Malabar. Before the invasion the district produced 20,000 candies of pepper and the price was between Rs. 70/- to 80/- a candy. In 1784 the same area produced only 11,000 or 12,000 candies and the price had leaft to Rs. 130/-.

Malabar was ceded to the English Company by the treaty of Seringapatam. After the occupation of Malabar, the Company tried to adopt the policy of Portuguese and the Dutch, i.e.

39 Pamela Nightingale - Trade and Empire in Western India (1784-1806) Cambridge- 1970 her statistics does not agree with the given above. Moreover, Buchanan estimated the production of Pepper before Mysore conquest at 15,000 candies. Buchanan, op. cit., p. 530.

40 Though the Company got accession to Malabar by 1790, it was finally ceded to the Company by the treaty of Seringapatam on 10th July 1792. East India Papers. Finance and Trade (London-1830), p. 116.
English Company also tried to establish a commercial monopoly particularly in the trade of Pepper. Over and above the English Company was in a better position than any of the other Companies for the English Company, unlike other companies, had got the political control of the whole of Malabar. The Malabars were permitted to trade in any articles except pepper. In fact one of the aims of the Bombay Commissioners was to impose a pepper monopoly in Malabar. All the Rajas from Chetwai to Cowai were asked to deliver to the Company the entire pepper produce of the season. But the Company to its dismay found that the prudent Rajas and merchants were smuggling their pepper to Mahe and were selling it there at a higher price.

41 Nightingale, op. cit., p. 66.

42 Logan, W., Ttreaties and Engagements Related to English East India Company's affairs in Malabar, part II, XXII dated 20th December 1792 (Madras-1892), p. 170.

43 Nightingale, op. cit., p. 66.

44 Mahe near Tellicherry was the only Settlement of French East India Company on the western coast. The Company was abolished in 1769. (Fuber, H. John Company at Work, p. 10). It was 26 sq. miles in area and named after Mahe de al Bourdonnais (E. Thurston- Madras Presidency with Mysore, Coor and associated states (Cambridge 1914), p. 7. It was declared as a free port in 1787 and was surrounded by the best pepper producing regions of Northern Malabar. Letter from Malabar principal collector to the President and members of the Board of Revenue. 12-7-1803-M-Vol. No. 2298, p. 58.

45 Nightingale, op. cit., p. 87.
The Northern Rajas were told to deliver their Pepper at Rs.100/- per candy which was Rs.60/- - Rs.70/- less than they could get at Mahe. In order to stop smuggling the land around Mahe was put under the control of the company. Yet, the Company failed to enforce a strict monopoly in pepper.

Several reasons could be assigned for this failure. Mahe was the main reason. There the merchants were after able to give Rs.200/- to Rs. 220/- for one candy of pepper for the French freight charge was lesser than the English Company's freight. Moreover, the merchants there did not have to maintain large establishments like the Company, and they could supply the Malabaris the articles they needed in exchange for pepper. There were no custom duties in Mahe. As against this, the Company, in the open market, paid only Rs. 130/- per candy. The Company's unilateral imposition of a price, which was considerably lower than the market price, on an article for which so many foreign buyers were only too eager to outbid any rivals contributed largely to the failure of Company's attempts at establishing their monopoly. It was futile to expect that simply because the Malabar province belonged to the Company, its inhabitants would agree to sell anything to the Company at a lower price.

46 Ricard's letter to the members and President of the Board of Revenue , 2-7-1803 - M, Vol. No. 2298, p. 58.
The traditional system of fixing the price of pepper, in Malabar by the merchants was by taking into account of the produce and demand of that particular year. Moreover the Arab merchants were ready to pay as much as Rs. 210/- - 225/- per condy on ready cash to the merchants. Apart from this the English and French Companies by a water of 1788 had agreed to keep down the price of pepper in Malabar. But the abolition of the French East India Company was a blow to the English East India Company's pepper trade. After the abolition of the French East India Company, Mahe was declared as a free port, and there was merchants from all most all the western European countries, who were ready to pay a higher price than the English Company. The Company could not only maintain the monopoly of pepper trade but also the pepper price. Again the French condy of 600 lbs. was equal to 654 lbs. avoirdupois. This tempted the Malabar merchants to be send their pepper to Mahe through illegal ways. Apart from this the Company's servants, for example John Agnew, the commercial Resident and Robert Taylor, the chief of Tellichery, traded on their own account in pepper.

49 Treaties and Engagements, op. cit., part II-VII, p. 18. The English and Dutch East India Companies had come to some what a similar agreement as northern Sumatran pepper in 1603. Roelofsz, op. cit., p. 249.
50 Buchanan, op. cit., p. 534.
51 Nightingale, op. cit., p. 81.
Pamela Nightingale, attributed the Company's establishment of pepper monopoly in Malabar and its ultimate failure to the free traders of MahÉ. Eventually the company was obliged to give up the monopoly by a declaration of April 1793, by which the southern division cultivators of Malabar were free to sell their pepper to any one they liked but in the northern division partial monopoly was sought to be retained and the Company reduced its claims to one half of the produce.

After the pepper monopoly was abolished, the Company entered into contract with big merchants of northern Malabar mainly for obtaining pepper. Consequently the Company's commercial interest was left at the mercy of these contractors. Under the partial monopoly scheme, the price paid by the Company was Rs. 100/- in 1792 and 1793. But in the open market the Company was forced to pay Rs. 200/- in 1793. In the same year the Company contracted with Moosa, Bappan, Banara Chetty and Bewarasoby Chetty for 1000 condies of pepper at the rate of Rs. 200/- per 600 lbs. In 1794 Essoph, an Arab merchant, sold pepper to the Company at Rs. 200/- per condy. M/s Brouin and

52 Treaties and Engagements, Part II, 21st April 1793, p. 181.
54 Treaties and Engagements, op. cit., LXII, p. 211.
55 Ibid.,
Denieur and Chacooty agreed to deliver 600 candles of pepper by 1st June 1795 at the rate of Rs. 200/- per candle of 600 lbs. The Company also contracted with Essoff Been Saleem to supply the Company 3000 candles of pepper at the rate of Rs. 205/- to be delivered to the commercial Resident at Calicut in or before 56 June 1793.

In Southern Malabar the Company entered into contract with an Arab trader Essak who agreed to deliver to the Company, before 31st March 1794, 4000 candles of pepper at Calicut at the rate of Rs. 200/-; in the event of non-fulfilment of the contract, one lakh rupees was to be imposed as fine.

The Court of Directors and the Governor General expected that the pepper trade would fall into the hands of the Company with the fall of Mahe in 1793. But it neither brought down the price of pepper nor did the pepper trade pass into the hands of the Company. Arab and Gujarati merchants still traded on the coast and the European merchants, who had had their base at Mahe returned to Mahe under neutral colours, thus were upset the calculations of the Company to acquire indirect monopoly of the pepper trade.

57 Mr. Agnew to Robert Taylor, Calicut, Dated 2.11.1793,-M, Vol. No. 8331, p. 82.
58 Nightingale, op. cit., p. 104.
59 Ibid., p. 106.
During the 1790's there was a rise in the price of pepper in Malabar. This price hike tempted the Court of Directors to propose the establishment, on its behalf, of pepper plantations in the hilly areas of Vizagapatnam; the land for the purpose to be obtained on from the zamindars. But the plan was later on abandoned.

There were several reasons behind the price hike of the 1790's. Far from the East India Company succeeding in establishing its monopoly or even favourable terms of trade, it was the merchants and the Rajas who combined together to establish veritable monopoly. There was a combination of merchants of Tellichery and Calicut to keep up the price of pepper. If anybody attempted to undersell them, they would ruin him. These merchants bought pepper at cheaper rates from the cultivators and sold it to the company at higher prices. The Company never tried to purchase pepper directly from the cultivators, for fear of losing the advance that had to be given to the cultivators. Less profit and less risk was the Company's policy. The merchants bought the pepper by a cundy of 680 lbs. and sold it to the Company at 640 lbs. unless otherwise specified in the contract.

61 Agnew to Robert Taylor, Calicut dated 2.11.1793, M.Vol.No. 8331, p. 82.
62 George Parry to the Governor in Council Bombay, M.Vol.No. 8331, p. 82.
63 Nightingale, op.cit., p. 78.
64 Malabar Customs Collectors to the Board of Trade, M.Vol. No. 2186, p. 111. Buckahanan, op.cit., p. 533.
In 1796 it was reported that the merchants bought the pepper at an average price of Rs. 8/- per maund, whereas the merchants contracted price averaged around Rs. 200/- per condy. The maund to here was 32 pounds and 20 maunds constituted one candy. Therefore the merchants was 25%. However Buchanan in 1801 gave a different account of the petty traders in the interior of the district. They advanced many to the cultivators for the delivery of pepper. If the money was advanced six months before the deliver, their profit was around 87%, in case of four months advance the profit declined to around 66%. If is quite obvious, that, since the petty traders were advancing money, they were in a better position to control not only price but also the weight of the condy than were the merchants who bought pepper from the cultivators without giving any advance.

Another reason for the rise in pepper price was the fall in production in Malabar due to internal disturbance, especially in coitiole, by Pyche Raja, which produced one half the total pepper production in northern Malabar. The highest quality of pepper exported by the Company in the 1790's from Malabar was 4778 candies of 600 lbs. in 1798.

66 Buchanan, op. cit., p. 523.
There was also a fall in the production of pepper in Bantom and Lampung of Indonesia, during the 1780's and 1790's largely due to internal disturbances. By the end of the 18th century production declined in Sumatra also. Moreover, the recurrence of Piracy in the Sunda straits and British naval blockade during the Napoleonic wars adversely affected the supply of Indonesian pepper to the European markets. This increased the demand for Malabar pepper. Increasing country trade on the western coast was some time attributed to the increase in the price of pepper in 1790's.

However, by the beginning of the 19th century "Malabar money" lost its world market and there was a fall of price in Malabar. The fall in price was not a phenomenon confined to Malabar only, as there was also a fall in price of pepper in the English market. The loss of market was due to a variety of causes such as increased production in the Malaysian Archipelago and Indonesia, East India Company's indifferent economic policy and

68 Bastin, J. op.cit., p. 33.
69 Ibid., p. 43.
70 Ibid., p. 32.
71 Furber, H., op.cit., p. 175.
72 "Malabar money" was the term used by the Joint Commissioners for black Pepper, as it was easily cashable in London a Bank note. -M, Vol. No. 8331, p. 75.
73 Bastin, j., op.cit., p. 21.
contemporary world political condition. By the beginning of the 19th century Sumatra's share in the production of pepper was 50% whereas, Malabar's share was only 8% of the total production of pepper in the East. In 1824 Malabar, including Travancore and Cochin, was producing only 9% of the entire Eastern production of pepper. By the beginning of the 1830's the share obviously went further down as 9% of the entire Eastern production now became the share of the whole of western India. The above data show that the share of Malabar in the Eastern production of pepper, was not significant.

This did not mean an absolute decline in the production of pepper in Malabar. In fact the production and export of Malabar pepper showed a gradual and slow increase, despite the fall in price, with the minimum exportation by sea being 1182 candies in 1813-14 and the maximum being 17,334 candies in 1845-46, worth Rs. 10,44,558. This was the highest quantity exported and maximum value obtained during the first half of the 19th century. It had been estimated that, pepper exported to be ports under the Madras Presidency per year was between 500 to 700 candies.


76. John Phipps, op.cit., p. 329 (n-8). He estimated the pepper production of Eastern Islands at 3,30,000 picules and the western coast of India, by 30,000 picules, i.e., total world production at 6,60,000 picules or 4,80,00,000 lbs.

None the less the decline in terms of world production was striking. It reflected the inability of Malabar to hold on to its position in the international market. It is significant that a large number of pepper plantations were started in Malaya, Malacca, Sumatra and Java in response to the high prices of pepper in the 1790's and even before. As against this, there were no big pepper plantations in Malabar except one at Randaterra, started by the Company in 1797. (Later it became one of the biggest cinnamon plantation in Asia). In Malabar pepper was cultivated in small plots only. Moreover, Europeans were not permitted to hold lands in Malabar till the 1830's and this obviated the possibility of European capital being invested in big pepper plantations in Malabar.

During the early part of the 19th century the Company found that the Americans, who maintained no settlement in Northern Sumatra, carried as considerable trade in pepper. They were chiefly from Boston and Salem in U.S.A and were under selling the Company in the European market. Americans, whose carrying rate was less than the Company's, shipped about 5,000 tons of Susu pepper to Boston and from there it was carried to the Carribean and Europe, generally to the Mediterranean and Levantine ports.

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During the beginning of the 19th century, the Company lost interest in the pepper trade and stopped investment in Malabar because the Company's warehouses in London were overstocked by the unsold pepper. The result was the sudden fall of price to Rs. 120/- in 1800. The price of pepper in London market slumped from 15 5/16 d in September 1801 to 9 11/16 in September 1803. In September 1805 it went down to 8 3/4 d. The Milan and Berlin decress of 1806/7, which closed the continental market for British goods, further brought down the price in London and Malabar. In 1806 the pepper price in the London market Slumped to 8 1/4 d per pound. The price of pepper in Tellichery in 1806 was Rs. 80/- per candy. In 1806 the government was forced to grant a remission on lands producing pepper and temporary suspension of the export duty until the first half of January 1807. In the same year the court of Directors suggested Malabar pepper to Canton, but the Madras commercial department objected to it as the price of pepper in fort Marlbro was lesser than that of Malabar pepper. Moreover there was fluctuation in the Canton market. However the government

82 Buchanan, op. cit., p. 535.
83 Nightingale, op. cit., p. 125.
85 Bastin, J., op. cit., p. 23.
measures did not give much impetus to pepper trade and the price around 1809-10 continued to be Rs. 80/- per candy. The Court of Directors authorised an investment in the Malabar pepper for the season 1810-11 to prevent the extirpation of pepper vine and forbade further shipment of pepper to Ceylon. The price of pepper in Malabar continued to fall considerably. In 1831 the selling price of pepper was Rs. 32 per candy of 680 lbs. It was the lowest price of pepper quoted during the first half of the 19th century.

The decline of pepper trade was attributed by the governor of Madras to the high pepper vine tax and high export duty. The export duty on pepper was very high. Thomas Warden recommended the reduction of heavy duty, imposed on pepper, for the purpose of repressing private trade or the Company should start investment in pepper.

91 This was to prevent further increase in the pepper stock of London. The annual export of pepper to Ceylon for Chinhama investment varied from 200-2500 candies. -M. Vol. No. 2463 p.p. 21, 23. But Ceylon by 1750's exported nearly 3,00,000 lbs. of pepper annually. Bastin, J. op.cit., p. 26(4).
93 Letter from the Secretary to the Madras government to the Malabar Principal Collector. 12.5.1806. -M, Vol. No. 8332, p. 18.
94 General Report, Vol. No. 12, 5.10.1806, p. 84.
The Board of Revenue, recommended the suppression of export duty because of the depressed market both in India and Europe so that pepper cultivation would be protected. For this would enable the Malabar merchants to supply distant markets at a cheaper rate.

The export duty varied in accordance with the country to which pepper was being exported. 15% duty was imposed on pepper exported to British colonial and Asiatic foreign ports, 18% when exported to European states or U.S.A., 2½% when exported to England and 5% when exported by land. In addition to this, a double duty was imposed if pepper was exported in foreign bottoms (under clause 8 section XVII, Reg. II of 1812). This latter duty was introduced according to the order of the Court of Directors. Such a high duty on an article which was facing competition in the world market was a tax on the consumption, as well as on production especially in the case of pepper. Even though Mahe was restored to the French on 27th January 1817,

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95 Letter from the Board of Revenue to the Governor-in-Council, 30.3.1813 -M, Vol. No. 2498, p. 221.
the average annual export of pepper to Mahe, during 1819 to 1823, by land and sea was only 91 candles. This was one of the glaring examples of how the Company's Commercial Policy affected the external pepper market of Malabar. Mahe had been a most for Malabar pepper during the 1780's and 1790's.

As for the economic policy of the Company, it may be mentioned that the tariff value of pepper never agreed with the market price which was highly fluctuating. The tariff valuation of pepper in 1809-10 was Rs. 150 per candy while the market price never exceeded Rs. 100/- per candy. Murdock Brown complained that on exportation of a quantity of pepper to Mahe, he was charged 18% on the tariff valuation of Rs. 85/- per candy while the real value at market rate was only Rs. 62/- per candy. Shaffield the collector of Malabar, recommended, in order to enable the Malabar pepper to compete in foreign markets, a fluctuating and advalorem tariff rate and a reduction of the duty on pepper passing to Mahe from 18% to 15%. The Court of Directors ordered an investment in Malabar pepper during March and April 1815. Probably anticipating an end to the Napoleonic war.

100 M, Vol. No. 4046, p. 198.
102 Ibid., dated 3.1.1829, Vol. No. 42 and 43.
The European merchants found an alternative pepper market in Travancore where the Government, with an effective commercial department, had established a monopoly in pepper around 1743/44 and supplied to the foreign ships at Alleppy at a fixed price, inclusive of carriage and packing charges. Moreover there was no export duty.

In 1828 the demand for Malabar pepper was dull, because the French Government had prohibited the import of British colonial produce. The Collector of Malabar pleaded that the foreign merchants should also be treated on the same footing as the British merchants were, in order to lure them back to Malabar pepper. The French export of pepper from Travancore from May 1823 to May 1826, was 3672 candies of 500 lbs. Whereas from Tellichery, Mahe and Cannanore, during the same period French exported only 1326 candies. It was said that the merchants of Tellichery had imported pepper from eastern Islands for re-exportation as it was cheaper than Malabar pepper.

105. Ashin Das Gupta, op.cit., p. 34; Buchanan, op.cit., p. 457. The Travancore government collected all the pepper at Alleppy and sold to the highest bidder. Later the monopoly was abolished and an export duty of Rs. 15 per candy was substituted. Manual of Travancore, Velupillai, T.K., Vol. 3, (Trivandrum 1940), p. 595.


110. Letter from the Board of Trade to the Collector of Sea customs in Malabar, M. Vol.No. 2464, p. 237. But so far I have come across only one instance during 1820's, 30's and 40's, when pepper worth Rs. 16,000 was imported from Malacca settlement in 1841/42, M. Vol.No. 7905, p. 80.
COTTON PIECE GOODS AND COTTON:

Malabar manufactured only coarse cotton cloth in Palghat, Temalpooram and Ponnani. A manufactory was established by the Bombay government at Calicut for weaving cloth of particular sorts for export to Europe. As it turned out very advantageous, another manufactory was established at Palghat in 1801. Moreover, Palghat was very close to Coimbatore, where the cultivation of cotton was extensive, and its texture of the most approved kind. Apart from this there were many families of weavers in Palghat.

Before and some time after the acquisition of Malabar by the Company it was supplied with cloths, cottons, turbans and various other finer manufactures from Surat and some places of Gujarat and Burhanpur. It had since been supplied with most of these articles from the interior, for example, Coimbatore and Salem districts at a cheaper rate. The quantity brought had been so great as to enable the merchants to re-export it.

This was a period of transition in the cotton and cotton piece goods trade of Malabar. The question may be

asked why Coimbatore cotton and piecegoods replaced the Gujarat and Surat goods. This could be attributed to the increasing production of cotton in Coimbatore and Salem, its cheaper price, proximity to Malabar and the abolition of inland tolls in Malabar. It was reported that the abolition of toll had increased Malabar’s trade with Coimbatore and Salem and the import from some places in Gujarat and Surat had correspondingly declined. In 1806 cloth worth Rs. 79,795 and in 1807 cloth worth Rs. 2,60,970 was exported to Gujarat.

The rise in piece goods trade had been very considerable. In 1804, the value of piece goods exported was merely Rs. 4,346; fourteen years later (in 1819/20) it reached Rs. 8,50,000 was doubled in 1829/30 to touch Rs. 16,20,000, in 1833/34 the sum further rose to Rs. 22,81,600.

But very soon Coimbatore and Salem lost the Malabar market to the British manufactures. This was due to the fact that the machine made British piece goods were procurable at cheaper price and were superior in quality. The increased import of British textiles not only adversely affected the eastern districts piece goods trade with Malabar but also the indigenous manufacture of cloth in Malabar. The Chaliyans were the people who engaged in the manufacture of cloth in Malabar. Clementson had reported that the import of the British manufactured piece goods had so impoverished them, that they turned to agriculture. However, more evidence is not available

on this aspect. Apart from the cheapness and superior quality of the British textiles, the commercial policy of the Company had adversely affected the consumption of the cloth of the eastern districts. While the local manufactures were thus relegated to a position of insignificance for ever, British manufactures gained ground rapidly. In 1829-30

10 British piece goods worth Rs. 28,772 was imported, while in 1830/31 their import of cotton silk and piece goods were about 20% more than the previous years. Malabar got the British textiles were very often from Bombay. Malabar was not the sole consumer of British piece goods imported. It was also re-exported to Mysore and Coorg.

Even though the eastern districts lost Malabar markets, the piece goods were re-exported from Malabar to Bombay, Arabia, Aden, Gulf Persia etc. From Bombay these were exported to Arabia and Persian Gulf. In 1830's and 40's the cotton piece goods imported from Salem, Coimbatore were also re-exported to Calcutta and Madras. About 20% of Madras presidency's cotton piece goods and 7/8 of Coimbatore cotton piece goods were re-exported from Malabar. It has been

9. For detail see inland or transit duty in the V chapter.
reported that 87% of the cotton piece goods imported into Malabar were re-exported with drawbacks. The drawbacks was permitted only when it was exported to U.K..

Plain cloth constituted the bulk of exports while dyed cotton piece goods were the main item of import. The available data show an increase in import of cotton piece goods while the export was decreasing (for the figures see the export and import tables given in the end).

There is no evidence to show that Malabar had produced cotton. However Sarada Raju had pointed out that at the request of the Court of Directors a sample of Malabar cotton was sent to England in 1801. Even though the Directors admitted good quality of the cotton, the sample was not sufficient for the purpose of experiment. Malabar exported cottons of Coimbatore and Salem. The tables for the years 1804 to 1837/38 and then from 1840/41 to 1849/50 (with a gap of few years) shows that the cotton export was generally increasing while the import did not show much fluctuation. The increase in the export of cotton was due to the increase in cultivation of cotton. The cotton produced in the eastern district

15. Ibid., p. 253.
17. Ibid., p. 88.
particularly of Coimbatore was exported from Cochin, which was only a distance of 150 or 160 miles and it took 6 or 8 days. Moreover in Cochin port there were better facilities than at Ponnani and Calicut. The charge for sending cotton from Coimbatore to Madras for 1,000 lbs was Rs. 20, whereas to Cochin it was only Rs. 7½ or 7¾.


COCONUT:

The next important item of export was coconut. It was mainly exported to Bombay, Bengal and Arabia. The highest number exported was 20,63,88,447 worth Rs. 3,77,792 in 1808 and the maximum value obtained was Rs. 6,22,975 in 1844-45 when coconuts numbering 4,46,52,351 were exported. The lowest number exported was 1,31,42,825 valued at Rs. 1,74,282 during 1818-1819. The lowest value was in 1812-1813, Rs. 1,34,272 for 9,92,40,053 coconuts. These were sometimes imported from Cochin Raja's territory, Travancore, Laccadives and Maldives. In 1844-45 coconuts numbering 11,80,640 and worth Rs. 7,427 were imported from Maldives (Rs. 5,187) and Travancore (Rs. 2,168).

COPRA:

Copra or the dried kernel of coconut also constituted an important article of export from Malabar. The greatest quantity exported was 26,843 candles worth Rs. 4,18,703 in 1830-31. Copra for the highest value was exported in 1849-50, when 25,494 candles costing Rs. 5,43,665 were exported. The least quantity exported was 1,842 candles valued at Rs. 47,073 in 1805.

COIR AND COIR-ROPE:

The Malabar coir was in high demand in Europe and Asia as well as in other parts of India. The highest quantity exported was 14,568 candies worth Rs. 1,52,199 in 1849/50. In 1845/46, 12,729 candies worth Rs. 1,41,194 were exported. The lowest quantity exported was 433 candies in 1806 valued at Rs. 10,682.

Malabar received a constant supply of coir and coir-ropes from Maldives and Laccadives. Superior and costlier than Malabar coir and coir-ropes, these constituted an article of re-exportation from Malabar. Malabar also received coir and coir-ropes from Travancore. In 1841-42, coir and coir-ropes to the quantity of 1,402 candies of coir and coir-ropes worth Rs. 3,0146 were imported from Maldives. In 1844-45 coir and coir-ropes worth Rs. 41,831 were imported from Maldives (Rs. 35535) and Travancore (Rs. 6296). Coir and coir-ropes worth Rs. 10,624 were imported from Travancore in 1845/46; thereby showing that coir and coir-ropes formed an article of re-exportation from Malabar.

RICE AND PADDY:

During the last decade of the 18 century Malabar

did not produce sufficient grains for its consumption. Grain requirements were supplemented by importation from Bengal and Canara. But from the first decade of the 19th century production of grains took a round turn and Malabar started to export grains showing an increase in production following extension of cultivation. In 1804 Malabar exported 12,080 Moorah of rice and paddy valued at Rs. 24,160. In 1837/38 the export by land and sea amounted to 6,45,172 moorahs valued at Rs. 7,18,198. Most of the rice and paddy was produced in southern Malabar and formed one of the items of internal and coastal trade.

The maximum quantity exported by sea was 5,86,070 moorahs valued at Rs. 11,72,021 in 1812/13; the lowest was 12,080 moorahs worth Rs. 24,160 in 1804. The value and quantity of paddy and rice exports showed fluctuations. The export for the highest value, Rs. 23,32,425 was in 1845/46.

There were occasions, however, when Malabar imported rice and paddy. For example in 1845/46 the importation was to the value of Rs. 4,106 from Bengal and Bombay.

SANDAL WOOD:

Sandal wood which was exported from Malabar was mainly the produce of Mysore and Coorg. Small quantity was obtained from Wayanad, above the Western ghat. Because of the large number of rivers running from the Western ghat, and the proximity of the above mentioned places to the Malabar ports, most of the sandal wood was exported from Malabar, mainly to Bombay. From Bombay it was exported to China. The volume of export, at different times, was affected by political conditions in Mysore and Coorg.

The maximum quantity exported from Malabar was 3,032 candies worth Rs. 1,31,312 in 1837/38; the minimum was 9 candies worth Rs. 863 in 1821/22. However 1502 candies worth Rs. 1,23,240 was exported in 1813/14. This showed fluctuation in the price, work out the price and indicated the fluctuations rather a fall in price of 52.48% per candy in 1837/38.

DRY GINGER:

An important article of exportation, dry ginger was produced in Malabar. The largest quantity exported was 3,026 candies, valued at Rs. 90,785 during 1835/36. In 1816/17,

2603 candies costing Rs. 1,24,948 were exported. This was the highest price obtained for dry ginger exported from Malabar during the first half of the 19th century showing a fall in price of Rs. 30½ per candy or 49.5% in 1835/36. The least quantity exported was 65 candies and 13 maund worth Rs. 2,268 in 1804.

CARDAMOM:

Cardamom was another important spice exported from Malabar. However its production and exportation was very limited. It was mostly produced in the Wayanad area of north Malabar. Cardamoms from time immemorable was a royalty in Malabar. The cardamom was sometime under the direct management of the government and sometime under forming. According to the settlement made between Baber, the assistant Collector of Wayanad, and the Cardamom cultivators in 1807/08, the producers were to give the whole of the produce to the government at Rs. 1150 per candy of 720 lbs. Later Vaughan, the Collector, concluded an agreement with the cultivators, according to which the cultivators were required to give half of the produce to the government at the current coastal price.


11. Letter from the Cardamom department to the Board of Revenue, 12 September 1821, M., Vol.No. 4790, p. 45.

It had been reported that when the market price of cardamom was from Rs. 800-1000, per candy of 640 lbs. the government had compelled the growers to part with it at a price varying from Rs. 550 to Rs. 700. What was more obnoxious in the farming system, the farmers put an enhanced value on the coin, in which they paid the producer. Some times the farmers compelled the cultivators to take goods in lieu of money. The principal Collector in 1827 made a settlement with the producers of cardamom, according to which they were to be paid at Rs. 600 per candy while the price in the coastal towns was Rs. 700.

The biggest quantity of cardamom exported was 210 candies amounting to Rs. 1,03,896 in 1811. However during 1820/21, 149 candies of cardamom were exported, valuing Rs. 1,41,721 and showing an increase in price of Rs. 457 per candy or 52.01% more than that of 1811 AD. But in 1833-34 the same quality of 149 candies was exported for Rs. 12,666 showing a fall in price. The smallest quantity exported was 21 candies valued at Rs. 16,454 in 1805, showing a price of Rs. 783½ per candy.

SAPPAN WOOD (Brazil Wood):

It was not a produce of Malabar. It was imported

mainly from Coorg, Mysore and sometimes from Ceylon exported to Bombay. The largest quantity exported was 4921 candies worth Rs. 72,170 during 1844/45. The lowest quantity exported was 120 candies worth Rs. 2,427 in 1830-31.

**Ghee:**

It was imported from Coimbatore, Mysore, Salem etc. for re-exportation, chiefly to Bombay. The maximum quantity exported was 3408 candies worth Rs. 2,28,879 during 1812/13. The highest value obtained was Rs. 3,41,263 for 2457 candies of ghee exported in 1810. The minimum quantity exported was 20 candies worth Rs. 2,807 in 1832-33.

**Turmeric:**

It was largely exported to Bombay and Bengal. The highest quantity exported was 1320 candies worth Rs. 34,647 in 1809. The export for the highest value was Rs. 41,776 in 1810, but the quantity given was illegible. The lowest quantity exported was 143 candies worth Rs. 3,734 in 1804.

**Wax:**

It was an insignificant article of Malabar's export trade. It also was imported from Mysore and Coorg for re-exportation. The maximum quantity exported was 134 candies
valued at Rs. 27,675 in 1849/50. The minimum quantity exported was 1 candy 4 maund and 22 pound worth Rs. 480 in 1810.

ARROWROOT:

Arrowroot was sometimes imported from Cochin Raja's territory, Mysore, Coorg and Ceylon. It formed an article of re-exportation. It was chiefly exported to Bombay. The largest quantity exported was 2704 candles worth Rs. 56,656 during 1844/45. The lowest quantity exported was 284 candles worth Rs. 6944 in 1804.

TIMBER:

In 1793, the Company had inherited from Tipu the monopoly of timber which was grown in the province of Malabar. This was used to supply the Bombay dockyard with Malabar timber, and to regulate the timber trade on the western coast of the peninsula. Later all the authority of the forests and timber trade of the Malabar was transferred to the Bombay government by the order of the Madras government in July 1806, and the Bombay commercial resident in Malabar was appointed the

conservator of Malabar forests. This continued down to 1822 when the monopoly was abolished. This monopoly interfered with the export trade of timber in Malabar. No quantity of the timber export was given. The maximum value obtained for timber export was Rs. 5,41,149 in 1828-29 and the minimum was Rs. 4932 in 1810.

COFFEE:

Coffee was a later addition to Malabar's export trade during the 1840's. Before that, and even during the above period, coffee was imported from Arabia and Ceylon. In 1840/41, 25 candies of coffee worth Rs. 2,470 were imported. During 1844/45 and 1845/46, 10 and 77 candies of coffee worth Rs. 1,177 and Rs. 4,746 respectively were imported into Malabar from Arabia and Ceylon. However, during the 1840's coffee plantation began in Malabar, particularly in the Wayanad area. The first coffee plantation in Wayanad under the English management was opened in 1840. It was reported that the enterprise had not much progress until about 1855, when many estates were started in south Wayanad. The export of coffee

from Malabar during different years.

<table>
<thead>
<tr>
<th>Years</th>
<th>Quantity (candles)</th>
<th>Value (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1840-41</td>
<td>39</td>
<td>3,383</td>
</tr>
<tr>
<td>1841-42</td>
<td>18</td>
<td>1,653</td>
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<tr>
<td>1844-45</td>
<td>280</td>
<td>25,222</td>
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<td>1845-46</td>
<td>733</td>
<td>65,348</td>
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<tr>
<td>1849-50</td>
<td>3576</td>
<td>1,25,315</td>
</tr>
</tbody>
</table>

The quantity went up in 1855 when 6,386 candles were exported. The entire export was not solely the produce of Malabar as coffee was imported into Malabar from Coorg and Mysore also.

20. Ibid.
2. **IMPORT TRADE**

The import trade of Malabar was very insignificant while comparing to the export trade. It has imported only trifling articles like coppernails, cotton, dates, sugar soft, sugar candy, madder, wheat, raw silk, tutenag etc. It has been reported that about 70% of the imports were re-exported to the eastern district and local Raja's territories.

**Coppernails:**

It was imported for the construction of ship-building and re-exportation to eastern districts and Mysore. The maximum quantity imported was 1003 *candies* worth Rs. 3,30,043 and the minimum was 22 *candies* valued at Rs. 7,314. The quantity imported and its price fluctuated. In 1804, 22 *candies* worth Rs. 5,632 were imported, however, in 1805 the same quantity was imported for Rs. 7,314. In 1821-22, 702 *candies* worth Rs. 2,41,937 were imported showing an increase in price per candy.

**Cotton:**

The available data show that the import of cotton declined from 1806 onward with slight fluctuations. The highest quantity imported was 1754 *candies* worth Rs. 1,11,418 and the

* For the quantity and value of the articles imported, see the import table, given in the end.
The smallest amount imported was 64 candies worth Rs. 9,360. In 1823-24, 1,208 candies were imported for Rs. 1,36,295 showing an increase in price than in AD 1806. In 1827-28, 1,498 candies worth Rs. 1,76,170 were imported. This was the highest value of cotton imported.

Dates:

Dates were mainly imported from Arabia and Gulf countries and sometimes from Bombay. The maximum quality of date was imported in 1844/45 when 1,547 candies worth Rs. 24,753 were imported. However in 1823-24, 1,379 candies valued at Rs. 23,339 in 1824/25, 1,463 candies worth Rs. 24,249 were imported showing an increase. The least quantity imported was 79 candies worth Rs. 1,788. The table shows that the import increased with slight fluctuation.

Sugar Soft:

This was mainly imported from Bengal and Eastern Islands. This was also re-exported to Mysore and Coorg. The greatest number imported was 2,120 candies costing Rs. 1,03,950 in the year 1820-21 and the minimum quantity was 31 candies costing Rs. 1,362 during the year 1804. The import fluctuated but was almost stationary during 1820's.
Sugar Candy:

The maximum quantity was 439 candles worth Rs. 8,227 in 1808, however, in 1834-35, 78 candles worth Rs. 12,041 was imported showing an increase in price of sugar candy. The table shows that the sugar import was declining and the smallest quantity was 10 candles worth Rs. 2,465.

Madder:

The biggest quantity imported was 429 candles worth Rs. 54,853 during 1809 and the least was 4 candles worth Rs. 578 during 1811. The import fluctuated.

Wheat:

Malabar derived wheat from Bombay and Bengal. It was re-exported to eastern districts Coorg and Mysore. The maximum quantity imported was 897 candles worth Rs. 19,587 in 1808. However in 1804, 399 candles were imported for Rs. 13,831 showing a decrease in price. The minimum quantity imported was 224 candles worth Rs. 5,691 in 1812-13. However due to inadequate information on the conversion for Grace and Seers, the amounts for the years 1826-27 to 1849-50 could not be converted into candles.

Tutenag:

During 1827-28, the import of tutenag touched a peak
at 249 candies costing Rs. 25,010 while the smallest amount imported was 1 candy at Rs. 192 in 1807. The price of 83 candies in 1808 was Rs. 11,757 while in 1829-30 the cost of 80 candies was Rs. 6,705. This shows a fall in prices.

Iron Ironails:

In 1844-45, 1908 candies were imported, which was the largest, at Rs. 59,175 while the smallest order was of 38 candies worth Rs. 2,534 in 1812-13.

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CHAPTER - II

OVERLAND EXTERNAL TRADE
Malabar's overland trade was conducted with the states of the Rajas of Mysore, Cochin, Coorg, Travancore and the French Settlement of Mahé. No data were available on the overland trade for the first 26 years of the 19th century. From 1826/27 to 1834/35, the data are available in the reports sent by the department of external commerce to the Collector of sea customs in Madras. However, according to P. Clementson, these data cannot be completely relied upon, as the right to collect the frontier duty was farmed out and the accounts furnished by these farmers were palpably false. There is a gap of 5 years in the data provided from 1834/35 to 1840/41. No figure is available for Malabar's trade with Coorg from 1834/35 onwards as the state was conquered by the Company in 1834. Similarly from 1840/41 the figures for Travancore and Cochin were given together, which makes it difficult to assess Malabar's separate trade with Cochin and Travancore. No data are available for Malabar's trade with Mysore from 1845/46, and from 1847/48 the data provided are only for Mahé.

The overland trade fluctuated, depending on the political condition prevailing in the Indian states and on their relations with the Company, particularly in the case of Mysore and Coorg. For example, the trade with Mysore declined in 1830/31 because of unstable political conditions in Mysore. The

Company's strained relations with Coorg during 1832/33 adversely affected trade. The Raja of Coorg prohibited the export of sandal-wood and cardamom to Malabar and the Company, by a declaration, prohibited export of articles to Coorg.

The available data show that the general pattern of trade, in almost all years, was in favour of Malabar. However, during 1844/45 the exports were worth Rs. 2,21,391, whereas the imports were worth Rs. 2,57,080. The maximum imports were worth Rs. 2,57,080 in 1844/45, and the maximum export; were worth Rs. 3,07,639 in 1827/28.

1. TRADE WITH MYSORE:

About 50% of Malabar's overland external trade was conducted with Mysore. This was because, the products of Malabar and Mysore were not identical. The main imports from Mysore were sandal-wood, sandal-wood oil, piece goods, Cotton, cumblies (woolen) opium, potatoes, dry grain, drugs, ghee etc.

Sandal-wood was the main article of re-exportation from Malabar to Bombay, and from there mainly to China. The maximum quantity imported was 2060 candies worth of Rs. 1,07,865.

The import of sandalwood oil was insignificant. Next to sandalwood, the most important items was cotton piece goods. Available data show that Malabar imported cotton piece goods from Mysore, at the same time, these were also exported to Mysore. In the absence of firm data, on the sorts of piece goods traded, it is difficult to explain the pattern of the piece-goods trade. However, export was always higher than the import. The highest quantity exported was worth Rs. 95,789 in 1840/41, and the minimum export was in 1833/34, worth Rs. 5,416. The maximum import was worth Rs. 14,616 in 1840/41 and the minimum worth Rs. 3,443 in 1830/31. The superior manufactured European piecegoods also influenced the volume of the piecegoods trade. For example there was a decrease in the import of cotton piecegoods from Mysore, in 1827/28, because of their large importation by sea into the Malabar markets. This adversely affected the demand for Mysore cloth in Malabar. In the same year there was an increase in export of cotton piecegoods to Mysore from Malabar to the amount of Rs. 60,817, mainly because of the moderate terms on which foreign made piecegoods were procurable from Malabar. It was reported that, this had a beneful effect on the production of indigenous cloth. In 1831/32 the decrease in the import of Mysore cotton piecegoods was attributed to the

9. Ibid., p. 145.
overstocked state of the Malabar markets with the imports from Britain.

From the second decade of the 19 century, there was a change in the opium trade of Malabar. Till then most of the opium requirement was met by importation from Bengal. However, from the 1820's onwards it was imported only from Mysore, and the import from Bengal was discontinued. Opium imported was used in the Military cantonment at Cannanore and it was also re-exported to Cochin Raja's territory.

The next items of import, though not much significant, were cumblies (woolen) mainly used in the cantonments, mustard oil and seeds, ghee, dry grain etc.

Malabar's trade with Mysore was always in favour of Malabar, except in 1844/45 when the export was worth Rs. 1,28,064 whereas the import was worth Rs. 2,05,520.

2. TRADE WITH COCHIN:

Next to Mysore, Cochin had a prominent place in

Malabar's overland external trade. Since almost all the articles of production of Malabar and Cochin were identical, increase or decrease in production of particular articles affected the trade in those items. The main imports were betelnuts, betel-leaves, coconut, coconut oil, cotton piece-goods and sometimes cardamoms.

The betelnuts and betel leaves imported, were re-exported to the eastern districts of Coimbatore, Salem, Madurai etc. The volume of import was determined by the prices of these articles, their production and demands from eastern districts. In 1827/28 there was an increased import of betelnuts as compared to the previous year in south Malabar because of its larger production and less price in Cochin. During 1829/30 the import of betelnuts and leaves from Cochin was less as the markets in Coimbatore and Salem were overstocked from the previous years' export. The increased import in 1832/33 was due to crop failure in Malabar.

Cotton piece-goods and cotton also constituted important items of trade. It appears that the volume of trade in cotton piece-goods was, to some extent, controlled by the import from Coimbatore, Salem, Mysore and Europe into Malabar and Cochin piece goods demand in other regions. For example there was a

decrease in the import of piece goods during 1827/28, because of its increased importation from eastern districts of Coimbatore and Salem. The same thing also happened in 1829/30. During 1833/34 decreased importation was due to an increased demand for Cochin piecegoods in Travancore. The improvement made in the manufacture of cloth in Cochin from the late 1820's resulted in reduced export of cotton piece-goods to Cochin. However it gave an impetus to the export of cotton and twisted yarn. The other items of import were cardamom, to be exported to Bombay and Bengal. Hides were procured for re-exportation to Coimbatore and Seringapatam. The exports were opium, wax, drugs, dry gain, Cotton and cotton twist. The last two items were imported from Coimbatore for re-export to Cochin.

From the data available (for 1826/27 to 1834/45). The maximum exports were in 1834/35 worth Rs. 66,222 and the minimum were worth Rs. 7,310, in 1833/44. The maximum imports were in 1826/27 worth Rs. 62,880, and the minimum were worth Rs. 21,169 in 1834/35.

19. There is a gap of five years from 1834/35 to 1840/41. Moreover the figures from 1840/41 to 1845/46 are given together for Cochin and Travancore and no figures are available from 1845/46 onwards.
20. Only in 1834/35 the export was higher than the maximum import figure of Rs. 62,880.
3. TRADE WITH COORG:

Sufficient data are not available on Malabar's trade with Coorg and thus the trade was less prominent. The main imports were sandal wood, cardamom, cumblies (woolen), drugs and sometime rice and paddy. The sandal wood imported was re-exported to Bombay and Bengal. The import of cardamom depended, to a great extent, on its demand in Bombay and its production in the Wayanad area of Malabar. During 1829/30 there was an increase in the import of cardamom because of ready market in Bombay. However, the large import of cardamom in 1832/33 was because of the crop failure in Wayanad. In the same year there was an increased import of rice and paddy to Malabar, because a scarcity of rice in Mysore tempted the merchants in the Malabar Mysore border to export rice to Mysore, instead of taking it to the Malabar coast. Therefore, in order to meet the coastal demand of rice and paddy it was imported from Coorg. Cumblies were imported for the troops at Cannanore.

The exports were coconut, coconut oil, salt, salted fish and drugs etc. The imports were always higher than the exports, which were trifling. This, probably, could be attributed to the geographical position of Coorg to which outlet to the sea was provided by the several ports in Malabar, and by rivers running

23. Ibid.
from the western ghats to the sea, apart from a few roads. Therefore, the products of Coorg had to pass through Malabar. Apart from this, Malabar could offer little to Coorg as the latter was remarkably self-sufficient. The maximum exports were worth Rs. 1887 in 1832/33, and the maximum imports, were worth Rs. 61,628 in 1827/28.

4. TRADE WITH MAHE:

Malabar had trade relations with Mahé, the only French settlement in western India, by land and sea. But this trade was not so significant. The main imports were wine, spirits etc. The exports were rice and paddy, pepper, salt. The exports by sea sometime affected the exports by land. For example in 1832/33 the export of rice and paddy was less than in the previous year because large quantities of rice and paddy were exported by sea. The trade was in favour of Malabar as the export, in most of the years, showed an increase over import. The maximum exports were worth Rs. 20,856 in 1847/48 and the maximum imports were worth Rs. 4,205 in 1833/34.

5. TRADE WITH TRAVANCORE:

Overland trade with Travancore was too insignificant.

to merit any mention. The articles imported were dry gain, piece goods, stationery, cumbles etc. The articles of export were copper, tufenag (some sort of zinc) silk piece goods etc.
CHAPTER - III

INTERNAL AND COASTAL TRADE
INTERNAL AND COASTAL TRADE:

1. (a) Internal Trade:

Compared to the external sea commerce and overland external trade, Malabar's internal trade was very insignificant. The internal trade comprised, not only the trade between different parts of Malabar in its produce, particularly in grain, spices etc., but also in the manufactures and produces of the eastern districts, Coorg, Mysore and Cochin Rajas' territories. The articles of the above regions constituted were, textile goods, pulses, chillies, cardamom, sandalwood, arecanut, betel leaves etc. Transporting or selling the coastal products like salt, salted fish, grain, European textiles and goods to the eastern districts and the local Rajas' territories and bringing down the hinterland goods like tobacco, pepper, cardamom, sandalwood etc., to the coastal towns was an integral part of the internal trade. In the beginning of the 19th century it was reported that there was only trifling internal trade in Malabar except along the coast and the eastern district and the local Rajas' frontiers. Moreover Malabar was too small a district to note any change in the internal trade.

The internal commerce of Malabar was not well

developed or advanced. According to Ashin Das Gupta, the breakdown of trade towards the close of the eighteenth century had possibly brought back the payment to goods bought in kind. However there is sufficient proof that even during the first decade of the 19 century, in Malabar there existed barter system. This is evident from the fact that Murdock Brown, then Custom Superintendent of Malabar, exchanged pepper for rice with the Coorg merchants. He also bartered in trifling articles like coconut, betelnut, tobacco, salt, sugar etc. with the interior inhabitants for pepper. Throughout the first half of the 19 century there was always exchange of goods between the coastal merchants and the inhabitants of the interior.

The volume or intense of the internal trade to some extent had fluctuated according to the weather and demands for the goods of the eastern districts in the coastal towns. For example the internal trade in grain, spices arecknut etc. was adversely affected by the drought in Fusly 1242 (AD 1834/1835). In Fusly 1243 (AD 1835/1836) there was less demand for cotton piecegoods in Bombay, which retarded the trade of that article in the coastal towns.

2. A. Das Gupta, op.cit., p. 23.
5. Ibid., p. 141.
The government's fiscal policy also interfered with the internal trade. For example, the timber, salt, and tobacco monopoly deprived the local petty traders of their legitimate right to carry on the trade in these essential articles, because of monopolistic regulations and legal formalities.

The timber monopoly was a blow to the local trade as it put a virtual end to the private trade in timber. A lot of local traders were involved in felling and transporting of timber to the coastal towns for local sale and exportation. As the timber monopoly made available to the local traders, only the residue of what was exported to Bombay, 6 this monopoly was resented by the traders. In the shipbuilding industry, it had thrown a lot of employees out of job as the teak available in Malabar under the monopoly was not good for ship-making. However, the timber monopoly was abolished in 1825. The salt and tobacco monopoly had 8 artificially enhanced the re-tail price of the articles.

8. Salt and Tobacco trade felt the impact of Company's rule to the maximum and deserve special notice. Section '2' of Chapter III will deal exclusively with monopoly in the two commodities during 1800-1850.
Despite the monopoly on salt, it was one of the main articles of coastal, internal and overland external trade. Large quantity of salt from Tellichery was carried to different parts of Coorg and Mysore by Bringaries, who had large herds of cattle to convey the indispensable article. In return they brought down rice, dry grain and other produce from above the ghats.

The produce of the interior reached the inland customer through the markets and to the coastal town either from the market or from the cultivator directly through the intermediaries. Let us consider about the market first. The absence of markets may lead to form a monopolistic group among the merchants themselves and fix a low price on the produce of the cultivators, which always would be lower than the actual price. During the British Occupation of Malabar and almost two decades after that there were not much markets in the interior. Only the coastal towns had markets which were the centres of commercial transaction. It was reported that throughout Malabar people procured the articles of consumption, where the petty traders sold them by retail. Sometime farmers also acted as traders, who personally took their goods to the market and disposed them

at first by retail and latter by wholesale to the dealers. The absence of periodical or regular markets could not provide reasonable price to the cultivators and exposed them to the duplicity of the intermediaries and coastal merchants. Thomas Warden during his tenure as the principal Collector, took some measures in establishing markets in the interior at the beginning of the century. In 1828 markets were opened in several places including one at Angadipuram. This market was frequented by people from the coast and Palghat. Several weekly and monthly markets were established at different parts of the taluqs for the convenience of the troops and common people. Bi-monthly markets were established at Manantavady on Monday, Coottumparamba on Tuesday, Cannanore on Saturday and at Vallenpatanam on Friday. A weekly market was started at Wanniankulangara.

Very often the coastal merchants or their agents approached the producers or cultivators and gave advance for their produce. Buchanan gives a vivid account of the contracts, which the coastal merchants, or their agents or the inland merchants had entered with the cultivators. For


example the merchants advanced money for pepper during the months of July or August on the condition that in January or February the cultivators should deliver the pepper at a given price. If the cultivator failed to deliver the stipulated quantity of pepper, he must pay for the deficiency at the Calicut price. The Calicut price was always higher than the price in the interior. If, in case, the cultivator failed to pay the money at the market price, then he had to give a note (bond) showing the amount the cultivator owes to the merchant. But no interest was taken from the cultivator. The advances profit usually varied from 60–87% (It is dealt with in the pepper trade). Here we can notice the practice of the 'putting-out system'. The merchants in fact by advancing money to the cultivators at an estimated price on their produce, were exploiting the destitute of the cultivators. The cultivators were deprived of their, real price which they ought to have received, if they had not accepted the merchants' advance.

(b) Coastal Trade:

Eventhough extensive trade was carried on between the ports of the Malabar district, there is little data

available to show the volume of coastal trade.

Ponnani, in the Southern division of Malabar, was an important coastal town and port. Ponnani enjoyed considerable trade, both internal and external. From Ponnani was exported the produce of interior, particularly rice and paddy of Palghat, coconut, copoa, coir etc. of Ponnani taluk to the ports of Northern division. Ponnani was a chief Commercial town and port between Cochin and Calicut. From Northern division were exported down pepper, cardamom etc. The mopilas of Mount Delli supplied Cannanore and Tellichery with fire-woods and fish. Boats from small ports visited Tellichery and Calicut for English and European goods - vessels from Cannanore, Tellichery, Badagara, Calicut, Tanur and Ponnani took cardamoms, coconuts, iron, sappanwood, garlic, tobacco etc. to Cochin. In return they brought spices, sugar, Japanese copper, lead, tin, benzoin etc. from Cochin.

The trading boats were called pattamaras and on average carry 50,000 coconuts or 500 bags of Bengal rice. The back water crafts were called wallums (vallums). There were first, second and third class, according to the quality of construction. Almades were small vessels used for coastal trade. Jungar, a collection of boats joined to platform to cross the ferries.

Half of the year internal and coastal trade was not practicable by land and sea because of monsoons.

2. **SALT AND TOBACCO MONOPOLY**

With the political and administrative control in the hands of the company, Malabar started to feel the effects of Alien rule. The determination of the company to enhance the public revenue led to the introduction of salt and tobacco monopoly in Malabar. Since this monopoly was an instrument not of commerce but of taxation, the resultant heavy increase in the price of these articles of general consumption fell very heavily upon the lower strata of the population. A measure of the heaviness of this incidence is provided by the fact that the salt and tobacco monopoly contributed 21.69% (during 1806-1840) of the total revenue of Malabar. Of this figure salt contributed 7.99% and tobacco 13.70%.

(a) **Salt Monopoly**

The salt monopoly was established in the Madras Presidency, except in Malabar and Canara, by regulation I of 1805 on September 13. The salt monopoly was introduced in Malabar in November 1806 and abolished in 1871. Before the introduction of the monopoly, salt requirements were met with

local manufacture and imports from Arabia and Bombay. After the monopoly, manufacture or import of salt, except on government account, was prohibited. After the enforcement of monopoly, salt needed for Malabar was mainly imported from Bombay. The Collector of land revenue had the charge of the salt monopoly.

The monopoly price consisted of the cost of the article and the government duty (monopoly profit). The average price of salt bought by the company from the contractors in Malabar was about Rs. 30 per grace. In Malabar the government on receiving the salt at its depots paid a price called kundivaram ranging from 2 annas and 2 pice to 3 annas 7 pice per maund. Then it was sold out from the government depots established in different parts of the district, mainly in the coastal towns.

From the government depots salt was disposed in any quantity throughout the month. This system differed from that obtaining in Bengal. In Bengal a limited amount was determined by the government to be sold by auction, held

5. Logan, op.cit., p. 54.
monthly. This measure was tantamount to establishing a sub-monopoly in Bengal salt, as only people with big capital could bid in the auction. In the Madras presidency the monopoly price of salt was fixed, whereas in Bengal the monopoly price could not be fixed because of the system of auction. The only principle governing the fixation of price was that it should be as high as was likely not to interfere with consumption. When the monopoly was introduced, the monopoly price throughout the presidency was Rs. 70 per grace. In 1809 it was raised to Rs. 105, which meant a rise of 50%. As the enhanced price reduced the consumption of salt, the price was reduced to Rs. 70 in 1820; a reduction of 33.33%. But it was reported that the retail price of monopoly salt fell by 11.13% only, i.e., only \( \frac{1}{3} \) of the amount relinquished by the government went to the consumer, \( \frac{2}{3} \) of it being absorbed by the dealers through whose hands the article passed.

In 1828 the price was again raised to Rs. 105. In 1844 the

6. David Hill's evidence before the select Committee, 1831-32 Book No. 9, op.cit., p. 117.
8. Thomas, P.J., op.cit., p. 41.
inland duties in the presidency were abolished, and in order to make good the loss the price of salt was raised 11 to Rs. 180 per grace or Rs. 1 and 8 annas per maund.

The price charged from the consumer or rather the retail dealer varied considerably both in time and place. The inhabitants living in the interior could not, of course, obtain the article at cost price. Charges of carriage, profit of several intermediate retailers, loss from wastage and other incidental expenses may be supposed to have raised the price about 70% of the monopoly price. Apart from the operation of monopoly, the price of salt in the interior was especially enhanced as a result of distance from the coastal depots and the high cost of carriage. To transport one grace 14 of sugar 50 to 60 bullocks were needed. Apart from increasing price, the process of transportation also resulted rather frequently in the adulteration of salt before it reached the consumer.

The average price of salt bought by the company for 15 years (1816-1821) was as follows.

<table>
<thead>
<tr>
<th>Salt Type</th>
<th>Rs.</th>
<th>Ananas</th>
<th>Pies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bombay</td>
<td>38</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Canara</td>
<td>35</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Goa</td>
<td>24</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Malabar</td>
<td>19</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Mocha</td>
<td>36</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

The above data clearly show that Malabar salt was cheaper than any other salt imported. Commissioner Graem had, in 1821, suggested the encouragement of home manufacture to the extent of consumption of Malabar. For, he had, pleaded that the home manufacture of salt would remove the suffering of the people, who had been manufacturing salt before the monopoly. Moreover, the government had given compensation only to the owners of salt field and not to the large number of manufactures, who were thrown out of employment as a result of the prohibition on the indigenous manufacture of salt in the district. The Board of Revenue had suggested that the Collector should give a trial to the indigenous manufacture of salt and to improve its quality. Later on salt, to a small extent was indigenously manufactured under the supervision of


the salt department. But a great share of the monopoly salt was imported from Bombay, till the monopoly was abolished.

As a natural consequence of its exorbitant price following the introduction of monopoly, salt was also illegally manufactured, besides being smuggled into Malabar from the nearby French settlement of Mahe. This illegal manufacturing, in spite of penal legal provisions, was particularly resorted to by the workers who had previously been employed in salt pans and had been thrown out of employment. Poor people living in the coastal areas always tried to buy this salt because it was cheap. But it was inferior in quality and injurious to health.

(b) Tobacco Monopoly

The tobacco monopoly in Malabar offers a significant example of the concern of the Company’s servants for hame-sing every possible means of augmenting their revenues. This clearly emerges from David Hill’s letter to T. Hyde Villier. On being asked "whether there is any thing particular to Malabar and Canara which warrants tobacco monopoly there and not elsewhere", he replied, "owing probably to the wet climate, the use of tobacco is universal throughout Malabar and Canara, and the plant is little, if at all, grown in those provinces. Besides they are easily accessible only by particular routes or by sea. These circumstances afford facilities
to the collection of a high revenue on tobacco, which do not
exist elsewhere. The paramount consideration which warrants
the highest revenue we are able to collect there as else­
where is, that with all we can do our revenue is still too
small. It also affords some special warrant for the tobacco
monopoly in Malabar and Canara, that the land revenue there
is lighter than in other districts............".

The tobacco monopoly was introduced in Malabar in
the first decade of the 19th century, and abolished on 1 January
1853, by the proclamation of 9 November 1852.

Before the monopoly, tobacco needed for Malabar was
imported from Coimbatore by private merchants, subject to a

17. David Hill's letter to T. Hyde Villiers, 28 January 1832,
(British Parliamentary Papers) Book No. 9 (para X), p. 324.

18. According to Logan, tobacco monopoly was introduced in 1811
and abolished on 1 January 1853. Logan, op.cit., Vol. I,
p. 360. Treaties and engagements, op.cit., part II, CCLX,
p. 372. However, according to the General Report, the
monopoly was introduced in Malabar in the month of January
1807. It was further reported that the introduction of
monopoly was delayed for few months as the Collector of
the district was aware of the consequences of the introduc­
tion of the monopoly (General Report, Vol.No. 13, 10 Octo­
ber 1807, p. 104, para 750). The monopoly was introduced
in order to make good the loss from the abolition of town
duties (General Report, Vol.No. 12, 25 February 1807,
para 382).
duty of 8% at Palghat, and it could be obtained at Rs. 60 per 19
19.
20.
candy of 680 lbs. After the introduction of the monopoly it was supplied from Coimbatore some times by agents of the Collector of Coimbatore and some times by Contractors. The contract system was abolished in Fusly 1238 (AD 1830-1831). For the effective implementation of tobacco monopoly in Malabar and Canara, a monopoly in the trade of tobacco was introduced in Coimbatore also, by regulation 8 of 1811. Under the monopoly, the Coimbatore ryots cultivated tobacco under licence and they were obliged to deliver it to the government at a price fixed by the government. This injurious system was abolished in 1817.

Great disparities existed in the price at which tobacco was bought in Coimbatore and its monopoly price in Malabar. The monopoly in the first instance raised the consumer price by 300 to 400%, and, owing to abuses in the management, often

by 700 to 800%. This highlights the deleterious effect of the monopoly on the consumer. It was reported that the price of tobacco in Malabar during 1816 was 237½ Rs, while it was grown in Coimbatore for Rs. 17.50 to Rs. 21 and the price of smuggled tobacco was about Rs. 30. According to the report of the Select Committee on the affairs of the East India Company, the cost of a candy of tobacco in Coimbatore was about Rs. 22 while the monopoly price at Palghat in Malabar, a distance of 25 miles, was Rs. 175.

There were representations against such oppressive increase in the price of tobacco. As a result of these protestations the government reduced the monopoly price of tobacco in February 1816 from Rs. 238 to Rs. 175 per candy. The government, however, had no control over the retailers. Consequently, in that very year, in spite of reduction of the price by the government, tobacco was sold at 200% more than the monopoly price of Rs. 525. This was 765% more than the pre-monopoly selling price of tobacco i.e., Rs. 60.

H.S. Graeme had reported in 1822 that since the introduction of the monopoly the consumption of tobacco among

24. Ibid.
the increasing population of Malabar had decreased by 40%.
According to him the cost of tobacco brought from Coimbatore
varied between Rs. 34 and 50 per candy of 680 lbs., when its
selling price at great depots of Palghat, Ponnani and Calicut
was Rs. 161/ per candy and Rs. 169.75 at the smaller depots.
Licensed vendors were authorized to sell at Rs. 175, but
retailers without any licence sold it at about Rs. 220/ per
candy.

In 1822 itself the monopoly price was raised from
167½ rupees to Rs. 175 per candy. All this while, it may be
noted, the price of tobacco in Coimbatore varied from 15 to 20
rupees according to quality. But in Malabar it was retailed
at Rs. 202 per candy. Moreover, it was inferior in quality.
In the beginning of 1840's it was observed that in some
places, which were removed from supervision, retailers managed
to sell tobacco at the exorbitant rate of Rs. 360/ per
candy. The manner in which monopoly operated to the utter
disadvantage of the consumer is brought out by the fact that
about this time the best contraband tobacco was sold in
Malabar at Rs. 100/ per candy.

This great difference in the price of an article which

had become almost a necessary of life held out an irresistible temptation to smuggling. In 1813, Thomas Warden, then Principal Collector of Malabar, had calculated the consumption of tobacco in Malabar at 1700 candies, of 680 lbs. Almost one third of this i.e. 500 candies, was estimated by Warden to consist of contraband supplies.

This state of affairs, causing hardships to the people and providing a virtually endemic cause for smuggling, called for attempts at reforming it. One such effort was made by Shaffield, then Principal Collector of Malabar, who introduced on 12 March 1827, a new system for conducting sales of tobacco. This system, he claimed, reduced the consumption price of tobacco by 60%. According to this system the taluq sales of tobacco were superintended by the tahsildars, who were supplied indents for the tobacco required for their respective jurisdictions. The tahsildars were entitled to a commission on the sales. Thus the government acting in turn as buyer and distributor, did away with the professional retailer by making the tahsildar a retailer. This method increased the revenue from the tobacco monopoly by 40%. Shaffield's system, however, made provision for individuals to buy tobacco for their bonafide personal use from the government depots. A certain

number of vendors were to be appointed in each town and
village, their profit being 12\% and the maximum retail price
not exceeding Rs. 202, annas 4 per candy.

The tobacco monopoly operated disadvantageously for the
consumers, the majority of whom were poor people. They were
not only legally barred from cultivating an article of daily
consumption; they were also obliged to pay for it an artifi­
cially raised exorbitant price. This was particularly unjust
for the poor people because tobacco provided for them a possi­
ibly inexpensive relief from the cruel drudgery of their hard
existence. Workers could not go through their daily work
without it. The consequences were that smugglers in
bodies of 50 or 100 traversed the country, plundering where­
ever they went and occasionally over-powering the police.
There were instances of whole villages in Coimbatore district
being burned by them when the ryots refused to sell them
their tobacco. The monopoly had increased the expenses of
the judicial department for law charges, maintenance of
prisoners and increase of police establishments. The Collector

31. It was reported that tobacco was cultivated to a small
extent, for personal use by the people of Wayanad. But
this under the monopoly was prohibited. T. Warden's
Report, 1813, op.cit., p. 16.
of Coimbatore complained of the hardships of the ryots in his districts through the previous mode of supplying Malabar by contract system.

The salt and tobacco monopoly had very adverse effects on the internal trade of Malabar. It materially interfered with the small scale private trade between Malabar, Coimbatore, Dindigul and Tinnelvely in salt, tobacco, cloth and ghee. Before the monopoly, salt from Malabar was exported to Coimbatore, Dindigul and in return tobacco, ghee and cloth were imported from the above places. But after the implementation of the monopoly, this was no longer possible. Another effect of the salt and tobacco monopoly was that it operated adversely for the retailers of small means. By increasing six fold the price of these commodities, the monopoly required much larger capital for initial investment. This also had the effect of potential or actual capital attracting from other commodities.

CHAPTER - IV

THE SYSTEM OF TRANSPORT AND PORTS
SYSTEM OF TRANSPORT AND PORTS

1. INLAND TRANSPORT:

The prosperity and commercial intercourse in a region is, to a vast extent attributed to the availability of communication system. Malabar, too, was not an exception to this theory. Till the Mysorean invasion, Malabar had not had well developed inland transportation system. During this period the back water and rivers were the main channels of communication. This was mainly due to the geo-political condition of the territory. Malabar was traversed with many backwater, rivers, streams and paddy fields. Lack of political unity and integration was another feet. This small district before the occupation of the company was ruled by about 30 chieftains, whose mutual feud and mistrust ruled out the possibility of the construction of any roads. Commercial products were carried by coolies and same time by packed bullocks. However Buchanan in his detailed account of Malabar, says that in Malabar even cattle were little used, and wheeled traffic were/ known. Horses were used by few chieftains only. They travelled in palanquins.

But the matter took a sudden turn with the conquest of Malabar by the Mysorean Sultans. In order to carry their big guns, the Sultans, particularly, Tipu constructed a network of roads in Malabar, for the first time in the Malabar history. These roads were generally known as 'Gun Roads' and had connected different parts of Malabar with his capital, Seringapatam. Tipu has not constructed much road in Northern Malabar. Tipu is generally considered as the 'pioneer of road makers' in Malabar. Buchanan, who had visited Malabar after the fall of Tipu had commented that Malabar has got the best roads in India.

Very soon the 'Gun Roads' were ruined due to lack of proper maintenance and rain. But later most of these gun roads were traced and broadened by the pioneers in the Madras regiment.

Tipu has not constructed much roads in Northern Malabar. Majority of his road started from Mount Deli and directed towards the Tamarasseri and Periya Ghats. The Tamarasseri Ghat with a steep gun road was the meeting place of no less than four roads. Two led by different routes from Malapuram and two from Calicut one following more or less the line of the present Mysore road, and the

4. Ibid.
other passing through Ferok, Tipu's Capital in Malabar, was connected with Karkkur Ghat by a road which ran through Kendotti, Edavana and Vilambur. Coimbatore was connected by two alternative routes. A road lead via Tirurangadi to Venkattakotta (Modem Kottakal) in the Ernad Taluq, and then bifurcated one branch going to Coimbatore by Angadipuram, Mannarghat and the Attapadi Valley, and the other by Kavala-para, Mankara and Valayar. The coast road from Beypore to Cranganore via Tanur, Pennani Veligangod and Chetwai was another gun road. The existing road from Tanur to Palghat by way of Pudiyangadi, Trittala and Lakkadi. Palghat was also connected with deridigul and Kollangod by lines of communication. The roads shown in the map were mainly constructed in 1840's, 50's and 60's. In 1807 Thackery in his reports to the Board of Revenue stated that Malabar was intersected by better roads perhaps than any other province in India. During this period the main roads were the coast road and those from Palghat to the sea, from Palghat to Kuttiyadi via Tamarasseri, from Kuttiyadi to Calicut and from Calicut to Tamarasseri.

The Pyshe rebellion in Northern Malabar during the first decade of the 19 century, led to the construction of

5. Ibid.
many roads in Kottayam and Kurumbranad taluqs. They were called as 'Military Roads'.

This was followed by a stagnation in the road making in Malabar for about four decades. In 1848 Malabar Principal Collector Canolly reported that there were only two carriage roads in good use in Malabar, one from the borders of Coimbatore to the sea and one by the Periya Pass from the Mysore frontiers to Cannanore and Tellichery.

Between 1810-1830 some companies of Madras pioneers worked in the district. The condition of the Periya, (Periah) Tamarassery and Caracoor passes were bad during 1830's. Always it caused complaints from the salt and other merchants. Madras constructed the road from Cannanore to Nodumpoor via Kotteyam and Kuttumparamba and the Periya ghat road. The perambadi ghat was opened to cart traffic. The construction of the road from Cannanore to Coorg by way of this ghat was sanctioned in 1848 and completed after 3 years.

8. Ibid.
Of all the roads of Malabar the most important, during this period were Perambadi and Tamarasseri Ghat roads which connected the tea, cardamum and coffee plantations of Coorg and Wayanad to the port towns of Tellichery and Calicut. The Tamarasseri Ghat which around 1860 was a ruined condition, was provided with a new trace in 1853 and a new road was constructed between 1860 and 1870. Many of the main roads later constructed in Malabar were the traces of Tipus gun roads. According to Sarada Raju the advent of cart had decreased the transportation charge by 50%, when compared to the rates prevalent during the 1st decade of 19 century.

2. RIVERS AND CANALS (Water Ways):

The district of Malabar is intersected by a great number of back-waters, rivers and canals. Many of them are navigable for several miles in land. These rivers and streams have their source in the western ghats, from where it flows into Arabian Sea, running through several districts, making these areas fertile at the same time forming main source of cheap transportation system. Many of the canals except Sultan's canal were constructed between 1840 and 1860.

10. Sarada Raju, op.cit., p. 220.
(G) River System

The Valarpattanam river in the Chirakkal taluq, though not the largest river in Malabar have commercial importance. It discharges the greatest volume of water into the back-water. The river origins on the slopes of Periyamala in the extreme north-west corner of the Wayanad and is joined before Iritti by two great feeder streams. The river is 70 miles long and enters the sea at the town of Valarpattanam. Timber is floated down the stream from the ghat forests and small boats laden with fish and salt ascend all the times of the year as far as Irulkur. The boats return with rich cargoes of pepper. Both Valarpattanam and Taliparamba rivers opens into the a back-water.

The Ancharakandi and Mahi rivers, which runs through the pepper rich taluqs of Kottayam and Kurumbranad were navigable for a few miles only from their mouths. They are also connected with other streams. The Kotta river in the centre of the Kumbranad taluq opens up a long chain of inland water ways. In its course of 46 miles, it was navigable as far as Kuttiyadi. From there packed bullock tracks leads into northern Wayanad. The Beypore or Chalivar river is 96 miles long. It has three branches, which unites few miles above Nilambur. The river flows into sea at Beypore, six miles south of Calicut. The monsoon admit country crafts into the mouth of the river. During rainy
season boats ascend upto Nilambur and during draught boats went as far as Mampad. Vast quantities of timber were floated down from the forests to Beypore and thence through the Conolly canal to Kallayi. Kallayi was one of the biggest timber marts in India (even at present also). From Kallayi through a canal the timber was taken to Calicut.

_Pazhavangadi_ river which also has its sources in the mountain was navigable to a few bazars called Churpparpdacy. It is very circuitous and boats play upon it.

The _Kadalundi_ river which is connected with the Beypore river by a creek, drains the Branad and Wallinvanad taluqs and after running a distance of 75 miles enters the sea at Kadalundi. Several attempts failed to cut a navigable canal from Kadalundi river to one of the arms of the Ponnani river. In rainy season the Kadalundi river was navigable for small boats as far as Karuvarakkund at the foot of the ghats. The Ponnani river is the longest of all rivers that penetrate to the Arabian sea through Malabar. It was of less commercial importance. In the hot weather the wide sandy bed of the river is almost dry except for few miles. During monsoon laden boats ascend for considerable distances. The river drains the district of Palghat and Ponnani.

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11. Ward and Conner, _op.cit._, p. 3.
Most of the canals were constructed for navigational purposes. With the exception of Sultan's canal, which connects Mount Deli river and the back-waters of Taliparamba and Valarpattanam rivers, the construction of the most of the artificial canals were carried out between 1840 and 1860.

Sultan's canal was constructed by the Ali Raja of Cannanore on 1766, by the instruction of Hyder Ali. The canal again joins the Nileswaram river with Mount Deli river. The Payyoli, Conolly, Ponnani and Badagara canals were all completed between 1840 and 1860. The unsuccessful attempts to unite Kadalundi river with Ponnani river continued till 1857. A short canal connected the Ancharakandi river on the north with Badagara, and the Payyoli and Conolly canals link it on the south with Angalamuzha; Elattur, Kallayi and Beypore rivers and with Calicut, the capital of the district. The distance from Kallayi to Calicut was about 4 miles but the canal up was 8 miles in length and rivers had speeded up the transportation.

of goods and reduced the rate of carriage. It has been reported that the inland navigation of Malabar had progressed well by Fusly 1243 (AD 1835-36) resulting in cheapness of water transportation. The cost of conveying one ton of goods for 100 miles by bullock was Rs. 26-4-8, by coolies was 53-8 and by water only Rs. 2-4-8. The cotton brought all the way to Calicut by land on bullocks, (In this process they had to pay the established ferry tax or toll). Afterwards the cotton exported from Calicut was in the first stage brought from Coimbatore to Palghat. From Palghat it was sent to Tirurangady on bullocks and then floated down to the south bank of Calicut bridge, a distance of 22 miles.

15. Letter from Malabar Collector to the Board of Revenue, 22 January 1836, M. Vol.No. 4801, p. 117.

(c) Ferry Tax:

Although large number of rivers and canals in Malabar provided cheap communication system, the ferry tax was a Mal­

versation on trade as well as an additional burden to the common people. The ferry tax was initially introduced to improve the communication system by constructing bridges. It was introduced upon an understanding, if not upon any pledge, that as soon as the cost of construction of the bridges were realized, the tax would be discontinued. But according to Sullivan, when the accumulations amounted to a large sum they were carried to the credit of the government and the collection later formed a regular item of the public revenue. For example four bridges in the Northern Division of Malabar were constructed at the expense of 2549 star pagodas. The amount was realized in one year, but the government continued to collect the tax. The average income for 3 years from Fusly /15/ was star pagodas 6601. The ferry tax was not peculiar to Malabar alone, but it operated with peculiar security in Malabar than any other district, because of the large number of rivers and back-waters. And moreover the rivers in Malabar would be filled with water for half of the year, which was not the case in other districts. The revenue from ferry tax during 1813 in Malabar was star pagodas

19. Ibid., Vol.No. 22, 6 January 1817, p. 135. One star pagoda was equal to Rs. 3½.
There was discrimination in the collection of ferry tax in Malabar. The carriages and palaquins of the wealthy were allowed to pass tax free. Whereas poor women, whose livelihood depends upon a bundle of sticks which she was carrying could not pass until she had paid the tax. It had been reported that lives had been lost in attempts to swim the rivers for the purpose of evading the tax. The worst of all was the forming of the ferry tax. The merchants complained that the Bridge tolls collected on the Malabar Mysore Coorg road was so high as to amount to 10% of the value of the goods. As the bridge toll was a hindrance to trade, the Board of Trade had recommended its abolition. But it took almost two decades for the abolition of the Bridge tax. It was abolished in 1848.

3. PORTS:

The number of ports in Malabar is very large but many of them are only occasionally visited by small coasting vessels.

22. Ibid.
To start from North they are (1) Kawai (Kavayi), (2) Pusiyangadi, (3) Valarpattanam (4) Cannanore, which is of the Principal Port in North Malabar, where coasting steamers call regularly (5) Dharmapattenam (6) Tellichery, another of the principal port of North Malabar, (7) Kallayi (8) Gadakara, (9) Kottakal, (10) Quilandi, (11) Calicut one of the three largest ports in the presidency, (12) Beypor on the bank of the Beypore river was northern principal port in central Malabar. The Bar at low water was 12 feet deep and at spring tide 16-18 feet, (13) Kadalundi, (14) Parappanangadi, (15) Tanur, (16) Ponnani, at the mouth of Ponnani river was incumbered by sand bank, which do not admit the entrance of large vessels. Dhonies (Thonies) of considerable burthen experience in crossing the bar Ponnani was a port of some importance being the nearest post to great Palghat ghat, through which goods from Salem and Coimbatore were exported, (17) Chavakad, (18) Madayi, (19) Cochin is the second or third largest port in the presidency.

26. Ibid., p. 162.
27. Logan, op.cit., p. 70.
28. Only Cochin port and town was under the Malabar district.
CHAPTER V

ORGANIZATION OF TRADE
Malabar had a confused currency system. In the absence of a unified currency, for the whole of British India, till 1835, there were about 20 gold, 9 silver and 2 copper coins in circulation in Malabar during the first decade of the 19th century. Most of these coins were received and issued out of government treasuries in Malabar. This large number of coins, which had highly flexible rates of exchange, was a great clog to Malabar's trade with other regions of India. It had created problems in the administration, payment of taxes and wages. The problem was further aggravated by the government policy of frequently changing the rates of exchange of current coins, without taking into consideration its impact on the public and trade, and withdrawing from circulation certain coins and remitting current coins to other places, particularly to Bombay, which were peculiar to Malabar.

'Malabar Fanams' were the local coins most prevalent

3. Here I have used the term 'Malabar Fanams' in order to differentiate it from other south Indian Fanams. It is differently spelled as 'panam' and 'Fanam'. According to Graemes the term fanam is Dravidian in origin, which means money in general (Graeme's Glossary of Words and Phrases relating to land tenures and land assessment of Malabar -1882-Madras), (f.n. cont.....)
in Malabar. They were of both gold and silver. It seems that the Malabarins were infatuated by the Malabar fanams although these were described as inferior in nature. In Malabar there were several fanams, for example old and new veraray fanam, Cannanore fanam, silver fanam, and Tellichery fanam. (During the Dutch period Chetway, quilon, Travan core and Calicut - probably veraray - fanams were in circulation in Kerala.

In northern Malabar silver fanam was more in circulation was used by the regots for paying their revenue. It was equal to 1/5 Bombay rupee. In the southern division it was the gold

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(p. 8). According to K. P. Padmanabamonon, op. cit., Vol. II, p. 406, it is derived from sanskrit 'pana'. Before the arrival of Vasloda Gama, only the Zamorin had got the right to mint coins in Malabar.

In ancient south India there were 16 fanams of several denominations - Srinivasa Raghava Iyangar. 'Ancient South Indian Coinage', Indian Historical Quarterly, Vol. 3, No. 1, March 1927, p. 49

4. The "Old Veroy fanam" was issued by the Zamorin at his Calicut mint before the Mysore conquest. After the defeat of Tipu, Zamorin in 1790/91 again started the coinage of fanam under new gold fanam was 6 grains Tory weight: Logan op. cit., Vol. I, p. 648 "new veroy fanam". But soon the mint was put under the control of the supervisor. Joint Commissioners Report, op. cit., p. 265. Both old and new veroy fanams were gold and some time simply mentioned as old and new gold fanam. It was also written as veroy, veraray, veroy, vir Raye & veraien fanam. But I have used the term veraray.

5. Cannanore fanam was issued by the Arakal Royal family of Cannanore and it very soon went out of circulation during British period.

6. The silver fanam and Tellichery fanam seems to be different name for the same coin. They have got the same value.


coins that were generally current and used for settlement and payment of the revenue. But the veraray fanam was what was generally current in Malabar and in which the revenues were paid to the treasury and the Juma was framed. Both old and new gold fanams contained considerable alloys of copper and silver.

3½ gold fanams constituted one rupee. 4 old gold fanams made one rupee and 5 silver fanams were equivalent to 40 cash (Kass). Here it was Madras Cash. 10 fanams made 1 Hoon or

12. Hoon was an imaginary coin used for the convenience of keeping accounts. (Warden, T, 1801, Report, op.cit., p. 10). But it is argued that Hoon was a Persian corruption of the old Kanarese, which means gold, and hence a Hindu gold coin worth about 8s (Rs. 4) Gazetteer of the Bombay Presidency. Vol. No. XXII. Dharwar (Bombay-1884) p. 319. According to Smee Hoon was an imaginary coin in which the revenue of Malabar used to keep and it was equal to Rs. 3. Smee's Report on the Survey and assessment of Malabar, 21 August 1799 (Calicut).
pagoda. 3½ rupees were equivalent to one star pagoda.

The old veraray fanam was equivalent to 4 annas and one new veraray fanam equal to 4 annas 7 pies. 3 annas and 3 pies made one silver fanam. These annas and pies were issued from the Madras mint. The difference between old and new veraray fanam was 14.29%. It is not clear how the distinction between old and new gold fanams was made.

In Malabar there was a large number of coins of lower denominations. There were 12½ Malabar pies to one old gold fanam and 14½ pice to one new gold fanam. 10 Malabar pice were equivalent to one silver fanam. In Tellichery during the first decade of the 19th century there was a copper coin called tar (apart from copper pices). 2 tars were equivalent to one pice and 10 pice constituted (as above mentioned) one silver fanam.

16. W. Milburn, op. cit., p. 322. According to Buchanan it was 'Tarrum', op. cit., p. 540.
In Calicut 16 tars were equivalent to one gold fanam, and both copper pice and tar were coined in England. Apart from the Malabar pice, there were copper Bombay pice current at the rate of 50 to a rupee.

In Palghat the most acceptable small coin was kass (cash). The right to mint the coin was auctioned every year and was given to the highest bidder. In 1801 it was given for Rs. 2,700. The kass was issued in the beginning of Malabar year Chingom (August/September) and its value was 22 kass to the verarav fanam. The person farming the coinage fixed his own particular stamp on the coin. The value of the kass to the fanam at this rate existed till the month of Makarom (January/February) in which month there was a fair in which people disposed of their cash at the rate of 24 kass to the fanam. The rate of the kass would further falls in another

17. W. Milburn, op.cit., p. 322. It was reported that during 1710's in Calicut 16 silver tar were reckoned to be one fanam, though in the bazar 130014 were in current. 4 fanams and 2 tar were equivalent to one rupee. Charles Locker, op.cit., p. 277.


19. Verarav fanam here mentioned must be new fanam as Buchanan had reported that only new fanam was current in Palghat. Buchanan, op.cit., p. 345.
fair and passed for 26 or 28 kass to the fanam. After the conclusion of the fair, the sale or exchange of this fanam became free and common to all and the new and old kass indiscriminately passed at one and the same rate. According to Buchanan the value of the kass in relation to the fanam was 40th part of the fanam, towards the end of the year.

It was reported that the debasement of the new veraray fanam started with the Company's rule. Ewer attributed this to the commercial ignorance of Farmer, who was then in charge of the mint. When the fanam was first issued in 1790/1791, 3¼ fanams were equal to one rupee, and every 10 new fanam contained to grain of superior touch metal to the old ones. Within 3 years of its issue, it stood at 3 3/8 per rupee. In

20. Warden, T. 1801 Report, op.cit., p. 12. During the period from Chingam to Kembam (7 months) every person wishing to exchange fanam in the bazar was required to receive it from the farmer at the kass at which his kass might be current at that time. The new farmer usually bought the kass of the old farmer at the rate of 150 old to 100 new gold fanam, and he is at liberty to take it wherever he can find them passing in the Malabar bazar's. The old kass he either re-coins a new - or reserves them till the month of Kumbom, when new and old passing without distinction. This Palghat kass would have been discontinued as there was no reference to it during the later period.


22. Nightingale, op.cit., p. 98. Ewer was one of the Court of Directors, and attributed the debasement of new fanam to one of the greatest evils of the Company's rule in Malabar.

1793 the rate of new fanam had started to fall more than 2% more, and its value was 3½ to a rupee, a fall which, with little fluctuation, continued for several years. Another reason for the debasement of the fanam was, that a large quantity of fanam was poured back into Malabar from Tipu's territory, where it was not accepted except at a discount. This debasement of the new fanam was exploited by some Bombay firms. They sent goods to Madras and from there star pagoda to Malabar. In Malabar where the difference between the bazar price (rate) of fanams in terms of the star pagoda and rupee and their official rate of exchange, yielded profit to the remitter. Duncan tried to solve the problem by buying Bombay rupees at lower rate and sending it to Malabar. This further complicated the matters. Bombay merchants took advantage of this position by sending 'Oceans' of Bombay rupees to Malabar because the rate of exchange was in favour of Bombay rupee. Not only Bombay rupee was sent to Malabar, but also the Marathi rupees. A large number of them were fake and current in Malabar.

24. Ibid., p. 38.

27. In Malabar these Marathi Rupees were known by the name - Ukkeri, Thutu, and Chanthodi. Letter from Malabar Commissioners to Kadathunad Raja - 1 June 1799 (Kadathunad Records, Manuscript No. 65, kept in Calicut University).
During the first decade of the 19th century there were a large number of counterfeit coins in circulation in Malabar. In northern Malabar there was a large number of fake government silver coins, which were struck by the Cotiote rebels, the Pyche (Pazhazi) Raja. It was so abundant that scarcely any other coin was to be seen north-ward. These silver coins along with the late fake coinage of Tipu's rupees had done serious injury to the commerce of Malabar, for the foreigners no longer found it profitable to bring their merchandize to market so long as the coin in which they were paid was inferior in quality. Likewise the commanders of the ships, who did not want goods in return for their Cargo, would not accept Malabar 31 fanams. Malabar's trade with northern countries of India and Persia, Arabia, China, Coramandel and Europe all paid in their commercial transaction a considerable balance in cash. But the case with Canara specially was different, from where Malabar imported more than what it had exported. For this, remittance was made in coins which were current in Malabar and Canara. Because of the latter's proximity most of the regional coins current in Malabar and Canara were almost same. But Malabar's trade with Bengal, was unfavourable, particularly during the 1st decade of 18th century and beginning of 19th century.

30. Ibid., p. 59.
Malabar imported more than what it had exported. Since the coins current in Malabar were not acceptable in Bengal, there arose the problem of remittance. It was reported that money could be remitted only at a loss of 8-10% which formed the profit of the shroffs and moneymen, who arbitrarily fixed a value on the Malabar coins. This clogged to the trade of Malabar with Bengal. Apart from the Malabar fanams there were Hydree, Sultany and Ikery fanams; apart from several other gold, silver and copper coins. The gold coins were Ikarce,


33. During Hyder's conquest, about the year 1774, there were two gold fanams only. (1) Cannanore and (2) verarav fanam. When Hyder's government had been established he ordered that verarav fanam should be stamped on one side 'H' in Persian letter and be called Hydree fanam, although not different in value. After Hyder's death Tipu ordered in 1786/1787 the coinage of Hydree fanams and the discontinuance of pagodas; thereafter introducing Sultany pagodas and fanams - 3-1/8 to a rupee or 12½ to a Sultany Hoon or pagoda. (Second Commissioner's Report, op.cit., p. 33) Logan, op.cit., Vol. No. I, p. 648.

34. Letter from the mint-master at Fort St. George to the Principal Collector of Malabar, dated 29 June 1807, M. Vol. No. 2179, p. 87.
Bahadry, Sultany, Ahamada, Portonovo and star pagodas, Venetians, headed Venetians, old and new veraray fanam, old and new Bombay Mohur, old and new one-third and new one-fifteenth Bombay Mohur, Inoidores or gold plates, Inahomed Shaur Inder, Amundry. Silver coins were Spanish dollars, Company rupee, Chellavary and Arcot rupee, Inadar single rupee and silver fanams. Copper coins were Bombay copper pice and Palghat copper cash. The Accountant General of Madras Presidency had complained to the Malabar Collector that Malabar had too large a number of coins in circulation and that it should be reduced. Accordingly the government by a proclamation had ordered that Ikarg, Venctions, Headed Venctions, Inoidore, Inahomed Shaur Inader, gold coins and Spanish dollars, Pondichery rupees, Chellawary and Arcot rupees of silver would be considered to have ceased and they would neither issued from nor received into any of the public treasuries after 20 November 1807. But from Clemen's report it appears that around 1893 AD a good number of gold coins, which were withdrawn from circulation had continued to circulate, even though they were not accepted in

36. According to Thurston Arcot rupee was issued from Arcot by the English Company and by the French at Pondicherry. The farmer was current for 30 stivers and the latter 1-3% better than the former. (Edgar Thurston, History of the coinage of the territories of the East India Company in the Indian peninsula. (Madras 1870), p. 36.


37. P. Clemontsen, op.cit., p. 28.
the treasuries. This was a clear evidence, that even if the government did not accept certain gold coins in the treasury, they continued to be used by merchants, shop keepers and common people in their commercial transaction.

The government policy of withdrawing certain coins from circulation and remitting to other places coins which were particular to Malabar had artificially enhanced the value of the coin in which the revenue was paid. It further created problems in payments to the troops.

The Tellichery rupee was withdrawn from circulation in Malabar in 1807. Since it was withdrawn from circulation in the district without informing the Military paymaster great inconvenience was felt by the troops, and the paymaster was left with a large sum of Tellichery rupees. The same difficulty was experienced when Chelwany (Chellavary) rupee was withdrawn from circulation without informing the Commanding Officer of the troops of Malabar and Canara. When a coin is withdrawn from circulation then it would not be accepted and issued out of treasury, where as it would be current in the market. Withdrawal from circulation would not artificially enhance a coin value while scarcity or high demand of a coin would enhance its

value. The old gold *fanam* was prohibited from circulation in Malabar by order of the accountant General of Fort St. George from December 1838. Within 7 months of this act 21,528 Spanish dollars of the value of about Rs. 47,274 and 3,9,8,616 old gold *fanams* valuing Rs. 99,654 had been accumulated in the Malabar treasuries. The keeping of old gold *fanam* acted prejudicially in Malabar in two ways. It kept locked a part of the circulating capital, peculiar to the distinct and gradually rendered the new gold *fanam*, of which there were about 3,12,137 of the value Rs. 89,182 lying in the treasury. Similarly the stoppage of issuing out the old Bombay copper pice from the Malabar treasuries, which was the only component of silver *fanam* had affected the value of the silver *fanam* current in Malabar. The silver *fanam* now was only received in bazar, in payment of articles purchased, at 9½ old pices, whereas the established rate was 10 pices. This involved a loss of 5½ in a rupee and siverely affected the poor people.


42. Ibid., p. 328.

43. The Bombay copper pice was withdrawn by the order of the Accountant General of Fort St. George. Letter from the Malabar Principal Collector to the Accountant General, M, Vol.No. 8343, 1838, p. 93.

44. Letter from the Principal Collector to the Accountant General, 9 November 1838, M, Vol.No. 8345, p. 19.
A large portion of the revenue of Malabar was annually sent in specie to Bombay. The average remittance from Malabar to Bombay was about 12 lakhs of rupees. This included current and uncURRENT coins. The Malabar Collector was asked to hold in readiness for Shipment to Bombay the largest amount in current and uncURRENT coins. He was further reminded, that not a rupee should unnecessarily be retained from the service of Bombay government. The Malabar Collector in 1817 sent to Bombay, treasure worth Rs. 14,80,696, which constituted current coins worth Rs. 14,76,887 and 90% them were gold coins. This remittance of treasure from Malabar to Bombay was a result of financial adjustment between the Madras and Bombay governments. But Sullivan in his 1841 report had cautioned the Madras government of the injury being done to Malabar commerce because of this remittance. To quote him "that something was radically wrong in this financial arrangement was proved by the facts (among others) viz., that in Fuly 1241 (1833/1834) while there was an export of government treasure from Malabar of Rs. 10,16,129 to Bombay, there was an import of private treasure to Malabar.


from Bombay in the same year of Rs. 6,32,504 and that amount of drafts from Bombay in that year upon Malabar treasury did not exceed Rs. 35,000. In Fusly 1243 (AD 1835/1836) the public remittance to Bombay from Malabar amounted to Rs. 10,10,376, while the import from Bombay was Rs. 4,27,592 and the drafts to Rs. 3,58,480. "This heavy drain of precious metals, which were drawn from circulation for many months before the remittances, were made, was supplied in great measure by imports of silver from Red Sea. Since only a portion of these came in the shape of current coins, there was a constant tendency towards the artificial enhancement of the value of that coin in which all the revenue was paid.

The Madras government took several steps towards unifying and improving the presidency’s currency system. Had there been a uniform currency, it would have saved the government and traders of the expense of re-coinage, in case of remittance of money from one part to another, where the currency of farmer would be considered merely as bullion, excepting at mints. This unification of currency, of course, would have been at the expense of a large number of shroffs, whose profit, in a considerable degree, depended upon the variety of different coins in circulation.

49. Holt Mackenzie's evidence before the Select Committee on the affairs of the East India Company, 28 February 1832 Session (B.P.), Book No. 7, p. 37.
50. Major-General Sir John Malcolm's evidence before the Select Committee on the affairs of the East India Company, 1832 Session, VI-Political & Foreign, East India Company (printed 16 August 1832).
By a proclamation of 1806 and early 1808, minting of the following coins, of different denominations, was, ordered: 5, 3, 2, and single fanams with inscription in Persian, Telugu, and Malayalam. Apart from fanams were issued double dubs, 24 of which were equivalent to one rupee. Single dubs 48 of which constituted one rupee, half dubs 96 of which made one rupee and quarter dubs, 192 of which to a rupee none of the above coins were ever mentioned as current in Malabar. In addition to above coins 40, 20, 10 and 5 cash were also issued. From 1807 December to 1811, the 5, 2 and single fanams, 4 annas, 2 annas, double, single, half, quarter, one eighth of rupees were coined in the Madras Mint. A proclamation of 9 June 1812 stated that the coinage of double rupees, half and quarter pagodas should be discontinued. But according to E. Thurston these coins continued to be in circulation and issued and received at all public treasuries, even during the later quarter of the 19th century. The Accountant General of Madras asked the government of Fort St. George to withdraw from circulation the old and new Madras fanams.

Till 1818, the Malabar revenue accounts were kept in Hoons, veraray fanams and cash. At the presidency, these

51. E. Thurston, *History of East India Company Coinage*. (Calcutta 1893), p. 13. According to him the mention of the 3 fanam was a mistake as he could not find the above fanam, p. 13.

52. E. Thurston, *History of the Coinage of the territories of the East India Company in the Indian peninsula*. (Madras 1890) p. 44.

53. Ibid., p. 53.
accounts were converted into star pagodas, Madras fanams and cash. On first May 1818, under the order of Governor in council, the Madras silver rupee constituted the standard coin of the presidency and public accounts were converted into Rupee, annas and pies (one rupee = 16 annas, 1 anna = 12 pies, Imperial Gazetteer, Vol. IV, p. 516) at the exchange rate of Rs. 350 per 100 star pagodas, and the coinage of pagoda was discontinued. In 1829 the currency of Bombay was equalized with that of Madras by the adoption of 180 grain rupee (165 grain pure silver and 15 grain alloy). A step further was achieved when in 1835 by the declaration of the Governor General in Council, a uniform currency was introduced for the whole of British India. The Madras rupee the value of which was nearly equal to that of Farukkhabad rupee was adopted for new Indian coin.

Irrespective of all these measures the Malabarlis continued to use the traditional fanams. In 1838, Clementson, then Collector of Malabar, had reported that the currency of Malabar had never undergone any change. He had given the coins peculiar to the district viz. new gold fanam, silver fanam, Bombay rupee and Bombay copper pice. The rate of

exchange of the above fanams to rupee remained unchanged.
But there was a considerable reduction in the number of other
coins compared to 1807.

(a) Premium:

Since all the coins, which were, current in Malabar
were metallic, the availability and the fluctuating price of
the base metal of the coin or the scarcity or demand of a
particular coin made them put a premium on that particular coin.
In 1801 it had been reported that in Cannanore, the Company's
(Bombay) copper pice bore a premium of 6% and upwards, as it
was the only coin received at par with silver fanam. During
1805 there was a scarcity of silver fanam at Tellichery,
Cannanore, and Cottumparampa. This caused great inconvenience
to the public and troops. In order to bring back the silver
coins into circulation, the northern Collector ordered the
shroffs to give a premium of 1% on the exchange of silver fanam

58. The Principal Collector T. Warden got the permission of
Governor in Council to coin silver fanam because of its
scarcity at Tellichery under a government semiorage of
1%. And he was reminded not to mint more coins than
p.27. (Para 163 and 165).
with portonovo pagoda and Bombay Gold Mohurs, the coins of
most enhanced rate. In fact the actual premium in the market
for the exchange of the above coins was 2-4%. The shroffs
did exchange the coins at a lower premium, because they were
afraid of the government. The local coins of Malabar (gold
and silver fanams) not being current in any other district
except the rupee at Bombay. Here the rupee mentioned was
probably Tellichery rupee. So far I have come across only one
instance, when there was a mention of the Tellichery rupee.
The Madras coins such as star pagodas, gold Mohurs, the
Company's or Madras rupees always bore a high premium. Once
it was as high as 14%. But the current rate (in 1838) was
from 3-10%. There was a great demand for these coins, because
it was eagerly bought by the merchants when it made its appeara-
ce in Malabar, for sending it to Coimbatore and Salem with
which Malabar had extensive trade in Cloths.

The premium payable for the exchange of one rupee
was some times 1/2 or 1 pice, this applied to both filed and
unfiled rupees. The rupee mentioned here was the Bombay
rupee.

59. Letter from the Northern Division Sub-Collector to the
Principal Collector of Malabar, 26 July 1805, M, Vol.No.
2196, p. 35.

60. P. Clementson's Report, op.cit., p. 6.

61. Evidence given before the Collector of Malabar by the
(b) **Discount:**

Some time the coins in Malabar were also passed at discount. These coins were mostly clipped or filed for example the shroffs appointed by the Bombay government, to examin their remittance to Bombay, refused to take the Chaper and Solakee rupee except at a discount of 3%. Thereafter the Malabar revenue officers also refused to accept them in revenue payment. As a consequence of this restriction the ryots were compelled to exchange any rupees of this description at a loss of 2-6%. Thereupon the government of Madras directed the Malabar Collector to accept the above rupees in revenue Collections.

62. The marks of several coins were nearly effaced. The government, inorder to ensure the legal value of these coins, instructed the revenue officials to punch or cut with a file the edge of all suspicious coins, which bear upon them a proof of sterlign value. These coins were some time rejected in payment and were not current in the bazar. H.S. Grame's report, *op.cit.*, p. 264. Calicut shroffs evidence, *op.cit.*, M, Vol.No. 8349, 1838, p. 95.


64. *Ibid.*
2. RATE OF EXCHANGE:

In the absence of a uniform currency, and because of the abundance of currencies, there was always a fluctuation in the rates of exchange for the same currency in the same district and in adjacent districts. This led to a two tier exchange rate, one the government (established) rate for payment of wages, receiving taxes, commutation rates and for disbursement of coins to other places. The other was the bazar rate of exchange fixed by the shroffs and traders, who were reluctant to accept the government rate of exchange. This exposed the commercial class as well as the common people to the vexations of continuous variations.

The rate of exchange was fixed by the Governor-in-Council with the advice of the Board of Revenue, and then the list was sent to the district Collectors. This rate usually did not take into consideration local conditions (as fluctuations) even though different rates of exchange prevailed in different districts of the Presidency.

The unnatural,(here I mean that with respect to their intrinsic value) distinction of currencies must have aggravated the fluctuations of exchange and by the charge of recoinage which frequently was a burden on the commerce.

The value of coins, particularly of gold coins, underwent daily and almost hourly fluctuations. The coins were received at different rates, the rate was seldom, if ever, fixed entirely with respect to their intrinsic value.

In November, December and January merchants who had bought cloths from Manapar and Palayamcotta, exchanged for venetians, Portonovo pagodas and star pagodas, the silver fanams which they had received in payment for their merchandize. The demand for different coins fluctuated so widely presumably on the arrival of visiting ships from different regions. According to Ashin Das Gupta that if the merchants of Cottar (in Travancore) expected ships from Bengal, then they would demand sicca rupees and they had demand ducats from muscat boats. From November to March, when large quantities of rice were imported from Canara & Bombay, Bombay and Surat rupees were in demand. The shroffs availed themselves of the demands.

On 31 August 1802, Major William Macleod, the first Principal Collector of Malabar by a proclamation fixed (on

5. A. Das Gupta, op.cit., p. 83. Ducat was a European coin. It's weight was almost same as pagoda. The value of decat was Rs. 4, while that of pagoda was about Rs. 3½ (Galletin, op.cit., p. 84 n).
erroneous data) the exchange rate of twenty three current coins, then issued and received into the public treasury, as they were rated in the district of Coimbatore. The table so promulgated lowered the value of gold fanams (new) from 3½ to 4-7/32 a rupee i.e., a reduction of 20%, and of silver fanam from 5 to 5½ a rupee i.e., 10% lower than the original rate.

During this period revenue was collected in fanams whereas in the bazar, where the agriculturalists sold their produce, the rupee was the general standard of exchange.

This measure increased the revenue on every individual by 20% in gold fanams and 10% in silver fanams, while the producers got in the market for their produce the old established rate of 3½ gold fanams and 5 silver fanams per rupee, became the shop keepers ignored the proclamation.

The new rate of exchange took effect from 15 May 1802 (shortly after the commencement of the official year). When the ryots paid their revenue in fanams to the treasuries, they were told that according to the new rate of exchange they had to pay more. The result was an organised resistance, during the early part of 1803 and the Collector abruptly


8. This action of Major Macleod got the sanction of Governor-in-Council, General Report, 8 October 1802, Vol. No. 8, p. 23 (para 175).

resigned. The new Collector Rickards established the old rates of exchange.

The exchange operated uniformly against the Malabar district in so far as the fanam, one of the worst gold coins in India, containing parts 17.50 of copper and 29 of silver, was so dear to the Malabaris.

Because of the difference in the rate of exchange that existed in Malabar and other adjacent districts, the merchants particularly the shroffs used to send coins from one district to other districts, where they expect a profit due to the different rate of exchange. This resulted in a great trade on coins, which in some cases, amounted to \( \frac{1}{4} \) of the total commerce of the districts. A tax on the transit of these coin was a profit of the government. There existed a different in the rate of exchange in Portonovo Pagoda and Bombay gold Mohur. For example in Canara the gold Mohur passed for Rs. 15 while in Malabar it was Rs. 16. Similarly the rate of exchange of star pagodas for Portonovo pagodas in Coimbatore was 100:108. Whereas the rate in Malabar was 100:116. The result was a great commerce in the star pagoda. In order to establish the Coimbatore rate of exchange in Malabar, the government had sent one lakh of star pagodas to Malabar at the

10. Ibid., p. 545.
12. Ibid., p. 103.
rate of 120 Portonovo pagodas to 100 star pagodas. This was 4 star pagodas higher than what was obtained in Malabar. Therefore the government profit was 4000 Portonovo pagodas. In order to pay for the star pagodas, the government called back from circulation the Portonovo pagodas at the rate of 117 pagodas and 27 fanams, which was Portonovo pagoda and 27 fanams higher than the existing rate of exchange i.e., 116. The loss, by this action amounted to 1,153 Portonovo pagodas. Therefore the net profit of government in this transaction was 13,2847 Portonovo pagodas (4000-1153 = 2847).

The worst sufferers of the different rates of exchange were the troops, who were removed from place to place and very often the government found it difficult to supply them with the local coins. The troops at Cannanore were paid in gold Mohurs, Bahadry pagodas and Surat rupees. This meant considerable loss to the troops on each species of the coin. The gold Mohur was issued as 4 star pagodas and one rupee or fifteen Arcot rupees at 12 fanams 68½ cash each rupee, but in the bazar the above rupee was current only at 12 fanams and 40 cash each (or at 50 Bombay copper pieces of 20 cash each). This resulted in a loss of 5 Madras fanams.

and 28½ cash in each gold Mohur. In the government rate of exchange one Madras fanam was equal to 80 cash whereas in the bazar, it was fetching only 79.3 cash thereby causing a loss of 0.2 cash in each Madras fanam. Now let us see how much was the loss sustained by a sergeant, who was paid 372 16 Madras fanams or Rs. 28.12 Fa. and 2 cash, during 1815 in Cannanore. The loss suffered by the sergeant was 10 fanams and 67 cash because of the difference in the rate of exchange of the coin in which the salary was made and its actual rate of exchange in the bazar, i.e., 2.92% of his total salary. Apart from this loss, he had suffered another loss on the exchange of gold mohur for rupees and other coins. It was stated that when gold Mohur was exchanged for another coins, there was a loss of one Madras fanam and 20 cash, i.e., 100 cash or 0.60% of the value of the gold Mohur. Therefore when Rs. 28 fanam, 12 and 2 cash was exchanged, the total loss incurred by the sergeant was 174 cash or 2 Madras fanams and 13 cash or 0.65% of his salary. Therefore the total loss incurred by the sergeant was 13 Madras fanams and 5 cash or 3.57% of his total salary.

15. Proceedings of the Special Committee held by the order of Colonel Forbes, Commanding the Province of Malabar and Canara, under the instructions from the Commander-in-Chief, to investigate the complaints of the men of His Majesty's 89th regiment on the subject of the loss experienced by the troops in coins issued to the troops at Cannanore. 18 December 1815, M, Vol.No. 2193, p. 2.

16. Ibid., p. 6.

17. Ibid., p. 2.
3. **BILLS OF EXCHANGE**

Bills of exchange had always been an essential part of commercial transactions between districts of the same presidency or with places outside the presidency. The number and availability of such bills depended on a variety of factors, mainly on the intensity of trade between the two places, on which the bills were drawn, and the funds needed by merchants in these places. For example, when bills were available on Bombay and Calcutta from Malabar, these were not procurable for places like Goa, because the Malabar merchants did not need any fund there, as Malabar's trade with that place was very insignificant. During the first decade of the 19th century bills on Bombay on 30 days sight were discounted at 7½% against Malabar. On Madras it was 5% on 15 days sight against Malabar. Before the unification of Bombay and Madras currency, the bills on Madras and adjoining districts bore a high premium, but after the unification, the profit derived by those who trafficked in coins and bills on Bank notes decreased and the bills were cashable in 1838 at a discount of 2 or 3½%.

The government as well as private traders issued bills

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on Malabar. Extensive transaction on bills was carried on by private merchants residing in Malabar and Bombay. Apart from these private merchants Bombay government had drawn bills upon Malabar Collector's treasury, in favour of Merchants to a large extent. During 1837/1838 the aggregate bills so drawn amounted to Rs. 31,000. However the merchants of Bombay and Malabar complained about the delay they very often experienced in getting the fund released from the concerned treasuries for any delay blocked their capital for the time being. By paying the money into the General treasury at Madras one could obtain a bill for any amount on any treasury inside the Company's territories. Similarly any official or common people would put money in any Collector's treasury and get a draft upon any other. The bills drawn in the government treasury either in favour of private or government affairs indicated the currency (pagoda, dollar, or rupee etc) in which it was drawn, in which it was to be paid as well as the exchange rate of the currency which would be given to the party.

5. Ibid.


Yet it was reported that bills were not easily procurable for Coimbatore and Salem for the purchase of cloth. Money was sent by (Malabar) Coast merchants to their agents in those districts through trusted persons. According to Clementson the practice was increasing with the increase in the quality of pice goods import from these districts.

4. **WEIGHTS AND MEASURES**

The weights and measures, which was in use in Malabar, were bewildering in their variety and complexity. There was no uniformity and precision in the weights and measures. Though they were known by the same name in all parts of Malabar, the actual value of these units and of their multiples varied from one place to another. This provided a great impediment to trade and commerce, especially internal trade, besides being a source of exploitation. The variety of weights and measures rendered it extremely difficult for merchants to calculate the probable result of any speculation in the trade circle. It always exposed them to varying charges on account of wastage under the pretence of difference in weights and measurement between the ports of shipment and delivery in the coastal trade. Over and above the poor people were subjected to the imposition of every petty traders, who, in fact, their own weight.

It would be difficult to explain in detail the commercial weights of Malabar, which were expressed in terms of Pollams, maund and candy. The candy was invariably specified in pounds.

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2. The word Candy is differently spelled as Candi, Candey and Candy and Khandi. Here I have used the spelling "Candy".
During the first decade of the 18th century the weights of Calicut and Tellichery were reported to be equal, viz., 20 pollams equal to one maund (28½ lbs.) and 20 maunds equal to one candy, i.e., 570 lbs. made one candy, and 3½ pollams made one Rathel. From the testimony of Milburn it would appear that the weights of Calicut and Tellichery were the same, even during the 1st decade of 19th century. However according to him 100 pools made 1 maund of 30 lbs; and 20 maunds, 1 candy of 600 lbs. avoirdupois. So there was ½ pound difference in a maund and 30 pounds in one candy. This is corroborated by Stevens Robert. The word pool does not figure in Malabar Records. It might have been a corrupted form of pollam or pallam both of which are the same.

Through out the district of Malabar, 40 tolas were accepted as equivalent to 1 lb. except in Cochin where it was 42½ tolas and 20 tulams made one baram or candy. But


4. Though Rathel was a very common weight of lower denomination throughout Kerala till the present century, there is no mention of it in any of the Malabar Reports.


the multiple and sub-multiples of *tulam* varies with the nature of the goods sold. In Cannanore, for instance, pepper coffee and cardamans are sold by different weights and in Chavakkad, the *tulam* weights variously 25, 30 and 37½ lb. District Gazetteer of Malabar and Anjengo, p. 261. In the bazars of North Malabar and North Waynad the following table was in general use:

<table>
<thead>
<tr>
<th>10 tolas</th>
<th>1 Pallam (Pollam)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 pallam</td>
<td>1 lb avoirdupois</td>
</tr>
<tr>
<td>32 lbs.</td>
<td>1 tulam</td>
</tr>
<tr>
<td>20 tulam</td>
<td>1 baram or candv</td>
</tr>
</tbody>
</table>

The table commonly used in Palghat and South Valluvanad, situated in South Malabar, differed from the above table only in regard to *tulam* which weighed 25 lbs. or 100 *pallams* instead of 32 lbs. or 128 *pallams*. In Ernakulam, North Ponnanai and Perinthalmanna *tulam* was equal to 35 lbs = 100 *pallams* = 1400 tolas. Obviously the value of *pollam* also differed here.

7. C.A. Innes.


9. The word *baram* is derived from the Sanskrit term *bhara* which means load. It was more commonly used, by the Dutch, in Indonesia; in Malabar, *candy* was usually used. See, Gallentin, op.cit., p. 76 n (Madras 1902). The weight of *baram*, as given by different authors, varied. It was 480 lbs in Gallentin and 500 Wt. in Balkrishna, Commercial Relations between India and England, p. 204 n.
In the commercial circles the *tulam* was accepted as an equivalent of the *maund*, and the *baram* as an equivalent of the *candy*. However, in business transaction the actual value of the *candy* was invariably specified in terms of lbs. 10 avoirdupois.

In the Cheranad district of South Malabar, the following weights were in use:

\[
\begin{align*}
100 \text{ pallams} &= 1 \text{ tulam (maund)} \\
32 \text{ lbs.} &= 1 \text{ tulam} \\
20 \text{ tulams} &= 1 \text{ candy} \\
i.e., 640 \text{ lbs} &= 1 \text{ candy} \\
15\frac{5}{6} \text{ tulams} &= 1 \text{ Madras candy.}
\end{align*}
\]

The weights used in wholesale transactions with the European firms seem to have differed in many cases, from those used in the retail trade.

The following is the list of the more important *candies*.

- Cannanore (Coffee) \ldots \quad 680\frac{5}{8} \quad \text{lbs.}
- - do - (Pepper) \ldots \quad 618\frac{3}{4} \quad \text{lbs.}
- - do - (Cardamum) \ldots \quad 660 \quad \text{lbs.}

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Calicut (Oil) ... 700 lbs.
    - do - ... 560 lbs. (for Government salt and Coir Yarn)
Palghat ... 500 lbs.
Tellichery ... 600 lbs.
Quilandy ... 773 lbs.
Badagara ... 660 lbs.

Usually in Malabar the candy was of 640 lbs. in South Canara, 500 lbs. and in North Canara 560 lbs.

The merchants bought the pepper by a candy of 680 lbs. and sold it (usually) to the Company at 640 lbs. per candy depending on the specifications of weight in the contract.

However, the Government had its own weights, especially in the customs department, where 560 lbs. made one candy. The reason advanced for this fixation was that since a large volume of Malabar's trade passed through Bombay, the adoption of Bombay candy would save the traders from the difficulties caused by differences in weight. Despite the fixation of weight for the candy and the maund, the customs house employees

13. Extract of a letter from the Malabar sea customs Collector to the Board of Trade, M. Vol.No. 2186, p. ill.
15. Malabar sea customs Collector to the Board of Trade, M. Vol.No. 2186, p. ill.
took advantage of the confused system of weights in Malabar. It was reported that though the customs houses *maund* was 28 lbs. these employees, in collaboration with merchants passed 32 lbs. (which was the weight of country *maund* in South Malabar), thereby causing to the government a loss of duty on 4 pounds for every 28 pounds or \( \frac{1}{8} \) part of the duty.

The grain measures were equally bewildering. In 1802 the Principal Collector, Macleod introduced the 'Macleod Seer!' In Palghat, Walluvanad, North Malabar and in Calicut and Ponnani, the half *seer* was used liberally heaped its normal contents were 130 *tolas* of rice. In Cochin a *Nali* (Nazhi) of 43 *tolas* and in Mancheri and Manantody local *seers* containing 90 and 92 *tolas* respectively were in use.

The multiples and sub-multiples of the *seer* were *nalis*, *uris*, *olaks* and *alaks*. Throughout Malabar *nali* was equivalent to 4 *olaks* which in turn was equivalent to 8 *alaks*. But the capacity of the *nalis* varied in different towns. In Ponnani and Pudiyangadi it contained 43½ *tolas*, in Chavakkad and Tirurangadi 32½, in Manantavady 22½, in Calicut 26, in Palghat and South Walluvanad 21½, in Mancheri 18, and in Perinthalmanna 16½ *tolas*.

17. District Gazetteer of Malabar and Anjengo, p. 263.
According to Grames the para was a measure that obtained in all places in the Malabar province. It contained 18 yedungallies, of whatever capacity the latter might be. The yedungally of 4 nalis was adopted by Major Macleod as the general standard of Malabar province and therefore it came to be commonly called the 'Macleod seer'. The yedungally of all the taluqs, in use among the proprietors in settling the pattom (rent), was the Annales Cheppum containing 5 nalis.

In South Malabar the 'para' was most commonly used in selling paddy and other grains. In Palghat and Calicut the para contained 10 yedungallies or 40 nalis the Perinthalman; para contained 60 nalis and Ponnani para 30 nalis. In North Malabar the para was not often used, but the yedungallies containing 4 nalis was often used and was equivalent of Macleod Seer. In Sherriad district 6 nalis equalled one yedungali (also called changali) and 10 nali or yedungali equal to one para.

Yedungali was a grain measure which was equal to $1\frac{3}{32}$ Madras seers in Kottayam and Kurumbranad, $1\frac{1}{5}$ in Chirakal and $1\frac{11}{16}$ to 1 in Calicut, Palghat, Ernakul and Ponnani. It was not used in Wallumead, Waynad and Cochin.

20. Graeme's Glossary, op.cit., p. 27.
The units employed for measuring liquid were still more complex. As in grain measures the *nali* was equal to 2 *uris*, 4 *plaks* and 8 *alaks*.

In Calicut and North Malabar bigger measures, called *kuttis* and *padam* were used. The commonest table was as follows:

- 4 *nalis* or 1½ *Macleod Seer* = 1 *kutti*
- 16 *kuttis* = 1 *padam*
- 8 *padams* = 1 *candy*

But the *kutti* was equivalent in some places to 1½ *Macleod Seers*, in others to 2½. In South Malabar the 'chodana' measuring variously 16, 20, 24 and 30 *nalis*, was the multiple of the *padam*. In Cochin, the centre of oil trade, a *candy* of oil contained 656 lbs. avoirdupois.

- 1 *para* = 10 *Madras Seers* = 33 lbs.
- 1 *vedungally* = 1 *Madras Seer* = 128 tolas.

120 *paras* of 25 *Macleod Seers* made one grace. The grace, in other words, was equal to 3,000 *Macleod Seers*.

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5. CUSTOM REGULATIONS:

The commercial activities of a region, to a great extent, was controlled by the custom or commercial regulations of the government. Tariff rate, frontier, internal or transit and sea custom duties were the main organs of these regulations. However we find that some clauses in these regulations were vague.

(a) Tariff Rate:

Tariff rate was one of the main organs of this custom regulations. It was on the basis of this tariff rates the duties were imposed on articles of import and export and on transition. To start with, in Malabar there existed an indiscriminate tariff system, which was a snag to the trade of Malabar. Before the occupation of Malabar by the East India Company, the duty collected by the local Rajas' was regulated by bullock load, their measure or weight. But under the Company it became ad valorem except on salt, tobacco and a few minor articles, which were charged according to quality. Therefo, the tariff was a ad valorem tariff. This was a heavy burden upon articles such as textiles, which had now to pay nearly six times than that what they had before. The fixing of

1. Thomas, P.J., op.cit., p. 33.
tariff rate was left to the custom officers. The multiplicity of accounts, lesser salary, remote control etc. were impetus for corruption by these officials.

The land and sea custom tariffs were prepared by the concerned Collectors and sent to the Governor in Council for his sanction. The disadvantage of this system was that it took much time to get the sanction of the Governor and the tariff rate could not reflect the changing market price of highly fluctuating articles like pepper, cardamom, cassia (wild cinnamon etc.). The Board of Revenue, repeatedly requested the Governor in Council to give the land and sea custom Collectors the discretion to alter the tariff according to the market or whole-sale price. But the Governor in Council refused to give the Collectors to alter the tariff rate at their discretion.

This enhanced tariff rate was another riddle to trade and commerce. In most cases the tariff rate was above the market price or the whole-sale selling price of commodities like pepper, cardamom, ginger, teak etc. For example the price of pepper during early AD 1831 was Rs. 55 per candy of 560 lbs,
while the tariff rate was Rs. 65 i.e. about 18% higher than the market price. By the end of 1831 the tariff rate of pepper was reduced to Rs. 40 per candy of 560 lbs., while the market price was Rs. 32 per candy of 640 lbs. i.e. 30% above the market price of pepper. Similarly the price of cardamom in the bazar was Rs. 500-525 per candy while for the purpose of calculating the tariff it was valued at Rs. 1200/candy, upon at the sea custom house which the duty was levied. To add further, the tariff rate valuation of teak timber was above the whole sale price at Calicut and Ponnam. The highest rate for the first sort of teak timber was 12½ rupees per candy while the general tariff was Rs. 14 per candy. The sea custom Collector complained to the Board of trade that the decreased exportation of cassia from Malabar during 1813 was due to high tariff rate in the sea custom house.

The land custom Collector and the sea custom Collector separately prepared the tariff rates, very often without mutual consultation, to get the Governor in Council's permission. This very frequently resulted in a different tariff rate for the

same article in the same district. For example when the tariff rate of pepper in the sea custom department of Malabar was Rs. 131 per candy of 640 lbs., in the land custom department it was Rs. 114 per candy of 640 lbs. i.e. about 35.9% difference in tariff rate. Mutual consultations among the concerned custom Collectors would have avoided this grave error in the tariff rate.

Different tariff rates for the same article in the neighbouring district was a hinderance to trade. For instance a duty was imposed on the difference of tariff on piecegoods coming from Tinnelvely and Coimbatore at Palghat. This was called Hawlat (Howlat) duty. (This was also called double duty. For detail see Internal or Transit duty). The Committee pointed out that, had there not been any such duty the trade would have carried on an extensive scale.

The absence of a periodical change in the tariff rate was stumbling block to the trade. No alteration of tariff rate took place in Malabar from AD 1812 to 1816. The land custom


11. Malabar Principal Collector's answer to the circular issued by the members appointed for revising the customs, 15 February 1834, M. Vol. No. 8338, p. 268 (Here after cited as Answer to the circular).

12. Answer to the circular, op. cit., p. 257.
tariff was not altered from 19 September 1828 to 1834. The sea
custom tariff sanctioned on 22 September 1829 had not under-
gone any change till 1834. This was another impediment to the
trade in the produces of Malabar with fluctuating prices.

Even though the British company had achieved the polit-
cal consolidation of India, to a great extent, it failed to
bring India into one commercial unit. Each presidency had its
own custom regulations and organisation, where other presiden-
cies and accordingly the goods were dutied. The custom
regulation of Madras presidency were embodied in a code of
1803 which was based on earlier rules and regulations dating
from 1784.

A committee of the government of India reported in
1836 that want of uniformity between tariff rates charged in
the different ports of India was a handicap to the trade and
recommended unification of the different custom tariff.
Accordingly in 1845 the tariffs of the three presidencies were
made uniform. But duties were still charged on goods comming
from other ports in India.

13. Ibid.
(b) **Frontier Duty:**

Frontier duty was levied at frontier custom chowkies on Malabar's border with Coorg, Mysore and Cochin Raja's territories and on the French territory of Mahé. The frontier duty was levied on the basis of tariff rate prepared by the Principal Collector. Even though the frontier duty was reduced to $5\%$ in 1806, it was obnoxious from the fact that the Mysore merchants after the conquest of Coorg started to send their goods through Coorg, instead of Wayanad. This was because, after the annexation of Coorg in 1834, to the Madras Presidency, the frontier duty between Coorg and Malabar was abolished with effect from first September 1834. This act of the merchants was to avoid paying high frontier duty in the Mysore-Malabar frontier chowky. The low rate of transit duty at Coorg had the effect of partially diverting the trade which formerly passed through Wayanad. However the superintendent of Coorg informed the Malabar Collector that the same rate of tariff and duty would be introduced in Coorg as in Malabar, which would compensate the loss incurred from the abolition of chowkies in the Coorg frontier.

Of the Inland frontier duty $80\%$ fell on goods exported

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18. Ibid., p. 35.

19. Malabar Principal Collector's letter to the Board of Revenue. 3 August 1835, M. Vol.No. 8340, p. 141.

by sea to other ports and the rest on the articles consumed within the districts. On salt, tobacco, and cardomom, the monopoly articles of the Company in the Malabar district no duty was imposed. However on sandal wood, grain etc. a duty was levied. Arec nut formed the main article of duty in the frontier chowkies with Cochin Raja's territory. No duty was imposed on goods for Cochin Raja, provided it was accompanied by a Rowanah of the Dewan of the Cochin Sirkar.

(c) Inland or Transit Duty:

By a declaration of W. Gamul Farmer, the Supervisor of first Malabar Commission, all internal tolls in Malabar levied by different local Rajas and chieftains, were abolished with effect from 13 September 1793. All goods were permitted to pass duty free from Cavay to Chetway and from hills to sea, by land or by rivers. However the duty was not abolished altogether. In place of the collection of duties under different Rajas, there emerged a unified custom regulation and duty under the Company. The duty was collected through different custom chowkies, but under one authority. In other words the different tolls collected under the Rajas were consolidated into one general duty, payable at the nearest station,

22. Ibid., p. 271.
from where goods were despatched. A permit, called Rowanah was issued by the Collector authorizing the goods to pass free to the place of their destination.

The Rowanahs were issued from the custom chowkies and houses at which chowkies duties were collected. In the Rowanah it was entered the number of packages, how transported, from where brought, destination of the goods, quality and sorts of goods, value, duty, date of Rowanah and to whom granted. In order to prevent smuggling, the first subordinate chowkies (of sayer departments) in the road through which goods were carried furnishes another permit called Rahadry, specifying the nature of packages etc., to the next principal chowky through which the goods had to pass.

In the Madras Presidency there was a general inland duty of 5% paid once for all at the station from which the good was sent. If the good was exported by sea an additional duty of 3% was added to the 5% duty making it 8%. A fixed duty of 8% was levied as sea custom duty, if the good was imported by sea. The good would not be liable to further duty though sent into the interior. However, the clause 4, section XVII, Regulation of I of AD 1812 authorized the levy of a difference


25. However the 3% sea custom duty varied in Malabar from article to article.

26. David Hill's evidence, op.cit. (British Parliamentary Papers) Book No. 9, p. 120.
of duty i.e., a difference of tariff rate of the goods from the district of origin and through which district the goods passed. This 5% difference of duty on the different estimated values were casually described as 'double duty'. In Malabar the difference of duty was collected at the inland towns of Palghat and Temmalpuram and at the frontier stations bordering Coorg, Mysore and Cochin. This difference of duty was also collected at the sea custom houses. So that there would be three taxation of goods coming from Coimbatore: (1) at the station of origin (2) 5% difference on the transit duty levied at the Palghat or Temmalpuram custom house and (3) further difference of duty of the sea custom houses on exportation by sea.

The Malabar goods paid on inland duty of 5% at the nearest principal chowky, and a difference of duty as given above on their overland exportation to Coorg, Mysore and Cochin. It also paid the difference of duty on exportation to the eastern districts at Palghat or Temmalpuram. On exportation by sea, out of Malabar, the goods paid a 3% sea custom duty and the difference of duty. No town duty was imposed in Malabar. The Board of Revenue's suggestion to impose a 5% a town duty on the coastal towns of Malabar was opposed by Thomas Warden.

27. Answer to the Circular, opcit., pp. 263 & 264.
than Principal Collector, on the plea that it would severely injure the trade and revenue of Malabar. Moreover it would be beyond Malabaris capacity to bear the duty.

The imposition of a double duty was the inevitable result of different tariff rates in different districts and in the land and sea custom department. It was always a source of vexation and was brought to the notice of the Board of Revenue several times. For example, the tariff value of a bale of piece goods at Palghat, which is about 25 miles from Coimbatore was 75% higher than it was at Coimbatore itself, or at any distance eastward of Coimbatore. The merchant first pays 5% at Coimbatore upon the tariff rate of that place. Then at Palghat his goods were unpacked, searched and with the pass (Rowinah) in order to ascertain whether they tally to the number of the pass. Then they had to pay a second 5% upon the fresh valuation on the difference of value in Malabar and Coimbatore. It was only peculiar to Malabar and Coimbatore. But if the goods were for export by sea, the two land duties were returned to him and a sea custom duty of 2½% only upon a third valuation was collected at the sea custom house. This double duty on


piecegoods did not augment the revenue of the government as 30
80% of the piecegoods were re-exported with the drawback
of 24%. This was an incentive to the export of Indian textile.
On the other hand it retarded the use of indigenous cloths,
as for the internal consumption the merchant had to pay several
duties like, inland, transit and the additional double duty.

At first the internal and frontier duties were collected
by the government through its agencies. But as the expenditure
of collection increased it was farmed to the highest bidder,
subject to the approval of the Governor in Council. The
available data show that the farming of the collection was
started as early as 1820, after the enactment of Regulation I
of 1820. However David Hill stated that the land custom was
rented as early as AD 1813. Mysore and Coorg were farmed in
Fuslies 1232 (AD 1824/25) and 1233 (AD 1825/26). From Fuslies
1234 (AD 1826/27) the farming was extended to Palghat and the
frontier chowky on the boundary of Cochin Raja's territories.
Although the renters submitted the account of the import and
export duty they levied, they were not dependable. According
to a circular issued to the renters the government had guaranteed
not to demand any statement of their profits. The rent did

30. Ibid.
31. Principal Collector's letter to the Board of Revenue,
10 June 1834, M. Vol.No. 8338, p. 280.
32. Answer to the custom circular, op.cit., p. 253.
33. David Hill's letter to T. Hyde Villiers, op.cit., (British
34. Answer to the Circular, op.cit., p. 255.
never include the duties leviable on cardamoms and sandal wood as well as timber purchased on account of the Company which most of the time remained under amance. The articles passed into and from Mahe had never been farmed according to the orders of Board of Revenue.

The farming system was injurious to the trade of Malabar. The government also had appointed sayer chowkidars with the farmers. According to P.J. Thomas, the Sayer peons and chowkidars who collected the duty for the government were bad, but the renters were worst.

Perhaps no other fiscal regulations of the Company were as injurious as the inland or transit duties to the trade and commerce of Malabar. To quote David Hill in this regard "..... no part of our fiscal regulations is more harassing to those affected by it than the inland transit duty and that none brings so small an amount into the treasury in proportion to what it takes from the people .....". The unnatural tariff rate in the land custom and sea custom departments further aggravated the condition to the disadvantage of trade and traders.

In 1835 a committee was appointed to enquire the question of inland duties. The Committee pointed out that the inland duties were not mere transit duties, but were mostly

35. Ibid., p. 268.
36. Thomas, P.J., op.cit., p. 35.
excises on consumption. The Committee reported that "..... a system of universal excise, it administered by government servants will be a system of universal fraud on the revenue and exceptions on the people, and if administered by farmers a system of grinding oppression under which the payment of legal duties will form the lightest part of burden .....".

There were various objections to the collection of inland transit duties through the instrumentality of custom houses with scattered chowkies throughout Malabar. In Malabar there were 13 principal land chowkies apart from 30 subordinate chowkies. In the Palghat taluq itself there were about 12 subordinate chowkies. The transit duties caused delay in the transport of goods, illicit collection and vexations. This delay and vexation could be tantamount to a heavy duty. It seriously hindered the commercial intercourse of the country, since no interchange of goods could take place between districts separated by a line of chowkies unless the difference in duty was paid.

In accordance with the recommendation of the custom committee of 1835 (which had submitted its report in 1836) the inland transit duties were abolished by the act VI of 1844, by the Governor General of India. The act scrapped such

38. Thomas, P.J., op.cit., p. 35.


parts of Regulation X of 1803, Regulation I of 1812, Regulation III of 1812, Regulation VI of 1812 and Regulation III of 1821 of Madras Code and all such parts of any Regulations of the said Code, as prescribed the levy of transit or inland custom duties at any town or place, within the limits of the presidency of Fort St. George.

However custom chowkies continued in the frontiers of Mysore, Cochin, and Coorg and the officers in the chowkies were given power to examine and ascertain the qualities and kinds of the goods. They were authorised to prevent the passing of the goods across the territories until the owner or person in charge there of should produce and deliver a certificate showing the custom duty was paid.

(d) **Sea Custom Regulations:**

The sea custom regulations regulated the external sea commerce and coastal trade of Malabar. Even though the regulations were to control the trade and enhance the government's income from custom duty, the irrational policy of the government and the absence of a unified custom laws for whole India was an impediment to trade.

As long as Malabar remained under the Bombay Presidency, goods which had paid duties in Malabar were exempted from further taxation in Bombay and vice-versa, provided the goods were accompanied by a certificate to that effect. The transfer of Malabar to the Madras Presidency had adversely affected Malabar's external sea trade. After the transfer Madras custom rule was extended to Malabar also and goods coming from Bombay or going to Bombay had to pay an additional 8% duty according to the Madras custom regulations. This was in addition to the duty paid at Bombay. Malabar and Canara were the only two districts of the Madras Presidency on the western coast of India. Because of Malabar's relative position 8% of the external trade, as earlier said, was conducted through Bombay and Malabar drew its entire supply from Bombay.

However after considerable deliberation, the Board of Trade of Madras had agreed that the certificate of payment at Bombay should be accepted as part payment of the prescribed duties so as to make an aggregate duty of 8% in Malabar. The Board of Trade instructed that the certificate of duty paid should show the quality, tariff value, descriptions of goods and the total sum paid.

42. Bombay custom Master's letter to Francis Warden, Secretary to Bombay Government, 15 November 1806, M. Vol. No. 2177, p. 81.
43. Malabar Custom Collector's letter to the Board of Trade, 5 February 1813, M. Vol. No. 2463, p. 206.
44. Ibid., p. 206.
But the provisions of Clause second, Section 5, Regulation VII of AD 1819 instructed the collection of an additional duties on goods imported from Bombay. This like the double duty in the inland custom department was a duty on the difference of the tariff rate at Bombay and Malabar. The merchants who import merchandise by sea from Bombay and other parts had always complained not only against system of additional duty but also of about the delay and vexations in packing and unpacking of their goods. The ferocity of the double duty was caused by another fact. The sea custom collector and his subordinates were not paid any fixed salary. Their emoluments, was a commission i.e., a certain percentage of the sea custom revenue. The percentage of commission varied. In 1808 it was 12% of the net collection, of which \( \frac{1}{3} \) share went to the custom collector and the rest to his subordinates. Therefore, the custom authorities would try to extract more duty on the pretext of the additional duty. At one instance the custom Collector had complained to the Principal Collector of Malabar that as his allowance consisted

46. Answer to the Circular, op.cit., p. 268.
47. Murdock Brown's letter to the Board of Trade, 23 April 1807, M. Vol.No. 2122, p. 124.
48. Madras Chief Secretary's letter to the Board of Trade, 30 July 1808, M. Vol.No. 8300, p. 270.
of in a percentage on the amount of collection, it would be
injustice to prevent Brown from levying a duty on the salt
imported by the Beebee of Cannanore.

The duties levied on export and import varied consider-
ably. Regulation 11 of AD 1812 proposed to levy 7½% 
duties on betel leaves, 10-20% on pepper, according to the
quality, and 8% on cardamom. Betelnut gave a 25% land duty
and 3½% sea duty. According to Warden's recommendation the
land duty on coconut was abolished and only a 3% export duty
was imposed on exportation out of Malabar by sea. The duty
on other varieties of coconut like copra, coir, coconut oil
varied from 3½ to 8%. Coconut, copra, coir were exempted
from transit duties. Later copra, coir, coconut oil were
subjected to only 3% duty on exportation through of sea.

Articles belonging to the Company, cotton etc. were exempted
from duty. The exemption of raw cotton from export duty had
greatly encouraged its volume of export. The Malabar
Principal Collector, however, in 1834 had reported that cotton
exported from Malabar was assessed at 5% over the valuation of

49. Murdock Brown's letter to the Principal Collector, September
51. Letter from Malabar Principal Collector to the Board of
52. Extract from the proceedings of the Board of Revenue, 20
Rs. 100 per candy of 500 lbs. but no duty was charged if shipped in British vessels.

Some time the sea custom duty regulations were vague. For example, according to Clause I, Section 2, Regulation 11 of AD 1812, rice and paddy were liable to the payment of an export duty of 8%. But the clause did not clearly define the term 'export'. It is a well known fact that in Malabar there are a large number of ports and there were extensive coastal trade in rice and paddy from the southern ports to the northern ports. Here the question that arose was whether export meant simple act of shipping goods on board with out reference to destination was so far as implied to mean the goods so shipped should be intended for exportation out of the province or to the ports within the district. The Principal Collector was of the opinion that the export duty was solely applicable to goods to be exported out of the province and not to their transit from one port to another within the province.

Later this 8% duty on rice and paddy was reduced 3% and levied on transportation irrespective of the destination. If the good was landed in any of the ports within the district and re-exported to another port certain time after the landing

54. Principal Collector's letter to the Board of Revenue, 30 April 1834, M. Vol.No. 8338, p. 237.
55. General Report, Vol.No. 19, 1 January 1814, p. 120.
56. Letter from the Principal Collector to the Board of Revenue, 15 March 1815; General Report, Vol.No. 21, 26 December 1815, para 1750.
the first port, it became again liable to further 3% export
duty. This regulation was a snag to Malabar's coastal trade.
However, in 1822 the export duty of 3% was imposed on transit
by sea which was repaid upon the production of certificate
showing that it was re-landed at some place in the district.

A system of double duty was followed by the Company
on imports and exports by foreign ships, under Clause 3,
Section XVIII of Regulation 11 of 1812. It is said that the
object of levying double duties on import on foreign bottom
was to encourage British Shipping. The additional duty on
foreign ships were promulgated in 12 July 1812 on exports from
Malabar. On every articles in which it was proposed to
encourage British trade the foreign shipping tax would only
2½%, where as on other articles on which heavy duty had
generally fixed that tax would be multiplied four fold.

This double duty on indigenous products of Malabar
like pepper was injurious to Malabar's external trade. For
example the duty imposed on the export of pepper to French
Mahé by sea was 18% and by land 15%, where as to United
Kingdom by British Ships it has to pay only 2½%. The difference
of duty on articles of foreign produce imported originally at

57. Ibid., para 1794.
59. Shaffield's recommendation for modification of custom
regulations and tariff in Malabar, M. Vol.No. 4822, p. 15.
61. Meckenzie's memorandum, op.cit. (British Parliamentary Papers)
Appendix Nos. 146, p. 713.
Bombay on foreign bottoms and re-exported in English or Asiatic Vessels were likewise subjected to a double duty 63 in Malabar.

In 1848 all duties on goods coming from other parts in India were abolished and India became a more or less free trade unit. The preference given to goods in British Vessels was also given up in 1850, but the export duties were not abolished.

The sea custom duty was farmed during the last decade of the 18 century and in the early years of the first decade of 19 century. In 1799 the right to collect the sea custom duty between Calicut and Tellichery was farmed to Baputty for one year. During the first decade of 19 century Milburn has reported that the right to collect the sea custom in Tellichery was farmed to a Parsee merchant.

64. Thomas, P.J., op.cit., p. 39.
6. MERCANTILE CLASS:

Before the Mysore invasion of Malabar there was no organised central rule there and no land revenue was collected; and the petty chieftains could not take rent from others. The important source of the minor chieftains was the Churkam (custom) levied on the merchandize of the traders. We have scanty evidence to show the amount of income the local Rajas derived from the custom. Shaik Zainuddin during the late 16 century wrote that the local Rajas collected 10% of the profits of the merchants. Thus the traders were not only the backbone of trade and commerce of Malabar, but also the supporters of local chieftains. It is said that the native merchants engaged in foreign trade were organised into powerful guilds. They also enjoyed the political influence by supporting the ruling class. There were both Malabari as well non-Malabari traders during this period.

However, the Mysore invasion was a setback to the trade and the political influence of the traders. The invasion put off an end to Malabars age long tradition of non-interference in the trade and commerce. The mercantile class was

compelled to fall in line with the Sultans, particularly by Tipu. He did not want to give the traders, especially the Europeans, the profits of the trade. In the words of Professor Mohibbul Hasan Khan, "Tipu Sultan undertook the role of trader, manufacturer, banker and money changer". Moreover, unlike the Malabar chieftains, he had no need to depend on the income from the custom duty of the traders.

Under the English East India Company, Malabar's trade, particularly the external trade, has got a limited all India character. The result of the commercial consolidation of Malabar was an inevitable change in the pattern of trade and role and the structure of the mercantile class. Under the Company the mercantile class no longer exercised the political influence or an unrestricted trade. One of the result of British occupation was the channelization of Malabar's external trade through Bombay. About 81% of Malabar's external trade commerce was conducted through Bombay (see Chapter I). Before the occupation, Malabar's trader to a large extent was carried by Malabaris. During 1790's and the first decade of the 19 century there were prominent Malabar traders like the Moussas of Tellichery, Beebee of Cannanore and Essoff Been Saleen, and Chacooty of Calicut. The Company contracted for its pepper supply mainly with the Malabar traders. In 1801 it was

reported that the Beebee of Cannanore had five ships, which were plying to Surat, Bombay, Aden, Sumatra etc. This was corroborated by Buchanan also.

But very soon the control of external trade slipped out of the hands of the Malabaris, to the Banias, Gomathis and Gujarathi traders, who started to settle in Malabar after the British conquest in large numbers and who were the new usurpers. This is further evident from the fact that in a letter written to the custom collector of Malabar, in 1816, out of 20 signatories only 3 were in Malayalam, the rest were in Gujarathi and Marathi. In another letter out of 5 signatories only were in Malayalam. P. Clementson in 1838 had reported that the bulk of the external trade of Malabar was carried by the agents of merchants residing at Bombay and their number was increasing. During mid 1830's even an English commercial house was established at Calicut.

Thus with the increasing number of non-Malabari traders, the Malabar traders were pushed to the position of internal and coastal traders and suppliers of goods. The most prominent among the Malabar traders were the prudent

Mopilas. The network of supply was in their hands as they were the people who had immediate communications with the cultivators and the growers in the interior and hilly regions of Malabar. They used to advance money to the cultivators for the supply of goods. Even though there was no monopoly of internal trade or supply system, the industrious Mopilas through their exclusive intercourse with the people of the interior region had virtually established a monopoly among themselves and controlled the market. In 1920’s it was reported that in Malabar there were at least 4 intermediaries between the producer and consumer. (1) the travelling agent of the local merchant (2) the local merchant (3) the agent of wholesale merchant (4) the local European firms who finally export the product. Some time the petty merchant, who advances money to the royts had to do something more than the work of a commission agent. For example he buys coconuts from the producers and convert them into copra, husks and sometimes into coir.

During 1820’s and 1830’s it was reported that the Mopilas were the main traders among the Malabaris and started to buy lands sold by other people particularly the Nairs.

13. Ibid.
14. Thomas Munro’s evidence, op.cit.
To make the point more clear the Mopila community of Malabar could be divided into (1) the Coastal Mopilas, who mostly engaged in trade (2) the interior (inland) Mopilas who were mainly tenant farmers or agricultural labourers, and were the people who moved inland, in search of economic opportunities with the rise of Portuguese power. Munro has not mentioned whether it was the coastal or interior Mopilas who bought the land. It is hard to believe that the inland Mopilas had sufficient capital to buy the land sold by the Nairs. One may ventured to say that the coastal Mopilas, because of the external pressure on their trade, might have diverted their idle trading capital to invest on land because of their loosing grip on the trade and increased income from the land holding.

There were Bringaries who carried goods between the coastal towns and prices above the ghats. The Bringaries have been described as "Set of people who support themselves by carrying salt from the coast to the interior of the country and carrying back cotton, wheat etc., from the interior to the coast. They live constantly under tents and carry their families always with them".

In the trading class, apart from the Mopilas, there were


Hindu 'Dellal' or brokers on the coast, who acted as intermediaries and agents between the merchants of Bombay, Surat and Arabia. The information about these brokers is scanty. But it is quite logical that the language problem for non-Malabaris might have compelled them to engage more local brokers. In south Malabar, particularly in Palghat taluq, there were Tharakars (Tharagamar) who were the members of a different sect of Nairs. They were said to be so called because they were the recipients of Tharaku or writ or social privilege issued to them by the ruling head or 'Zamorin' of Calicut. They were the chief merchants and some sort of brokers or ware house keepers. They had store houses in which the merchants coming from the east and west deposited their goods until it was disposed. Some time they acted as agents of big merchants. They were not answerable for fire or theft and was not bound to pay any loss that might have occurred due to the defective arrangements in the store house. A commission of \( \frac{1}{4} \) fanam was charged for every tulam (Maund) of weighable goods, whatever they stored for 7 days or one year. Cloth merchants on each load paid a rent of half fanam.

17. Thomas Warden's evidence before the Select Committee of the House of Lords appointed to enquire into the present State of affairs of the East India Company and its trade between Great Britain and East Indies, East India Affairs (London 1830), p. 185.


20. It is not mentioned whether the fanam is gold or silver. However Buchanan reported that silver fanam was what was current in Palghat. If it was gold 3\( \frac{1}{2} \) fanams = 1 Rupee, silver 5 fanams = 1 Rupee.
The Nairs of north Malabar generally did not take any active part in the trade and commerce and were contented with the income from the land revenue. It had been reported that great native chieftains often lend out money at high interest, which was employed in commerce. They sometimes employ banking houses to carry on commercial business on their own account. But this was not a general practice. The Chettis were the main money lenders, bankers and shroffs in Malabar. The Putters of Palghat constituted the only section of Brahmin community, who took to trade as regular occupation. They were traders as well as money lenders and renters of inland and frontier custom.

The standard rate of interest, which had prevailed in Malabar for many years was 12% per annum. However, if the borrower was not able to give adequate security, then high interest was charged. On gold or silver security, money on interest varying from 6-9% was charged.

We have no evidence to show that trade and usurers were linked up during this period. However, we have got proof to show that agricultural usurious system prevailed in Malabar, particularly in Palghat, which was the granary of Malabar.

23. Sarada Raju, op. cit., p. 188.
26. Ibid.
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