

**TRADE AND FINANCE
ON
THE COROMANDEL COAST
1757-1833**

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THE DEGREE OF DOCTOR OF PHILOSOPHY
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NOVEMBER 1992

CERTIFICATE

This is to certify that the thesis entitled "Trade and Finance on the Coromandel Coast 1757-1833" is a record of original research work done by Smt. Lalitha Iyer for the Degree of Doctor of Philosophy in Economics under my supervision. This thesis or any part of it has not been submitted to any other University or Institution for any degree or diploma.

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Declaration

I, Smt. Lalitha Iyer hereby declare that the thesis entitled "TRADE AND FINANCE ON THE COROMANDEL COAST 1757 - 1833" submitted by me for the award of Doctor of Philosophy in Economics of the University of Hyderabad is original and has not been submitted previously in part or full to this or any other University or Institution for any degree or diploma.

Place : Hyderabad
26th November 1992


Lalitha Iyer.

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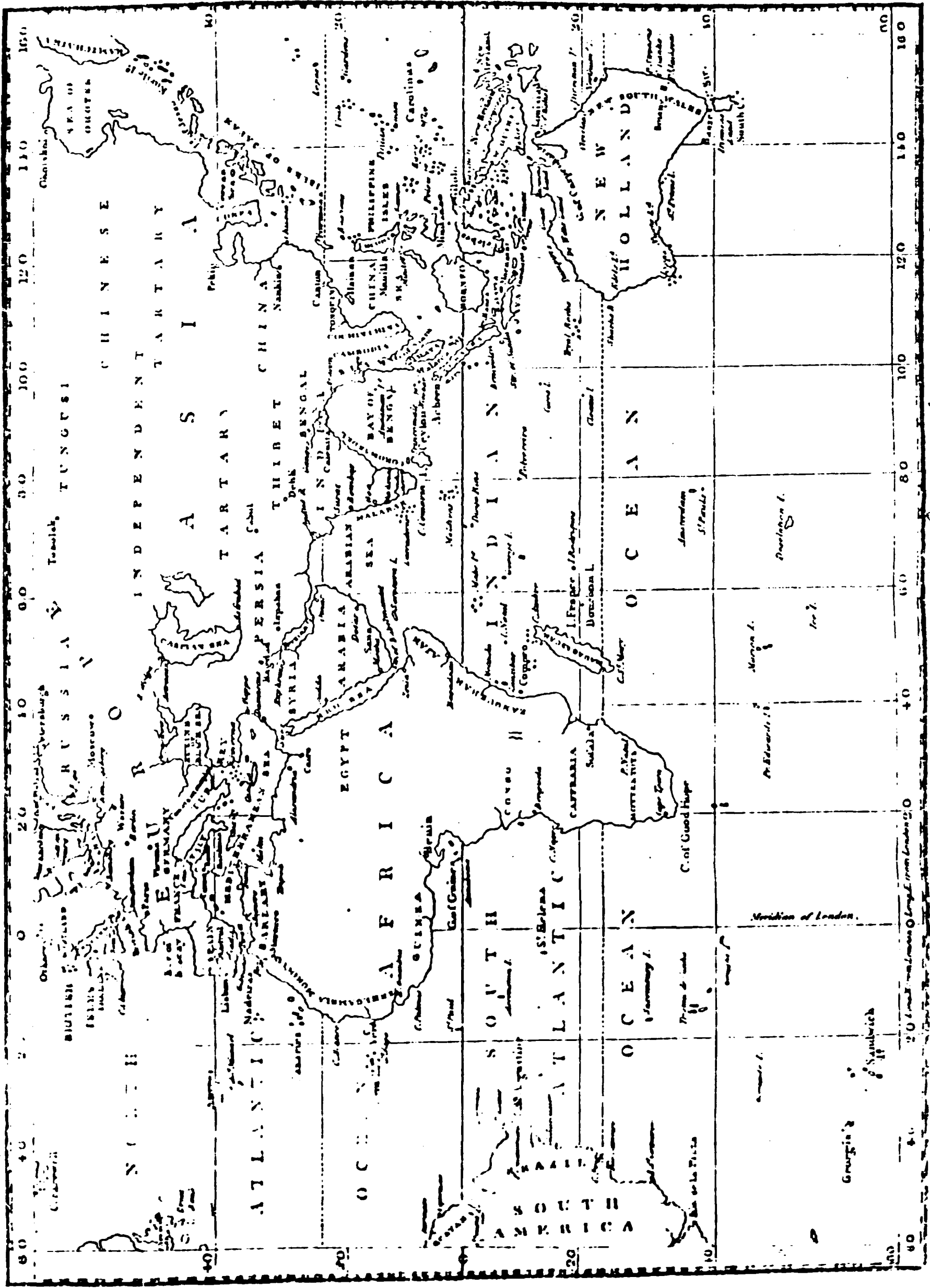
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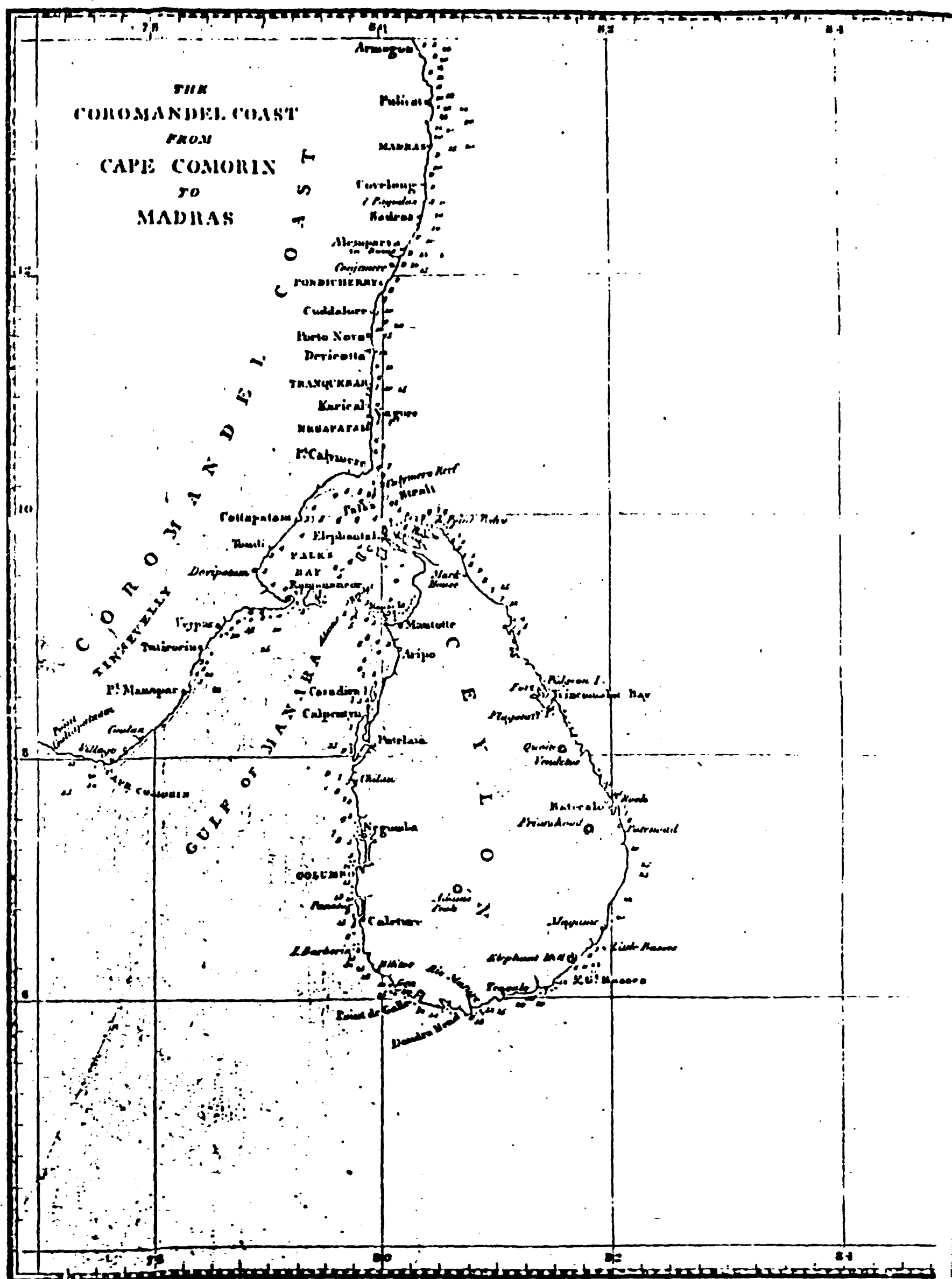
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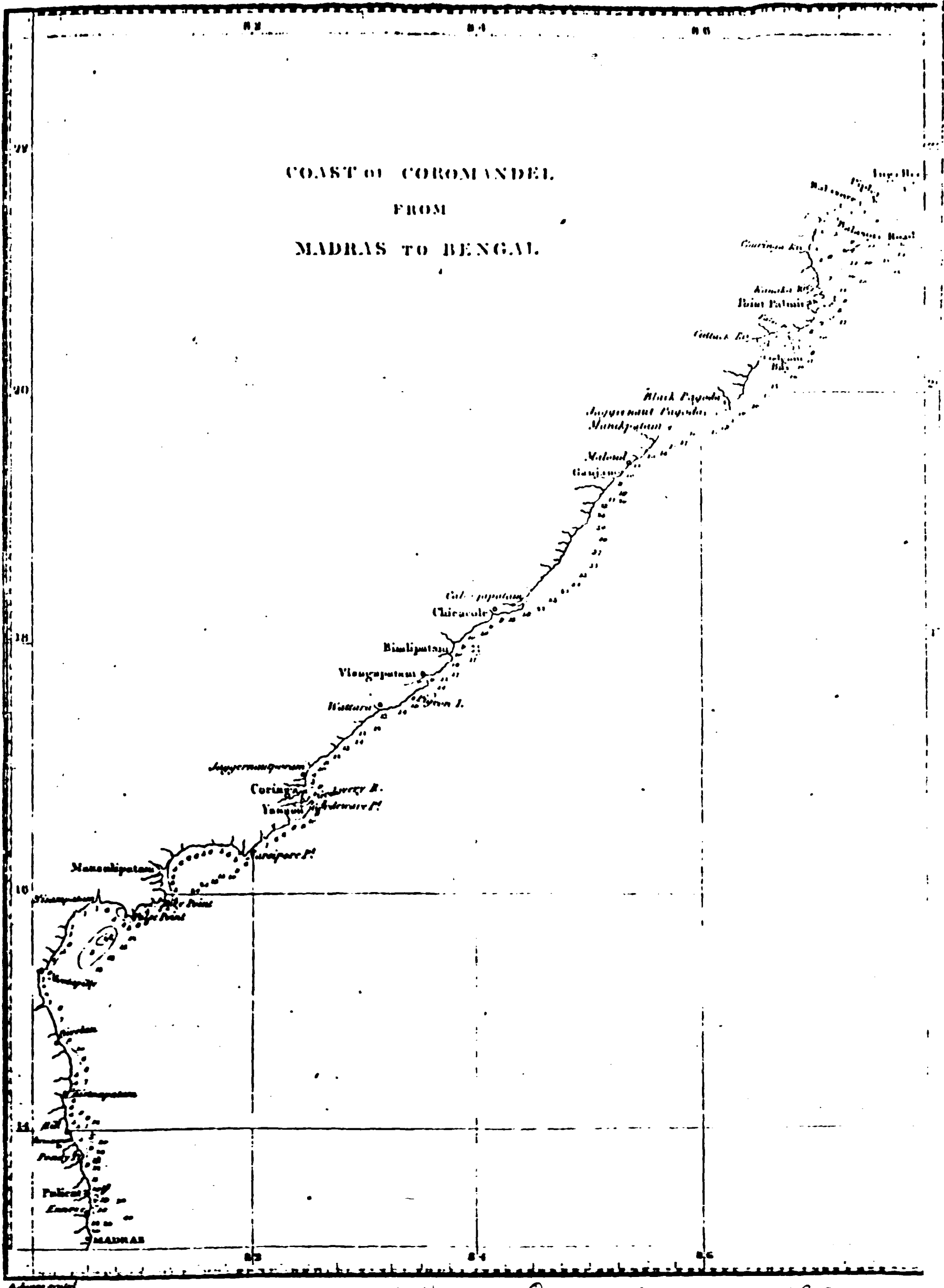
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Source: Milburn's Oriental Commerce 1812.



Source: Milburn's Oriental Commerce



Source: Milburn's Oriental Commerce 1813

CHAPTER - I

INTRODUCTION

1.0.0 Introduction

India had been a British colony for nearly two centuries and a number of studies have been conducted into the economic history of this period; but there are still some yawning gaps. The transformation of the commercial capital into political interest and the attaining of final sovereignty in a matter of a few decades in the second half of the eighteenth century remains insufficiently explored.

1.1.0 European Traders in the Coromandel Region

1.1.1 The European Trading companies arrived on the Coromandel coast in the early seventeenth century seeking supplies of textiles and other local produce. The native trading communities extended tacit support and cooperation to these traders and the East Coast was soon dotted with European settlements. For the English East India Company (EIC) the search for a base commenced from the Northern Coromandel at centres like Masulipatnam and Duggarajapatnam. They ultimately found it convenient to settle at Madras near Chandragiri the capital of the fast declining Vijayanagar Empire. (Ramaswami, N.S, 1977, p.47-50). The Company used the

support of the local merchants to achieve complete sovereignty over the region by 1800. The Company's trading interests receded to the background with its commercial establishments being altogether wound up by 1823-24 (Raju, S, 1941 p. 174). The former political elites of the region were reduced to complete dependence on the EIC government, and many of them became virtually its pensioners. British private trade flourished particularly with the removal of the EIC's trade monopoly to Europe in the Charter of 1813.¹

1.1.2 This supremacy of the English EIC was attained over the period 1757-1800 after a chain of political, military and commercial manoeuvres. The EIC were simply a trading body to begin with. Around 1757 they found it lucrative to take part in the frequent local conflicts and by a series of clever manipulations of events, attained political sovereignty over the region by 1800. The erosion of the erstwhile political structures was facilitated by the involvement of the commercial elements in active politics, with the native elites and especially merchants strongly supporting the British interests.² The objective of this work is to study the role of private traders especially Europeans in this process of the shifting of balance of political power in favour of the EIC.

1.2.0 Social Changes 1750-1833

1.2.1 The main elements³ of the South Indian social body around 1750 could be put as follows: the political leaders, the local leaders, the merchants, the manufacturers and artisans and the agricultural producers. The formulation differs slightly in its details from the model used by scholars like K. Gough.⁴

1.2.2 The political leadership in the region rested, by the 1750s, with several semi-independent chiefs. The Nawab of Arcot, Muhamed Ali, captured power using English arms. Small political units in the Southern Coromandel, like the Kingdom of Tanjore ruled by its Maratha Kings, the Kingdom of Ramnad under the Maravars, Sivaganga under the Sethupathis, and Pudukkottai could not unite against the colonial commercial interests. The Northern Coromandel came under the Kingdom of Golconda which was again the suzerain power of the Nawab of Arcot. There were semi-autonomous zamindaries like the Peddapuram, the Bobbili, the Vijayanagaram, the Venkatagiri and others. Large armies were maintained by the zamindaries and Nawabs besides a retinue of artists, poets, priests and varieties of servants. They looked to local leadership and the merchant class for revenues originating from land and commerce.

1.2.3 The real power of the political elite was much eroded during the period 1750-1790. They turned to the merchant

class for capital to sustain their military adventures and soon realised that European military support could prove to be decisive in winning battles. Thus, the English and the French, whose factories were the larger establishments with military strength, were sought after as allies. In the period 1750-60, the Europeans actively participated in the military campaigns of the region and the English were left the clear victors by 1760. Both the English and the Indian rulers recognised the shift in the balance of power. The various rulers however held on to the symbols of power, allowing themselves to be used mainly to the advantage of the British. The methods of British penetration of the political elite are exemplified by the two important cases in the region namely, Tanjore and Arcot. The details of the denouement in both cases reveals the common pattern beneath the apparent chaos. The merchants and other traders played a deciding role in the process by shifting their loyalties from the native to the British Rulers.

1.2.4 There existed a distinct merchant class in the Coromandel region in this period. Merchants belonging to the traditional trading castes of Hindu society still dominated, though some prominent merchants hailed from some agricultural castes. There were also small ethnic groups like the Marakkayars of the South Coromandel, besides the Armenians of

Madras, and the various European trading groups like, the English, the French, the Danish and the Dutch. The European merchants operated mostly from urban centres around their port settlements. The native rulers saw all mercantile activity as a source of revenue and interfered very little except for specifying the amounts of taxes to be paid. Merchants in turn regulated their affairs amongst themselves so that they seldom had to go to the secular authorities to settle their disputes. This pattern of relationship with hinterland authority has been described as a "partnership" wherein Indians and Europeans were partners in this traditional system (Dasgupta A., in Tripathi, D. (ed.) 1984 p.29-32).

1.2.5 The merchant class underwent a basic transformation during the period of this study. In the earlier epoch, merchants functioned as a nearly homogeneous group with congruent interests though clear sub-groups did exist. The polarisation brought about by the politics of the mid eighteenth century, however, made distinct entities of at least three of its prominent elements namely the English EIC, the European private interests and the Indian merchants. As the EIC consolidated its political position in the peninsula, its preeminence helped to further its commercial interests and promote expansion and growth of the European private interests in the region. Though the EIC initially preferred

to operate behind the facade of the Indian political authorities, it emerged openly as the single political power of the region by 1800. The growing involvement of the European private traders and the EIC officials in commercial activities in the region led to the consolidation of the British private interests. The main hypothesis of this work is that the articulation of this group's requirements determined events in the region to a large extent. It was these private interest groups which moulded EICs political as well as commercial policies and brought about the transfer of political power to the EIC in this region. The Indian merchants engaged in long distance trade were gradually edged out of the lucrative lines of trade such as textiles exports, grain, salt and other commodity trading. The once prominent merchant groups readjusted themselves to the reality of British supremacy during the period. The growth in textiles exports, the commercial practices of the EIC, the rise of the European private trading network and the influence of British private capital on the Madras Government are discussed in Chapters III, IV, V, VI and IX respectively.

1.2.6 The local leadership was closely tied to the village by bonds of kinship and religion, and their status remained almost unaffected even after the apex political leadership changed. The political powers were dependent on land revenue

but without a centralised revenue collecting and administrative hierarchy. They relied on the local leadership located at the villages, or other production and collection centres for the key task of realising their revenues.⁵ This class thus functioned as support for the political elite and had to switch their allegiance to the British private interests to survive. The British private interests were finding it extremely profitable to take control of the functions of this class and their collaborators in this process were the dubashes. The dubashes were more often from land owning classes with strong ties to the village. They took pains to support the religio-cultural life of their villages, and were patrons for learning music and dance. They saw their relationship with the EIC as a means of enhancing their social status. This group too was soon rendered powerless when the British did not need their intervention in their dealings with the village society any longer. In response, the dubashes held on to offices in the Company establishment to sustain themselves as discussed in Chapter VII.

1.2.7 The village community which constituted the last tier in the Indian social structure was the locus of actual productive activity, both agricultural and manufacturing. The division of labour was clear with the artisanal classes receiving a definite share of the agricultural production to

sustain themselves in return for their services to the village community. The caste system was well entrenched in the villages. The division of castes into Idangai and Valangai groups however appears to have been along the class lines. The Idangai enjoying a lower social status were also the artisan groups. The frequent disputes within these groups indicate that the lower ritual status did not stand in the way of these castes joining together to protect their group interests. It is also a curious fact that different sources listed different castes as left or right, further indicating that left/right divide had become a social class division by this period, whatever the origins of the division might have been⁶. The economic life of the village was thus organised into two distinct occupational groups, connecting at some points with the urban traders. The native merchants had direct links with the artisans and producers particularly weavers, with a headman or contractor often mediating. The agricultural surplus was channelled upwards by the intermediate class of the local leadership.

1.2.8 The methods of organisation of agricultural production and manufacturing in the village did alter radically in this period. The combined effect of the commercial policies of the British and the rise of British private capital as well as the continuing military campaigns had the effect of

depressing the production, both artisanal and agricultural. Protests and migrations of weavers were frequent, often affecting the supply and quality of cloth for export. With the changing status of the merchants the traditional merchant weaver relationships were altered irreversibly. Many weavers reverted back to agriculture. The constant warfare, famines and excessive revenue collection, besides changes in systems like advances for cultivation expenses (taccavi) also depressed agricultural output. Thus while the social structures in the village were apparently unchanged the economic conditions deteriorated a good deal over the period. Details of the changing economic situation in the region are presented in Chapter II.

1.2.9 In the period under study, the relatively stable social structure was altered when a section of the merchants of the English EIC emerged as the political authority in the region by 1800, reducing the erstwhile rulers to mere pensioners. The merchant class itself was transformed, with British private traders forming a tightly knit group and wresting commercial advantage by use of their political influence to the detriment of the native merchants. The local leaders who identified themselves closely with the British enjoyed a short phase of glory as dubashes; but they were rendered irrelevant when the English EIC government

established its own administration to manage the revenue collections. The manufacturing sector in the village was largely affected by the disruption of the traditional trading networks, while the agriculturists had to bear the brunt of the transition in land tenures under the EIC rule.

1.3.0 Survey of Literature

1.3.1 The various aspects of the social and economic changes in the region have been studied by several authorities. Social dynamics of the period have been covered by Mukherjee (1962), Dharma Kumar (1965) R.E. Frykenberg (1962) besides sociologists like Kathleen Gough (1985) and historians like Burton Stien (1988, 1989, and 1991). Detailed work on some segments/areas include Mihir Shah's thesis on changes in agrarian relations in Chingleput and Mizushima's work (1986) studying Nattars. Mizushima examines epigraphical, archival and literary evidence to establish the pattern of transformation of the local leaders. Similarly, A.Ramaswamy using Tamil literary sources depicted the position at the end of the Nayak era (1986). Detailed works on the economy of the region would include the contributions by A.Sarada Raju (1941), A.V.Ramana Rao (1958) C.Ramachandran (1980) and S.Srinivasaraghava Iyengar (1893).

1.3.2 Detailed information on trade is available in the works of K.N.Caudhuri (1978, 1985), H.Furber (1976), Ashin Das Gupta (1987, 1968) and C.J.Hamilton (1916). The depth of the coverage for the region remains uneven, with several stretches not covered in detail by any of these authors. The Portugese presence in the Coromandel has been covered by Pearson (1971,) Subrahmanyam (1990a) the Dutch activities by Om Prakash (1984, 1988) and Raychaudhuri (1962) and early English activities by Furber (1951). Detailed studies specific to sub-regions in the Peninsula have been taken up by Pamela Nightingale (1970) for West Coast), Ashin Das Gupta (1967) for Malabar S.Arasaratnam (1986) for Coromandel (1650-1740). Hence selected periods have been covered and no complete coverage of the eighteenth and nineteenth centuries has been attempted.

1.3.3 This brief survey of literature indicates several gaps in the study of trade and finance in the Madras Presidency. There is no work covering trade after 1740 in detail upto 1850. Similarly, there is scope for further work on the financial conditions in the Presidency for the same period. The rise in the volume of private trade is also not clearly quantified. The nexus between the various participants of economic activity — the producer, the Indian middle-man, the English private trader and the Company's servant — as well as

the forward and backward linkages have yet to be examined in the light of the details available in various old records.

1.4.0 The Scope of this work

1.4.1 The scope of this study has been delimited to the period 1757-1833 in view of the dramatic socio economic changes in the Coromandel region in this period. The year 1757 marks the beginning of the English EIC's march towards conquest of territory and this end was achieved by 1800. Over these years the EIC's trading interests were declining, and the Charter of 1813 virtually removed all its special trading privileges except the China trade. The Charter of 1833 completed this process by opening up the China trade to all. A distinct group of British private traders emerged on the scene and this led to the formation of the Agency Houses around 1800. These private traders became a well entrenched power group by 1833.

1.4.2 This work begins with a presentation of the data available on the economic trends in the region from 1757-1833 in Chapter II. Data on trade is then examined in detail to estimate the volume of total exports of textiles as well as other exports from the region in the chosen time span in Chapter III. The changing commercial practices of the EIC in the context of its political prominence is next discussed in

Chapter IV. The fillip to European private trade and the stabilisation of private trading networks in the period 1757-1800 is examined in Chapter V. The impact of these developments on the functioning of Indian private trading networks is presented in Chapter VI. The rise and decline of the influence of the local leadership and their intermediary role in resource mobilisation by political elites is discussed in Chapter VII. The development of British private capital in the region and its deployment in undermining the base of political elites is illustrated by dissecting the process of annexation of Arcot and Tanjore in Chapter VIII. The role played by this private capital in supporting the EIC Government, particularly in the early phase of its administration of the entire territory is examined in Chapter IX. The conclusions of the study make up the last chapter.

NOTES

- (1) The growth of European companies has been covered in detail by various authors. For an overview, see Asarasaratnam's MERCHANTS, COMPANIES AND COMMERCE ON THE COROMANDEL COAST 1650-1740, OUP, Bombay 1986, Chapter 3.
- (2) There are several political histories of the period. For a recent survey and recaptulation see C A Bayly, INDIAN

SOCIETY AND THE MAKING OF THE BRITISH EMPIRE, (The New Cambridge History of India, Vol.11. 1,) Cambridge 1988, p.55-61.

- (3) The term "group" has been used in this description in view of the distinct economic interests and the nature of economic relations between them. The working definition of group used here follows Stein's: "a 'group' whose individual members in a market/capitalistic order are engaged in similar production pursuits with similar relations to the means of production. (Whether they own and control these or not and whether they are conscious or not of their collective historic interest)". See Stein B "Towards an Indian Petty Bourgeoisie: Out Line of an Approach" EPW, Vol.XXVI, No.4, Jan 26, 1991, PE9-PE20.

- (4) Gough, 1981 (p.105-116) envisages the position as under:

- 1) The state class
- 2) The state servants
- 3) European merchants
- 4) Native commodity producers and merchants
- 5) The free peasants
- 6) The semi proletarians
- 7) The slaves

Here "The state class" is easily comparable to "political leadership" and "state servants" to 'local leaderships'. "Native commodity producers and Merchants"

contain two distinct groups often in conflict with each other. "The Merchant Class" comprising both Indian and European merchants and "The manufacturing class" in the village is therefore preferred here. In our model we have grouped the three categories of the free peasants, semi proletarians and slaves as agricultural producers as the focus of our study is not on agrarian relations.

- (5) Burton Stein, talks of "the disjunction between state level authority and an under-polity of local lordships or chiefs with considerable and legitimate autonomy from state level administration but subordinate to it" in post medieval South India in Dallapicola (eds.) 1985 p.73-87..

- (6) Ananda Ranga Pillai's Diaries differs from the list in Francis Buchanan Smith. The names in modi records are again different. (V.Venkataramayya;1984). See chapter VI below (Note 7)

CHAPTER - II

SOCIO-ECONOMIC CHANGES IN THE COROMANDEL REGION 1757-1833

2.0.0 Introduction

2.0.1 The socio economic changes in South India in the period 1757-1833 have been studied in some detail by several authorities. The records of the EIC Government have been the main basis for all these studies. Raju, S.' (1941) work on the economic conditions of the Madras Presidency from 1800 to 1850 is the most comprehensive coverage of economic changes for that period. Another detailed study covering the North Coromandel in particular has been authored by A.V.Ramana Rao (1958). A more recent study dealing with agrarian relations is by Dharma Kumar (1962). Arasaratnam (1979, 1980) has studied the basic features of these changes with emphasis on trade for the period 1750-1790. It is found that there is relatively better coverage of the economic conditions after 1800, with only Arasaratnam dealing at some length with the early period. The north coast has been covered by M.Atchi Reddy (1976 and 1988) and G.N.Rao (1988).

2.1.0 Worsening production conditions 1757-1800

2.1.1 Coromandel region had been the arena for some major battles and many minor skirmishes right from the fall of the

Vijayanagar Empire (1565 A.D.). The Nayak princes of Madurai and Tanjore were constantly warring with one another and this was followed by the wars of the Tanjore Marathas. The Anglo-French rivalry in Europe was soon transposed onto the local power struggles and the hostilities in India were kept up, for local reasons, long after peace in Europe. We may identify several serious conflicts which occurred between 1757-1800. Madras was besieged in 1757 and Pondicherry in 1761. These were primarily seaborne attacks, with little effect on the surrounding country side. The raids of Haider Ali on various parts of the Carnatic in 1767-1769 were the next major breach of peace. This was followed by the three Mysore wars (1780-1784, 1790-1792, 1799-1800). The Tanjore expeditions of the Nawab of Arcot in 1771 and 1773 were highly disruptive in nature. Minor skirmishes included the Tanjore and Arcot expeditions against Sivaganga and the pacification of the Southern tip by subduing the poligars in 1800-1801. (see Appendix A for details).

2.1.2 Contemporary descriptions of the state of the country emphasise the constant military threats¹ forcing the population to live in a state of permanent alert. Cultivators were at the mercy of the revenue collectors and revenue collection was without mercy under revenue farmers appointed either by the local regimes or by the EIC.² Moturpha tax on looms (and trades in general) acted as a

detrimental to manufactures (Raju, S., 1941 p.178-180). Weavers were often forced to work for the EIC. Indian merchants were increasingly relegated to oblivion and the well established market structures working to collect and provide piece goods for exports were altered permanently.³

2.1.3 The amount of land revenue bore a direct relationship to the agricultural production as it was usually a fixed proportion of the total produce. Thus land revenue always followed, perhaps with a time-lag, the trends in agricultural production. Prior to 1800, the details of trends in land revenue have to be studied with reference to the subdivisions then existing such as the Northern circars, the Jaghir, Tanjore and Tirunelveli; the revenues of the Presidency as a whole acquired significance only after 1800.

2.1.4 The Northern Circars, comprising of the modern day, Guntur, East and West Godavari, Krishna, Visakhapatnam and Srikakulam was the first large tract to come under direct EIC administration from 1766 onwards (with some portions coming into the EIC hands in 1759 itself). The revenue collection was left in the hands of various zamindars and local rajas, and settlements were made with them annually (see Table 2.1). As the settlements were estimates of land revenue, the increasing trend in the settled amounts indicates

expectations of an improvement in the agricultural output of the region. However there were often shortfalls in collection.⁴ The figures for actual revenue are available from a slightly later date indicating some sharp drops (see Table 2.2). Thus revenue collected in Masulipatnam fell sharply after 1789 and recovered only in 1794-1795. In Visakhapatnam and Ganjam, the falling revenues were a feature from 1788-1789 upto 1795-1796 (except for 1793-1794 in Ganjam). In Guntur 1790-1791 and 1797-1798 were lean years with fluctuations in between. Despite the relative peace enjoyed in the Northern Circars, dislocation in agricultural production continued in all the districts particularly around 1789-1794 (see Table 2.2).

2.1.5 The Jaghir (corresponding to the modern day Chingalput district) was the territory of the Nawab of Arcot immediately surrounding the Madras city. This tract was made over to the EIC in 1763 by the Nawab of Arcot, but he continued to be the rentier of the area from 1763-1783, and paid a fixed sum of 368389 star pagodas per annum over the whole period as land revenue.⁵ It is by no means certain that this was directly related to the agricultural production level. The Nawab often paid with bonds, and political consideration often determined the value of such bonds issued. It is difficult to believe that the production (and consequently revenue) was steady

Table - 2.1
Annual Settlement Made in the Northern Circars
(in Madras Pagodas)

District/Period of Settlement	1769-70	1777-78	1779	1783	Average for 17 Years
Guntur			241950	241950	241950
Mustafanagar	270175	292375		309066	274636
Masulipatnam				114452	114452
Rajamundry	240117	267652		268240	252214
Chicacole				340315	340315
				----- 1274023 -----	

Source: Fifth Report Vol.III, p.57-60.
J Grant's Political Survey of Northern Circars.

Table - 2.2

Gross Revenue Collections by EIC 1786-87 to 1799-98
(in pagas 000's omitted)

District/Year	1786- 87	1787- 88	1788- 89	1789- 90	1790- 91	1791- 92	1792- 93	1793- 94	1794- 95	1795- 96	1796- 97	1797- 98	1798- 99	Annual Average
Masulipatnam	741	759	1075	845	892	654	584	659	1129	1075	813	678	1006	850
Buntur		-	-	211	174	358	311	229	407	251	283	148	225	260
Visakhapatnam	257	336	333	438	269	339	389	132	87	121	389	374	435	351
Ganjam	198	206	211	195	190	143	184	236	175	179	131	134	124	178

Source: BOR Miscellaneous XIV, Volume 246 p.9.

over this tumultuous period, particularly in view of the Nawab's ballooning debts of this period. His chaotic finances led to the taking over of the Jaghir by the EIC in 1794. The revenues from 1786 to 1799 indicate that the EIC could realise less than half of what the Nawab was paying over this period and that revenue and production were particularly depressed upto about 1793-94 (see Table 2.3). Even the settlement for the year 1803 at 323828 star pagodas was still below the revenue paid by Mohammed Ali in 1783 i.e. 368389 star pagodas indicating that the latter figure was a gross overestimation of the likely revenue from the Jaghir. *

Table - 2.3

Gross Revenue Collections by the EIC in the
Jaghir and Home Farms (in Star Pags 1000's
omitted)

Year	Amount
1786-87	131
1787-88	148
1788-89	183
1789-90	141
1790-91	153
1791-92	215
1792-93	274
1793-94	230
1794-95	299
1795-96	236
1796-97	460
1797-98	376
1798-99	238
Average	246

Note: Fort St. George is excluded.

Source: BOR Misc. XIV, Vol. 246, p. 9.

Table - 2.4

Revenue and Rice Production in Tanjore 1776-1796

Year (1)	Total Rice Production in Kalams (2)	Average Price In Fanams per Kalam (3)	Total Collec- tions Star Pagodas 000's omitted (4)
1776	9122	3 49/128	960
1777	12230	2 13/128	855
1778	12174	1 29/32	794
1779	11427	2 105/128	1024
1780	11909	1 47/64	734
1781	1800	5 57/64	369
1782	1563	16	768
1783	4360	4 121/128	707
1784	6087	4 15/64	845
1785	7454	2 3/4	766
1786	6901	2 61/128	665
1787	7528	2 31/64	695
1788	7496	4 21/64	965
1789	8108	3 65/128	881
1790	9120	3 3/32	901
1791	9120	3 31/128	1049
1792	9244	4 25/128	1154
1793	10029	3 53/64	1121
1794	9712	2 79/128	846
1795	10417	1 113/128	739
1796	10323	2 3/64	774

Source: Public Sundries Vol.86 A, 1798-1800 Committee on Tanjore.

Notes (1) Kalam, is a volume the measure made up of 8 maracals or A maracal could hold little over 27 lbs of water and a Kalam could hold 216 lbs of water (Milburn Vol.II, p.11).

(2) Fanams referred to in colum 3 may be famans which are subdivisions of Chakrams, the Tanjore currency. The Revenue figures are shown in star pags in the original source. 1 star pag = 44 fanams.

2.1.6 Rice production, revenue and the price level are available for Tanjore for 1776-1796. This series exhibits the close relationship between the trends in agricultural

production and those in the land revenue. The revenue fell drastically in 1781 and then recovered but remained a little below the 1780 level for another decade (see Table 2.4). The production rose gradually during the period 1783 to 1789 when it was under the administration of the Rajah. The company administered the Kingdom directly between 1790-92 but returned it to the Rajah thereafter. The Revenue collection increased sharply during 1790-92, the years of direct EIC collection indicating greater stringency in collection under the Rajahs administration. The revenue figures fell in 1793-1796 even though production rose.

2.1.7 The details of rice prices in Tanjore from 1775-1796 indicate the overall price trend (see Table 2.4). The famine and war around 1781 contributed to the great rise in prices around that year. The rice price seems to have been around 75-80 pags per garce at Madras, before 1769 but had risen to around 100 pagodas/garces after 1774. The large and regular imports into Madras were occasioned by the growth of the town. The shortage of the specie, a prominent factor after 1795, had not affected trade significantly before 1795. The various wars did produce financial stringency but an annual inflow of about 20 lac pagodas sustained trading activity of Madras atleast upto 1795 (see para 9.1.1 below).

Table - 2.5

Revenue Collected in Tirunelveli District

in star pagodas (000's omitted)

Year	The Agent for Revenue Collection	Annual Revenue Collected
1757	Mohammed Isoof Khan	354
1758	-	402
1759	-	469
1760	Mohammed Isoof Khan	624
1761	-	754
1762	-	692
1763	-	638
1764	Rajah Huckmit Ram	832
1765	-	751
1766	-	580
1767	-	525
1768	-	497
1769	-	694
1770	Syed Mohammed Khan	448
1771	-	602
1772	-	628
1773	-	637
1774	-	687
1775	-	501
1776		N.A
1777		N.A
1778	Tremalappa Moodly	560
1779	Allynwas Khan	424
1780	Delavoy Tremalappa Modelly	244
1781		217
1782		316
1783		468
1784	Irwin	518
1785		502
1786	Mohammed Ettbar Khan	493
1787		524
1788		564
1789		568
1790	B.Torin	535
1791		479
1792	Mohammed Ettbar Khan	625
1793		706
1794		615

1795		475
1796	Delaway Ramaswamy Moodelly	435
1797	Coopaniengar	430
1798	Mohhamed Jaffir Khan	442
1799		471

Source: Fifth Report, Vol.III, pp.538-539.

2.1.8 Tirunelveli district came under the EIC only in 1803 and the revenue collection was in private (mainly native) hands prior to that year. It is found that the revenue which was rising in the early 1760's fell around 1770 to recover between 1771 and 1774. There was subsequently a sustained drop between 1775 and 1782 after which it improved, but stayed well below the level in early 1760s (see Table 2.5). As the region did not fall within the ambit of EIC rule until 1803, the records did not adduce specific reasons for the depressed state of revenues.

2.1.9 Madras as the seat of British power in the region experienced a distinct phase of growth in terms of its urban spread as well as trading activity. By 1800, it became the metropolis of the region. One index of the growth in the importance of Madras port was the rising customs duties collected at Madras during the period (see Table 2.6). A steady rising trend from 1756-57 is seen though there are fluctuations from year to year. The fluctuations in customs on grain are explained by the frequent changes in duties

levied on grain to regulate the quantum of rice imports into the city of Madras. Piece goods were the main imports, the rise in 1763-64 being attributed to the Manila expeditions which were organised by private British traders at Madras (Chapter 5). As Company's piece goods were charged no duty these were certainly for British private traders. The Manila expedition was one of the early forays into the South East Asian markets by British private traders, undertaken with the backing of the Fort St. George Government. The large imports of the one year was usually succeeded by a fall in the next year (examples 1762 and 1763, 1765 and 1766, 1768 and 1769). The steep fall in 1770 was attributed to the disturbances in the wake of Haider Ali's raids in 1769. The recovery was prompt in 1771 and would indicate to us that at least the textile manufacture for export recovered promptly from such political disturbances.

Table - 2.6

Duties Collected at the Port of Madras

(star pagodas)

Year	Customs on goods 1	Customs on grain 2	Anchorage 3	Sea Customs 4=1+2+3	Land Customs 5	Mint Customs 6
1755				35087	6772	1303
1756	—	NA	—	29887	6019	2634
1757				25069	3730	3240
1758				24530	4043	828
1759	17536(17536)	231(231)	474(474)	18241(26562)	3885(4890)	1174(1636)
1760	24346	13624	625	38595	8208	2101
1761	30663	8306	707	39676	9493	3598
1762	25388	11569	824	37781	7925	5064
1763	27041	13394	714	41149	6060	Not Available
1764	36274(28742)	12344(11847)	882(742)	49460(41332)	9702(8278)	4262(3756)
1765	47279	9734	836	57849	10892	5416
1766	36069	5623	814	42506	11421	4087
1767	36976	4022	662	41660	12067	3778
1768	45732	4076	814	50622	13368	5095
1769	39608(41133)	4413(5573)	930(811)	44951(47517)	11499(11849)	4117(4493)
1770	40554	2812	1007	44373	15637	3116
1771	32950	14687	1116	48753	15090	3437
1772	49329	16793	1035	67157	12145	3012
1773	34853	19559	827	55239	12582	4468
1774	33372(38212)	7805(12331)	883(961)	42060(51516)	10568(13204)	3529(3510)
Average	34873	9311	816	41731	9335	3503

(The figures in brackets denote averages for the five year blocks)
Source: Extracted from Public Department Consultations, TNSA.

2.1.10 The chaotic conditions in the Coromandel region began to give way to some form of peace and stability with the British taking over the administration in several major tracts. The Northern Circars, Baramahal (Salem), Jaghir (Chingleput) were all under the EIC by 1790 and EIC officials were becoming directly involved in revenue collection. The trend was towards the appointment of Collectors in each district. Increasing familiarity with local customs and languages resulted in the sidelining of intermediaries like dubashes and revenue farmers. Examination of traditional local land tenures revealed infinite variations within the region. (Bundla Ramaswamy Naidu, 1820 Mukherji, N, 1962 and Kumar D, 1965). The administration in the Coromandel was moving away from permanent zamindari settlements towards village wise settlements, relying on the local tradition of jointly 'owned' villages. (Stein, 1990) Col Alexander Read began his work in Baramahal in 1792 and the ryotwar approach was being developed. The military manouvres in the period were aimed at bringing under the EIC the entire peninsula and Mysore the last centre of resistance was overcome by 1800. This decade allowed the EIC to take stock of its possessions and experiment with various approaches to administration.

2.1.11 The economy was subjected to the adverse effects of warfare and other dislocations experienced in the region before 1790. General insecurity affected both agricultural production and manufacturing. Madras as the centre for British activities grew steadily. The revenues fell sharply during the decade 1780-1790 and recovered slightly only after 1794. Collections were well below the revenues gathered before 1770, even upto 1800 in most areas (see Tables 2.2 to 2.6).

2.2.0 Economic growth and political consolidation

2.2.1 The EIC obtained complete control over the peninsula (and in particular the Coromandel region) by 1800, and this enabled them to introduce uniform administrative practices over the whole region. The first three decades saw the establishment of ryotwari system of revenue settlement. The rise of British private trade was parallel to the declining commercial involvement of the EIC. The withdrawal of the Company's trading monopoly in the 1813 charter led ultimately to the winding up of the EIC's Commercial Department in 1823-24. Changing administrative practices affected both agricultural trends and manufacture, and an examination of revenue and other economic variables shows the impact of the settled living condition of the region.

Table - 2.7

Revenues of Madras Presidency 1792-93 to 1808-09

<u>Year</u>	<u>£ Sterling</u>
1792-93	24,76,312
1793-94	21,10,089
1794-95	17,75,782
1795-96	18,94,304
1796-97	19,96,328
1797-98	19,38,950
1798-99	21,23,831
1799-00	28,22,536
1800-01	35,46,268
1801-02	47,29,609
1802-03	47,24,904
1803-04	46,51,744
1804-05	48,97,140
1805-06	50,14,493
1806-07	46,02,721
1807-08	49,27,519
1808-09	49,68,321

Source: Milburn, p.71, Vol.II.

Note: £40 = 100 star pags.

Note: Table 2.7 and 2.9 are from the same type of source, the accounts maintained by the EIC in London, and form a continuous series except for a break from 1809-10 to 1813-14 of 5 years. Customs revenue is also included in these series and came to about 5% in 1808-09. We may expect that it did not rise above this level thereafter.

Table - 2.8

Revenues of Madras Presidency 1803-1816

(000's omitted)

Period	Total Revenue Rs.	In star pagodas*
1.07.1803 - 30.6.1804	9304	2658
1.07.1803 - 30.06.1804	9308	2659
1.07.1804 - 30.06.1805	9064	2590
1.07.1805 - 30.06.1806	9695	2770
1.07.1806 - 30.06.1807	7715	2204
1.07.1807 - 30.06.1808	8927	2550
1.07.1808 - 30.06.1809	9578	2737
1.07.1809 - 30.06.1810	9813	2804
1.07.1810 - 30.06.1811	9862	2818
1.07.1811 - 30.06.1812	9279	2651
1.07.1812 - 30.06.1813	9621	2749
1.07.1813 - 30.06.1814	9918	2834
1.07.1814 - 30.06.1815	10929	3123
1.07.1815 - 30.06.1816	10513	3004

Source: Board of Revenues Misc., Vol.206.

Note: The data in Table 2.8 from the records of Fort St. George give revenue figures after deducting several items under costs. Further customs is not included. So it is not strictly comparable with the tables 2.7 & 2.9. The usefulness of the series is that it gives an indication of trends in revenue over the 5 year gap as well.

Table - 2.9
Revenues of Madras Presidency 1814-1830

Year	Revenue £ st
1814-15	53,22,164
1815-16	51,06,107
1816-17	53,60,220
1817-18	53,81,307
1818-19	53,61,432
1819-20	54,07,004
1820-21	54,03,506
1821-22	55,57,029
1822-23	55,85,210
1823-24	54,98,765
1824-25	54,10,743
1825-26	57,14,915
1826-27	59,81,681
1827-28	53,47,838
1828-29	55,75,049
1829-30	57,15,587

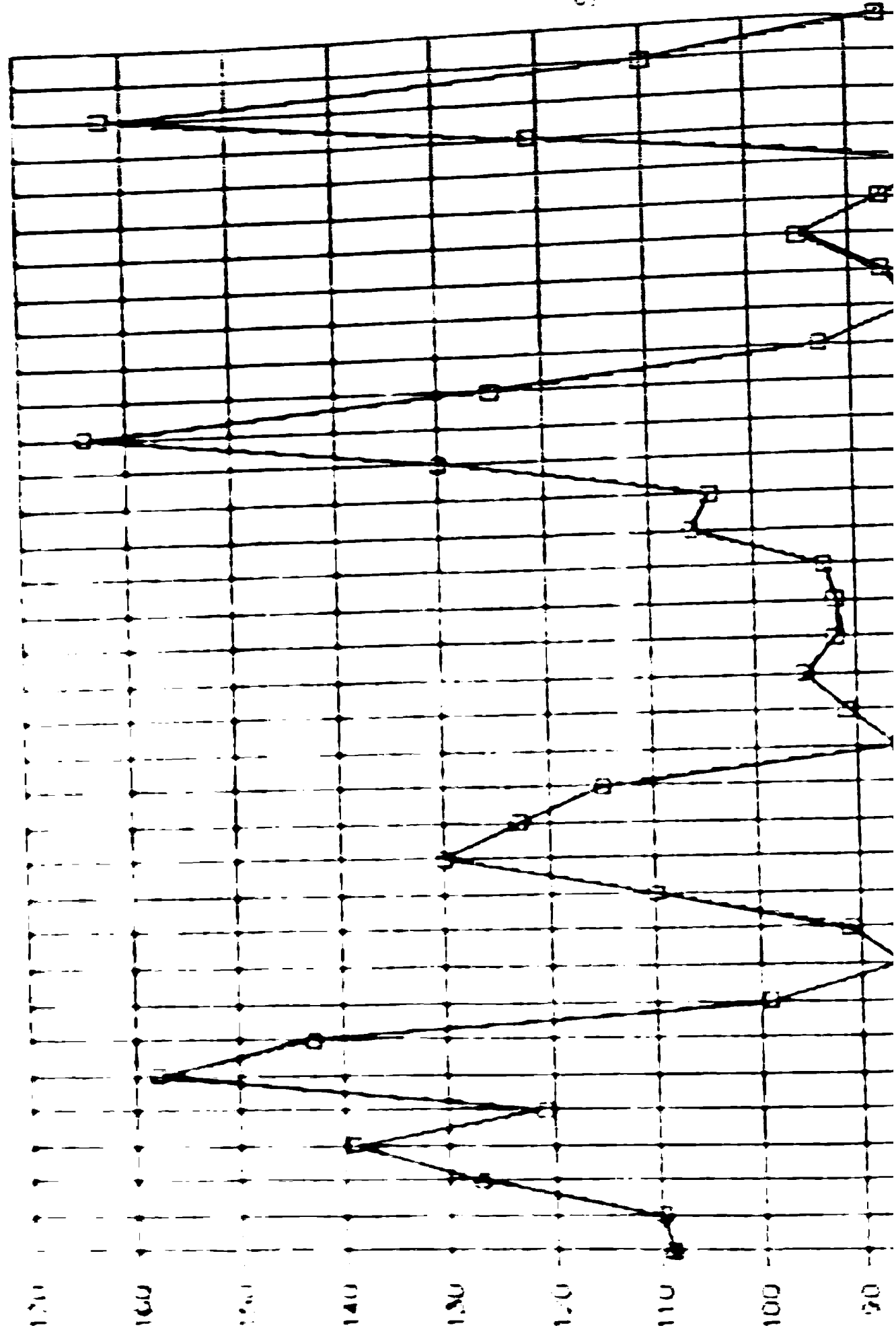
Minutes of evidence before select committee on the affairs of EIC and also an appendix and index. II Finance and Accounts Trade (London 1837).

2.2.2 The land revenue rose from approximately 1,18,00,000 star pagodas in 1801 to around 1,45,00,000 star pagodas in 1829-30 (see Tables 2.7, 2.8 and 2.9). The sharp rise in revenues from 1792-1802 is attributable to the expansion of territory. The growth thereafter is gradual but steady, indicating a stabilisation in the agricultural activities of the region. The drops noticed, around 1806, 1804 and 1823-24 may be attributed to the famines (see Table 2.10).

These trends in land revenue would help substantiate the inference that agricultural economy was recovering from the aftermath of the dislocation in the late eighteenth century.

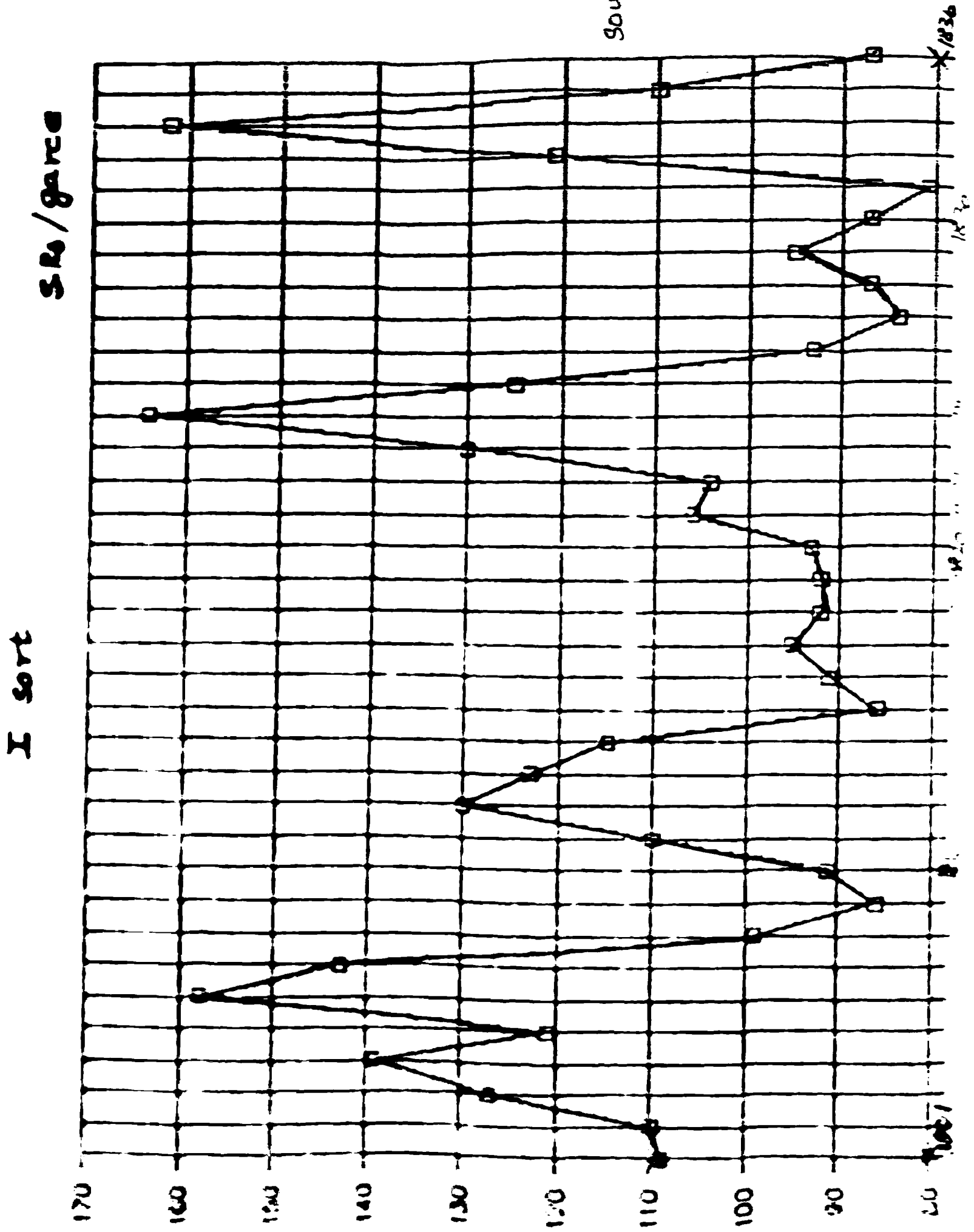
2.2.3 The region experienced recurrent droughts, which affected agricultural production and often precipitated devastating famines. The rulers were by tradition expected to initiate relief activities when such famines arose, and the network of choultries were usually put to use to arrange poor feeding. The British in the early phase of their rule tried to improve food supplies by relaxing duties on grain, but soon tended towards "laissez faire" doctrines. Thus by the 1820s there were no market interventions by the Government to stabilise grain prices (Raju, S., 1941, p.283-91).

Figure - 1
Trends in Rice Prices in Madras (1801-1836)
 I sort SRG / gars



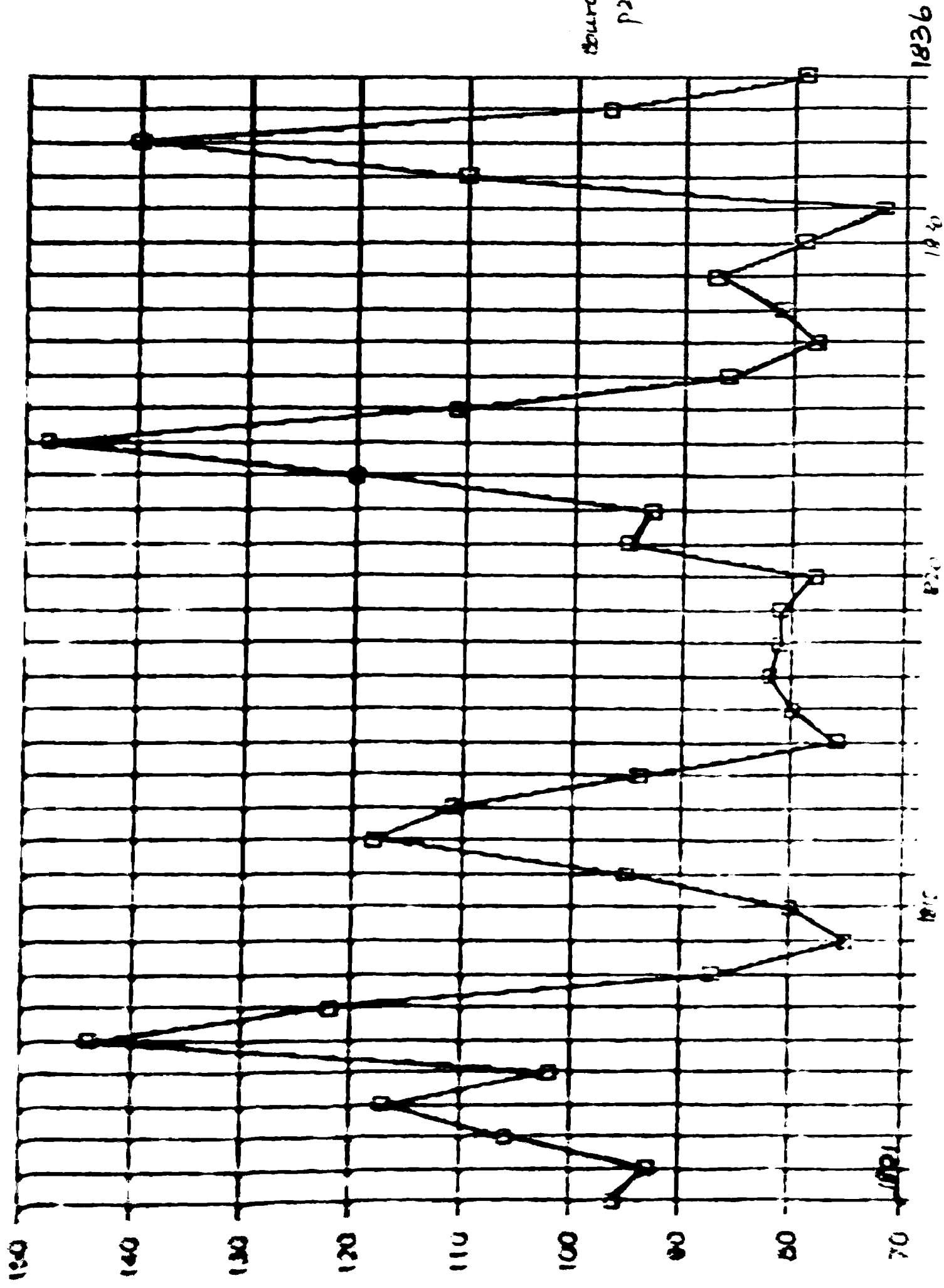
Source: Raju, S
 pp. 2, 229

Figure 2.1
Trends in Rice Prices in Madras (1801-1836)



Source: Raju, S.
p.228, 229.

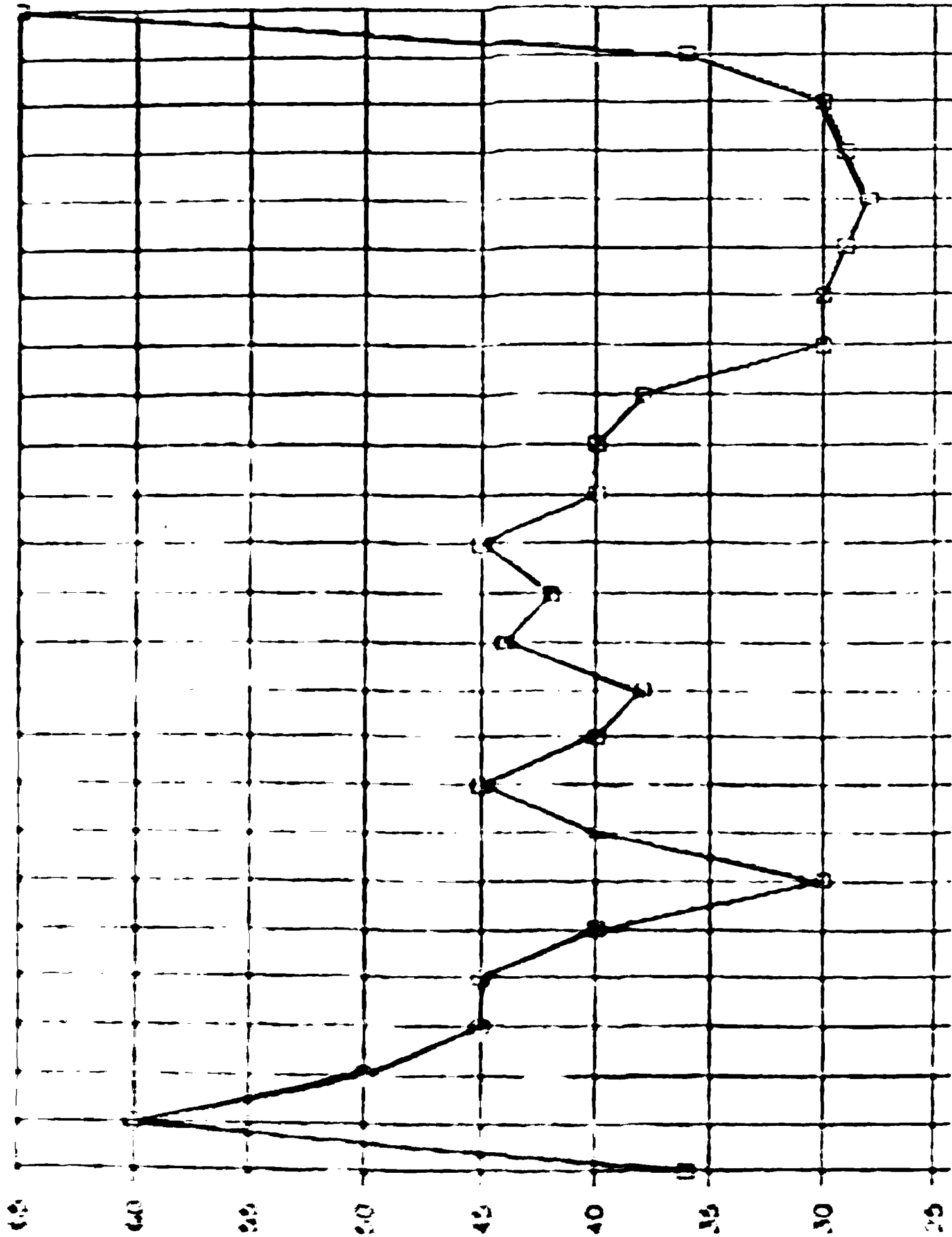
Figure 2.2
Trends in Rice Prices in Madras (1801-1836)
 (II sort) S. Rs/gane.



Source: Raju, S, 1944
 p228-229.

Index in 1000 (1790-1820)

Index in 1000



Source: De Lathuys 194
p326

1790 1801 1802 1803 1804 1805 1806 1807 1808 1809 1810 1811 1812 1813 1814 1815 1816 1817 1818 1819 1820 1821 1822 1823 1824

Table 2.10: Famines in the Madras Region 1780-1835

Year	Source	Famine affected areas
1781-84	(a)	Madras Jaghiri and Southern districts.
1790-92	(b)	Northern Circars
1801-02	(c)	Northern Circars and Madurai, Ramnad Dindigul
1805-07	(c)	From Tanjore, and other Southern districts, upwards to Nellore.
1811-12	(c)	The entire Presidency
1823-24	(c)	The Presidency, Chiefly in the North
1832-33	(c)	Northern Circars (particularly Guntoor)

(a) Dayall, R.A., Memorandum on the Madras Famine of 1866 p.14.

(b) P. Dep Cons, dated 26.4.1793.

(c) Maclean, Manual of Admn. for Madras Presidency, 1885, Vol.II, p.470.

2.2.4 Even though the Coromandel Coast witnessed a continuous decline in prices in the period 1800-1833 prices soared in times of famine. This was particularly true of articles of mass consumption like rice. Prices varied from place to place and changing local conditions often caused large fluctuations. The three figures (Fig.2.1, 2.2 and 2.3) indicate trends in rice prices at Madras and Karaikkal. Prices moved cyclically at Madras; prices rose on account of scarcity or famine in 1806, 1812, 1824, 1833, and fell after each rise. They fell to much lower levels than earlier,

indicating an overall declining trend. The price of rice in Karaikkal exhibits the declining tendency even more strongly. The effects of famine were often localised (comparing Fig.2.1 and Fig.2.2 with Fig.2.3). Madras experienced a severe famine in 1806; but prices in Karaikkal were at their lowest in that year. Again in 1809, the price fell to a very low level at Madras, whereas it was on the higher side at Karaikkal. Several factors contributed to this decline in prices - the chief being revenue collection in cash, as against the earlier practice of revenue collection in kind, and the export of silver from the Presidency.

2.2.5 Impact of the unsettled conditions experienced during 1757 to 1800 lingered over the region even after 1800. The EIC records, describing detailed surveys of the newly acquired territories often refer to desolation and low occupancy.⁷ (see Raju, S., 1941, p.14). The population of the Presidency rose from around 95 lacs persons in 1801-2 to 134 lacs in 1823 and touched 155 lacs in 1830, falling thereafter to 139 lacs in 1839, (Kumar, D, 1965, p.121-22). The figures for 1801-02 could be a significant under estimate because of the exclusion of the just acquired territories. The fluctuations in the levels could be attributed to high mortality due to famines. The frequent references to depopulated villages indicates the unsettled conditions and

the percentage of deserted villages is found to be quite high for the entire period (see Table 2.11).

2.2.6 The tighter administrative control exercised by the EIC affected all spheres of commercial activity. Shops were taxed in relation to their trade volume and a house tax was levied on manufacturers carrying on their metier in the home itself, proportionate to the turnover and profit. Loom tax, oil mill tax was related to the estimated production while iron foundries were taxed on their furnaces and indigo makers on their labour.⁶ The cessation of EICs textile export trade by 1824 rendered the plight of the company weavers unenviable. Similarly the tax structure as well as the dumping of European manufacture affected local manufacture of iron and steel. After 1800, the (often secret) mix of ingredients used to manufacture steel were 'lost' to posterity and steel production declined. All these trends resulted in further deterioration in the lives of the ordinary manufacturer or trader.

2.2.7 It is difficult to assess the total production of the region and the share of exports in the production. The earliest estimate made is perhaps from 1805.⁷ This estimate of consumption was based on the premise that 1½ lbs of grain was the daily consumption of an individual and the clothing

Table - 2.11

Villages deserted in select districts, 1795-1822

Name of the District	Year	% of Village Deserted	Remarks
Chengleput	1795	2.3%	
North Arcot	1816-17	12.0%	Wandiwash shows rate of 22% and Venkatagiri 32%
South Arcot	1821-22	1%	
Trichinopoly	1803-10	12.5%	Highest in Ariyalur 18.3%
Thanjavur	1821-22	18.6%	Tiruvangadu, Kumbakonam, Pattukottai Nannilam show over 21%. Andipatti (73%)
Madurai	1795	36.7%	
Madurai	1813-14	25.1%	Tenkarai and Madakulam over 40%
Ramanathapuram	1813-14	34.4%	
Tirunelveli	1821-22	14.1%	Cheranmadevi 33%

Source: R.Lardinois in Dyson T (Ed.) 1989, p.33-34.

needs of a family was Rs.10 p.a. A population of 9947152 required food articles worth Sic.Rs.5,45,53,883 besides cloth giving a total consumption of Rs.7,44,48,187. The surplus exported was Rs.88,98,045. Thus we may state that the

total production of the region was in the neighbourhood of Rs. 8.33 crores, and exports were about Rs.89 lacs or approximately 10% of the production. The same basis has been used to construct estimates of total production for the period with suitable deflation for falling prices (see Table 2.12). This table indicates that exports varied between 8% and 12% of total consumption. Indications are that the imports were mainly European goods consumed in the colonial port cities in small quantities. As imports did not significantly alter domestic consumption, no adjustments have been made to account for them. The consumption levels might have actually improved over the period (Atchi Reddy 1988).

2.2.8 The period 1800-1833 saw the consolidation of the political power of the EIC. Political stability ushered in a revival in the agricultural production as evidenced by the trends in land revenue. However, the impact of the preceeding decades of warfare was reflected in depopulation and the decline in manufacturing activities including textiles. The declining trend in prices was aggravated by the switch over to revenue collection in cash and the depression in turn affected the manufacturing sector. Consumption levels did not change much with the exports being nearly 10% of total consumption.

Table - 2.12

Estimates of the Total Consumption in the Madras Region 1800-1840

Year	Population in lacs	Cloth consum- ption S.Rs. in lacs	Index No. of prices	Foodgrain consumption S.Rs.in lacs	Total consump- tion S. Rs. in lacs	Exports from the region S.Rs. in lacs	Total pro- duction S.Rs. in Lacs	% of exports total to production c/t+e%
	p	c	i	g	t = c+g	e	t+e	
	1	2	3	4	5	6	7	8
1801	95.74	191.48	93	473.92	665.40	N A	N A	N A
1803-04	99.47	198.14	103	545.53	744.47	88.98	833.45	10.7%
1823	134.77	269.54	93	667.16	936.70	87.91	1024.61	8.6%
1827	147.27	294.54	80	627.13	921.67	120.97	1042.94	11.6%
1830	155.52	311.04	83	687.10	998.14	88.10	986.24	8.9%
1839	139.67	279.34	100	743.46	1022.80	149.14	1171.91	12.7%

Methodology for the estimation.

Column (1) Estimates of population 'p' are from Kumar, D, 1962, p.120-121.

Column (2) Estimate of cloth consumption 'c' is derived on the basis that a family of 5 members.

$$\text{requires clothing of } 5 \text{ Rs. } 10 \text{ p.a. } c = \frac{p}{5} \times 10 \text{ s. Rs. } = 2p.$$

Column (3) Index numbers of price 'i' is from Raju, S, 1941, p.228-229.

Column (4) Food grain consumption 'g' has been estimated in terms of 1½ lbs per capita for 1803-04 in the report of the reporter of external commerce. As the formula is linear, g here is derived as follows:

$$g_n = \frac{p_n}{p_{1804}} \times \frac{i_n}{i_{1804}} \times g_{1804}, n \text{ standing for the year.}$$

Column (5) is the total of columns 2 and 4.

Column (6) Exports from the region 'e' is from Raju, S., 1941, p.310.

Column (7) Consumption is obtained by totalling columns 5 and 6 (t+e).

Column (8) Column (6) is expressed as a percentage of column 7. $\left(\frac{e}{t+e} \times 100 \right)$

2.3.0 Conclusions

This overview of the socio-economic changes in the region indicates that the unsettled political climate as well the impact of structural changes in the organisation of textile manufacturing resulted in a decline in both agricultural and industrial production in the Coromandel region during 1760 to 1790. The depressed land revenue collections over the entire region indicate the severity of this impact. The more settled conditions after 1790 promoted a recovery in agricultural production and textile exports were maintained during the period that followed. Control over trade shifted to British private enterprises based at Madras and Madras itself experienced significant growth throughout this period. As political and administrative control over the region passed over to the EIC after 1800 the influence of British private trade grew stronger. A gradual decline in prices set in as revenue collection was in cash with prices rising sharply only in times of famine. Consumption levels might have improved slightly according to the available evidence. Exports ranged between 8 and 12 % of total production.

NOTES

1. Francis Buchanan Smith (Vol.I, 1807) for example while describing the usual fortifications of towns and villages comments that the country has been in a constant state of warfare; and the poor inhabitants have suffered too much from all parties to trust anyone" (p.32). He has also termed well-judged Mr. Place's efforts to erect a bamboo hedge around each village (p.4-5).
2. See minute of Mr.C N White (Member Board of Revenue at Fort St.George) dated 14th February and 25th March 1793 (Firminger, Fifth Report Vol.III, p.121) who sums up the 25 year EIC rule in Northern Circars as no regulation has been introduced for the security of inhabitants against oppression (by Revenue Collectors) despite a period of undisturbed peace. The Governor General's letter to the Court of Directors dated 2nd May 1792 (Fifth Report, Vol.III, p.203) alludes to "the Wretched state of the Company's Jaghire and of the Northern Circars that have been so long under the management of the Government of Fort St.George".
3. See Chapters 4, 5 of this thesis for details.
4. See C.N.White's minute dated 4th February 1793 on the Subject Fifth Report Vol.III, p.118 to 125.
5. BOR minute dated 23rd December 1793 by C N White
6. BOR, misc. XIV, Vol.246, p.61.
7. "In no province, Tanjore excepted, is the population equal to the occupancy of the whole arable land".
J, Hodgeson's report on Tinnevelly 1807, p.3.
8. Fifth Report, Vol.III, p.237.
9. Paras 23-47 of the Report of the Reporter of External Commerce (1805), Public Department Cons. 1806.

CHAPTER - III

PATTERNS OF EXPORTS FROM THE COROMANDEL 1757-1833

3.0.0 INTRODUCTION

The export trade from the Coromandel region to Europe in the mid-eighteenth century was handled by the European trading companies and private traders. The trend was towards the consolidation of control by British traders, over the subsequent decades. The role of all other European trading groups had been marginalised by the turn of the century, and the EIC and British private traders were the key exporters to Europe. The unstable production conditions had their impact on the volume of exports which were depressed in the period 1757-1790 and then recovered between 1790 to 1815. The EIC was completely occupied with administration and left trading to English private traders by 1823-1824; this shift speeded up the decline of textile exports to Europe and exports to South East Asia by the European traders increased.

3.1.0 Declining Textile Exports to Europe 1757-1795.

3.1.1 The rising power and influence of the EIC made it the principal exporter of textiles to Europe in the period 1757-1795. The details of the volume of its exports is also well-documented for the period enabling us to study the trends.

The data should be seen in the light of the strength enjoyed by the EIC in this span of nearly four decades. It held the monopoly trading rights to Britain and developed the naval and military power to enforce the monopoly. The other European companies were in various stages of decline mainly due to political and economic factors governing their mother countries. The political ascendancy of the EIC in the Coromandel region enabled it to control prices by a gradual control of the volume of supply.

3.1.2 The textiles sent to Europe by the EIC were sold by them at auctions in London. The EIC participated in textile auctions on the continent ranging from Copenhagen to L'orient and sold a significant quantity of these textiles (Milburn, Vol.II, p.235 see Table 3.1). The volume of exports declined particularly after 1774 touching a nadir in 1783 and recovering slightly thereafter. The sales of Madras goods averaged £ 317500 for the period 1771-1791. Though the data available does not separate Madras and Surat goods sold at London between 1793-94 and 1809-10, the average sale of Madras goods for the period 1793-94 to 1809-10 is estimated to have been £ 617000 against the average of £ 317500 of the period 1771-1792 pointing to a recovery of exports from the region by the EIC over these years (see Table 3.2).¹

TABLE - 3.1

Piece goods from Madras and Surat sold in London 1771-1792

(Sale value in £ 000 S)

Year	Madras goods	Surat goods	Total	% of Madras goods
1771	262	91	353	74.2
1772	523	87	610	85.7
1773	505	65	57.0	88.6
1774	644	55	69.9	93.3
1775	584	62	646	90.4
1776	516	14	530	97.4
1777	493	48	541	91.1
1778	422	32	454	92.9
1779	203	13	216	93.9
1780	258	11	269	95.9
1781	235	23	257	91.1
1782	204	29	233	87.6
1783	-	80	80	0
1784	117	23	140	83.9
1785	116	19	135	83.8
1786	97	-	97	100.0
1787	84	29	113	86.5
1788	192	30	222	87.2
1789	225	33	258	85.2
1790	254	10	264	91.4
1791	476	45	521	96.5
1792	577	21	598	83.6
	6986	820	7806	89.5%

Average for 22 years: £317.5, % 37.3

Source: Milburn, Vol.II, p.234

TABLE - 3.2

Estimate of Madras goods sold in London 1793-94 and 1809-10
(Value in £000s)

Year	Sale of Coast and Surat goods	Estimate of Coast goods
1793-94	400	360
1794-95	572	515
1795-96	716	644
1796-97	1031	927
1797-98	460	414
1798-99	1774	1597
1799-180	871	784
1800-01	1169	1052
1801-02	818	736
1802-03	700	630
1803-04	516	464
1804-05	464	418
1805-06	614	553
1806-07	279	224
1807-08	173	156
1808-09	353	318
1809-10	770	693
	-----	-----
	11680	10485
	-----	-----
verage for 17 years	689	617

Source: Milburn, Vol.II, p.235.

Note : Coast goods were estimated at 90%

TABLE - 3.3

Annual Contract of the French EIC at Pondicherry

Date	Contract for year	Value in Star Pags
3.1.1736, 4.10.1736	1736	235277
09.04.1740	1740	350000
10.04.1742	1742	327000
16.05.1743	1743	114000
17.04.1751	1751	300000
24.07.1753	1753	100000
23.06.1756	1756	100000
28.04.1768	1768	302000

Source: 1. 1736 to 1756: Diaries of Ananda Ranga Pillai
 2. 1768: Public Department Cons. 28.4.1768, Fort St. George.

TABLE 3.4

French Voyages to the East Indies 1769-1784

	Years															
	1769	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84
No. of ships to Pondicherry	-	-	-	3	1	3	6	2	2	-	-	-	-	3	4	2
Total no. of ships to East Indies	6	7	15	14	22	26	31	38	21	11	2	17	17	38	38	21
% of shipping to Pondicherry	0	0	0	21	5	12	19	5	10	0	0	0	0	8	11	10

Source: Milburn's Oriental Commerce, Vol.I, p.402.

3.1.3 The EIC's sales on the Continent nearly equalled their sales in London. For example, the sale of EIC goods procured from all-over India and sold in London between 1797-1803 was £ 16,760,632 while its sales on the continent were of £ 17,183,013 or 103% of the sales in London (Milburn Vol.II, p.235). The total exports inclusive of goods sold at London and the continent by the EIC could therefore be put at twice £ 617000 or £ 1234000 approximately after 1790.

3.1.4 Trade from Pondicherry, the head-quarters of the French East India Company, cannot be estimated easily due to the paucity of information, particularly from sources in the English language. The volume of trade was closely correlated to the political situation. The trade was at its height during 1740-42, declined thereafter with a recovery in 1753 (see Table 3.3). The English at Madras estimated the value of French Investment at 302000 star pagodas in 1768. As against this, the investments of the English, at Madras averaged 526000 pagodas around 1774-1779 implying that the French investments were roughly 55% of the English investments.² The French East India Company was, however, wound up in 1769. Consequently, the volume of the Europe trade from Pondicherry between 1769-1785 was low, as there were no immediate successors to the French Company. There was not much trade with France between 1769 and 1792 when only a few ships touched Pondicherry port. There was a slight recovery at

Pondicherry after 1785 with the establishment of the new French East India Company whose agent M Moracin's initiative in Pondicherry yielded some results. The Coast goods sold in 1791, at L'orient amounted to 630664 which formed a large portion of the sales (Milburn, Vol.I, p.405). The exports from French establishments on the Coromandel Coast were nearly equal to sales of Coromandel goods by the English EIC in London of £ 577400.³ The French export trade was therefore roughly half the English exports from the Coast around 1790. The political events in France and the Revolution of 1789 led to the abolition of the French EICs monopoly and the East India trade was thrown open in 1790. The Napoleonic wars broke out between England and France in 1793, which led to the virtual end of French trade to Europe from India.

3.1.5 The Dutch operations in India had touched a low ebb by the mid-eighteenth century and the Dutch presence was stronger in Bengal than in the Coromandel. The details of their textile export from this region are not separately available. The total textile sales in Europe by the Dutch Company averaged £ 1.10 lacs and was well below the exports of EIC and French EIC circa 1790. Even if the share of the Coromandel was 25% of this amount, the textile export was merely around £25000 to £30000.⁴

3.1.6 Tranquebar was the centre of Danish operations in India and it had little trade before 1770. Danish neutrality in the European wars and the increasing clandestine trading between London and India led to its importance in the period 1772-1807 (Feldbaek 1963 Chapter 1). The charter renewal of the Danish company permitted issue of licences to private traders in 1772 and this was used by British private traders to mount several expeditions from the Coromandel. 75% of Danish trade at the turn of the century was from Bengal. This includes both private and Asiatic Company trade (Milburn, Vol.I, p.375). As Bombay trade was negligible, the trade from Coromandel might be one third of the total. The Danish boom began in 1772 when the trade was opened to private persons. Tranquebar was their important centre particularly in the initial period. The networks of private trade operated by traders like Jourdan supplied piece goods which were in fact the sole article of export, a ship of 200 laests or 500-600 tons carrying approximately 1100 bales. Gradually, the importance of Serampore increased; this is evidenced by the increase in voyages from Serampore without touching Tranquebar.⁸ 75% of the Danish trade at the turn of the century was from Bengal and the trade of the Coromandel could have been 1/4th of the total (Milburn, Vol.I, p.375).

TABLE - 3.5

Dutch Sales of Piece goods in Europe

Year	Piece goods sales £ 000's
1785	101
1786	198
1787	160
1788	128
1789	47
1790	119
1791	15

	768

Average for 7 years 109.7 (or 110000 approx.,)
 Source: Milburn, Vol.II, p.382.

3.1.7 The EIC charter of 1793 created "privilege trade". Free traders in India were allowed 'privilege' space on the EIC ships for their imports and exports (see Table 3.7). Private and privilege trade in piece goods export constituted 15% of the Company's sales in London around 1795 (see Table 3.7 and 3.8). This ratio can be used to estimate private and privilege trade from the Coromandel at 15% of £ 617000 which is £92000.

TABLE - 3.6

Estimate Danish Exports from Coromandel to Europe

Year	Exports From Bengal Star Pagodas	Estimated Exports from Coromandel and West Coast {1/3rd of colum (1)} in Star Pagodas	in Rs
	(1)	(2)	(3)
1795	813832	271310	31007
1796	1773511	591167	67562
1797	356572	118857	13584
1798	111087	37029	4232
1799	956145	318715	36425
1800	714825	238275	27231
1801	2955	985	112
1802	256893	85631	9786
1803	378389	126129	14415
1804	975861	325287	37176
1805	490674	163558	18692
1806	358614	119788	13690
Average for 12 Years			22826

Source: Column (1) Milburn, Vol.I, p.375.

Rates of conversion: 350 Rs. = 100 Star pagodas.

100 Star pagodas = ₹40

TABLE - 3.7

Privilege and Private Trade 1793 to 1811-12 (in £ 000's)

Year	Privilege trade	Private trade	Total private export	PC goods in privilege private	Total PC goods sold in London	% of Pvt. & Pri. PC goods sold in London
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1793-94	181	442	623	181	1797	10
1794-95	470	373	843	460	2282	20
1795-96	410	459	869	262	2369	11
1796-97	679	275	954	365	2777	13
1797-98	647	293	940	198	1309	15
1798-99	882	448	1330	244	3246	8
1799-1800	1747	371	2118	340	2274	15
1800-01	1567	541	2114	286	2862	10
1801-02	1724	268	1992	432	2381	18
1802-03	2587	456	3043	1070	2435	44
1803-04	1861	315	2176	1060	2254	47
1804-05	1853	571	2424	854	1763	48
1805-06	1723	728	2457	773	2009	38
1806-07	1029	425	1454	201	978	21
1807-08	1932	618	2550	112	544	21
1808-09	797	521	1318	65	800	8
1809-10	1129	433	1562	78	1181	7
1810-11	2199	690	2889	NA		
1811-12	1169	310	1479	NA		
	24586	8543	33129	6981	33261	

1794-1810: Commodity wise break up	Indigo	15903	(in £ 000's)
	PC goods	6981	
	Drugs etc.	3612	
	Rawsilk	1211	
	Pepper	4331	
	Saltpetre	321	
	Coffee	190	
	Spices	108	
		28760	

Milburn, p.128, Vol.2.

Source col (2) and (3): EIC's Exclusive Privileges Papers relating to the negotiation for the renewal (1813 London), p.241 (also Milburn Vol.II, p.128) col. (5 & 6) Milburn, Vol.II, p.235.

TABLE - 3.8

Private Trade by Ships Officers
(All India & China)

Year	₹
1785-86	611205
1786-87	547337
1787-88	918389
1788-89	710516
1789-90	838484
1790-91	930930
1791-92	709450
1792-93	703578

	6069889
Less trade with China	2000000

	4069889
Annual average	508,736

Source: Milburn, Vol.II, p.127.

3.1.8 The estimates and details presented so far are useful in arriving at an estimate of the total textile exports to Europe from the Coromandel region between (1790-1795).

The various elements estimated so far are as under (in ₹):

1. English EIC sales in London	617000
2. English EIC sales in rest of Europe	617000

3. French sales (sales in 1791)	630000
4. Danish and Dutch sales (25000 each approx)	50000
5. Private and privilege trade (15% of (1) C. 1795)	92000

	2006000

Thus, the total sale value of exports from the Coromandel could be put at £20,00,000 per annum around 1790. Even if the last 2 items are assumed to be over estimates, the margin of error would be £142000 or 7%. Both French and English export figures point to a fall in exports in the period 1770-1785 and an improvement thereafter. This conforms with the trends in agricultural production and land revenue of the Coromandel region.

3.1.9 It is difficult to assess the volume of trade from Madras in other commodities to Europe because of the paucity of information. A reporter of external commerce started functioning in the Presidency only in 1802 and greater details are available thereafter (Milburn, Vol.2, p.11). A valuable item imported into Europe from Madras was diamonds constituting an important form of the remitting private fortunes home. The Golconda mines provided diamonds for this line and many adventurers used this mode of remittance [L Pigot, Lord Clive for example (Halward 1920)]. But no precise data on value of such exports is available.

3.1.10 Export trade was sustained by finance from various sources. Firstly there was the merchant capital of Indian merchants already in export trade. The traditional trade of this region had been sustained by these merchants and they saw the exports to Europe as a lucrative avenue for investing their resources. The bullion brought in by the Europeans proved the major attraction for Indian merchants particularly in the 17th and early 18th centuries, and they lent willingly to the European companies when necessary. The European trading companies brought in goods as well as silver from home. The goods rarely proved profitable and the bullion was often insufficient to finance their purchases. The other major source was the growing private capital of Europeans in the region. This was the main source of funds for Danish and French activities. Land revenue was viewed as a possible source and this set both French and English on the road to conquest of territory.

3.1.11 The staple imports of English EIC 1792-1809 were naval and garrison stores, copper, iron, lead besides woollen goods. The average imports in the decade 1792-93 to 1802-03 were ₹147767. This was roughly one fourth of the value of exports at cost price. Throughout the period 1760-1800, the Company experienced difficulty in selling its Europe goods in India. There were frequent discussions within the Company about the difficulty of finding markets for Europe goods in

India^s (see Tables 3.9 and 3.10). Textiles were sold more or less at cost; copper sales rarely gave a profit though they were higher than textiles sales. All other sales resulted in various degrees of losses. The French imports were similar. The main Danish imports were munitions, muskets, besides small quantities of wines etc.

3.1.12 There were regular inflows of bullion into the Presidency, to fund the trade by various agencies. There are some estimates of such bullion flows into the region. The imports by the various trading groups before 1783 was estimated at about 20 lac pagodas by the Fort St. George government (see Table 3.11). While the EIC rarely imported from London, there was a substantial transfer from Bengal (see Table 3.12). As the average annual import of bullion was 20 lac pagodas per annum around 1790, and the value of exports approximately £ 20,00,000, the thumb rule that the prime cost of investments in general averaged 48% of sale value in Europe could be used to estimate the cost price of the export in India to have been 48% of £ 20,00,000 or ₹ 9,60,000. This textile output was sustained by a bullion inflow of 20 lac pags or ₹ 8,00,000 annually (as 100 pags = ₹ 40). The remainder was met by value of imports. The British imports into Madras Presidency averaged ₹ 1,53,556 (see Table 3.10) leading us to infer that the exports were funded mainly by specie import and partly by import of goods .

TABLE 3.9

Imports of EIC into Madras 1783-1784 to 1788-89 [Sales value & Profit (%)]

Year	Woollen		Copper		Lead		Iron		Total	
	Sale value	Profit or loss (%)	Sale value	Profit or loss (%)	Sale value	Profit or loss (%)	Sale value	Profit or loss (%)	Sale value	Profit or loss (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1783-84	26983	2 13/16	45537	7 1/3	1475	-28 3/8	6905	-23	80100	+2.26
1784-85	24225	7 13/16	41367	-6 1/8	1682	-23 7/8	2547	-26	70130	-2 9/10
1785-86	25934	+ 2 3/16	77023	-7 1/8	153	-23	1489	-36	103812	-5 1/4
1786-87	19537	-2 1/2	20320	-7 1/4	853	-22	2346	-30	42825	-5
1787-88	22974	+6 1/3	29733	-1/4	612	-23	1922	-29	55241	+1 35/100
1788-89	21610	+59/16	44945	+33	1079	-29	4862	-21	72496	18 1/2

Source: Military sundries volume 86.

TABLE - 3.10

Imports into Madras 1792-93 to 1799-1800

Year	Imports into Madras		
	Wollens ₹	Other goods ₹	Total ₹
1792-93	18476	55273	73749
1793-94	18544	95512	114056
1794-95	19669	120138	139807
1795-96	37457	164020	201477
1796-97	39286	135257	174543
1797-98	20752	94592	115344
1798-99	5532	86754	92286
1799-1800	38640		
	198356	876541	1074897
Aver. 7 Yrs	28336	125220	153556

Source: Milburn, Vol.II, p.68.

3.1.13 The EIC borrowed heavily for the Mysore war in 1790-91. The end of the war brought in cash of 45 lac pagodas and the Government used this money to pay off its debts. There was a fall in the interest rate and the EIC did not increase the issue of Bonds. Other channels of remittance like clandestine trade were not open due to the war in Europe. This situation resulted in a large scale transfer of specie - about 30 lac pagodas to Bengal and 5 lac to China. 36 lac pagodas flowed out in Bullion by 1797.⁹ To sum up the trends in bullion flow, bullion imports from Europe by the EIC were small while imports from Bengal average 309614 pagodas or 1008417 s Rs. Others including Europeans, native merchants brought in approximately. 16-25 lac pagodas annually, before 1793. Victory in the Mysore war brought in 45 lac pagodas which were soon transferred to Bengal leaving Madras to face a specie crisis after 1797. The trade to Europe was sustained by the specie imports and imports of goods before 1800.

3.1.14 The English EIC increasingly tended to rely on its surplus from land revenue for financing its activities including trade. The French, Danish, Dutch companies looked to the private capital of the English to sustain their trade. Contemporary critics were well aware of these trends. Edmund

Table 3.11

Annual importation of Gold and Silver in to Madras Presidency
Previous to the war of 1793 :

By the Dutch in Gold	4 lac pags
By the Portugese in Gold	4 lac
By the French in Gold	6 lac
Native merchants	2 lac pags
Danes etc.	1/2

16 1/2 lac
=====

This is stated to be conservative and the average to have
been 20 lac pags.

Source: Pub Dept. Sundries, Vol.138, committee of reform

Mr.Petric's minute dated 30/3/1799,

Burke, writing in 1783 in the Ninth report of the select
committee on the East India Trade, high lighted the harmful
impact of British trade on the Indian Economy since the land
revenue was siphoned out in the form of investment". Burke
also estimated the drain from Madras during this period and
his views were based on evidence by George Smith before the
select committee. The high stakes involved were highlighted
when he stated that about ₹ 1,000,000 were siphoned off by
private traders from Madras¹⁰. Burkes figures were
necessarily biased as he used them for rhetoric effect.

Another indicator of such transfers is the value of remittances through the various companies. This presents but a partial picture as the major means of remittance was via private ships or clandestine voyages. The French channel for remittance functioned briefly but effectively during 1785-1790. Bills drawn on the French company in this period amounted to £ 7,57,177 of which £ 6,00,926 were from Pondicherry or about £ 1,00,000 per annum on average (Holden Furber 1951 p.9). This sum is a mere 10% of the total as estimated by Burke, leading us to allow Burke's estimate a good margin of error. Similarly, the annual average of Europe bills sold by the Danes was around £ 17000 in 1770 and declined thereafter (see Table 3.13). It indicates that Burke might have been carried away by political expediency while making his estimates.

3.1.15 The Madras government was under pressure to improve the facilities for remittances to London. Even in 1769 private traders tried to negotiate for a finer rate of exchange or at least a rate equivalent to the French exchange rate. The French issued bills on London at 8s a pagoda payable 3 months after sight whereas the English EIC issued at 7 s 4^d per pagoda the maximum per annum being £ 30000.¹¹ The English EIC decided to make its rate also 8^d a pagodas

TABLE - 3.12

Bullion imports into Madras from Bengal 1785-86 to 1792-93

Year	Gold Imports (in star pagodas)	Equivalent (in sicca Rs.)	Silver Imports (in sicca Rs.)
(1)	(2)	(3)	(4)
1785-86	276911	898,344	6827
1786-87	91326	297,599	
1787-88	306157	997,650	
1788-89	560778	1827364	
1789-90	244542	796870	
1790-91	552381	1800000	30,79,259
1791-92	92063	300000	
1792-93	352759	1149510	
Total (for 8 Yrs)	2476917	8067337	3086086
Annual average	309,614	10,08,417	*

Source: A paper on Currency (1783)

P D Sundries 1388, 1799.

* Annual average not stated in the original as imports were sporadic.

with effect from 4.7.1769.¹² Discussions of the import and export of bullion by merchants and traders occur in the records in 1775. Francis Jourdan in his capacity as a member of the council estimated that the quantity of gold in the Carnatic was not more than 17,00,000 pagodas with imports being about 2 lacs. There is agreement that the export of bullion particularly to China was proving a discouragement to trade.¹³ Jourdan suggested an export duty to discourage such transfers; other council members could not agree to the measure. The council decided to monitor the position closely. The merchants of Madras petitioned the Government to enlarge facilities for remittance while the Nabob also complained, about the export of specie.¹⁴ 23.1.1775). There is not much further evidence of export of precious metal itself. These petitions were perhaps a part of an effort to improve the exchange rate offered by the Madras Government on London and this was achieved in July 1775 with the council raising the rate to 8 shillings a pagodas.

3.2.0 EIC Dominance (1795-1805)

3.2.1 The detailed reports of the reporter of external commerce provide much information on the trade of the presidency after 1802. Trade with Europe accounted for 33.6% of the exports from the region (see Table 3.14). Movements of piecegoods and grain within the Madras region itself are

TABLE - 3.13

Financing Pattern of Danish Trade Bills issued from Tranquebar

Period	Total		Annual average	% to Total finance
(1)	(2) ₹	(3) ₹	(4) ₹	(5)
1772-78 (7 Years)	801576	120236	17176	35.7
1779-83 (5 Years)	461562	69234	13847	22.3
1784-92 (9 Years)	2732848	409927	45547	33.3
1793-1801 (9 Years)	495196	72279	8253	7.8
1802-07 (6 Years)	0	-	-	-

Source: Feldbaek, Appendix III, p.244.

Notes : 1 dollar (₹) = 1½ current rupees
 1 current re = 2s
 1 dollar = 3s = 73/20

Table 3.14

Trade of Madras & Dependencies 1802-1806
in Sicca Rupees 000s omitted

TRADE BY	IMPORT INTO MADRAS			EXPORT FROM MADRAS			Balance of trade (4+2)-(1+5)
	Merchandise	Treasure	Total	Merchandise	Treasure	Total	
	1	2	3	4	5	6	7
Company from London	7954 (10.40%)	5140 (14.3%)	13094 (11.48%)	21791 (23.22%)	-	21791 (22.37%)	18977 (36.62%)
Individuals from London	5740 (7.54%)	3426 (9.06%)	9166 (8.04%)	6339 (6.76%)	1 (0.03%)	6340 (6.51%)	4024 (7.76%)
Individuals from Europe	2035 (2.67%)	3748 (9.91%)	5783 (5.07%)	403 (0.43%)	-	403 (0.41%)	2116 (4.08%)
Individuals from USA	909 (1.19%)	4112 (10.87%)	5021 (4.40%)	3044 (3.24%)	22 (0.61%)	3066 (3.15%)	6225 (12.01%)
Individuals from British ASIA	48741 (63.92%)	8899 (23.52%)	57640 (50.52%)	40170 (42.81%)	2903 (81.23%)	43073 (44.22%)	-2575 (-4.97%)
Individuals from Foreign ASIA	10885 (14.28%)	12506 (33.06%)	23392 (20.50%)	22086 (23.54%)	647 (18.11%)	22733 (23.24%)	23060 (44.49%)
TOTAL	76264 (100%)	37831 (100%)	114095 (100%)	93833 (100%)	3573 (100%)	97406 (100%)	51827 (100%)

Note: (Figures in brackets indicate percentage to column total).

Source: Milburn Volume II, p.70.

reflected in the exports within the region termed British Asia. For example, the movement of the plain cloth to be finished or painted at a nearby area, and the further shipping of the same goods to Madras for export to Europe would be accounted for under both heads. The movement of essentials like grain and salt to port cities like Madras or Cuddalore was also included. The destinations in the Indian Ocean Zone were covered under the term Foreign Asia. The importance of this segment is brought by the fact that the exports nearly equalled EIC's Europe exports and was fully controlled by 'individuals'. That is this trade was mainly controlled by private traders in 1805.

3.2.2 The trade with Europe and USA was in the hands of Europeans and mainly controlled by the EIC and British private traders (see Table 3.15). The EIC controlled 69% of the export trade to Europe. Trade to London by individuals only denoted the trade carried on as privilege or private trade under the canopy of the EIC; trade by the EIC was not sustained by imports of goods or treasure. The role of territorial revenues of the EIC becomes apparent as the large net export was maintained over a period. The EIC's monopoly control was therefore strong. The EIC's imports were relatively less dominant and comprised metals, shipping stores and woollens. The company exported no bullion to Europe and its import of bullion, Rs.51.4 lacs, amounted to

14.3% of the total bullion imports into the region; It was 31.29% of bullion imports from Europe (see Table 3.15). Private trade to London was carried on under "privilege" trade as well as the cargo space permitted to officials. Private exports to London in the period 1802-1806 amounted to Rs.63.39 lacs or roughly 20% of the exports to Europe. Their share in importing goods was around Rs.57.40 lacs and their bullion imports was Rs.34.26 lac. The main articles of exports in 1805 were piece goods worth Rs.1.46 lacs and precious stones worth Rs.1.79 lac in a total export of Rs.4.90 lacs (Milburn, Vol.II, p.72).

TABLE - 3.15

Trade of Madras with Europe and USA (in S Rs 000s omitted)
1802-1806

Trade by	Imports		Exports		Net Exports
	Goods	Treasure	Goods	Treasure	
Company	7954 (47.81)	5140 (31.29)	21791 (69.01)	-	+ 18977
Individuals					
London	5740 (34.50)	3426 (20.86)	6339 (20.07)	1 (4.35)	4025
Europe	2035 (12.23)	3748 (22.82)	403 (1.28)	-	2116
USA	909 (5.46)	4112 (25.03)	3044 (9.64)	22 (15.65)	625
	16638 (100)	16426 (100)	31577 (100)	23 (100)	31342

Note: Figures in brackets indicate % to column total.

(Extracted from Table 3.14).

Source: Milburn, Vol.II, p.70.

3.2.3 Private imports consisted of claret, liquors and wines and marine stores. None of these was considered as profitable as the import of bullion itself. It was usual to take advantage of the exchange rate on Company's bills on Bengal and offload bullion in Madras in exchange for bills on Bengal. Some London based Jewish merchants sent coral to Madras in exchange for precious stones from Madras.¹⁶ Trade carried on with other parts of Europe was chiefly in the hands of British private traders and the remnants of the various other companies like Dutch, Danish and French in the region. This trade was sustained by the support from British private capital. While trade in goods was negligible, particularly exports, they imported Rs.37.48 lac in bullion during the period. Both these sections reflected a small surplus of export over import for the Coromandel (see Table 3.15). The exports to Europe and USA 1802-1806 was s.Rs.31577000 or sRs.78,94,250 per annum or 904407 per annum. This figure would bear out validity of our earlier estimate of £ 960000 (see para 3.1.13 above) and indicate that the exports to Europe were more or less stable between 1795 and 1805.

3.2.4 Trade with USA became important at the turn of the century because American traders were treated on the same footing as British traders for levy of customs and other

duties while their neutrality in the European wars permitted them to trade with all the European powers operating in the Indian Ocean region.¹⁷ This was a guise for clandestine British private trade like the trade with Foreign Europe. The exceptionally large bullion import in the year 1805 is also described by the Reporter of External Commerce to be an attempt to take advantage of the favourable exchange rate and purchase bills on Bengal by landing their bullion in Madras itself.¹⁸ This indeed was a part of the desperate measures to improve the supply of money in 1805 at Madras.¹⁹ The imports were mainly European goods like brandy, wine, and the exports were piecegoods of various types. The large import of bullion had tapered off by the end of the decade.

3.2.4 The other major markets which were supplied from the Coramandel region were located around the Bay of Bengal and in the Western Indian Ocean. These regions were covered by the term Foreign Asia which included Persian and Arabian Gulfs, Pegu, Pulo Penang, Manilla, Batavia, China, and areas/regions in India not under British rule such as Kutch, Sind, Konkan, Goa, Maharashtra, Travancore and Tranquebar. Trade with 'Foreign Asia' was considerable (see Table 3.16). This trade was run by "individuals" a term covering British as well as Indian merchants. The strategic importance of this commerce is given by the exports to this zone which

equalled EIC's exports to Europe while the imports exceeded in value to EIC's imports into the Presidency. It also accounted for the major volume of treasure imports (see Table 3.14). The major segment of this trade was with Pulo, Penang and surrounding areas in the Straits of Malacca, China and Manilla. Merchandise exported to these destinations amounted to 45.50% and exports to Batavia and Pegu amounted to another 7.84%. In contrast, trade to the Persian and Arabian Gulfs accounted for 15.50% of total exports and a mere 3.86% of imports. A feature of this trade appears to be the large import of bullion into Madras to support it. The ratio of total bullion imports to total exports was 40% for the total trade while for trade with Foreign Asia it amounted to 56.6% (see Table 3.16). Such large bullion movements are not found in trade within British Asia or trade with London by the Company or the individuals; only private trade with Europe and USA entailed large imports of treasure.

3.2.6 After the trade with London, trade with China was significant for Madras, in quantitative terms. There is also evidence to indicate that all segments of the merchant community participated in this trade. The major items of export from Madras to China were raw cotton, pearl and piecegoods. Imports were varied including tea, sugar, nankins, camphire. Bullion imports equalled the goods

TABLE 3.16

Trade of Madras & Dependencies with Foreign Asia 1802-1806

(S. Rs. 000s omitted)

	Import into Madras			Export from Madras			Net Surplus
	Merchandise Treasure		Total	Merchandise Treasure		Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Pulo Penang & Eastward	3633 (33.38)	2151 (17.20)	5784 (24.73)	5500 (24.90)	231 (35.70)	5731 (25.21)	+3787
China	2333 (21.43)	2118 (16.94)	4451 (19.03)	3343 (15.14)	143 (22.10)	3486 (15.33)	+2985
Manilla	108 (1.00)	3547 (28.36)	3655 (15.63)	1207 (5.46)	-	1207 (5.31)	+4646
Tranquebar	1105 (10.15)	1326 (10.60)	2431 (10.39)	2811 (12.73)	-	2811 (12.36)	3032
Arabian & Persian Gulfs	420 (3.86)	602 (4.81)	1022 (4.37)	3325 (15.05)	31 (4.79)	3356 (14.76)	+3476
Goa & Konkan	187 (1.72)	958 (7.66)	1145 (4.90)	2748 (12.44)	6 (0.94)	2754 (12.11)	+3513
Others*	3099 (28.47)	1804 (14.42)	4903 (20.96)	3152** (14.27)	234*** (36.48)	3388 (14.90)	+1621
TOTAL	10885	12506	23391	22086	647	22733	+23060

Source: Mulburn, Vol. II, p.36-46.

* Others includes Mahrathas, Travancore, Paga, Batavia & few smaller kingdoms.

** Imports were mainly from Batavia and Paga

*** Exports of treasure mainly to Paga & exports of merchandise were to Batavia
Nearly half of the volume of "others" was with Paga & Batavia for both imports and exports.

imported and the balance of trade favoured Madras. The reporter of external commerce attributes the fall in the trade with China during 1802 to 'a very great failure' of an Armenian merchant who individually carried out an import and export trade to the extent of 'several lacs' of sicca Rupees. This indicates the strong presence of Armenians in this line of trade though it has not been possible to trace any further details of this merchant's failure.²⁰ The import of bullion, from China constituted a significant share of 17% of the total bullion coming into Madras Presidency. The sharp fall in the import of bullion in 1804 is attributed to the non-arrival of ships before 31-12-1804. But the Bullion brought in during 1805 is not large either - indicating a fall in bullion import even though exports rose. The report for 1811 attributes this to the increasing resort to trade on respondentia basis. Parsi merchants pioneered the exports of pearls to China - having supplied 'a great quantity' in 1800 which resulted in large bullion imports in 1802.²¹ This proved to be a new and extremely profitable line. Mace, cloves, nutmegs were also re-exported. Madras cottons fetched a good price in the China market vis-a-vis Bombay cloth and exports were rising. Similarly the export of raw cotton from Tirunelveli to China was gaining importance.²²

3.2.7 Trade with Pulo Penang, Malaysia, Sumatra and other ports in the East Indies was grouped under the head "East Wards". A vessel trading to these ports would first stop at Pulo Penang but would touch all other ports as well, exchanging goods at all of them. Popular imports included pepper, gum benjamin, mother of pearl, betelnuts, alum, tin, rattan, and dammer. Blue cloth Salempores and other checked and printed cloth manufactured in the vicinity of Madras were much in demand in the straits. Here also the exports were rising even while the bullion imports were declining.

3.2.8 The trade with Manilla, the capital of the Portuguese in the East Indies, followed a similar pattern with large imports of bullion. Textiles were the major export cargo. The trade with this port was carried on under Danish colours through the port of Tranquebar due to the Spanish War in 1805. Exports were thus routed through Tranquebar that year. The main article of import from Pegu was timber which was particularly useful in ship building and repairing besides building construction. The exports consisted of piecegoods both muslin and blue cloth besides reexport of marine stores, broad cloth, copper etc.

3.2.9 The trade with Tranquebar though not large in quantity is significant because of the links which subsisted between the private British trade and the Danish. Danish exports of

Coromandel goods to Europe had virtually ceased by 1797. The increased volume in 1805 could be attributed to the war declared in Europe and Danish neutrality which enabled Danes to ship goods to Manilla safely. The imports were mainly Europe's goods and there is evidence that Danish traders catered to the elite tastes of the British residents of Madras and Bengal²³. The major articles imported were arrack with small quantities of coconut, coconut oil, rope, betelnut, some pearls, cinnamom, Coorse cloth and European luxury goods were the main exports besides some grain. Grain was the main article of trade from Tanjore and Tirunelveli. The trade with Bombay and Malabar was also trifling during this period (Milburn, Vol.1, p.375). The trade with the Straits of Malacca Manilla, and China must be understood in the context of increasing importance of the tea trade and the very low demand for Europe goods in China itself. The EIC actively encouraged private British traders to participate in this activity as this seemed the best way to avoid costly remittance from Europe (and India) to pay for the growing British demand for tea.²⁴

3.2.10 The rest of the trade (43% of exports and 64% of imports) were within the region along the coast. Bengal and the Northern Circars accounted for the major share of imports while exports were mainly to Bombay and the environs

of Madras. The Reporter of External Commerce provided considerable detail on the links of Madras Port with the various territories. Grain constituted the major item imported from Bengal into Madras Port, the cost at Chittagong being low enough to allow a 40% to 80% profit. Further, grain was exempt from duties both at Bengal and Madras and this was advertised in Calcutta during the 1805 famine to encourage traders to ship grain to Madras. The other major import was raw silk. Pearls were the major item of export from Madras.

3.2.11 The large quantum of treasure imported into Madras in 1802 is said to have been occasioned by "the remittances made to the private agents resident at Madras for the distribution of the Colombo prize money" and "the great scarcity of specie at this Presidency and the loans which the Banks had made with Government to answer which they were necessitated to purchase bullion at an exorbitant rate in Calcutta"²⁵. Though the Exports to Bengal were trifling, money was sent to Bengal mainly in the shape of private bills of merchants and sowcars and not through the Company's treasury. Salt was beginning to be seen as a commodity which could be exported to Bengal and private merchants sought to carry out exports²⁶.

TABLE 3.17

Trade of Madras and its dependencies with British Asia 1802-1806
in Sicca Rs.000's omitted

(1)	Imports			Exports			Net Exp.
	Merchandise		Treasure	Merchandise		Treasure	
	Total			Total			
(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Bengal	14806 (30.38%)	1703 (19.14%)	16509 (28.64%)	2495 (6.2%)	116 (4.00%)	2611 (6.06%)	-10725
Circars	11111 (22.80%)	102 (1.15%)	11213 (2.10%)	2756 (6.86%)	1840 (63.38%)	4597 (10.67%)	-10093
Bombay	1653 (3.39%)	1900 (21.35%)	3554 (6.16%)	8219 (20.46%)	171 (5.89%)	8390 (19.48%)	8295
Vicinity of Madras (North & South Arcot)	2188 (4.49%)	3748 (42.12%)	5936 (10.30%)	14461 (36.01%)	86 (2.93%)	14550 (33.78%)	15940
Others	18983 (38.95%)	1445 (16.24%)	20427 (35.44%)	12236 (30.46%)	851 (29.31%)	12925 (30.08%)	-6153
TOTAL	48741	8898	57639	40170	2903	43073	-2576

Note: Figures in brackets indicate % to column total.

Source: Milburn, Vol.II, p.23-35.

3.2.12 Imports into Madras predominated in the exchange with the Northern Circars; piece goods particularly Punjum cloth was the main item of import constituting 70% of the total value of imports in 1805²⁷. These were subsequently re-exported via Madras to Europe or America. A portion was also for local consumption in Madras and the profits were 30% to 40%. Grain was the other major item of import though procured at greater cost than from Bengal and subject to a duty of 3%. Profits were 20 to 35% on an average despite the duty. The exports were mainly Europe goods and some treasure was also exported to finance cloth imports. The quantum sent was particularly high in 1802 and this has been attributed to the unfavourable exchange rate at Madras. This trade was carried on mainly in small vessels - 837 vessels of 51481 tons were said to be engaged in this trade in 1803 making the average vessel size 65 tons. Many were Coringa based. The low freight offered by the Company for the shifting of salt from Coringa to Bengal rendered such expeditions nonviable, for, the shipowners of Coringa were mostly poor. A higher freight could have served to increase the shipping of salt to Bengal and rice from Bengal to Madras thereby increasing the tonnage available for the exchange²⁸.

3.2.13 Grain constituted the major article of import from the North and South Jaghir surrounding Madras. The overland

traffic also must have been significant given the proximity to Madras. As earlier noted the quantum of grain flowing in from Jaghir became more significant with their coming directly under the Company's rule. There were however wide fluctuations within these years both in grain and textile trade. Cloth imported from the north fell by nearly 25%, during 1803 while those from the South districts rose over two fold compared to 1802. In terms of values, there was a fall of Rs.1,36,652 in imports of textiles in 1803 from the North while there was a rise of Rs.1,93,024 in the imports of blue cloth alone from the South.²⁹ The volume of trade in textiles taking North and South together appears to be more or less at the same level as 1802 while grain imports fluctuated sharply³⁰. It also appears to have been common practice to send cloth made in these districts to Cuddalore and the neighbouring areas for painting and dyeing. Such movement of cloth has also been termed "exports and re-exports". Exports to Bombay were insignificant and consisted mainly of piece - goods pepper and grain.

3.2.14 When we examine the total trade of the Presidency other than EIC's trade we find piece goods, grain, pepper, precious stones were among the major export items. Thus in 1805, out of the total exports of merchandise of Rs.138.44 lacs, Rs.53.66 lacs or 38.76% was in piece goods, and grain

amounted to Rs.38.11 lacs (27.53%). Pepper Rs.6.51 lacs or 4.70% and precious stones (Rs.6.02 lacs or 4.3%) were the other important items. Total imports of merchandise was Rs.43.47 lacs and major items were grain (Rs.52.05 lacs or 36.3%), piece goods (Rs.20.44 lacs or 14.2%), liquors (Rs.16.38 lacs or 11.4%), betelnut and leaf (Rs.5.61 lacs or 3.95%) drugs and dyes (Rs.4.39 lacs or 3%). Pepper (Rs.4.19 lacs or 2.9%), raw silk (Rs.4.01 lacs or 2.79%) were of also importance.

3.3.0 Rise of English Private Trade 1795-1833.

3.3.1 There was a gradual decline in the textile exports to Europe from 1795 to 1833. The EIC's exports in the period 1792-1807 fluctuated widely, usually in consonance with the state of the finances of the Madras Government (see Table 3.18). Thus low exports in 1792-93 and 1793-94 were occasioned by the Mysore war. The low level from 1800-01 to 1802-03 were due to the acute financial crisis of the Madras Government following the last Mysore war. Exports staged a minor recovery thereafter. The reports on external commerce from 1811-12 indicate that the position was stable between 1805 & 1811. However, by 1820-21 there was a steep fall in the company's exports (see Table 3.19 & 3.20). The EIC had commercial establishments at 12 centres in the Presidency to provide investments for Europe³². From 1818 these were closed

down one by one and the Board of Trade was abolished in 1824. A few factories in the Northern Circars continued in the 30's but the entire commercial establishment was dismantled in 1835 (Raju, 1941 p.174). The Company's role as an exporter was eroded after 1813 when it lost the monopoly of textiles. It was reduced to nothingness by 1835. The EIC's imports continued to be small in relation to exports and the import of piece goods was small upto 1820's. Yarn imports commenced only in 1825-26 and became significant after 1836-37 (Raju, p.301). The expansion of British cotton textile imports to the Indian market took place only after 1820.

3.3.2 The importance of the South East Asia markets increased particularly after EIC's suspension of textile exports from the region with the winding up of its commercial operations in 1823-24. The share of textile exports to the UK in the total private textile exports from the region also indicates the growing importance of South East Asian markets (see Table 3.21). Private exports were more or less stable as the rise in 1824-27 may be attributed to the sudden withdrawal of the EIC from the textile trade with its suspension of investment. There was a gradual decline in the relative importance of private exports to Europe. The industrial revolution in Britain was set in motion by the invention of the spinning Jenny in 1767 by Hargrave. The use

TABLE - 3.18

Imports and Exports of the EIC 1792 - 1808 Madras Presidency

Rates of conversion: 40 = 100 star pagodas = 325 S Rs.

100 current Rs = 86.11 Sicca Rs.

S.Rs (000's omitted)

Year	Imports		Exports (Prime cost)	Net Exports
	Merchandise	Treasure		
(1)	(2)	(3)	(4)	(5)
1792-93	599	-	2793	+2194
1793-94	926	-	2262	1336
1794-95	1135	-	5415	4280
1795-96	1621	-	2416	795
1796-97	1418	-	7034	5616
1797-98	937	1298	3610	3971
1798-99	750	821	6231	5069
1799-1800	1330	168	4327	4838
1800-01	1169	1680	2315	1229
1801-02	2104	1018	3369	1306
1803-04	1303	1700	3394	3791
1804-05	1369	3274	5351	7456
1805-06	1157	-	4569	3412
1806-07	1941	-	4399	1453
1807-08	1695	-	-	-
TOTAL	21762	10204	64238	52680

Note: No treasure was exported to Europe in this period.

Source: Milburn, II, p. 68, 69.

TABLE - 3.19

Total Textile Exports from Coromandel Coast 1805 - 1835-36

(in lacs of Sicca Rs)

	Years					
	1805	1811-12 ^a	1820-21 ^a	1825-26 ^d	1830-31 ^e	1835-36 ^e
EXPORTS						
1. by EIC	45.05 ^a	48.03	17.10	-	-	-
2. Pvt Trade to Europe & USA	13.93 ^b	14.47	16.82	30.14	8.18	17.80
3. Exports to Europe	58.98	62.50	33.92	30.14	8.18	17.80
4. Exports to other regions (Mainly S.E. Asia)	40.25 ^c	63.88	27.83	37.37	47.51	49.90
Total Textile Exports (3+4)	99.23	126.38	61.75	67.51	55.69	67.70

a Sources: Milburn, Vol.II, p.69 (average of exports for 1803-04, 1804-05, 1805-06) converted to Rs 100 current Rs = sicca Rs.86.115.

b Milburn, Vol.II, p.12, 22.

c Milburn, Vol.II, p.47-48 (gives total private textile exports to all parts of the world at 54.17 lac S Rs.)

d Raju A S, 1941, p.302 & 310.

e Report of reporter of external commerce. BR, Misc. Vol.265 (see Table 3.20 below).

TABLE - 3.20

Estimate of Textile Exports from the Presidency 1.1.1811 to 31.3.1812
000s omitted

	In arcot Rs	Converted in S Rs.
(1)	(2)	(3)
EIC's textile exports to London	<u>44.16</u>	<u>48.03</u>
Private exports to London	9.79	-
USA	<u>3.74</u>	
	13.53	14.47
Private exports from sub centres beyond the Presidency		
Ingram	0.98	
Masulipatnam	13.48	
Cuddalore	5.25	
Tranqueba	0.53	
Nagore	<u>9.33</u>	
	29.57	31.64
Exports from Madras port to		
Batavia	2.99	
Bombay	0.31	
Eastward	7.78	
Ile of France	11.58	
Manilla	5.72	
Pegu	<u>2.15</u>	
	30.13	32.24

Source: Report on External Commerce of Madras 1.1.1811 to 31.3.1812,
BOR misc. Vol.265, EIC textile export figures alone are given

All other quantities included in this table are those described
as mainly textiles. Thus the estimate is
likely to be an inflated one, especially for private exports to
areas other than Europe.

of this new invention for large scale manufacture of yarn
soon began and manufacturers campaigned against textile
imports by the EIC from the 1780's. In 1787 there were 143
cotton mills in Britain with £1000000 invested in machinery.
They employed 3,50,000 men to produce goods worth 7.5 million
pounds. Though the EIC justified its imports by pointing out
that most of the goods imported by it were in fact re-
exported to the Continent, the British cotton goods began to
be exported to the Continent also in large quantities by
1810. The Manchester mills could not imitate the finer
muslins, but their cheaper calicoes were increasingly
preferred. (Milburn Vol.II, p.232). The private textile
exporters in the Coromandel responded to this change by
expanding their markets in South East Asia which also suited
the EIC's activities. Here again the growth of opium exports
to China displaced other goods for the South East Asian
markets, a trend visible after 1830's. The Coromandel region
did not produce opium, and therefore, did not find a place in
this new trade.

TABLE - 3.21

Private Exports of piece goods from Madras Presidency

(Amount in lacs of Rs.)

Year	Exports to UK	Total Exports	% of Exports to Europe
1823-24	16.81	71.30	23.58
1824-25	25.03	68.61	36.48
1825-26	25.56	67.51	37.86
1826-27	16.49	61.96	26.61
1827-28	15.68	67.06	23.38
1828-29	17.19	70.59	24.35
1829-30	15.57	70.72	21.95
1830-31	7.83	55.69	14.06
1831-32	14.67	63.84	22.98
1832-33	12.89	62.04	20.78
1833-34	9.09	61.46	14.79
1834-35	14.83	74.37	19.94

Source: Raju, 1941, p.302.

3.3.3 Details of the total sea borne private trade was reported upon by a Reporter of external commerce at each Presidency. In Madras, the Reports commenced from 1802 and provided details on the trade in various directions. It is difficult however, to surmise what part of this trade was purely Indian owned/controlled, especially at the subordinate stations. The private trade of the port of Madras City was predominantly import trade, with grain and consumption articles as well as Europe goods being the main commodities imported (see Table 3.22). Export articles included re-export of some of the imports, like Europe luxuries. Incidentally these details have been included under the head "External commerce by sea of the Madras Presidency from 1802 to 1851, Private Trade" by Dr.Sarda Raju (Raju 1941, p.304). Data for the entire Presidency is in fact presented only from 1811-1812 onwards and the data for the first ten years relates to Madras Port only²³. The data from Milburn covering private trade of the whole Presidency compared with this series indicates that Madras port accounted for 36% of total exports and 66% of total private imports. As far as trade with London was concerned, Madras was the major port through which private trade passed. (see Table 3.23) About 95% of the European trade (import as well as export) passed through Madras port. Private exports from Madras in the period 1802-

TABLE -3.22

Total Private Trade from the Port of Madras in S.Rs 000's omitted

Year	Import		Export		Net Export
	Merchandise	Treasure	Merchandise	Treasure	
(1)	(2)	(3)	(4)	(5)	(6)
1802	85.78	64.85	53.14	17.18	+15.03
1803	99.97	58.49	62.68	7.15	+14.05
1804	86.96	38.37	59.36	1.30	+9.47
1805	110.40	52.44	48.99	1.07	-10.04
1806	69.84	24.45	40.98	0.89	-5.30
5 Years Average	90.59	47.72	53.03	5.51	+4.65
1807	147.43	46.08	29.01	1.93	-74.27
1808	74.11	13.30	36.84	0.10	-24.07
1809	74.72	44.79	35.92	0.21	5.78
1810	91.37	21.18	47.33	3.98	-26.84
1811	82.11	15.81	65.70	2.43	-29.7
5 Years Average	93.95	28.24	42.96	1.73	-24.48
Total	922.69	379.82	479.95	36.24	-99.16
Average for 10 Years	92.27	37.98	47.99	3.62	-9.92

Source: Reports of External Commerce 1802-1811.

TABLE - 3.23(a)

Comparison of Private Trade from Port of Madras and Private Trade from the
Presidency 1802-1806

(a) Total Private Trade (in Sicca Rs.000's omitted)

Year	Import of Merchandise	Import of Treasure	Export of Merchandise	Export of Treasure	Net Export
Total Private Trade					
1802-06 ^a	68309	32691	72042	3572	32852
Average	13662	6538	14408	714	6570
Average Madras Port ^b	9059	4772	5303	551	+465
Share of Madras Port	66.31%	73.0%	36.81%	77.17%	7.08%

Sources: ^aMilburn, Vol.II, p.47; ^bTable 3.21 above

TABLE - 3.23(b)

Average Annual Private Trade to London S.Rs.

(B) Private Trade to London. (in Sicca Rs.000's omitted)

	Import of Merchandise	Import of Treasure	Export of Merchandise
(1)	(2)	(3)	(4)
^a Madras Port 1802-1805	1131 (98.78)	792 (100)	1425 (97.13%)
^b Madras and its Dependence 1802-1805	1145	792	1467

Source: a. Table 3.19 above

b. Milburn, Vol.II, p.47.

TABLE - 3.24
Shipping at FSG 1802-1830

Year	Inward ships	Tonnage tons	Outward ships	Tonnage tons
(1)	(2)	(3)	(4)	(5)
1802	88	38342	55	26226
1803	103	44622	67	29013
1804	92	39367	72	37682
1805	258	54442	229	43672
1806	251	52645	226	41897
1807	2045	110009	1981	103987
1808	2478	119378	2634	130821
1809	2453	123224	2711	126145
1810	2251	109588	2317	126275
1811	1060	85469	1101	101423
1812	936	76497	990	77252
1813	1063	82682	1461	85508
1814	1082	74354	1307	85373
1815	1201	92934	1762	98913
1816	939	84025	1383	77508
1817	1160	90789	1515	90601
1818	1066	88143	1437	94423
1819	1060	75542	1525	87120
1820	1092	77666	1271	94903
1821	1148	87074	2836	87138
1822	1173	97329	2019	144525
1823	1885	96781	1764	125884
1824	1490	101355	2237	131767
1825	1730	106905	2093	153672
1826	1874	118344	2076	125378
1827	1918	109539	2486	124655
1828	2255	113790	2430	134994
1829	2239	110578	NA	147324

Source: Appendix to the report from the select Committee on the Affairs of EIC, 1830, p.813 & 825.

TABLE - 3.25

External Commerce by Sea of the Madras Presidency (Rs. 000)

Year	Imports		Exports		Net Export
	Merc	Treasure	Merc	Treasure	
(1)	(2)	(3)	(4)	(5)	(6)
1811-12	12040	4176	12869	318	4687
1812-13			Non Available		
1813-14	9524	3287	9929	671	3021
1814-15	8058	2371	12842	407	6748
1815-16	8671	2185	11795	859	4450
	(9573)	(3005)	(11859)	(564)	(+4727)
1816-17	7173	3058	11364	691	6558
1817-18	9362	3050	11658	499	4847
1818-19	8039	3898	11961	383	7437
1819-20	6747	4024	11642	530	8389
1820-21	6678	4370	11669	151	9210
	(7600)	(3680)	(11659)	(451)	(+7288)
1821-22	9269	4006	16711	277	11171
1822-23	8939	4281	13308	272	8378
1823-24	11402	2998	14403	824	5175
1824-25	9444	4490	15810	442	10414
1825-26	9267	3706	15862	538	9763
	(9664)	(3896)	(15219)	(471)	(8980)
1826-27	8169	3275	13501	898	7709
1827-28	9391	3628	14064	1013	7288
1828-29	9143	2631	14493	991	6990
1829-30	9371	2240	14746	1265	6350
1830-31	8389	2039	12556	785	5421
	(8893)	(2763)	(13872)	(990)	(+6752)
1831-32	7304	2633	13711	1780	7260
1832-33	9216	2544	13937	2693	4572
1833-34	9970	2676	13744	2367	4083
1834-35	9540	3342	16643	1106	9339
1835-36	882	3265	19125	608	12962
	(8970)	(2892)	(15432)	(1711)	(+7643)
Total	213926	18173	328343	20368	+172222
Average for 25 Years	8913	3257	13681	849	7176

Figures in brackets give 5 year averages
Source: A.S.Raju, p.304-305.

11 fell particularly around 1807-08 and 1809 due to the famine as well as the financial crisis gripping Madras. Imports were fairly steady and the sharp rise in 1807 was due to the increased grain import that year. Another index of the activity at Madras is provided by the volume of shipping at the port of Madras (see Table 3.24) indicating increased activity at the port 1806-09 and the period 1825-30. We may infer that the rise in tonnage during 1806-09 was chiefly due to grain imports and there is no indication of particularly prosperous trade in other goods in this famine period. The clearly increasing trend enables us to surmise that there was an increase in seaborne trading activity at Madras over the period. The trends in the private trade of the presidency is provided in Table 3.25 pointing to rising exports and falling imports.

3.4.0 Conclusions

The quantitative information on the trade of the Coromandel region in the period 1757-1833 indicates that there was a general decline in the export of cloth to Europe particularly in the period 1780 to 1790. This could be explained by the unsettled conditions then prevailing in the region. There was a recovery in the exports to Europe after 1790. The cost price of total textile exports from the region in the period 1790-1795 was in the range of £ 9,60,000 per

annum (with the European sale value being £ 20,00,000). This textile export was sustained mainly by bullion imports averagging £ 800000 per annum and merchandise imported from Europe averaging £ 1.53,000 per annum. The cost price exports to Europe stood around the same figure of £ 900,000 p.a. upto 1805-1806. The period 1810-1833 witnessed a rise in private trade both to Europe and South East Asia and the EIC's trading interest went into a decline practically disappearing after 1825. Textiles were the main exports both to Europe and South East Asia through out this period. Imports from Europe were luxury goods like wines, broad cloth besides ammunition, fire arms and some metals. There was considerable trade in grain, salt and other consumption goods all along the East Coast. Rice imports were from Burmah and Bengal while salt was exported to Bengal. Private traders controlled most of the bullion movement, with EIC playing a marginal role. Both Indian and English traders were active in the South East Asian trade. The growing China trade and the strength of British private traders gradually edged out the Indian merchants from export trade.

Notes

- 1) The share of Madras fell below 85% on only 4 occasions and above 95% on 3 occasions in the span of 22 years from 1771-1792 Madras piece goods (see Table 3.1). Using this approximation we estimate Madras piece goods for the period 1793-94 to 1809-10 as 90% of the Madras and Surat goods sold by the English EIC in Table 3.2.
- 2) The value of English investment at Madras in the period 1774-79 was as under:

	in pagodas
1774	586158
1775	692256
1776	335755
1777	680559
1778	475737
1779	388565

Total	3159030

Average for 6 years	526505

Source: Public Department Consultations Fort St. George,
13.8.1779.

- 3) Total sales £1227887 of which coast goods were £630664 or 51%. In contrasts the total sales of EIC at London were £1651687 of which coast goods at 577,400 was 35%. Milburn, Vol.I, p.405.
- 4) Holden Furber has estimated at between 18-20%. (p.169-171, Furber, 1951.)
- 5) While Feldbaek (1969) has provided detailed accounts of the sale value of commodities it is difficult to

estimate Tranquebar's share, particularly because of its decline (p.216). Feldbaek establishes both the decline of exports from Coromandel as well as the fall in the quantity of textiles exported to Europe by the Danish Asiatic Company.

- 6) For instance no broadcloth could not be sold at the auctions and sales were postponed several times in 1767. Public Department consultations 2.2.1768, 19.2.1768 (see also Military Sundries Vol.86).
- 7) see Milburn, Vol. I, page XLIII. For the period 1761 to 1810-11 the prime cost of all goods shipped was £ 106324066 or 48% of the sale price of £22196498.
- 8) Mr.Petrie's Minute dated 20.3.1799, Public Department sundries, Vol.38B.
- 9) The report noted the harmful effects of the use of the land revenues to fund the investment in Bengal and the export of bullion to China. In a brief examination of the situation in Madras it recognises a similar pattern (Edmund Burke, Vol.5, p.230-231).

"The commerce of the Carnatic as far as the enquiries of your committee have extended did not appear with a better aspect even before the invasion of Hyder Ali Khan and the consequent desolation, which for many years to come must exclude it from any considerable part of the trading system. In 1767 that city was in a flourishing condition and one of the first Marts in India, but in 1779 there was little or no trade remaining and but one ship belonging to the whole place. There has also been from Madras an investment on the company's account. Taking one year with another very nearly on the same principles and with the same effects as that from Bengal, it is highly probable that besides the large sums on a private account for that and other countries invested in the cash of Foreign European Powers trading on the coast of Coramandel".

- 10) "The trade of the city [Madras] and of adjacent territory was not very long ago among the most flourishing in Asia. But since the establishment of British power it has wasted away under an uniform

gradual decline. During this period of decay about £ 600000 a year were drawn off by Englishmen on their private account by the way of China alone, if we add £ 400000 as probably remitted through other chambers and in other mediums (E.Burke, Vol.V, p.492).

- 11) Public Department Consultations, 19-05-1769.
- 12) Public Department Consultations, 04-07-1769.
- 13) Public Department Consultations, 19-01-1775.
- 14) Public Department Consultations, 16-01-1775.
- 15) Public Department Consultations, 23-01-1775.
- 16) Report of the Reporter of External Commerce 1802, Public Dept Cons Para 41, dtd 12.04.1803. See also Milburn 1813 Vol.II, P 12, which shows an import of Coral worth Rs.64029, the fourth most valuable item of important
- 17) Para 26, Report of the Reporter of External Commerce 1803, Public Department Consultations, Vol.309, p.2635 1806 and para 38 of the Report of the Reporter of External Commerce 1805, Public Department Consultations Vol.309, p.2537 et seq. 1806.
- 18) Para 44, Report of the Reporter of External Commerce 1805, Public Department Consultations, Vol.309, p.2537, et seq. 1806.
- 19) Public Department Sundries, Vol.140, 1806.
- 20) Para 22, Report of the Reporter of External Commerce 1802, Public Department Consultations, dated 12th April 1803.
- 21) Para 24, ibid.

- 22) Paras 49, 50 Report of the Reporter of External Commerce 1803, Public Department Consultations, Vol.309, p.2635 et. seq. 1806.
- 23) Feldbaek (1969) states that to the real India trade under the Danish flag, the Coromandel Coast was of almost no importance at all after 1802 and goes on to cite instances of how Danish shipping neutrality was used by English private traders. He describes a voyage thus: "From neutral Tranquebar, the "Tre Venner" took wine spirits and cloth to Manilla and hence she returned in January 1805 via Malaysia and Madras. The ship returned without cargo but apparently with cash payment in Spanish Piastres for supplies taken to Manilla. After delivering this money at Madras the 'Tre Venner' continued to Tranquebar. While the ship was in India it made use of the neutral Danish flag and Danish proxies in Tranquebar to send supplies profitably to the enemies of the British (p.224-25). The large export of piece goods into Tranquebar in 1804-05 were intended for Manilla under the cover of the neutral Danish Flag as England and Spain were at war.
- 24) Sardesai D R, 1977 Chapter II describes the growing significance of British Private trade and the role played by the development Singapore as a free port.
- 25) Para 15, Report of the Reporter of External Commerce 1802, PDC, 12th April 1803.
- 26) Para 16, Ibid.
- 27) Para 94 of the Report of the Reporter of External Commerce for 1805, Public Department Consultations, Vol.309, 1806.
- 28) Para 103, Report of the Reporter of External Commerce 1803, Public Department Consultations, Vol.309, p.2635 et.seq. 1806.
- 29) Para 111 and 117, ibid.

- 30) Para 112, 118 *ibid.* Grain increased in Northern Division
- 31) Exports to Bombay and Bengal were not very high, Raju, A.S., 1941, Madras, p.302-303.
- 32) Milburn Vol.1 page 'c' Tirunneveli, Ramnad, Salem, Nagore, Cuddalore, Pulicat, Maddepollam, Masulipatnam, Ingram, Visakhapatnam, Ganjam, Devikotta.
- 33) (See Report of the Reporter of External Commerce for 1802 where The Reporter R Sherson specifically notes "I regret that it is not in my powers to forward the complete accounts of the trade of the territories in general, subordinate to your Lordship's authority". Public Department Consultations, 12th April 1803, para 3. The reports for 1811-12, covering 1-1-1811 to 31-3-1812 covers all areas of Presidency and the reports for subsequent years are from 1st April to 31st March and cover the entire Presidency.

CHAPTER IV

THE EAST INDIA COMPANY AND ENGLISH PRIVATE TRADE 1757-1800

4.0.0 The increasing economic and political power of the EIC helped it to strengthen its control over trade with Europe. This phase of the EIC's expansion was paralleled by a corresponding growth in English private trade in the region. The EIC's commercial policies played a determining role in undermining the status of Indian merchants, while furthering the interests of the English private traders operating from Madras. The nature of the commercial policies pursued by the EIC has brought about this change.

4.1.0 Procurement systems for textile exports

4.1.1 The chief interest of the EIC in the Coromandel region was the export of piece goods. They advanced money to traders specifying in detail the types and quantities of cloth required prior to 1770. This was called contract system, under which textiles for exports were collected by entering into contracts with leading merchants mainly at Madras, Cuddalore and Masulipatnam, stipulating the price and quantities of various types of textiles. Contracts were entered into during January and the supplies were to be made in two lots in a year the first in August - September and the second by December. The merchants who got 25% as advances passed it on to the weavers and collected the cloth

from the weaving centres using a hierarchy of middlemen like brokers, gomastas and head-weavers. These traders had well established links with the weaving villages as they specialised in the supply of specific types of cloth from specific localities. The representations from the merchants indicate that supplies often fell short of their advances due to the continuing warfare in the region. Weaving and manufacturing operations were affected by a host of other factors also. Excessive or unseasonal rain affected the dyeing operations and the quality of the painting besides washing and drying. It was thus a delicate system of production; and the merchants, with their traditional links with specific areas could keep-up their supplies despite political uncertainty.¹

4.1.2 Between 1763-1769, these contracts were finalised at Madras except for two years when contracts in the Northern Circars were finalised there. Textile types, quantities and supplier names were specified (see Table 4.1 and Appendix B). In the discussions recorded in the consultations we find that the EIC chose the merchants carefully. Merchants or families with established credibility were preferred. Attempts were made to bring down the price each year. The merchants however held their own and even negotiated marginal increases in some years.² The bulky orders were usually for long cloth,

TABLE - 4.1

Details of Investments 1763-1764 to 1768-1769

Name of Suppliers	Textile Type	1763-64		1764-65		1767-68		1768-69	
		No	Rate Pag/Corge	No.of PCs	Rate Pag/Corge	No.of PCs	Rate Pag/Corge	No.of PCs	Rate Pag-Finance/ Corgo
Dasoo Reddy	Long Cloth	10000	42	17000	43	16000	42-18	16000	42-18
	L.C.Midling	9000	45	5000	45	-	-	-	-
	L.C.Fine	6000	66	3000	66	3000	64	3000	64
Gundaveddy Minar Chetty	Betillas	2000	50-60	1000	50-60	2000	50-60	4000	50-60
	Orangal								
	Pulicat	1500	80-97	500	80-97	1000	80-97	2000	80-97
	Pulicat	500	130-146	200	130-146	300	130-146	1000	130-146
Mottoomar Chetty	Salempores	8000	30	8000	30	Mottoomar Chetty dropped due to short supplies in 1766			
	Mooreess	800	64-72	800	64-72				
	super fine								
	Mooreess fine	2500	42-48	2500	42-48				
	Chinty	1500	45-51	1500	45-51				
	Lampasses	500	27-33	500	27-33				
	Long cloth M					5000	44-18	5000	44-18
Chepperumal Chetty in partnership	Singhan Blue	200	20-23	200	20-23	400	20-23	500	20-23
	Red	200	25-29	200	25-29	400	25-28	500	25-28
	Salempore O	-	-	-	-	-	-	25000	21p18f
	M							25000	28p10f
Arnagry Chetty	Salempore	16000	21	16000	21	20000	21-18	Dropped due to short supply	
	Long cloth	900	100-120	800	100-120	-			
	Moorees Ord.	5500	22-26	4500	22-26				
Ramalingapah	Long cloth O	9000	42	9000	43				
	M	3000	45	3600	45				
	F	2000	66	1800	66				
	Midling Blue	-	-	4000	29				
Bandy Subbiah	Long cloth O	Partner of Ramalingapah M in 1763-64 F		5000	43				
				2000	45				
				1000	66				
Mootoo Chetty cuddalore	Salempore			25000	22	20000	21p 8f	Dropped due to short supply	

Chockappa Chetty (a partner of Chippermal) in his individual capacity	Salempores Betellas plain Bordered		8000	29	10000	29
			200	126-140	400	67-75
			200	67-75	500	50-60
Butchy Chetty (Portonov)	Long cloth D	New contractors appointed in 1766	1200	43		
			5000	59	1500	58 18
			1500	29-33	1500	29-33
			1500	43-50	1500	45-50
Subamania Chetty	Moorees D	New contractors appointed in 1766	5000	21-25	5000	21-25
	F		2500	41-47	2500	41-47
Portonovo	Super		800	62-70	800	62-70
	Chints		1500	41-45	1500	41-45
	Lampers		500	24-29	500	24-29

Data for 65-66 not available in this form

Sources: 1763-64 P D C 18.01.1763

1764-65 -do- 06.01.1764

1767-68 -do- 04.04.1767

1768-69 -do- 28.04.1768

salempores and betellas and moorees. Long cloth could be procured both from Cuddalore and the Northern Circars besides Madras. Short supplies were frequent particularly for the finer varieties. The recurrence of excess supply of lower grade cloth indicates that supplies purported to be higher grade were often reduced in their grading to conform to the Company's standards. Short supplies in 1769 were particularly serious and the suppliers attributed this to the dislocation caused by Haider's military campaigns. These merchants were usually involved in textile trade alone, perhaps extending their activities to include thread, raw cotton and dyes. There are however a few references to their trade in other articles. Chepperumal Chetty, for instance, traded in red

wood.³ All the suppliers except Dasoo Reddy were Chetties and their names indicate that they were Komties. For example, family names like Gundaveddy, Bandy and first names like Butchy indicate Telugu if not Komti origins (see Table 4.1).

4.1.3 The important merchants in Cuddalore were Stree Chalapathy, Irasappah Chetty, Bandy Subiah and Butchy Chetty (Porto Novo). The EIC preferred dealing with known suppliers and at the same time feared the formation of supplier cartels. These leading merchants had not evinced too keen an interest in 1760 and 1761 in the contracts while the EIC was reluctant to encourage new comers.⁴ New bidders were rejected in 1764, while old suppliers managed to retain old prices.⁵ There was no change in the suppliers of bulk articles. Various attempts at decentralisation were underway in 1764 was 1765. Centres like Masulipatnam and Visakhapatnam were allowed to finalise their own contracts. As this was found unsatisfactory, the practice of finalising all contracts at Madras was reverted to in 1766, and in 1767. The EIC was finding it difficult to get finer varieties due to its rigidity on price. There were suppliers who provided cloth through out the decade. Dasoo Reddy supplied long cloth from Cuddalore and Southern regions, Gundaveddy Minar Chetty supplied betellas from Orangal (Warangal) and Pulicat. Mootoomar Chetty who was a major supplier of salempores and

morees in 1763-65 had been delisted because of short supplies and we find him supplying only long cloth in 1767-69. Thus, there was a certain degree of specialisation in the supply of different sorts of materials. One reason was that merchants had well established links with different manufacturing regions. The Company was also anxious to avoid dependence on a single or few individuals, as they feared the formation of supplier cartels (see Appendix 4.A). Some merchants had connections with the Company spanning generations. Chepperumal Chetty was the son of Linghi Chetty, and a small supplier in this period, but the Company treated him with some consideration when it came to the question of settling his old outstandings.⁶ The merchants, found it difficult to keep the contracts with the low prices, strict quality standards and delivery schedules. The EIC found that goods not meeting specifications were deliberately supplied in order that they might be rejected. These rejections found their way to Europe via the private trading networks and the French and Danish companies on the Coast.⁷ Such practices point to the growing interest of private traders in piece-goods for Europe. It was decided in 1763 to impose double the duty on these rejections to curtail these practices.⁸

4.1.4 These trends prompted the EIC to suspend its system of contracts at Madras and encourage the establishment of

direct dealings with weavers from 1770 onwards. The sequence of events at Cuddalore where one of the early attempts at direct procurements was made is worth a few notes. Cuddalore was located in the heart of a textile producing region. Several European Companies were active in the neighbourhood besides English private traders. The Indian merchants of the place were also respected and their textile contracts were finalised at Madras. Butchy Chetty and Subramania Chetty began to supply to the British after 1765 (see Table 4.1). The other major merchants of the place included Stree Chalapathy, Mudookrishna Pillai, Nella Chetty, and Irasappa Chetty. These merchants complained in 1767, against the conduct of John Calland, the Commercial Resident at Cuddalore. The accusations included charges of exorbitant demands for gifts and the coercing of merchants to purchase cotton at excessive rates. The merchants were also forced to participate in export of raw cotton to Bengal and share in the losses which Calland claimed to have incurred. The merchants by their united efforts succeeded in getting Calland suspended, demonstrating perhaps their strength and influence at Fort St. George.⁹ Calland was replaced by Dowsett in 1767 who first initiated efforts to deal directly with the weavers. Dowsett like Calland had extensive trading interests as evidenced by the Jourdan letters and probably competed with these merchants in their pursuits (Chapter V).¹⁰ He

sought to persuade weavers living in the EIC's territory to supply directly to the EIC, undertaking to supply thread. The weavers at first refused to agree and were 'persuaded' by the use of force. The argument that they would gain by this arrangement did not initially persuade them. The EIC Officials viewed this as the result of the 'cabals' or Conspiracies formed by the merchants and the head-weavers in these villages. The changeover was effected by punishing head-weavers and evicting the merchants from these villages. Thus the Company used its position of authority to force the weavers to deal with it directly.

4.1.5 Initially success was claimed for the experiment. But the delays in the supply of yarn controlled by Indian merchants and delays in advances/payments prevented the system from working smoothly. Delays in payments drove the weavers to borrowings by mortgage of cloth and consequently defaults in their supplies to the Company. By 1771, the weavers were protesting against the sorting methods by the warehouse-keepers which led to large scale rejections and their rising was quelled by arresting head-weavers.¹¹ This was followed by another protest in 1772 against the cruelties of the Amaldar who was supported by the new agent, Ross. The methods used to deal with the merchants is also illustrated by the Dutch complaints of the cruelties meted out to Butchy Chetty and Venkatramana Chetty who had been since 1766

suppliers to the British. Their oppressors were Swamy Iyer, Andeapah and Dasoo Reddy who were presumably loyal to the British.¹²

4.1.6 Evidence from the public consultations as well as Jourdan's letters suggested the involvement of Dowsett and Ross in country trade. They were deeply involved like Calland, in the distribution of cotton to markets in India as well as China.¹³ Thus, their efforts to take over the supply of cloth as well as the interest in obtaining control over yarn supply were most probably rooted in their private interest. The efforts to control supply of cloth was an instance of the congruence of interests of private trade and the East India Company. The power to sort goods provided the EIC servants an opportunity to obtain supplies of piece goods for their private trade. The events at Cuddalore illustrate the methods used to wrest control of cloth supply from Indian merchants, by switching to direct dealings with weavers (see the Table 4.2). The role of Indian merchants in textile procurement was rendered marginal in the period 1770-1800 by the increasing resort to the *aumani* system or direct contracts with weavers. While these reforms were initiated to improve the Company procurements, the results were dislocation of supplies and the increase of private trade in textiles. The value of coast goods sent between 1774-1779 shows wide fluctuations.

TABLE - 4.2

Instances of Allegations made Against EIC Officials and Later Substantiated

Year	Place	Name of the Company Servant	Petitioners	Remarks
1767	Cuddalore	Mr. John Calland	Irasappa Chetty, Sree Chalapathy Cuddalore)	Accused of demanding pre- sents etc. and forcing merchants to participate in Cotton trading to their detriment. Charges substantiated (Pub Sundries Vol.15)
1771	"	Mr. Maitland	Weavers of the Company Cuddalore	Source PDC 5.2.1773
1772	"	The Amildar Andeappa	-do-	Wrong grading cloth to suit his private ends, cruelties.
1775-76	Ingeram	Mr. Sadlier	Weavers of Ingeram	Weavers said to have been instigated by Ross Cruel- ty, paying lower amount than recorded. PDS24A, B.
1783	Nagapattinam	Basil Cochrane	Residents Nagapattinam	of Conocoppoli Vidinadah Mudali's death at Cochran's residence. (PDS 35 & 36) Alleged falsification of grain accounts and organised protests by Rentiers Cochrane admonished to treat natives better by the Board of Trade.
1782-83	Masulipatnam	Mr. Floyer, Crawford Whitehall	A. Sadlier	Sadlier produces evidence of amounts received as gifts by officials from the Zamindars. They deny it (Charges not substantiated) (PDS 30A B).
1787	"	Mr. Floyer	Jagganah	His lendings to Mr. Floyer not repaid. PDS-5A.
1789-90	Tanjore	Paupiah, Dabash of Holland Brothers	Nawab of Arcot	Monies paid to the EIC by the Rajah not accounted

1789-90	Mr. Ram (Resident at Tanjore)	Rajah of Tanjore	for, but misappropriated (Mil sundries 76). Effect of his Indigo mono- poly on operations of Indian traders. (Mil sundries 75). Mr. Ram sees the hand of Shevarow, Amer Singh's Minister in defaming his
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Source: P.D.S as indicated under Remarks.

TABLE - 4.3

Value of Coast Goods Sent to England by EIC 1774-1778

Year	Value Pagodas	Change over the previous year	
		Value Pags	%
1774	5,86,158		
1775	6,92,256	+ 1,06,098	18%
1776	3,35,775	- 3,56,481	-51%
1777	6,80,559	+ 3,44,784	+102%
1778	4,75,737	- 2,04,822	-30%
1779	3,88,565	-87,172	-18%

Source: P D C 13.08.1779.

4.1.7 The pros and cons of the two systems were discussed by the committee of Reform in 1798¹⁴. It estimated the requirement for investment to be about 14.5 lac star pagodas. It also noted an increase in the price of cotton thread and therefore of cloth of 27% between 1770 and 1798 from 7.5 vis per pagoda in 1770 to 5.5 vis per pagoda in 1798. Cloth price rose from pagodas 37,14,32 to pagodas 47,8,44 for a corgie of punjum over the same period. The inflation in the price of cotton in the region may have been created by the increase of cotton export to Canton promoted by British private traders. Some details of cotton exports to Canton indicate that cotton was procured at lower prices for export to China (see Table 4.4). If we accept an inflation of 25% over this period, the value of investment about 1798 at the 1770 cost would have been about 10.5 lacs star pagodas (viz., 75% of 14.5 lac pagodas). We may thus infer an increase in the investment in 1798, compared to the levels in 1774-1778 (see Table 4.3) in real terms. The figure of 14.5 lacs is provided as a stable requirement, expected to be the level in the coming years. The Comittee could not agree on the superiority of any one system of procurement. The direct weaver contracts were seen to be just to the weaver though resulting in larger losses and greater administrative costs for the Company. Contracts with merchants were easy to deal with but not fair to the weaver. While ideas of social justice could influence

commercial policy, one would suspect that the continued preference for the aumani system had more concrete reasons in its favour. The system was introduced in Ganjam in 1795 and Tirunelveli in 1797. One clear advantage which could not be recorded in the proceedings was gained by the British private traders. Indian merchants had effectively resisted misuse of the officials' powers to sort cloth in the early part of our period. The decline in the status of the Indian merchants helped the private traders' lobby to generate supply of cloth for the highly profitable clandestine Europe trade. They could resort to tyranny in the sorting of goods and the weavers could not mount a sustained or effective protest against these practices because of their weak financial status.

4.2.0 Other Commercial Activities of the EIC

4.2.1 The EIC itself was a major purchaser of commodities like rice, cotton which were staples of the Indian trading sector (see Table 4.5 and Table 4.6). After 1774 there is almost no single instance of an Indian bid for rice supply contracts to the EIC. The emerging pattern was that the British officials who were located at the production centres and could obtain large grain supplies were the main operators. For example, Cochrane whose bid to supply paddy

TABLE - 4.4

Transactions in Cotton (Supplies to Canton)

Date	Name of Merchant/ Supplies	Price Pags/Candy	Quantity
(P.D.C. date)			
10.5.1758 and 6.7.1758	Bourchier	29 Pags/Candy	350 bales
13.2.1764	Morse & Ross	29 Pags/Candy	334 (Reportedly price at Madras)
1767	John Calland (at Cuddalore)	30 Pags/Candy	-
30.5.1765	Sadlier, Powney, Fells	27.5 Pags/Candy	-
20.5.1769	Adrew Ross, Capt. Fell	Not recorded	1800 bales
(In 1770, these were complaints from canton regarding quality)			
29.3.1771	Fr. Jourdan, Sullivan Desouza	20 Pags/Candy	1200 bales
1798 *	Committee of reform	18 Pags/Candy	
	(Reasonable price Rs.64/ Candy or 18 Pags/Candy)		

Source: P.D.C. as in column 1

* : P.D.S vol 138A p140-141, committee of Reform.

(at 29 star pagodas/garce) was accepted, was stationed at Tanjore in 1778 where rice sold at 20-22 porto novo pagodas, i.e., approximately 16-18 star pagodas in that year. The EIC was apparently favouring the lowest bidder, but appears to have lost in the long run (see Tables 4.5 and 4.6). The rice prices were, on the average, around 80 pagodas/garce when the Indian merchants supplied, but rose to the range of 95-100 pagodas/garce after the increased bidding of the Europeans. Such shifts in the trend could have hardly gone unnoticed by a group of hard nosed merchants like the EIC who drove a tremendous bargain with Indian merchants for cloth. The EIC preferred to purchase rice from its own commercial servants rather than Indian merchants.

4.2.2 The extent of EIC's purchases is indicated by the fact that the garrison store was expected to maintain stocks of all articles that may be required for an army of 10,000 men for a hundred days.¹⁵ The garrison store-keeper bought when the prices were low and sold old stocks promptly. These operations brought the Company mounting losses particularly due to the failure to sell away damaged rice or other grain (see Table 4.7). Some losses were incurred mainly during Francis Jourdan's tenure as garrison store-keeper. Goods procured included firewood, sheep, pack-bullocks besides other articles. The evidence from the Jourdan letter-books

TABLE - 4.5

Rice Purchases by the East India Company 1757-1770

Date of Public Dept. cons.	Source of Supply	Rice Price (Pags/Garce)		Paddy	Remarks
		Fine	Coarse		
7.7.1757	From Bengal		58	-	-
(Paddy prices ranged from 27 to 30 Pags/Garce in 1759 and rose to 50 pagodas in 1760 due to the siege of Madras and again fell to 30 Pag/Garce in 1761)					
13.5.1761	Abdullah Naquddah	90	85		
23.2.1763	From Bengal	120			
10.12.1764	From Bengal		60		Damaged rice sold to Natives.
17.3.1766	From Bengal	82			(High price due to anticipated shortage)
(No arrivals in Madras from the Northern Circars during 1766 against usual arrival of 20000 garces)					
30.1.1769	From Bengal	80			
20.5.1769	From Bengal	75			

Source: P.D.C as in column 1.

suggests that many of the suppliers were Englishmen often acting through their dubashes. Saunderson and Benfield's dubash, Comaroo or Kumara for instance, owed 3622 pagodas to the garrison store keeper while Jourdan himself had to account for 8198 pags.¹⁴ These were no doubt made good later, but the names point to the main suppliers.

TABLE - 4.6

Bids for Rice Supply Contracts 1774-1780

Date of Pub. Dep. Consultations	Name of Bidder	Price quoted P/6	Paddy	Amount of supply	Remarks
16.5.1774	David Scott	103		12000 bags	
	Andrew Ross	104		5000 bags	
	Ed. Monckton	120		5000 bags	Rejected
3.6.1774	Jourdan	102		10000	
	Andrew Ross	102		4000	
	Monckton	100		2000	
24.1.1776	Douglas	98		8000	
	Castro, Felling, Defries	103		10000	
15.1.1778	George Firth		36	2000 bags	Only Basil Cochrane ordered to supply 500 bags. He supplied from Tanjore where the price was 20-22 Partonovo Pagadas in July 1778.
	C.B. Dent		36	"	
	James Fell with Appoo Mudali, Moochi Mudali, Acharloo & Cayavarahom		37.5	"	
	Basil Cochrane		29	"	
	Jones		39.5	"	
	Darsaraju Pantn		33	"	
9.6.1780	Douglas	67		1000 bags	-
	Douglas	91 and 76.5			

The buyers in sales of rice by the warehouse keepers continued to be chetties.
Source: P.D.C .

TABLE - 4.7

Losses Sustained by the Garrison Store keeper on
Sales and Purchases

Year ended 30th April	Profit/Loss Pags	Cause for Loss
1770	2000 (Profit)	
1771	1237 (Profit)	
1772	No Gain/Loss	
1773	15247 Loss	Rice contracts and fire in Esplanade.
1774	34148 Loss	Rice contracts.
1775	10606 Loss	Loss on sale of damaged rice 52110.15.7
1776	700 (Profit)	Loss on rice 893.26.6
1777	12893 Loss	Loss on old wheat
1778	46462 Loss	Loss on rice 34562 and other losses on stocks of sundry articles.

Source: Public Department consultations 10.7.1778.
(Report of the Committee of Accounts).

4.2.3 Another interesting example of the Company's covert support for British private trade was its attempt to sell a strip of ground along the North Beach, Madras. With Banksalls or storage godowns to Mr Douglas a private trader. The sale was made on 24-9-1779 but was later reversed due to the protests by the Indian merchants. Mr Douglas proposed to resell at 1000 pagodas the ground he had acquired at 350 pagodas a piece. Traders in rice and fire-wood used these Banksalls to operate mainly on borrowed funds and could not raise the sum required to buy the land from Mr Douglas. They concluded, "the said plan would not have taken place if European gentleman had traded in the above mentioned article".¹⁷ A special Committee examined the matter and agreed that the proposed rise in rent from 2-6 pagodas for a godown of 20 x 12 to 10 pagodas per month was unjustified.¹⁸ The sale was reversed and the sea-customer ordered to build godowns. (see Table 4.8).¹⁹ The traders at Madras were sufficiently vocal to get their grievance redressed in this instance, but the details indicate the methods of British private trade in using the Company for their ends.

4.3.0 Commercial enterprises of other European companies

4.3.1 Factories and establishments of other European trading companies dotted the East Coast from the mid sixteenth century. We have a fair amount of detail about the

TABLE - 4.8

Holders of Banksalls C.1780

Name	Held Bank sall for years	Rent (Pags/Month)	Remarks
Tombiapah	16	50 Pags/M	Douglas sees him as Chief Instigator
Causee Cammiah	10	26	.
Pellippola Bagwanloo	8	33	He let it out.
Wootagiri Ravaniah	10	19	
Mundre Badia	10	13	
Noona Kistniah	10	20	
Oysool Chittannah	15	-	Lets it out.
Oysool Vissannah	7	-	Lets it out.
Permaloo Jagannaikloo	-	14	
Senhor Topander			(Rented out at 100 pag a year to 150 pags
Parier			a year)
Neelunnua Cashu Ram	-		
Mansood, Moosaiiyah	Insolvents		
Thotically Arumugam	-		Has no bank sall but grain trader-turn- over 400 pags. month

Source: PDC 17.12.1779

TABLE - 4.9
Gains for Pondicherry in 1748

Territory Acquired	Annual Revenue in Rs.
Near Pondicherry	96,000
Karaikkal	1,06,000
Masulipatnam	1,44,000
	----- 2,46,000 or 43,250
Northern Circars	42,33,000 or 7,96,960
	----- 45,33,000
Other gains	50,000 to troops
(War expenses reimbursed	50,000 to French EIC).

Source: Milburn I, p.392.

trading practices particularly at Pondicherry and Tranquebar which functioned as the headquarters of the French and Danish Companies respectively. The hub of French activities on the Coromondal Coast was Pondicherry with Yanam and Karaikkal functioning as collection points in the North and South for piece goods cargoes for Europe. Pondicherry's commercial activities were closely connected to its political fortunes, particularly in our period. The port city had been a flourishing trade centre before 1751. But the decline of political fortunes led to its sinking into commercial obscurity.²⁰

TABLE - 4.10

Territories of European Companies in India with the Annual Revenues
Therefrom 1754

French	Revenue Rs.	English	Revenue Rs.
Karaikkal	96,000	Jaghir	8,00,000
Pondicherry	1,05,000		or = 1,00,000
Desicottah and Condavir	14,41,000		
Eluru, Mustaphanagar Rajamundry, Chicacle	31,00,000		
Areas in Cartatic	17,00,000		
Srirangam	4,00,000		
	68,42,000		
	or £ 8,55,250		

Source: Milburn, Vol.I, p.393.

TABLE - 4.11

Population of Pondicherry

Year	Estimated Population	Source
1751-53	80000	Racine 1972, p.32
1761	2000	Racine 1972, p.35
1769	60000	Racine 1972, p.36
(Estimate of Le Gentil astronomer)		
1777	28000	Racine 1972, p.37
1796	2000	Racine 1972, p.40

Source: Racine , 1972

4.3.2 Pondicherry began attracting Indian traders and weavers in the early 18th century, when Francois Martin was its Governor. Ranga Pillai's father, for instance, migrated to Pondicherry at that time. The French East India Company had entered the field as late as 1710 and functioned under much closer home Governmental supervision than any other contemporary trading companies (Racine, 1972). There was some difficulty in gathering the bullion required for purchase of cargos from the East. This again was a problem faced by all European traders in the region in the view of the demand in the Asian markets for commodities manufactured in Europe. The Dutch example of resorting to the use of force to wrest control over Asian trade seemed the eminently successful policy in the mid eighteenth century.²¹

4.3.3 In 1744, it was learnt in India that Britain and France were at war with each other.²² Though initially there was consensus among the various European traders to maintain peace, La Bourdonnais heading a French naval squadron, arrived on the Coast to find Madras town practically undefended and Madras town was taken by him in September 1746; it was under French control till the end of this war. The British attempt to take Pondicherry in 1748 did not succeed and this further strengthened French prestige in the Carnatic. Dupliex found that local authorities like

Anwaruddin, the Nawab of Arcot, could be flouted with impunity and that war was lucrative to the victor.²³ Dupliex continued military and diplomatic interference in local political disputes even after cessation of hostilities with the English in Europe, resulting in the immediate improvement of the French financial position. The costs of the military adventures were to be borne by their Indian proteges and the French were copiously rewarded by their grateful allies.²⁴

4.3.4. The complex relationship between the French and Indian communities comes out vividly in the Dubash Ananda Ranga Pillai's Diaries.²⁵ The Eurasian community, in places like Pondicherry and Madras, were well integrated with the European rulers mainly by religion. Their insights into the working of Indian Society were of use to the Europeans. However, the multi-tiered Indian Society was not well understood by the Europeans and they relied on dubashes like Ranga Pillai. Ranga Pillai described the trading and commercial activity of his day in some detail. Indians including Ranga Pillai, and Hanarajaya Mudali owned sailing vessels. The volume of trade handled by them cannot be clearly assessed but the pattern is known. Cloth was procured from weaving centres in North Arcot, Chengleput and South Arcot districts. The process involved placing of an order for

the cloth atleast six months in advance with the weavers by supplying the raw materials - Cotton, yarn, dyes etc. The woven cloth was brought to Pondicherry in bullock carts where it was washed bleached and ironed as necessary. Situated in the heart of an indigo growing tract, Pondicherry's blue cloth was renowned. The broad categories of cloth were thus rough white and blue cloth; finer varieties like muslins and organdies besides coloured cloth made of weaving various coloured threads and painted cloth printed with wooden block designs or hand drawn and coloured with vegetable dyes. The French officials provided the samples and designs besides fixing quantities of various cloth to be procured. The goods required were thus collected through a chain of collecting agents, brokers and middlemen in readiness for a Europe ship. The same system procured goods for the trade of individuals as well. Most Company servants had their private trading interests. Ranga Pillai, and before him his father, had been the agents for M. Vincent, Madame Duplex's first husband and Duplex's close ally. He was also Duplex's agent and their differences over some transactions soured their relations at the time of Duplex's departure from India. There were of course several such agents or dubashes operating at Pondicherry for European private traders. Like the British country traders the French also traded in commodities for local consumption like grain, salt, raw cotton and yarn. The

Indian merchant community at Pondicherry was also very active and involved both in the Coastal trade and trade across the Bay of Bengal with the Malay Archipelago. Articles brought in from the East Indies included white sugar, tutenague, camphor, mercury, Chinese silk and porcelain, pepper, spices, redwood, wax, incense, lead, tin, mercury and tobacco.

4.3.5 While commercial transactions dominated the Ranga Pillai diaries in the early phase (pre-1745) when he himself was involved in trade, we find a great deal of detail on the shifting political relationships after 1745. There are several instances of political powers seeking the aid of French in their military undertakings. They lent money to French at low or nil interest, granted them port - towns and adjoining areas and allowed duty exemptions.⁴⁹ But this strengthening of the trend towards politicisation of commerce led ultimately to the political ascendancy of the British. In 1751, the tide turned against the French with the assassination of their protege, Muzaffar Jung, in the Deccan, and their ally Chanda Saheb. Duplex looked for material and moral support from home, but was sadly let down when he was recalled in 1753. Duplex's successors were clearly instructed to avoid entanglement in local politics and to contain military expenditure. The city of Pondicherry was

destroyed almost completely and the resettlement efforts were completed by 1756. The continuing warfare in the Carnatic sent waves of refugees to the town in 1767 and 1768. Their activity was mainly the traditional Indian commerce as the activities of the French EIC had declined rapidly after the French Company was finally wound up in 1769 (see Table 4.11). Some French traders however continued their individual trade from the region. Moracin who became the agent of the new French EIC founded in 1785, was active in Pondicherry as an agent for Danish trade. Similarly Mauvaise was the French private trader at Madepollam who collected North Coromandel cargos for the Danes. The end of the company signalled the era of free trade to France. But the opportunities provided did not lead to a rise in the French trade from Pondicherry as there was neither the capital nor the organisation in Pondicherry to sustain such trade. Besides this, the near continuous state of war between England and France had its impact. The country trade by the time was moving into British hands and the French were often collaborators in the clandestine activities of the British traders, aiding them especially in shifting their goods to Europe under French colours. This activity gained further momentum after 1778. Pondicherry again had to face hostilities when France decided to support the Americans in the war of independence in 1778. Pondicherry was besieged and fell into British hands in

October 1778. After the peace of 1783, Pondicherry was restored to the French and rebuilt by 1785. Pondicherry was then placed under the Ile of France (Mauritius) and was no longer the political capital of French dominions in India. This could mark the point when its nadir was reached, the subsequent period leading to a revival in some ways (Racine, 1972).

TABLE - 4.11

Average Profit of the French EIC Company for 1724-1743 on its Eastern Trade (Including Mauritius, India and China)

Sl. No.	Receipts on the Capture of Gingee in 1750	Rs.
1.	Share of Nazeer Jungs treasure received	5,00,000
2.	Charges for troops	4,00,000
3.	Revenue from land grants (Granted to Dupliex)	1,00,000

		10,00,000

	(1 Re = 2.5 to 3 portonovo pags) Equivalently	30,00,000

Source: Racine, 1972,p31

4.3.7 1785 saw the establishment of yet another French East India Company, due to the initiative of Calonne, a minister of King Louis XVI. The company had some advantages - it did not carry any of the legacies of the past and under the agent of the company M.Moracin at Pondicherry there was a revival of trade. Moracin had the resourcefulness to find both the capital for his investments and the export goods by collaborating with the British private interests. The British East India Company realising that its servants were remitting fortunes to England through the medium of bills of other European companies had strictly forbidden such purchases by its servants. Thus British Company servants who had with them resources to be sent home could use opportunities provided by the French Danes etc. only clandestinely. Moracin devised ingenious ways to meet the needs of his English Clients. His bills were drawn not on the French East India Company but on the house of Sabatier and Desprey in London. When his superiors forbade this, his bills continued to be drawn on London with the added initials (CP) CN. This he interpreted as "Compte Nouveau" to the British Purchasers and "Company" (Co) to his superiors to make them believe that they were Company's transactions. These were known as Moracin's private bills. In addition to this Moracin also arranged for cover for piece goods sent to Europe by private traders breaking

British EIC's monopoly. In 1787 the French company in a bid to increase of sale of their bills began to offer 2s 1d for a rupees as against the prevailing rate of 2s to a rupee. Well known personages who made use of these channels to remit money home included William Petrie, Alexander Brodie, Paul Benfield, James Wolley and Col. W. Fuelarton, Moracin operated through agency houses like Balfour and Spalding and Francis Latour as well. Moracin also arranged "cover" for clandestine voyages and sold cloth in Europe on behalf of Call, Ewing and Hyppisley besides some Portuguese firms.³⁷ In the period April 1785 to March 1790 bills for 757177 were presented to the French EIC for payment in London of which 600926 was from Pondicherry.³⁸ This was also a period of an increasing number of interlopers based at Ile De France who preyed on the company's Europe ships from Africa to China. While they may not have gained much by their forays, they did threaten British interests enough to prompt greater British naval presence on these seas.³⁹ Pondicherry was again under British authority from 1793-1816. It was seen by them as a possession which would have to be returned to the French at some point in the future. There were therefore no attempts to strengthen it commercially. A census in 1796 showed that most people had left the place and the population was scarcely 2000. There was however a recovery of sorts and an increase

in the Indian trading activity in the ports besides British private trade.

4.3.8 With the renewal of charter of the British EIC in 1793 and the concept of privilege trade, private British traders achieved greater legitimacy and found less use of clandestine voyages. The Danes with their neutrality were also fitting out similar voyages and their ventures were less prone to risks of war. So they were preferred during 1793-1813 as Britain and France were at war in this period. With the charter of 1813, there was no EIC monopoly and the need for subterfuge as well as volume of profits to be repatriated declined. The Asiatic company had its fort at Tranquebar, a little to the North of Karaikal. Danish trade however was much smaller in volume compared to British or French trade. Their military capability also was strictly limited. Even their fire-arms had few takers because of dubious performance.³⁰ The Asiatic company relied on established Indian suppliers upto the mid seventies like the British at Madras. Gradually however, the network of European private traders in the region began to supply all the textile needs of the Asiatic company trade. As Danish Government had allowed free trade from 1772 itself the British private traders began to use the Danish port of Copenhagen, arranging the guise of Danish nationality for their shipping.³¹ Important suppliers for the Danes were English Civil servants

like Richard Lathom at Masulipatnam, Charles Desavoux and Edward Monckton at Madras, besides Francis Jourdan, Gowan Harrop, Stevenson and George Smith. The relationship with the Danes was particularly convenient for the English. As the French and English were generally at war they could not risk collaborating with the enemy. The Danes however were neutral throughout this period and their shipping was safe both from the French and the English navies and English private traders organised several private voyages under Danish colours. Further the Danish company financed its purchases by the issue of bills on London, like the French company. These bills were convenient channels of remittance for Englishmen. Danish export trade from the Coromandel region thus began to place exclusive reliance on the British private trading networks both for capital and the traded commodity. This led to its ultimate decline when British private trade gathered sufficient strength and had no longer any use for the cover of the Danish flag and the English (Feldbaer, p.185).

4.4.0 Conclusion

The methods of the EIC in their commercial dealings and the systematic patronage of British private interests during 1757-1800 are demonstrated from the records of EIC. In their operations for procuring exports in piece goods, the

role of Indian suppliers were marginalised after 1770. The efforts to establish direct links with the weavers by switching over to the aumani system proved profitable to the British private interests and detrimental both to the weavers and the EIC. In the case of other commodities like grain and cotton the company preference for dealing with British suppliers is manifest in the records particularly after 1770. The effect of these dealings was again the elbowing out of Indian traders. There was also a domestic price rise, particularly in Madras as result of these activities, and the prices of manufactured cloth rose steeply between 1780 and 1798. The British private interests provided the capital for and thus controlled the activities of the French and Danish Companies in the Coromandel. This undermined the long established relationship of French and Danes with Indian suppliers and led to their being swallowed up by the British private trade by 1800.

Notes

1. For a comparison of the contract and direct systems of procurement see Publication Department, Sundries, Vol.138A, 1799. For an early discussion on balances due from suppliers see PDC did. 6th May 1761. Such discussion occur often particularly in PDC 1769 to 1771. See also note 2 below:
2. The details of contracts finalised appear in the following records:

Contracts Year	Source
1763-64	PDC. 18.1.1763
1764-65	" " " 06.1.1764
1765-66 & 1766-67	" " " 05.2.1765 (investments decentralised)

Actual received in 1765-76 - Pub.Dep.Cons. 17.3.1766.
 Delays in deliveries for 1766 - Pub.Dep.Cons. 29.1.1767
 Actually secured for 1767 -
 PDC. 30.3.1767

1767-68 PDC. 4.04.1767

1768-69 PDC. 28.4.1768.

Reasons for short supplies are discussed in detail in Pub. Dep. Cons dated 17th March 1766 and 30th March 1767 and PDC 4th April 1768.

3. Public Department Consultations (PDC) dated 3.1.1764
4. PDC 18.1.1763
5. PDC 6.1.1764
6. PDC 7.1.1761
7. PDC 19.5.1769 for example. References are many during 1769, 1770.

8. PDC 18.1.1763
9. Public Sundries Volume 15, 1767.
10. See Jourdan/Dowsett letters in MCR XII(a) Vol.8, 1769. Also para 5.2.5 below
11. Cuddalore Consultations, 1768-72. See Dasgupta. A, Bengal Past and Present, Vol.75, p.26-41.
12. PDC 10.5.1772 & 15.2.1773
13. Mayor's Courts Records XII (a) vol2, letter dtd.6.5.1767
Letter Books of Francies Jourdan (see Chapter V below)
14. Public Sundries Vol.138A, 1798
15. PDC 10.7.1778
16. PDC 13.1.1778
17. PDC 3.12.1779, 17.12.1779
18. PDC 26.1.1780
19. PDC 16.3.1780
20. The ups and downs in the City's life history are reflected in the details on the town's populations during this period (see Table 4.11).
21. Dupleix for one was advocating development of country trade as early as 1724 (H. Furber 1981, p.149-150). Dupleix's private trading interests were uppermost with him. When he was dismissed from the company's service for corrupt practices as super-cargo of one of the Company's China ships in 1724, he preferred to stay on in Pondicherry. He used his leisure to write a memoir which shows that his interests were concentrated on the development of the country trade as the only solution for the Company's difficulties in raising funds for the purchase of Indian goods. When Dupleix became the Governor of Pondicherry in January 1742, it was the same philosophy that he extended when the opportunity presented itself. As an extension of the Dutch policy of capturing political power, Dupleix believed that capture of territory would yield land revenue as well as monopoly over that territory's trade. This could in turn

- be used to cover the costs of the establishments (Furber 1981, 149-150).
22. War of Austrian succession 1743-1748
 23. J.L.Racine, 1972, p.26-27.
He had gained for the French EIC nearly 5 million livre in revenue.
 24. It is, however, clear that the prosperity of Pondicherry in their phase was more due to its political and military adventures than its commercial activity. (see Table 4.10 and 4.12).
 25. Diaries of Andra Ranga Pillai. Volume I to XII Ed.F G Price and H Dodwell. Madras 1913-1924.
 26. Mizushima 1986, p.330-337.
Mir Ghulam Hussain lent money to Chanda saheb in new of his alliance with French. The Raja of Sivaganga offered to lease or sell Tondi in return for French military protection. He further cites examples of local leaders switching allegiance to the victors with ease.
 27. Furber, H, 1951, p.48-54. The ingenuity of Moracin in using the code (CP) CN to suit two purposes is described in detail.
 28. Furber, H, 1951, p.50.
For the value of the coast goods sold in Orient see Chapter III.
 29. C Northcote Parkinson. Parkinson found these details so stirring that he wrote a "sea novel" set in this period.
 30. Feldbaek has studied the period in detail and these details are from his work.
 31. Feldbaek, p.21-24.

CHAPTER - V

BRITISH PRIVATE TRADING NETWORKS 1757-1800

5.0.0 INTRODUCTION

European traders who came to Asia in pursuit of commerce were easily drawn into the brisk maritime trade, which was already a feature of the Indian Ocean region. While some European companies like the Dutch in Batavia participated directly in this trade, other companies allowed their officials to take part in this "Country Trade", maintaining a tight control over their monopoly of exports to Europe. This is particularly true of the English EIC with its meagre resources¹. Such private trade was profitable and often complementary to the companies' procurement activities. The rapid transformation of the political status of the EIC in the Coromandel region during 1757-1800, served to boost this growing private trade. The pressures in Britain to open up Asian trade to all comers coincided with the favourable conditions already obtaining in India. These new realities were reflected in the changing nature of British private trade. A wellknit group of private traders emerged, spreading out to take on roles played by the Indian merchants in several spheres. They sought to corner textiles produced in the guise of dealing directly with the weavers.

Traditional Indian lines of trade in grain, cotton, yarn, tumber, chank, precious stones and pearl soon fell within the ambit of their operations. This trade went hand in hand with their official duties and pseudonyms such as the names of their dubashes were often resorted to. Camouflage became essential particularly after 1787 when the EIC began strictly enforcing the prohibitions against private trading by its officials. The enforcement of such prohibitions which had existed on paper since early times, reveals also the mounting conflict between private trade and the EIC's trade.

5.1.0 Independent European Residents in the Region

5.1.1 There were a good number of Europeans living in the region who were not EIC employees. The letters from such individuals recorded furnish a good deal of detail about their origins and activities.⁴ Of the 128-150 such residents in 1787, 25 listed themselves as merchants. Occupations of the respondents as well their original occupation for 107 individuals were furnished. Many ex-soldiers became merchants or shop-keepers after giving up military service due to ill-health or for other reasons. The unemployed persons usually hoped for some accommodation within the Company's Government and were often waiting for orders from home in this regard. Sea-men and merchants often combined

both activities and together they constituted the biggest portion of the population of independent Europeans in Madras. These were the individuals behind the private trade from the port of Madras (see Table 5.1).

TABLE - 5.1

Occupations of Independent Europeans in Madras in 1785

	Original Activity	Present Activity
Soldier	28	-
Seamen	21	13
Merchant	16	25
EIC servant	10	-
Other services*	12	18
Shop keeper	8	24
Miscellaneous**	12	14
Unemployed	-	13
	-----	-----
	107	107
	-----	-----

Note: Details are available only in these 107 letters.

* Includes services with Nawab of Arcot.

** Includes one painter and 3 attorneys.

Source: Public Dept. Sundries, Vol.41, 1787.

5.1.2 There was a steady growth in the number of free merchants in Madras. A list in 1759 mentioned 18 names as free merchants.² The number rises to 25 names in 1766³ and 30 names in 1770⁴. The list for 1774, including all settlements along the coast gives 35 names⁵. In 1795, the number of free traders in Madras was still about 30 (see Table 5.2). There is only one name common between 1760 and

TABLE - 5.2
Names of Merchants at Madras 1760-1795

1760-1770	1787	1795
John De Morgan (1710)	Andrew Ross (1753)	David Young
Thomas Savage (1740)	David Young (1768)	J.W.Saunders
George Mackay (1738)	T.Parkinson (1765)	Henry Hall
George Baker (1748)	Andrew Fergusson (1766)	Jno Hunter
Henry Powney	Fancis Lautour	T.Cuthbert
Thos Powney (1750)	Henry Dupuy (1770)	C.Darnton
Peter Downs (1750)	C.Wardlaw (1773)	Ed.Jones
Nicholas Morse (1753)	J.Amos (1774)	Hugh Jones
Andrew Ross (1753)	Charles Drake (1774)	H.Burnabay
Daniel Decastro (1753)	G.Davidson (1775)	Jn.Stephens
J.W.Turner (1754)	Robert Ewing (1776)	Frank Day
Francis Barnwell (1754)	Thomas Davis (1774)	William Hart
P.Mariette (1754)	John Tulloh (1778)	Henry Hall
Joseph Bosco (1755)	Charles Binny (1778)	R.Henderson
John Smith (1759)	Thos Andrews (1780)	J.Fraser
Francis Taylor	John Robson (1780)	Robert Abbott
Samuel Moses (1762)	Z.Polack (1777)	P.M.Cassin
Eliayes Moses (1764)	W.A.Gay (1781)	William Abbott
J.Berend (1764)	P.M.Cassin (1782)	J.Tullon
John Jolly (1764)	J.K.Lane (1785)	Richard Chase
Sykes (1764)	A.Stephen (1785)	W.Drug
John Perrin (1766)		W.Daly
Moses Decastro (1766)	P.Spencer (1784)	A.Cockburn
Source:	A.Cockburn (1786)	Jno Hamilton
PDC 31.12.1759	F.Colebet (1786)	Thomas Fanny
31.12.1766	William Moore (1785)	W.Lockell
31.12.1769	<u>At Other Centres</u>	E.Watts
31.12.1770	<u>Masulipatnam</u>	William Roebuck
	Daniel Palmer (1771)	
	John Jones (1782)	Source: PD.
	R.Middleton (1787)	Sundries
	<u>Ingeram</u>	54 and 55, 1795
	George Yates (1782)	
	<u>Ganjam</u>	
	James Daly (1783)	
	John Fannin (1770)	
	<u>Trichenopoly</u>	
	T.Laney	
	<u>Cuddalore</u>	
	Newman Lane (1782)	
	<u>Tuticorin</u>	
	Dowsett (1777)	
	<u>Negapatam</u>	
	James Christie (1784)	
	(Pub.Dep.Sundris 41, 1787)	

Note: The date in bracket is the date of their first residence at Madras (or Madras Presidency).

TABLE - 5.3

Number of Free Merchants Opening Business 1750-1787

Period	No. of free merchants
Before 1750	4
1750-1760	9
1761-1771	12
1771-1780	14
1781-1787	14

Source: Data in Table - 5.2.

1787 and only 2 names occur in 1787 as well as 1795. High mortality and business failures made these enterprises very risky. Only a rough estimate of the numbers of free merchants setting up their business is available (Table 5.3). The earliest free merchants outside Madras in the list are John Fannin at Ganjam (1770), and Daniel Palmer at Masulipatnam (1771). The spread of the trading networks is evidenced by the slow growth of the number of private traders at various other centres.

5.1.3 The tensions which permeated the relationship of these free merchants and the EIC officialdom are evident in the records. The free merchants were asked to sign fresh

covenants in 1773 and some of the conditions governing their residence in India were altered². Merchants of long standing like Andrew Ross and George Smith could not agree easily to the new terms. They found most objectionable some aspects that reveal the nature of control exercised on them by the company servants. The vesting of power with the Governor-in-council to deport a free merchant with one year's notice, the increase in the allowance paid by the free merchants to the EIC Agent from 1% to 2% and the difficulty in providing security of two persons for £2000 were the changes found most unpalatable, particularly because the unofficial commission paid was 2% and the official hike would push up the actual rate even higher. The free merchant was clearly allowed to operate at the will of the EIC Agents and was regularly fleeced by the Agents on all their imports. Their protests however did not gather much force as the free trade lobby was yet to take shape in Britain.

5.1.4 There were inherent insecurities in the situation of free merchants with their very existence in the region dependent on the patronage they enjoyed from the officials. A letter from Barnwell expressing his inability to furnish security describes his career. He was born in Madras, a son of Mdme Madeiros a lender to the Government of Madras in 1750's. He was married to Madame Dupleix's daughter and had

been of service to successive Governors at Madras (Pigot, Vansittart Palk, Ch Bouchier), and was living in retirement in 1773. Most of his friends in power of his younger days were removed by death. His earlier position of power and influence was thus undermined and he was left friendless with the changing scene.⁹

5.1.5 The private traders played a major role in managing the growing resources of the British Community in India¹⁰. Trader or merchant is a rather misleading name for the group. They participated in the country trade and intra Asian trade Clandestine European trade (infringing on the EIC's monopoly), invested in loans to local powers such as the Nawab of Arcot and Rajah of Tanjore. They also frequently acted as the agents of the Company officials, performing various sorts of commissions. Besides jobs like taking care of the personal needs of officers and their families, they often managed their financial affairs as well, receiving and selling goods on consignment basis from England. They took care of the debtors and creditors of individuals who left for England and served as trustees for the assets of the deceased. It was this kind of business which required them to arrange for remittances to Europe. [Dodwell, (1926) p125] Soon they were controlling these channels of remittances. The supply of capital available with the British Indian Community

generated the need for a service sector to manage that capital and the free merchants provided these services.

5.1.6 Englishmen in the region, though involved in commercial activity, were all eager to transfer their savings to the homeland and there were several options open to them. The legitimate and therefore safest option was to purchase bills on the EIC drawn on London. The Governor General in Calcutta was permitted to draw specified amounts to finance investments and the bills were payable 9 to 12 months from sight and the rate of discount was often as high as 20%. The drawbacks were the high cost and the transit time besides the limited availability of such bills even in Calcutta. Similar bills on London could be purchased from Canton also as the Company was finding it difficult to finance their increasing tea trade as no European goods could be sold in China and there were severe constraints on the volume of bullion that could be shipped. Shipments of textiles and other goods from India which found a ready market in China were encouraged and bills issued on the EIC in London for the value of these goods. Here again there were the problems of collecting suitable cargo for such ventures, in addition to the high cost (P.J. Marshall, 1976, p.220 et seq.).

5.1.7. Both these channels were highly visible in the sense that the identity of the remitter had to be declared. A civil

servant wishing to remit his profit from trade or local lending could not use these channels for fear of official scrutiny. A Company servant who wished to purchase bills on London from Canton thus depended on intermediaries who carried on private trade in this sector. Joint operations among traders became common in the 1750's and the 1760's and were the proto-types of the Agency Houses which came after 1770. Other European companies found that they could finance their trade by issuing bills on Europe and took advantage of this situation¹¹. Here again the private trader negotiated for the purchase of such bills on behalf of his principals. This ensured near anonymity for the buyer. The EIC was certainly aware of their continental competitors but could do little to remedy the situation. There were of course several other discreet and ingenious methods of effecting remittances. Diamonds were found to be a convenient and safe means. Willian Bolts at Benares "had established a new channel on his own from Panna and Chudderpore" (Hallaward N.L, 1907). John Deshamps later known as John Chamier, a Madras civil servant, was Robert Clive's agent to purchase diamonds. Madras with its proximity to Golconda was considered the best place to purchase diamonds. Private traders acted as intermediaries in such transactions; their network provided them information as to the availability of

goods in demand. They rendered a crucial service to their compatriots and their activities thus received official support at all times.

5.2.0 Careers of some Private Traders

5.2.1 The private trading networks built up in the region were based on an intricate mesh of official and personal contacts developed over the years. The private traders were usually in the service of the EIC and their interest in private trade began with their very arrival in Asia. The postings to various centres outside the seat of Government enabled them to establish contacts with others in the service as well as Indian merchants and producers in those centres. A few ships were bought and local networks established. With the advancement in career came powerful posts where they could often find fresh opportunities for cornering profits. The official position was useful in ensuring safety and profitability of their commercial ventures. There were also several pitfalls -excessive use of forces and indiscreet involvement in trade jeopardised their careers. Losses in trade were common and the risk of an untimely death was ever present. The Mayor Court Records (MCR) at the Tamil Nadu State archives provide a unique record of the trading activities of British private traders in Madras. The letter books of one particular trader, Francis Jourdan, cover in detail his activities in the period 1767-1785¹².

5.2.2 The first letter book commences in February 1867 and evidences the brisk trade carried on by Francis Jourdan based at Madras in association with Quinten Crawford at Masulipatnam, Thomas Dowsett at Cuddalore, Robert Holford at Nagapatnam, besides Madras based civil servants like Edward Monckton, Paul Benfield and seamen like Robert Crawford, brother of Q.Crawford, and Gowan Harrop.¹³ Many of these associations were formed during the Jourdan's voyage to Manilla as part of the Manilla expedition in 1762-64. Q.Crawford was the Resident at Manilla in March 1764, and William Stevenson and Jourdan were together on the ship 'Revenge'¹⁴. The country trading vessel "Four Friends" was bought in 1767 and the owners were Jourdan, Paul Benfield, Q Crawford and Edward Monckton. It was probably built at Calcutta or Masulipatnam with a dead weight of 300 tons and was bought for 32000 Current Rupees. This was apparently the first vessel solely managed by Jourdan and is an example of Joint Stock operation by 4 traders common before the rise of the Agency Houses. The first captain of the vessel was Robert Holford who settled down in Nagapattinam (Nagore) in 1768. Cathcart, and Gibson were captains there after. His agents in Calcutta, Russel and R Crawford purchased "Buckinghamshire" on behalf of Jourdan and Q Crawford in

March 1767. The vessel was renamed "Indian Trader" and was operated from Masulipatnam by Q Crawford.

5.2.3. The voyages of these ships were planned in detail and it was arranged to procure suitable cargoes well in advance. Jourdan's location in Madras gave him access to information on the demand, availability and prices of various commodities at ports along the Coromandel Coast as well as in the Straits of Malacca and ports further east. He carefully weighed prospects and planned a voyage to Batavia in 1767. He indicated to Q Crawford the specific quantity and the type of textiles he was to get ready while also informing him of the goods he would get ready. He planned for a return cargo of arrack, sugar candy, and Camphor from Batavia besides pepper alum and tutenague which would constitute the heavy or gruff cargo so necessary as ballast for the sailing vessels. It was planned that the ship would return along the Western Coast of Sumatra touching Bencoolen and other northern ports on the way. A profit of 25% was anticipated. On the ship's return Jourdan planned for a voyage to the Persian Gulf and began collecting a suitable cargo for that market. This again was a route not much favoured by the private traders. Jourdan was at least rediscovering the value of these routes to private traders with these voyages. Jourdan seems to have been the active manager for these voyages with Crawford

acting as per his instructions. Benfield and Monckton do not seem to have interfered with the details of organising these voyages, which were organised presumably on the same lines as other such trading ventures.¹⁵ However, Jourdan's destinations were atypical and he is credited with having reopened the trade to Kedah and Aceh after a gap of 20-30 years (Bassett, 1990). This early phase of Jourdan's trading activities was thus a period establishing his network. He built up a network on the Coromandel coast using his contacts and friendship built up in the voyages he made in the Far East. He also used his experience in the Far East opening up routes which were not very popular with the British traders of the period.

5.2.4 The "Indian Trader's" first voyage to Aceh and Kedah was organised in 1767. It came after a long break in the British contacts with the area and was a mixture of military, commercial and political initiatives. The captain was Gowan Harrop and the ship ran into heavy fighting in Aceh. Harrop landed his Cargo with a Moor agent and went away to Riu. As the fighting worsened the agent loaded the goods on the King's boat and moved off-shore, only to be plundered by the French Pirates¹⁶. The Madras Government wrote to the French at Pondicherry regarding this incident in January 1768¹⁷. The owners of the 'Indian Trader' were listed as John Call, P

Benfield, Johnson, Goodlad, Francis Jourdan, John Levin Smith, Henry Brooke, Q Crawford, Edward Monckton and Gowan Harrop. These owners claimed that the cargo of the Indian Trader lost at Aceh, composed of rawsilk, dammer, beetlenut, and brown cloth was in Pondicherry and appealed to the French Government for help. This was turned down by the Pondicherry Government in 1769. Jourdan and his associates were still attempting to bring pressure on the French through Admiral Harland in 1771¹⁸. The voyage, however, secured other benefits for Jourdan and his associates in terms of special privileges that were granted them by the King of Aceh. The consideration for this must have been Danish guns to be delivered from Tranquebar. The entire episode illustrates the methods of the private trader - there was heavy reliance on political support. Jourdan relied on the backing of the king of Kedah in the Straits and the EIC on the Coromandel to push his clandestine wares (like Danish armaments). The reverse did not discourage Jourdan's plan for a second voyage¹⁹. As the agent for the Calcutta ship "Minerva" at Madras, he used it in this new trade with Gowan Harrop as captain.²⁰ In addition to 'Indian Trader' it was to go to Riu and Ed Stevenson and Gibson were agents for Jourdan who could speak Malay. The 2 ships were deployed on the same route to reap the benefits of special privileges enjoyed by Jourdan's associates. The success of these voyages brought complaints

from other European traders and finally led to the posting of Monckton and Desveaux to Aceh to establish a commercial residence in 1771²¹. Thus the monopolistic privileges did not last for long due to the competition from other private English traders who used their influence at Madras to cut away Jourdan's special advantages. Jourdan was perhaps not surprised by these developments and was ready with his next new line. His search for a medium sized ship of about 600 tons led him to charter "Madras Merchant" from Charles Bonchier at Rs.3000 p.m. This ship was deployed on a voyage to Persia in March 1768.

5.2.5 After four years in the east Jourdan was unwilling to consider a move out of Madras, "For I am situated much to my liking. I have the management of the Minerva and with it Manila Trade with a concern of 20000 pagodas. I like many in Madras but there are a few would choose to leave my business with. I trade in a considerable sum of money".²² 1769 however, did not prove to be an entirely successful year for Jourdan leading him to lament that 'Madras is not what it was'.²³ The merchant community at Calcutta experienced much distress owing to a famine in 1770 and there were a large number of failures. Dowsett, Jourdan's agent at Cuddalore, was declared bankrupt and Jourdan had to manage his affairs. Robert Crawford, his agent at Calcutta, resettled in Malabar

and Jourdan appointed Anthony Goodlad as his agent in Calcutta. Goodlad proved uninterested in this work and David Killican became his next agent²⁴. He was also concerned about the encashability of the Nawab's Bonds and sought specific instructions from his principals regarding their surrender in 1769.

5.2.6 The range of Jourdan's associations which sustained his activities reveals a pattern which was perhaps common to private traders of his times. The capital was provided by the profits of political adventurers like Paul Benfield, John Call, J. Levin Smith who were all successful Revenue Farmers. They invested a part of their gains in the trading activities of merchants like Jourdan while awaiting suitable opportunities to transfer their wealth to England. Official colleagues along the coast provided the cargoes like piece goods for his voyages. Q. Crawford, and Edward Monckton were his colleagues.²⁵ The sea men were another important group on whom the private traders relied as they ultimately made the decisions of sale purchase in a foreign port besides providing vital information on the demand and supply conditions overseas. The sea men themselves seem to have preferred to settle down on land on accumulating a sufficient capital and continued their trading activity²⁶. There is less information on the Indian merchants who were Jourdan's

associates. Irasappa Chetty of Cuddalore lent small sums to Jourdan. The sums indicate that they were part of the routine trade, covering sales or purchases which could be adjusted with a delay due to the problems of effecting remittances with rather slow transport and communication facilities. They are far less than the sums lent by Benfield or Levinsmith and help us to confirm that such large sums were long term investments with such traders²⁷. His business associations in Calcutta appear to have extended to several other merchants like Call, Hay, Russel and even the notorious William Bolts.

5.2.7 These activities constituted the initial phase of Francis Jourdan's career as a private trader. As a Junior employee of the Company he was sent out of Madras to Manilla in 1762, to Cuddalore in 1764 and then returned to Madras. The tempo of his activities gathered momentum during 1767-1769 with the acquisition of 3 ships. His contacts at various points along the Coast and knowledge of markets of South East Asia led to his reestablishing trading links deemed lost for a few decades. He gained the trust of the big operators like John Call, Paul Benfield and J L Smith and their capital was invested in his ventures. It was perhaps this which brought for his ventures a level of administrative backing from the EIC. In Jourdan's activities we see the network of British and other European traders acting cohesively to explore 'new'

markets. These were markets hitherto outside the range of European private trade, but solely the preserve of Indian merchants. These European private traders operating chiefly with British private capital took up lines of commerce not dealt in by Europeans for some years at least. Thus Jourdan traded in guns, opium, lac, and other goods, besides textiles.

5.3.0 Jourdan's Prime (1770-1775)

5.3.1 Jourdan's rise in the EIC's Madras hierarchy saw him gaining influence and using it in various ways.²⁸ As commissary General in February 1770, Jourdan obtained a monopoly for chank farming in the Maravar country (South of Tanjore) for five years. He had great difficulty in pinning down the Nawab to set down this grant in writing. His agents also proved incompetent and let slip through their hands the first catch of 40000 chanks for the season. The circumstances induced him to lament "How seldom do we find a native to resist a bribe. Indeed were we to carry the reflection further we might say how rare an instance it is estimated among our own country men"²⁹. Arrack and timber were the main commodities he dealt in during 1770. His chank monopoly did not prove easy to manage and he was duped by his agent Johnson in 1773. He also found that R Holford was able to

effectively control the trade and did not want to allow Jourdan into it. Chank farming which had not earlier interested Europeans was firmly in their hands by 1775. Many opportunities for quick profit arose from his involvement in transferring money to various places in the Presidency³⁰. These opportunities sprang from his position of power in the EIC Government and not from his trading acumen.

5.3.2 He was also increasingly involved in arranging remittances of private fortunes to England. In February 1771, for instance, he arranged for remitting 10000 pagodas by way of Manilla for Q Crawford and hoped to remit 4000 or 5000 more via China. His contacts with Harrop, Stevenson and Holford enabled him to arrange purchase of Dutch or Danish bills on England but he could not predict how much would be available in any given season. He recommended remitting through China where his agent Mr. Gordon would choose the best means available. Gradually the practice of trading cargo on respondentia was going down and Danes and Swedes issued bills at 1 penny more than the English.³¹

5.3.3 In March 1772, he made preparations to move to Masulipatnam. He asked Benfield to pay him cash to enable him to settle some debts. He was fearful that operations against the Maravars would affect chank farming, and sought for confirmation of his monopoly rights by the Nawab. Soon after

he joined at Masulipatnam there was a threat of his being shifted to Balanbangan and the matter was resolved with Anthony Sadlier agreeing to go. He found himself at loggerheads with his chief, Palmer, whom he saw as a junior placed above him. He seems to have had regular commercial dealings with Sadlier around this time but their association did not last long.³² He was actively supplying cloth for French, Dutch as well as Danes. He returned to Madras in 1774 and got a seat in the council.

5.3.4 As member of the council he was aware of the happenings in all corners of the Presidency and his instinct for finding avenues to make quick profits must have helped him utilise his information. He was also generous in keeping friends informed about any developments with some bearing on them. He passed word to Sadlier regarding the reactions in Council to his representations; sometimes he had to communicate unpalatable information also³³. It was in 1774 that his brother Ed Jourdan joined the Company's service and with the leave of the EIC took up command of 300 to 400 black horseman for the Nawab of Arcot.

5.3.5 Between 1770-74 Jourdan continued his trading activity exporting textiles or procuring them for other exporters while importing arrack, and timber. His voyages to Batavia

and Straits of Malacca continued, but by 1771 the Government was examining prospects of trade in the Straits. His new interests sprang from his close proximity to political power. His associates continued to be his colleagues but he found their exploitative methods obnoxious.³⁴ Jourdan's job and his connections placed him in a position where he was deeply involved in arranging remittances to Europe, often by clandestine means. He was, on the one hand, well connected with Benfield and his coterie around the Nawab of Arcot. (Nightingale 1985, p.218, 228). He was closely connected with the French and the Danes and used the channels for remittance. His knowledge and links with the textile and other producers in the region made him a useful collaborator for these traders. His management of the Minerva continued during this phase also and he explored new routes in the Persian Gulf³⁵. This may be termed the mature phase of Jourdan's activities. With his growing reputation as a reliable man of business, he found himself entrusted with the management of large sums representing the private accumulations of his country-men. This involved him deeply in the arrangement of transfer of wealth to England. Trade to China, supply of textiles to French and Danes as well as trade in diamonds and the purchase of bills on Europe were all part of his activities in this phase. He continued to be a trusted ally of Benfield and John Levin Smith. His agents

in London were Charles Bouchier and Anthony Jourdan. He described diamonds he could obtain for them and asked for specific types of coral. In the beginning of 1776, he wrote to friends in London that Lord Pigot's appointments "gives general satisfaction".

5.4.0 Jourdan's last years 1776-1784

5.4.1 The years 1776-77 were certainly most dramatic for Jourdan as well as for the English community at Madras. It is unfortunate that Jourdan's letter books for this period have not been traceable at the Tamil Nadu State Archives though listed in the catalogue. It is however possible to piece together Jourdan's activities from other scraps of evidence. Jourdan was a close and long standing associate of Benfield besides holding a considerable quantity of Nawab of Arcot's bonds. As early as March 1768, he was uneasy about the financial position of the Nawab³⁴, Though he was able to secure privileges besides a lucrative post for his brother from the Nawab, many like him saw Tanjore Revenues as the only hope that the Nawab had of meeting his obligations and thus supported the Nawab's aggression against Tanjore. Pigot's attempts to restore Tanjore to the Rajah were unwelcome to the whole community which held Nawabs bonds³⁵, In the Council Jourdan, was one of the first to take a clear stand against Pigot and recorded a dissenting note in March

1776. Lord Pigot took Jourdan and Dalrymple with him to Tanjore in March 1776 when he went to reinstate the Rajah. In June, Jourdan openly took up Benfield's cause in the council. (Ramaswami 1987, p.296). Pigot was arrested by the council in August 1776 and died in May 1777. Though Bengal supported the council members, London roundly condemned these goingson and suspended all the members of the Council. Benfield and George Stratton moved to London to pursue their cause while Jourdan and others like him continued in Madras.

5.4.2 This state of confusion affected trade, and Jourdan who had earlier hoped to return home in 1775 found it impossible to leave. He was unable to settle his accounts because of large dues from Benfield and Call and wanted to go to England at least to recover his money. Despite his efforts from 1778 onwards, he could never bring his affairs to a point where he could safely go home. He had dues amounting to 3 lac pagodas of which he had received only 1.29 lac pagodas by July 1778. He represented that he be allowed to stay³⁸. He continued in Madras active in the remittance trade particularly through Danish Channels³⁹. Holford was active in promoting voyages to Europe. Jourdan had some interest in Holford's Europe trade around 1780⁴⁰. There is evidence of these connections when in 1780, Danish Company's cloth shipments were delayed because of delays by Jourdan and Stevenson in supplying

cloth. "Minerva" was first used for a private expedition to Denmark under Danish flag during 1777 and was backed by De Conink, the famous Copenhagen merchant and this association continued for long. All this would go to indicate that Jourdan led an active and fruitful life even after the end of his career in the EIC service. But his letters in the last phase are touched with bitterness that his trusted allies had let him down and he was clearly aware that he was not in the same league as Benfield⁴¹. For Jourdan, his political decisions in 1775-1776 proved to be unfavourable and his business suffered as a result. He found himself pushed deeper into clandestine and quasi-legal activities, in this last phase of his life. The Danish and French traders provided opportunities for clandestine European trade and Jourdan was deeply involved in it. His net assets were deemed to be 45000 pagodas. His associates in this period were chiefly the Danes like Abbestie, M Le Baume, and Stevenson. He traded in Saltpetre and took up military contracts for supply of gun carriages which he found very demanding⁴². He died without fulfilling his ambition of returning home with a modest fortune of say £ 50000 which his friends advised him was necessary before returning to England.

5.5.0 Other Private Traders

5.5.1 Letter books of some other traders have also been preserved allowing us a peep into events upto 1800, even though they are not continuous like Jourdan's. The details reveal almost a similar pattern in the working of these private trading networks. Early contacts built up in an individual's career helped in setting up elaborate networks. There was tough competition among these traders, and groups were often set against each other. They were drawn into many traditionally Indian lines of trade - for example, there was stiff competition between private English traders for betelnet contracts⁴³. Political and official power continued to be a dominant factor.

5.5.2 Benjamin Roebuck was a man of considerable influence and standing. Coming to Madras as a writer in 1776, he became factor in 1782, senior merchant in 1790, deputy military store keeper in 1791 and civil and Military paymaster general from 1792 onwards. He became Assay Master at the mint in 1801 and was with the mint up to 1809, becoming mint master in that year. He died in Vizag in 1809. He contributed to the on going debate on the currency and the finance in the Presidency in the 1800's. Roebuck was also a major private trader, a little after Jourdan's time. His activities indicate that in the period 1787-1798, the main

areas of private trade lay in taking up contracts from government eg. like salt contracts. The profits lay mainly in dubious investments like the Nawab's bonds. There were many spurious bonds in circulation and these merchants spent much time and effort in ensuring the safety of their bonds as well as those of others for whom they were agents. Roebuck's activities were cloaked in secrecy. He continued to be active upto his death in 1809⁴⁴. His letter book began in 1787. Roebuck contrived ways to aid civil servants to carry on their country trade despite the undertaking required of them⁴⁵. In September 1787, he was appointed president of a very troublesome and laborious committee of army pay, and appears to have enjoyed the confidence of his superiors. Though closely associated with Benfield, Latour, Tulloh besides Abbott and Maitland, he was anxious to disguise his activities. He appears to have had interest in revenue farming as well as rights over the Southern division of Carnatic. He stretched his capital as far as it would go by obtaining cloth from associates like Cochrane on a commission basis instead of by advancing money. Cochrane deemed a commission of 15% as his due while Roebuck offered 10%. Roebuck was disillusioned by Cochrane's wavering and unsteadiness and found him unreliable. Roebuck's letters to Europe are much less guarded than Jourdan's. He was deeply

involved in collecting dues from the Nawab of Arcot for various principals; Abbott, Maitland and Mitford were his close allies. He appears to have been a skilful negotiator and this seems to have been his strong point both in his career and his business life. He also acted for Benfield after the latter's return to England but found him untrustworthy and complained that Benfield had not used the influence at Home to help Roebuck in Madras. Trade was low in 1798, but Roebuck proudly described the efforts of the merchant community in raising resources against Tippu.⁴⁶

5.5.3 There is also a letter book of 1799 to 1801 containing business letter of the firm Roebuck, Abbott and Maitland. Roebuck was clearly a man of business now and Abbott and Maitland were his junior partners. They were involved in salt trade from Masulipatnam and liquor trade besides timber and rice transport. Their associates include John Reid (Masulipatnam), Alexander Farquhar and Alexander Adamson (Bombay) Woodcock, Davison, Connel (Ingeram) besides Agency Houses like Hunter and Hay. Insurance appears to have been another profitable activity for Agency Houses with premia for coasting trade around 2%. They also kept a watch for available space on Europe ships and frequently sought to be permitted to use such capacity for their trade. They did not avoid new jobs. They took up rebuilding of Walls of Fort St George, a job Benfield had undertaken earlier.⁴⁷

5.5.4 There were several others operating on a smaller scale. David Young operated in Madras from 1768 onwards. He came to Madras in 1768 as a private person in the Company's army (Dodwell 1926, p.88-89). He helped army personnel as well as sea-farers in the conduct of their personal affairs. With a small capital so generated he invested it in three small ships but two of these were wrecked and the third was captured by the French leaving him no option but to return to shop-keeping and running a bakery in the Fort. In 1787, he declared baking as his occupation⁴⁸. He was engaged in the betelnut trade and found the competition from Gowan Harrop difficult to take. His associates included Wedderburn, Ramsay⁴⁹. He has described the turmoil of 1777⁵⁰, G Westcott though a civil servant was engaged provisioning the army with bullocks based at Ellore(Eluru)⁵¹. While Francis Jourdan did not hold Westcott in high esteem⁵², there is also a record of the bullock people being treated very shabbily with no wages having been paid though much was promised and perhaps Westcott was partially responsible for their predicament.

5.6.0 CONCLUSIONS:

British private trade started from the earliest days of British presence in India. But such activity had been confined to the procurement of textiles mainly as a support

service to the Company's trade. With the growing British power, there was a growth of vigorous private trade by the British in their personal capacities. The traders were mainly Company servants. The number of private traders (licenced free traders) was also steadily increasing. They ventured into areas earlier covered solely by Indian merchants. They also traded in goods other than textiles both along the Coast and "eastwards" and used their political influence to forward their trading interests. They relied on close knit networks, exclusively European, if not purely British to carry on their trade with dubashes playing clearly subordinate roles. This spurt of trading activity as well as the accumulation from the lucrative contracts for land and other revenues operated by Englishmen led to the increasing pressure on the channels for effecting remittance to England. Private traders rose to meet this need by managing such capital which was invested in India and remitting it home by various channels. Trade in Company's bills on London, trade to China and illicit private trade to Europe became increasingly important for the private trader. When the rate of growth of this accumulation decelerated, the private traders became increasingly involved in agency activities. They often managed the resources of others either away on their posting or in England. This led them to invest in

loans to country powers and in trading activity. The other major avenue for their investment was loans to the East India Company Government.

Notes

1. Private trade had been carried on by Europeans from the early years of their presence in the region. Sanjay Subrahmanyam (1991a) describes the Portugese private trade in the region. Early English private trading have been covered in detail by Elizabeth Saxe (1984) and I.B. Watson (1981) among others.
2. PDS Vol.41, 1787
3. PDC Vol.89B, 1759, last page
4. PDC Vol.96 B 12.12.1766
5. PDC Vol.104 B 31.12.1770
6. PDC Vol.112 31.12.1774
7. PDS Vol.54, 55, 1795
8. PDC 2.1.1773
9. His letter dated 22.11.1772 placed before the Council vide Pub. Dept. Cons, 2.1.1773. After describing his closeness with various Governors he concludes "If in my younger days I had friends and relatives to be bound for me in so large a sum of money I have now lost them all by the distance of time".
10. These resources in South India were mainly from the gifts showered on company officials by various native rulers. This wealth could not be immediately transferred to Europe and was invested in local pursuits - mainly local trade and revenue farming. The free merchants were involved in managing this trade. See Nightengale (1985) for a description of gifts.
11. Furber (1951), describes M Moracin's success in Pondicherry in gathering such funds. Feldbaek (1962) has demonstrated how the Danish trade was financed by these resources. The Danish Company scarcely needed any outlay in bullion to meet their needs.

12. Furber (1981),Feldbaek (1962),have made references to Jourdan's letter books. Ashim Das Gupta (1956) has covered the early phase of his career.
13. M.C.R. XII (a) Vol.2, to 9, covering 1766-1770 are drawn upon in the section and details are from these books when no specific letter dates are given.
14. Military sundries 26, 27, 28 describe the Manilla expedition in detail.
15. Pub. Dept. Cons. 23.6.1761. The EIC's ship Admiral Watson was assigned to the private trader M.Morse for a Manilla voyage. Governor as well as Council members owned part of the cargo to Manilla.
16. PDS Vol.21, 1768
17. PDC 21.1.1768
18. PDC 26.10.1771
19. MCR XII (a) Vol.4. "The voyage this year cannot fail of turning out very advantageously as a very proper cargo has been collected for the port of Acheh and Riu. The brown cloth of your place did not last year sell for less than 64 pagadas per corg and more may be expected this year as cloth is extremely dear to the Southward. We have not much blue cloth and white will answer as well. At Riu we have had 9000 pagadas worth of Tappies made up at Nagore which were much wanted last year and of which no more has been sent from the Coast since that time. Mr Harrop made our agreement with several of our people from Borneo and Celebes to meet them in September with this and other goods in exchange for which they are to bring cloves and nutmegs and pepper. At Acheh the king has engaged to grant in privileges in trade which he does not grant to others. This is in the reductions of duties which are generally very high. He has engaged to allow us 75% on the invoice of our opium and we have sent on the ship and ketch 120 chests. We have also sent upwards of 30 candies of stick lac which cost us 40 and will sell there for 70 clear of charges".(letter dtd.21/09/1768)
20. The Minerva was a Calcutta based ship captained by Gowan Harrop and owned by British private traders. It operated mainly in the Bay of Bengal and Jourdan as agent was in

charge of accepting cargo for the ship in Madras and selling its imports, P.J. Marshall. (1976)

21. PDS Vol.21, 1772 Monckton and Desavoux were sent to the Straits to explore avenues for trade at Kedah and Aceh respectively. The former was optimistic about the possibilities but the later was unenthusiastic. The facilities for trade and good will had been built up by Jourdan, Sullivan and de Souza since their early activities in the straits. They wanted the company to take over their outpost and counter possibilities of Dutch gaining a monopoly in the region. The others prominent Englishman in the region was Capt Light besides Stevenson and Harrop who were known for their Danish and Dutch connections. Capt. Light went on to establish Pulo Penang or Prince of Wales Island as a major port for English shipping in the Straits.
22. M C R XII (a), Vol.5, letter dt. 15.3.1768.
23. M C R XII (a), Vol.6, letter dt. 12.7.1769.
24. David Killican acted for Jourdan in Calcutta. Killican arrived in Calcutta in 1765 with 10000 to invest in trade but died insolvent in 1785 having used up the Company's entire Dacca investment and involving many others in his failure (Marshall p.40). Robert Crawford, brother of Quinten, was another close ally. When he decided to settle down in Malabar, Jourdan made him the agent for his chank trade.
25. Service details are available in Record of the Honorable EIC's Civil Servants in the Madras Presidency 1741-1858 available in the TNSA. Quinten Crawford, his associate in Machilipatnam was very closely associated with Jourdan perhaps sharing common views on many aspects of living in an alien land. Crawford appears to have been sympathetically inclined towards the Indian way of life as evidenced by his book "Sketches chiefly relating to History, Religion learning and Manners of the Hindus" (London 1792). He joined as writer and was in Manilla in 1764. He rose to senior merchant and was in the service upto 1800, serving mainly at Masulipatnam, Visakhapatnam, Ganjam.

Edward Monckton joined as a writer in 1762 and rose to become senior merchant in 1762 and left the service in 1786. He was sent to Kedah in 1772 to survey prospects

for trade. Monckton later married Pigot's daughter and stood by his father-in-law in 1777 when Jourdan was part of the Benfield coterie.

Dowsett was Jourdan's associate at Cuddalore. He joined in 1754 as a writer and was senior merchant in Cuddalore by 1767. He was out of service in 1776. When Dowsett declared bankruptcy in 1769, Jourdan had to settle his affairs. Dowsett was actively involved in an experiment in Cuddalore where it was sought to supply cotton yarn directly to weavers to obtain their finished goods thereby eliminating middlemen. Jourdan's knowledge of this experiment perhaps led him to advise captain David Scott of "Madras Merchant" to sell cotton at Porto Novo (PDS Vol.15,1767). (see 4.1.4 above)

26. Gowan Harrop, Robert Holford, Edward Stevenson were all seamen with good connections with the Danes and the Dutch on the coast and Felback (1962)Furber (1976) refer to their activities from Danish French and English Sources. Holford settled down at Nagapattinam possibly due to his interest in chank trade and acted for Jourdan there. He was Captain of "Four Friends" for a brief spell (See letter dated 25.2.1767) (MCR XII (a) Vol.No.3}. Furber traces the beginning of the association between Harrop and Stevenson to the 1767 Acheh, Riu voyage and describes their functioning as an agency house in Tranquebar/Porto Novo. Jourdan and Stevenson were in fact together in the Manilla expedition (1765) (See note 19 above). It was on the second voyage to Acheh that G Harrop first met Edward Stevenson whom Jourdan had employed to command a small ship to make direct contact with smugglers while Harrop waited at Acheh with the "Indian Trader". "Five years later both men had enough money to stay ashore, acting as agents for others and still carrying out commissions for Jourdan" (Furber 1976, p.214-215). There is also corroborative evidence in the Danish records When the Danish country ship Nazereth arrived in Kedah in 1769 from Tranquebar, Captain Shott found in Selangor nearly 9 English country ships laden with guns and other goods. As the Sultan of Acheh had required muskets Jourdan had used the services of R Holford at Nagapattinam in negotiating with the Danes for the necessary supply (Feldbaek, 1962 P 18). Danish arms were considered inferior and often rejected by rulers in the sub-continent. Harrop and Stevenson both seamen were themselves close associates with Stevenson settling down at Tranquebar while Harrop became the Danish agent at

Portonovo. They figure prominently in the Anglo Danish ventures and their activities will be discussed further on.

27. Irasappa Chetty, Jourdan's agent in Cuddalore was a leader of those who submitted petitions to the Madras government in 1767, complaining against the conduct of John Calland. The complaints described Calland's habit of borrowing money. Merchants were forced to participate in a venture of shipping cotton to Bengal and losses in the transaction relating to cotton were set off against Calland's borrowings for textiles; the prices were kept below what the French, Dutch or Danish merchants would pay. Public Department Sundries, Vol.15, 1767.

Jourdan apparently shared Irasappa's views on Calland. He wrote to Dowsett on 6.5.67. "Calland, before the merchants were called up, obliged Saminada to give him a writing in which he declared he Mr Calland had not forced him to give any presents. This conduct of Jhonnys gives reason to suspect something had been demanded or it would not have occurred to him to oblige the other to assert he had not". M C R XIIa, Vol.2, letter dt.6.5.67.

The whole episode throws light on the relationship between the British merchants and the Indian merchants. Chetties lent willingly to the English. Even Jourdan owned Irasappa 500 pagodas which he prudently asked Dowsett to repay. letter dt. 21.2.1767, M C R XII(a)Vol.3.

28. MCR XII(a) Vol.10 - Vol.21 cover the period 1770-1775.
29. Covered in M C R XII (a) Vol.9, & 10. The Quotation is from a letter dt. 21st April 1770, Vol.9 addressed to R.Holford.
30. Thus he wrote to Hay on 19th February 1771 (MCR XXI(a) Vol.10). "I have had the sowcars with me offering the sums to be remitted southwards as they receive the revenues on account of the Nawab and pay them here. Pray could you not make some agreement with them to our mutual advantage. The disbursements at Tirchnopoly and Madura amount to near 20000. If they give at 1% of the 2% they receive from the Nawab it would put our pockets each 100 pagodas. Will you set your dubash who is clever to enquire into this and see what can be done".
31. M C R XII (a) Vo,10, letter dt. 19.2.1771 to Crawford.

32. Sadlier appears to have been a close associate for a short while - but Jourdan could not take Sadlier's offensive ways for long. M C R XII (a), Vol.11 and 12 cover this period. Sadlier himself was in a fair deal of trouble by then and the council in Madras condemned his behaviour in terrorising weavers and suspended him (Pub. sundries Vol.24a, b, 1775-76). He was however reinstated and continued to figure in controversies in Nagapatnam and Madras.

33. His letter dated 7.3.75 to Mr.Sullevan informing him that the chief ship of Masulipatnam had gone to someone else.

34. George Westcott supplied some bullocks. Jourdan did not approve of his ways and was provoked to remark "I have for a long time disapproved of the conduct of Mr. Westcott" M C R XII (a) Vol.19, letter dt. 7th March 1775.

35. Marshall, 1976 (p.94-95) Commenting on the voyage of Minerva to the Persian Gulf and Suez notes that it was the first attempt to cover this route by private traders from Calcutta. The captain was able to sell his cargo and sign a trade agreement with the Bey on behalf of the Bengal Council. Jourdan had organised several voyages from Madras to the Persian Gulf starting with the 'Madras Merchant' in 1767-68 and his experience was no doubt a factor aiding success. See M C R XII (a) Vol.2, April, 1767. Holford also appears to have had an interest in this voyage.

36. MCR XII (a), Vol.5, letter to John Levin Smith dt. 17.3.1768 "I know not what to say of the Nawab".

37. MCR XII (a), Vol.21, letter dated 12.2.1776

"This (i.e. restoring Tanjore) you may imagine will not be much relished at the Durbar for it reduces the Nawab more to a level with the Company upon this Coast. But upon the whole it will be greatly for the public good as regulations may be made and an arrangement found which will give security to the affairs of the English by Evading of the enormous expenses of the Nawab, enable him to pay off his debts and become opulent".

38. Public Dept. Cons. 31st July 1778

39. Feldbaek describes Jourdan's growing prominence in the remittance and textile trade as follows: "In 1775 the council at Tranquebar made the first official contact with Francis Jourdan (he) came to take up a dominating place in the remittance of Anglo Indian fortunes through the Danish Company. His offer of a considerable delivery of piece goods in 1778 from Ingeram or Masulipatnam probably represented an originally French contract which the outbreak of war compelled him to offer to Tranquebar". In 1776 Jourdan arranged for a remittance of 60000 dollars for Benfield (Feldbaek p.30).
40. Taking advantage of Danish neutrality and their permitting free trade in 1778, Robert Holford induced the Danish company to participate in a private expedition from Copenhagen to India, which was followed by many such expeditions. He found it convenient to become a naturalised Danish subject and merchant of Copenhagen ((Feldbaek p.71)) In 1784 Holford claimed to have raised a million and half rupees for the private expeditions which Feldbaek deems could be accurate. (P.103)
41. Writing in 1778 to Benfield he said "I have an expectation of averting the ruin that stares at me. I must have money. You told me of your distress but consider how different a light I stand. You are a man of fortune my fortune is small". MCR XII (a) Vol.27, letter dated 23.5.1778.
42. MCR XII (a), Vol.36, 14.11.1784
43. David young complained about the competition from Gowan Harrop. MCR XII (a), Vol.26, letter dt.5.3.1777.
44. MCR XII (a), Vol.38, 45, contain Roebuck letters from 1787-98 and his letter to Europe respectively and the details are from these letter books.
45. Roebuck's letters dated 15th and 16th July 1787 clearly that Benfield used the name Sammy Aiyer (his dubash) to cloak his activities. Benfield though quite notorious was still in service upto 1792. He demands that Cochrane refer to Sammy Aiyer and that instructions regarding trade should not form part of the body of the letter but be enclosed in separate sheet of paper (MCR XIIa, Vol.38). You might as well have enclosed the para No.4 relating to the advance of the cash instead of having

put it in the body of the letter".

46. "Great exertions have been required to complete the equipment of the army and this settlement very patriotically came forward with a loan of near 5 lac pagodas to enable the army to move" and states that 4 lacs of this has been raised" by merchant houses and the natives of the settlement. MCR XII (a), Vol.45, letter dated 26.2.1799.
47. MCR XII (a), Vol.46
48. Pub. Dept. sundries, Vol.41.
49. MCR XII (a), Vol.26
50. MCR XII (a), Vol.26, letter dt. 5.3.1779.

We find him writing "our markets are worse and worse every day and there is hardly any credit in the place for the little trade that is carried on owing to the great scarcity of money. There is nothing but loss by all voyages made by sea and many people failing both here and Bengal and ships selling for almost nothing. Our great merchant Paul Drake is failed and has shut himself in an apartment of the Nawab's to keep him out of jail".

51. Westcott describes his operations in a letter to Sydenham on 1.11.1782. "The bullocks are not purchased at or near this place, the contractors go into Dunsoor (Eliyangerry) Palavansah and the Subah countries and the contractors are generally absent a month to six weeks. There are no expenses but for the saddles and the headline and ropes. The contractors deliver them at every expense and risk on their side. They are then examined and such as are fit for the service passed and marked and drivers hired to carry them to Ongole and those unfit for service turned upon the contractors hands. It is necessary to have a driver for every 5 bullocks the bullocks never got grain. The straw is brought to them by the drivers and the grass also cut by the drivers."
52. See foot note No.34 supra.

CHAPTER - VI

NATIVE COROMANDEL TRADE AND COLONIAL EXPANSION 1757-1833

6.0.0. Introduction

The traditional trading network was used by the colonial traders in their expansion, and the Indian merchants adapted to the changed situation during 1757-1833. A major difficulty in studying the role of the Indian merchants is the paucity of details about their activity especially when compared to the great deal of information available on the European traders. We are, therefore, forced to use European sources to draw inferences about the Indian situation. While there has been some research on a few of the South Indian business communities like the Nagarattars (J Rudner 1981, 1989, Cooper 1959), the general condition of the indigenous business communities is poorly documented.¹ The main sources of data of the present study have been the records of the East India Companies (British and French), the Modi records of Tanjore, the diaries of Ananda Ranga Pillai, contemporary Sanskrit works like Sarvadeva Vilasa, and some Tamil writings (Thani Paadalgal, Sathagams, Pallus). Two recent volumes on the history of the business communities and their interaction with the State have also been useful, though there is scarcely any discussion of the Coromandel region (Tripathi, D., Ed, 1984, 1987).

6.1.0 The Native Business Communities.

6.1.1 The set of all business people at a place constituted the business community of the place. But this was a heterogenous and many-layered community with the sub-communities sometimes competing with and sometimes complementing the activities of the others. Traders in the grains, money-changers, wholesalers and pedlars were all sub-communities and could in specific contexts be deemed communities. Further, many of these communities had close linkages spread over large territories² with investment capital, lent to the rulers. They operated through various tiers of intermediaries - brokers, small traders, and artisans - for collecting the produce. The distribution system was diverse with retail traders spread over the countryside, with bands of travelling pedlars like Banjaras.³ There were often many dimensions to these interactions among the various levels in the hierarchy. Economic power, social-status, technical skills were important in determining the balance of power in these relationships.

6.1.2 Procurement was through a hierarchy of brokers and often the supply of manufactures was generated by a system of advances to the artisans. The advances could be in the form of daily necessities like grain, salt or the raw materials

required for production like cotton or silk. This system gave the merchant profits as these advances were invariably priced high and the manufactures were priced low. It also ensured control over the supply. An artisan indebted to one merchant could not supply to another. A new merchant seeking to buy from an indebted artisan had to repay the loans due to the earlier merchants. The combined effect of such practices was to keep the artisan or the agricultural producer at subsistence level. Protests were common in such a graded echelon of inter-relationships. The merchants could threaten to leave a port or urban centre. There were many instances of protest against imposition of income tax and the violation of caste privileges.⁴ Weavers and other manufacturers simply migrated overnight if they were unhappy or dissatisfied with the merchants or political authorities like tax collectors. More subtle methods included the debasing of the quality of supplies. For their redistribution function, the merchants relied on established money transfer networks. The practice of drawing Hundis on correspondents or agents at various places was well established. Groups such as Marwari businessmen and Nattukottai Chetties specialised in such services. There was also a well understood system of exchange of currencies based on the intrinsic worth of the coin as well as its availability. Profiteering on money changing was quite common.

6.1.3 "Indian Merchant Class"¹² was a separate class which could function to protect its interest despite differences in caste. This usage is justifiable in the view of the evidence that caste and other divisions did not stand in the way of the Indian merchants getting together to protect their interests against European authority. There are innumerable instances of individuals of different castes joining to undertake business ventures. An example is the case and *Ninah Maracayar vs Videe Chitly, Latchmana and others* which arose out of a joint venture between *Ninah Marakkayar* (based at Portonovo) and *Chinna Chetty* and *Sevalinga Mudali* based at Madras. *Marakkayar* was travelling on their behalf to the South. *Chinna Chetty* and *Sevalinga Mudali* terminated the contract and shared profits without informing *Marakkayar*. He chose to file a case against the heirs as the Principal parties were dead before he was aware of the position.¹³ In fact *Marakkayars* seem to have been preferred as supercargos by French and Indian merchants at Pondicherry going by the evidence in *Ranga Pillai's Diaries*. *Ranga Pillai* described several instances when all merchants of the town got together to protest against impositions by the Company's governments both at Pondicherry and Madras. There are several other instances of merchants functioning as a group to protect themselves. In 1767, the merchants at Cuddalore protested

against John Calland. Iraspa Chetty, Shreeshalapathy, Moodoo Krishna Pillai, Sauminada Pillai and Boocchey Chetty were some of them (Para 4.1.4). The Madras Government was petitioned in 1779 by the persons renting banksalls on the beach and the signatories included Munlavancala Somayasoloo (Brahmin) Yerrumally Parrajoo, Peroomalla Jagannaickloo (Chetties) Causeeram (North Indian) Mansood and Moolalliyah (Muslim), and Senor Topanandar (Eurasian) (Para 4.2.3). With every instance of charges against a Company servant came accusations that various local interests were involved. Thus, Cocharane suspected the hand of renters of when the ill-treatment of a man in his custody resulted in death and this was resented by the populace. To the administrator and commercial servants, such 'cabals' were problems they had to deal with. These instances indicate some consolidation of Indian merchant class during the period (Table 4.2).

6.1.4 The different business groups functioning in the society were the mainstay of the Indian commercial network. Given the problem and distances and the inherent risks in the seaborne commerce it was but natural or even essential that there were closely knit groups managing trade and finance in those times. The divisions of castes and kinship groups gradually became the basic elements of business communities. There was some social mobility in this period. Trade, especially sea borne trade, was open to all. All the European

companies could establish their trading posts besides trading communities like the Armenians and Parsis. Financiers like the Gujarathi bankers also operated on the coast. Some major groups who were indigenous to the coast included the Nattukottai Chetties the Komati Chetties, Baliya Naidus, Beri Chetties besides landowning castes like Vellalas, Edayars moving into trade and the Muslim traders. Of these the first five communities of Hindu origin were of the Vaishya classification and all the Chetties were associated with trading activities from times immemorial. They functioned in groups, but could not collude to keep out new entrants in the field. In fact, the merchant communities, Komati, Nattukottai, seemed to have consciously avoided entanglement with the political processes of their day. There was thus no prominent Chetty dubash in 18th Century. Communities like Vellalas who were closely bound to the land and agricultural pursuits, combined their business with an interest in the political manouvering and other forms of economic activity like revenue farming. The majority of the dubashes were Vellalas or Edayars.

6.1.5 The relative status of various castes in socio-economic transactions was also dependent on their classification as right or left hand castes. In South Indian polity, a vertical division of society into Valankai (right

hand) and Idangai (left hand) determined the social standing of various castes.⁷ Valankai (deemed superior) were in general the land owning cultivation class while Idankai were artisans and traders. The origin of this divide is unclear and epigraphical evidence dates it to atleast early Chola times (10th century A D). In the European as well as Indian records of our period there are numerous references to the sharp conflicts which arose between the two groups. Those occupying positions of power, engaged in diplomacy and revenue farming besides owning land, generally appear to have belonged to the Valankai faction. Many types of artisans and traders fell in the Idangai faction. Hereditary and customary rights and honours were zealously guarded and the European administration often felt that the disputes were trivial. To us today these disputes would appear to have elements of class conflicts as well. Many of the disputes apparently over trivial issues were rooted in or soon spread to economic areas. Ananda Ranga Pillai noted that four dancing girls, who were concubines of a Chetty of left hand caste were arrested for a trifling offence at the instance of some right hand caste men of high standing with the Government of Pondicherry. The women languished in jail while it suited all parties to allow the matter to drag. The crux was that both the Governor and the leaders of the right hand castes (including Ranga Pillai) being aware of the money controlled

by Chetties saw this as an opportunity to force them to lend to the government. The Chetties were aware of the real reasons, and threatened to leave Pondicherry (A.Ranga Pillai, Vol.III, p.196-197). It appears that even though the Valankai enjoyed socially and ritually superior status, the Idankai group composed mainly of the trading and the artisans communities had their own financial and social strengths. This meant neither group could claim lasting victory.

6.1.6 The Indian State, specifically the Nayaks and the Tanjore Kingdoms in the South Coromandel, the successors to Vijayanagar in Tondai Mandalam, and the Muslim kingdoms of the Deccan in the North Coromandel, is said to have maintained a neutral attitude of mutual forbearance towards merchants. The political elites rarely engaged themselves in trade. (Das Gupta in D Tripath Ed. 1987 Bagchi 1981, p.10). Direct links existed between lenders and merchants who had accumulated investment capital, and the various rulers. This was because of the accepted practice of the State letting out contracts for collection of land revenues as well as other taxes. This device relieved the ruler of the need to maintain an elaborate administration and gave the large merchants accesses to and control over the production system operating at the village level. These contracts gave merchants opportunities for collaborating with local leadership who

were the functionaries actually assessing and collecting revenue and similar dues. Such interaction in the Coromandel led to the growing involvement of the local leaders in the trade. The rising involvement of Nattars, local leaders in Tondai Mandalam in grain trade described by Mizushima (1985) demonstrates this aspect.

6.2.0 Native Sea Borne Trade

6.2.1 Coastal shipping constituted the most convenient mode of transporting bulky articles of daily use, in the pre-rail road era. Overland transport was rendered difficult because of the primitive nature of the road links as well as the lack of safety and security on these roads. Convoys carrying goods were often the target of the various armies then on the move, besides armed gangs of bandits. The merchants therefore preferred the coastal shipping routes in view of the relative safety, as long as the seasonal sailing schedules were maintained. The long coast line and the rich seafaring traditions of the coast, helped such a brisk level of intra-regional commodity exchange. Further, the manufacturing activity of the region was geared to suit the needs of the markets across the sea with which there were poor overland trading links.

6.2.2 The colonial port city of Madras (and earlier Pondicherry) grew rapidly during the mid eighteenth century.

The native merchants however played only a secondary role at these ports. It was in the large ports of the native kingdoms that these merchants held their own. Masulipatnam in the North Coromandel and Nagaipattanam in the South are the major ports of this variety. The increasing European presence and the growing private trading networks affected native trade only partially. There were many feeder ports acting as auxiliary to these ports and the activity at these ports remained true to the traditional pattern even upto the end of the nineteenth century. In the South Coromandel ports like Karaikkal, Tirumalroypattnam, Kilakkarai, Tuticorin fall in this category. (see Appendix C)

6.2.3 Seaborne trade was carried on mainly in dhonies which were small vessels of 60-100 tons displacement. These ships were built with local woods. With the advent of large Europe ships, the local ship builders learnt to built larger vessels too. ⁸ The composition of shipping in Madras in 1805 indicates that large vessels were mainly in the European hands with a large number of small craft being plied by 'Asiatics'. (see Table 6.1) The larger vessels were in use, in the hands of the bigger Indian merchants and the ruling elites.⁹ A family or group well established in trade coast might have owned 7 to 8 sailing ships between 300-500 tons.¹⁰ French sources indicate that the fleet in use at Karaikkal

was about 1500 tons burthen around 1825. Karaikkal trade was fully in Indian hands in this period and this composition perhaps represented the typical fleet at a similar port. The composition of shipping based at the port in 1825 reveals the predominance of small craft for use in the country trade at the port. There were 5 three masted vessels based at the port of which 3 were owned by French, one by the English and one country owned besides 32 brigs of which 22 were country-owned, 6 English owned. The smaller crafts were thonis, boats, cattamarans etc., of which there were nearly 300 tons in use (see Table 6.1). Repair work as well as boat building was taken up at the port (F.Gros, 1971, Vol.I, p.328). In contrast a fleet of 100 boats was based at Keelakkarai.¹¹ There is sporadic detail on the cost of building these boats. In Karaikkal it cost a Muslim 3500 portonovo pagodas to build a large ship to transport 60 garce of rice.¹² The cost of Jourdan's ship around 1767 was current Rs.32000 for a 300 ton vessel.¹³ The ship 'Bristol' was bought for 7000 pags (or Arcot Rs.24500).¹⁴ The company itself bought a country ship of about 250 tons for current Rupees 23508 in 1761.¹⁵

TABLE - 6.1

Composition of Shipping at Madras Port 1805

Owned by	No. of Vessels	Tons	Average size of vessel (Tons)
American	23	6237	271
Arab	4	1450	362
Asiatic	1516	107636	71
Burmah	5	280	56
Danish	13	5092	392
English	183	73036	399
Portugese	5	1070	214
Total	1749	194801	111

Source: Report of the Reporter of External Commerce 1805,
para 77. Pub Dep Cons. Vol.309, p.2537, 1806.

TABLE - 6.2

Shipping Based at Karaikkal - 1824

Owned by	3 masted	Brigs	Tonis etc.
French	3	3	1
English	1	6	1
Portugese	-	1	-
Country	1	22	322
Total	5	32	324

Source: F.Gros, Vol.I, 1971, p.328.

6.2.4 Rice, paddy and the various textiles were the chief articles of trade, particularly within the coromandel region. There was import as well as export of rice. The Burmese rice, suited for "kanji" or gruel was imported from Burma and shipped further on to Malabar. The Nellore coast and the Tanjore coast exported rice/paddy from their hinterlands to the neighbouring rice deficit areas such as Visakhapatnam coast in the north and Madras coast in the south. Rice cultivation and trade was the major activity in and around Karaikkal. In 1785 for example, 60% of the Karaikkal revenue came from these activities.¹⁴ The French cahiers give a good amount of detail on the profitability of rice trade (Table 6.3). There were wide fluctuations in the profitability from season to season. A European engaged in this trade reported that profits at Colombo were 18,% in 1823 against 11, in 1824, which again is far from 16% (see Table 6.3). These figure have thus to be viewed with caution (Gros, vol.I, 1971 p.327). The significance of the rice trade for Karikkal can also be gauged from the figures for 1824. The total exports of Karaikkal during 1824 were 341770 porto Novo pagodas of which the rice exported was worth 164358 porto Novo pagodas or 48% and the paddy exported was 84945 porto Novo pagodas or 25%. In other words rice and paddy formed 73% of exports from Karaikkal by value and the indications are that this was the

general pattern atleast after 1785. It is also clear that the paddy and rice from the neighbouring kingdom of Tanjore were collected at Karaikkal for this trade to avoid sea customs at Nagapattinam and Nagore. The total production of paddy in 1823 in the Karaikkal area was 2200 graces and in 1824 it was 1369 graces . The export during 1824 was 1278 garce of paddy and 1854 garce of rice which is clearly in excess of the local production (Deloche 1984, Vol.II, p.315-323).

TABLE - 6.3

Profits on Rice Trade in Karaikkal - 1824

(As a percentage of the market price at Karaikkal)				
Port of Destination	Expenses at Karaikkal	Expenses at Destination	Profits	Price at Karaikkal Portonovo pagodas
Madras				
Paddy	11%*	11%*	9%	45 (in March April)
Rice	6%*	6%*	9%	100 (in March, April)
Colombo				
Paddy	20%*	25% [@]	10%**	38 (in February)
Rice	14%*	23% [@]	16%**	82.22.40

Source: (F.Gros, 1971, p.324-327)

*The main element in this is freight.

[@]The main element in this is duty paid at destination.

**These profits were share in the ratio 1:2 the agent at Colombo and the principal who owned the goods at Karaikkal.

6.2.5 Arecanut was imported in large quantities from Penang and Colombo and the several varieties included scented or Narapakku. There are numerous references to trade in arecanut in the Modi records (Venkatramayya V 1984 p.392). Ranga Pillai's famous arecanut godown was his office indicating his involvement in this trade. Karaikkal also imported a good deal of it. The broad prevalence of this trade is also evidenced by a Tamil saying to the effect that trade in the one eyed, two eyed and three eyed commodities namely arecanut, cattle and coconuts were prone to high risks. For arecanuts the hazards included damage by wetting by sea water. Larger sized coconuts were imported from Sri Lanka and the Andaman Islands. Timber, particularly teak, was imported from Burma and the Andamans. It was the practice to tow large logs rather than load it in the hold. There are even traditions that logs floated in the Andamans would be washed ashore near Nagore (Nagapattinam). Earthenware and stoneware were also important exports to Ceylon. This trade was purely in Indian hands, unlike some other branches of local trade which attracted European country traders. Legend has it that the lord Hanuman burnt Lanka making the mud there unsuited for pottery. We may infer from this that clay suited to pottery was not available particularly in Northern Sri Lanka. Pottery was a mass consumption item shipped in large

quantities in boats of all sizes. Textiles were exported to the South East Asian markets and the European private traders were making vigorous efforts to enter their area.

6.2.6 The traditional shipping activity was strictly conditioned by the climatic patterns prevailing in the Bay of Bengal and neighbouring seas. Fleets based on the Tanjore coast left in early January carrying cargoes of rice and paddy besides assorted textiles for Colombo, Pegu, Penang and Acheh. Some vessels returned from Colombo usually laden with arrack, arecanut, coconuts to touch their port of origin by the end of February and then left for Madras with rice (Gros, Vol.I, p.314), to return by April/May. The part of the fleet which set off for the longer voyages across the Bay of Bengal returned to the base by April-May. Shorter trips hugging the coast were common over the rest of the year upto September. The cyclonic storms in October-November-December rendered impossible long voyages in that period. An interesting document describing a siamese voyage to Sri Lanka in a native craft in 1815 allows us to infer that the pattern was to leave South East Asian ports in March, to arrive in Porto Novo by mid April.¹⁷

6.2.7 Chank farming was another important activity mainly in Indian hands. Chank beds were found off the coast of the whole of Karaikkal territory and diving for chank was

undertaken between January and March and in July and August. The rights for chank farming were auctioned each year. The coast of Keelakkarai protected by coral reefs was also famous for pearl fishing and chank farming. The operations took place off catamarans. A team of four divers would be accompanied by a peon, four fishermen and a cadalcatti, or magacian who warded off sharks and indicated good locations. He was also referred to as "Shark Charmer" in English records. The fisherman would haul up divers on receiving the signal. The divers were usually of the Chulia caste (Muslims) and stayed upto 24 minutes in the sea. At deeper levels they used a long stick to search for shells as the water was not clear. At any point two divers were in the sea while the other two rested. A team worked from 9 am to 3 p.m. The divers were paid by the number of chanks located and all chanks found belonged to the renter. In 1823 at Karaikkal upto 50 catamarans were deployed in this activity. The rights were profitable if there was a good catch, but the size of the collection could vary greatly. The renter had to pay the Government 110 pags for the rights in 1824. During the period 1817 to 1821, the number of chanks recovered ranged between 2500 and 5000, fetching between 100 and 170 Porto novo pagodas (Gros, 1971, Vol.I, p.172/3). The renters recorded a loss each year which approximately equalled the rent paid by them to the government.

6.2.8 We find in this trade evidence of the collaborations which existed between private traders at Karaikkal and Nagapattinam. There was an export of 32500 chanks from Karaikkal during July to September 1824 as against a total catch of 2973 chanks during the period July 1823-1824. The renter when asked to explain submitted that this was because of the gradual smuggling of chanks from Nagore and Nagapattinam for evading the export duties charged by the English there. This would indicate where the attraction lay for the chank farmers of Karaikkal. Though they apparently lost on the renting of the rights it allowed them to take advantage of differences in customs duty and ship large quantities of chank originating from the adjoining British territory through their intermediation. They would naturally receive their compensation not reflected in their accounts for farming. At Keelakkarai, the rights were leased out by the Sethupathi of Ramnad for about 6000 pags in 1814 which indicates that the value of pearl and chank fishing here far exceeded output of the Karaikkal region. The operations were on a slightly large scale with teams of 10-20 divers operating from a boat.¹⁰ The methods were otherwise the same in both places (Arunachalam, 1952).

6.2.9 These trading networks were backed by a web of financial linkages, with groups of South Indian merchants domiciled in main the South East Asian ports acting as agents

at the other end. Barter was very common, though the net profit was sometimes converted into gold or silver when suitable return cargos were unavailable. The Nattukottai Chetti network is the best example of such a diaspora in the South East Asian region. These chetties had been a seafaring lot since Chola times; but their financial network assumed great importance in the early nineteenth century.¹⁹ The British established themselves in Sri Lanka in 1796 and the Nattukottai Chetti business links with Colombo began to grow and flourish. By the middle of the 19th Century the greater part of Indo-Ceylon trade and commerce of the Island was either in their hands or at-least largely financed by them (Weera sooria, 1973 p.15). Tuticorin was the port through which most of the Indo-Ceylon trade was routed and Nattukottai Chettis were actively involved in this trade. The major commodity exported from Tuticorin was rice initially. Soon cotton began to gain prominence.²⁰ With the growth of British private trade the Nattukottai Chetti role in this trade declined.²¹ Their entry into Burma was subsequent to the decline of their prominence in Colombo (Cooper 1959) and money lending was the main stay of operations in Burma. Many firms had established branches in Rangoon, Calcutta and Madras besides Tuticorn in the 1860's. To illustrate their strong hold over the financial market at Tuticorn we may

describe the difficulties of the agent of the Bank of Madras in establishing their Branch at Tuticorin in 1866. The agent (of the newly opened branch of the Bank of Madras) found it hard to get the custom of Indian businessmen, for, the Chetties gave them advances of upto 9/10th of the value of goods and the Bank could not match such terms. By the end of February 1867 the bank had only one Indian customer, the general shop keeper. The bank continued to depend upon the Colombo and Madras bills of the Agency Houses and could not wrest the lucrative bill business between Tuticorin and Colombo covering the Indian trade from Chetti control (A.K.Bagchi, 1986, Part II, p.337, p.418). The bank had to continue its dealings with Nattukottai Chetties despite its nervous reluctance.

6.2.10 This system of goods movement called for a clear understanding of the wind system in the region. The sailors did not have recorded detailed charts but drew on their experience to navigate these waters. There are frequent references in the various records to 'Naquedas', Marakkayars, Malumis, "Chulias"²² all referring to Muslim sailors settled in the South Coromandel and the navigation of all types of vessels lay in their hands. Muslim trading settlements in the South Coromandel date back to the 9th century A.D. and these have remained tightly knit endogamous communities. Marakkayars appear to have been supercargoes, who actually

dealt with the traders in foreign ports. They were apparently active both on the East and the West Coasts. Portuguese at Cochin had dealings with Mamale Marakkayar, Cheriamma Marakkayar, Nino Marakkayar in the 16th century (K S Mathew, in D Tripathi (ed) 1987, p.33-34). Seethakkadhi Marakkayar (Syed Abdul Khader Marakkayar) of Keelakkarai is well known to Tamil scholars for the generous patronage he extended to Tamil poets of all religions.²³ Marakkayar families have been prominent traders in several ports along the Tamil coast. For example, J Sheik Dawood Marakkayar, the present Town Khazi of Karaikkal recalls that his family has been seafaring for several generations. Similarly the family of the town Khazi of Nagapattinam Shri Mohammed Ghouse Maraikkaiyar was engaged in maritime trade. The Mapillai Labbai Marakkayar family though no longer in Nagapattinam was another such family. All these families have oral traditions describing their trading activities for the last 300 years or so. Another distinct sub-group were the Malumiyaar (meaning sailors) who were also of Arab origin with specialised navigational skills. They did not invest in the cargo or engage in trade (see K N Chaudhuri 1985, p.125). Abul Fasl writing on the pattern of Crewing an Indian Deep sea vessel has recorded that 'Nakhudha' owned the ships and decided the itenary, while "Mile allim", probably corrupted to Malumi in Tamil,

was the captain or incharge of navigation who plotted the ship to its destination safely. The term 'Chulia' has been loosely used by European observers to describe Muslim traders from the Coromandel (Arasaratnam, 1989, p.219). There were in fact several distinctions, as discribed above. There are not many references to the navigational skills of other groups or communities though it is clear that the Hindu trading groups too had long established traditions of seafaring.

6.2.11 This brisk seaborne trade was sustained by a network of production and distribution centres located in the hinterland streching from the east coast inland upto the Western ghats. Grain and textiles were the chief goods transported to the coast for movement salt was another important article. The pattern seems to have been to move goods to the nearest convenient location on the coast and then use coastal shipping to move them to the ultimate destination. This involved both short and long hauls. For instance, the Banjara a nomadic tribe, transported cotton grown in Berar and the Coded districts to the east west for manufacture into cloth and their return cargo was salt from the coast for inland consumption.²⁴ Pack bullocks, carts, and coolies were usually engaged to transport such goods, depending on the nature of the terrain (see Table 6.4).

TABLE - 6.4

Inland Trade with Madras - 1805

Moved by/ Goods moved	Coolies	Carts	Bullocks	Asses	Boats
Piece goods	10936	379	2705		
Gruff goods	8295	8420	38299	232	36
Grain	141	8814	53883	-	849
Cotton Thread	292	90	76	-	-
Straw, firewood	72223	88454	34820	104	4246
Vegetables					
Betel, Tobacco	20764	4484	5881		
EIC's goods	33	953	206		

Source: Report of the Reporter of External Commerce 1805, para 13, (Public Department Cons, Vol.309, 1806).

Pack bullocks were the preferred mode of transport, except when cart-tracks permitted use of carts. 5 to 10 maunds could be moved on a bullock upto 20 miles a day while carts could move upto 30 maunds over 15 miles in one day. Bullocks needed scarcely any outlay for maintenance as they fed on the pasture along the way and were preferred over buffaloes.²⁵ Details of grain movements into Karaikkal in 1824 also indicates the predominance of the use of bullocks to move grain.²⁶ Such movements of goods were financed by the merchant groups spread all over the peninsula. Vysya groups like Komti chetties Beri chetties and Baliyas had established themselves though out the region particularly during the Vijayanagara period and controlled both cloth and

grain trade at least upto the mid-eighteenth century. Rowthers were the Muslim land based traders in the South Coromandel who controlled supply of articles like betel leaf.

6.3.0. Conclusions

6.3.1 In the period under consideration, native trade was under severe pressure from the English private traders. Indian merchants had to reformulate the key areas of their activities. Thus, groups with access to capital, like the Nattukottai Chetties, moved into retail lending both in India and in areas like Burma where they were traditionally established. With the changing technology and the advent of steam ship, the nautical skills of the traditional navigators were rendered obsolete. Communities of such navigational experts became isolated and continued their traditional pursuits in small crafts. British private trade could not take over the retail selling at the consumption centres across the land and groups like Komtis continued to dominate retail trade. Wholesale supplies of cloth, grain cotton, indigo were however moving into British hands and the displaced chetties often moved into niches like jewellery trade. Thus, we find that the Indian merchant groups yielded their place to British private trade in key centres, but found alternate and sometimes more profitable modes of business to invest their resources.

Notes

1. For example a recent volume of review articles on South India contains no separate review article on trade and trading communities though almost every other aspect has been covered. of Oddie, 1987.
2. Examples of such spatially well-dispersed but closely knit communities would be a set of trade settlements which constitute trade diasporas described by authors like P.D.Curtin (Curtin, 1984).
3. Banjaras carried cotton from Berar into the north Coromandel and took salt and grain in the reverse direction (Brennig, 1975).
4. Weavers often fled colonial ports and the merchants too protested against tyranny see The Diaries of Ananda Ranga Pillai, Vol.I, p.9.
5. "Groups", "Community", "Class" have all been used, sometimes synonymously sometimes with some differentiation. Sociologists define community as "territorially bounded system or set of interlocking or integrated subsystems (economic, political psychological, religious, ethical, educational, legal etc) serving a resident population plus the material culture or physical plane through which the subsystems operate". These attributes are applicable even to territorially dispersed groups like castes, extended kinship groups or linguistic or religious groups. (N R Sheth in Dijendra Tripathi (ed) "Business Communities of India-a historical perspective", New Delhi, 1984, p.10).
6. Cases of 1814, cited in Strange, T, (1827) Notes of Cases in the Court of The Recorder and in the Supreme Court of Judicature at Madras, Vol.II, London, 1927.
7. The castes listed as left and right in 2 different sources are shown below:

Left		Right	
Modi	Buchanan	Modi	Buchanan
Records		Reddy Vaduga	Banijagaru
Pela Chetti	Panchala	Tuluva Vaduga	Wocligaru
Kaikkolar	Berichetty	Kammala Vaduga	Gotiphana
Palli	Heganigaru	Tuluvachetty	Rungaru
Padayachi	Gollur	Vellalachetty	Ladaru
Maravar	Palawanlu	Kuthi Kollar	Gujerathi
Melakkara	Bayadaru	Rangari Vaduga	Comatigaru
Panchalathar	Madigaru	Cheniyar	Jainaru
Chakkiliyan		Saluppan	Curubaru
		Edayar	Cumbaru
		Saliyakkaran	Agasaru
		Komti	Besta
		Chunнанbu-	Padmashali
		karan	
		Marayachetti	Naindaru
		Uppiliyan	Uparu
		Chaanar	Chitragaru
		Melakkara	Gollaru
		Telugu Ambattan	Whalharu
		Tamil Ambattan	
		Vannan	
		Vaniyan	
		Parayan	
		Kavaraichetty	

Sources: (a) Venkatramayya, 1984 p.410-411, (Relates to Tanjore)

(b) Buchanan, 1807, Vol.I, p.76-77 (Relates to
Karnataka.

It is a little surprising that this vertical division of society did not persist. The only visible (and almost forgotten) token of this once important division is the continuing practice of the women of some castes of wearing their sarees over the right shoulder. This practice is clearly on the way out.

8. Milburn writing in 1813 comments favourable on the ship building activity in Coringa Narasapur.

"The facility convenience and cheapness with which ships of war or of burthen not exceeding 500 tons have been and might in greater number be constructed in the ports of Coringa and Narasapur two of principal branches of

the Godavari are considerations of the utmost importance to a maritime state; nor should the extensive branch of ship building now in use with so much imperfection and improvidence in supplying 50,000 tons in smaller craft for the coasting trade be forgotten" (Milburn, Vol.II, p.86).

Karaikkal too had ship building activity (Bros 1971, p.312) The Modi records evidence the efforts of the Tanjore Rajah to encourage ship building on a large scale at Saluvanaickenpattinam (Venkatramayya, V, 1984, p.390-393; R Pavunthurai, 1984).

9. Ananda Ranga Pillai owned a ship "Ananda Puravi".

The modi records describe a dispute arising from the leasing of the ship "Brahadeeswara Prasad" belonging to the Tanjore Kingdom. In July 1838 Willian Ross agreed to pay hire charges of Rs.6000 per annum for trading with Salmon Islands (New Guinea). In a letter written in 1842, Ross substantiates his status as a capable merchant used to leasing of ships; he had taken on lease Mr.Peyton's vessels' Venkat Reddy in 1836 and the Rajah of Bhavnagar's vessel 'Daulat Prasad' (V.Venkatramiah, 1984, 393-394).

There are references also to vessels owned by Chetties as well as Muslims at Nagore Nagapattinam (Venkatramayya, p.391).

10. The Khaji of Nagapattinam Shri V.H.Mohamad Ghouse Maricair recalls his families involvement in Maritime trade for atleast five generations. The family owned 7 to 8 sailing ships all between 300 to 500 tons which plied regularly between Malaysia, Straits of Malacca, Indonesia, Burma and the Andamans. Another family of equal standing was the Mapillai Labbai Marakkyars (Based on a personal interview with Shri V.H.Md.Ghouse Maricair at Nagapattinam on 10-5-1990).
11. An anonymous account of Keelakkarai in 1814 in the Journal of the Royal Asiatic Society, Vol.5, p.165-188, April 1837.

12. Gros, Vol.I, 1971, p.312
13. Mayor's Court Records XII(a) Vol.3, Letter dt.17.2.1767.
14. Mayor's Court Records XII(a) Vol.15, Letter dt.6.7.1773
15. Pub. Department Cons, 14th May 1761.
16. Gros, 1971 p.62, the total receipts were Rs.39485 of which Rs.24814 was from rice. The editor however doubts that this income could be so low.
17. Wright Michael, 1992, "Siamese Religious Mission to Lanka via India, 1815 A.D", Indica, Vol.29, No.1, March 92, p.51-58.
18. An anonymous account of Keelakkarai in 1814 in the Journal of the Royal Asiatic Society, Vol.5, p.165-188, April 1837.
19. The life and writing of Paduvaar Muttappar, a poet from the Nattukottai Chetty community who lived between 1740 to 1800 also provides us clues to the Nattukottai Chetti life styles of the period. (Chokkalingam, Karaikudi 1988, p.42-43). Muttappar sought to trade in salt with one panam (fanam) as his capital. He was however unaware of the practice of paying the headman a sum for being allowed to set up a stall at the Shandy. This indicates that there were Chetties who operated on a very small scale as well. Muttappar has also not singled out any Nattukottai Chetty patron for praise while there are references to palayakkarars. Muttappar in his work has firmly linked Chetty prosperity with the British flag (ibid. p.59, p.60).

 "While the English flag flies and Ilayathangudi (the most important temple of Chettinad) flourishes". In another reference, the poet refers to the company's Govt. as just "while the company who are just, rule in all directions from the islands to mainland",
20. Tirunelveli cotton was shipped to Canton in 1803 and 'Tinnies' were soon very much in demand. Tirunelveli cotton became a staple of the company's trade to China and the exports grew steadily, doubling twice between 1825 and 1845. Cotton which has never been exported upto 1801 generated nearly half the total export earnings in 1820 (David Ludden, p.139).

With the loss of the company's monopoly over the China trade in 1833, private agency houses began to move into Tuticorn to take part in the export of the raw cotton to China. Upto the 1830's Tuticorn was known only as the centre for pearls and chank fishing to the British private trader. By 1842 it had leaped into the prominence as the depot for all cotton from the South going to China and England (Gazeteer P). Several presses had been set up by the Europeans and Chetties were edged out.

21. Weerasooria also locates in early 1840's the loss Nattukottai control over the cotton trade from Tuticorn and Colombo. (Weerasooria, p.15) "one of the most important probably lucrative branches of the Chetty trade of the olden time has departed from them, they no longer deal in raw cotton, the whole trade in which was transferred to Tuticorn when the cash advance system was abolished".
22. For example Fr Jourdan relied on Muslim navigation. His voyages to Kedah Riu were manned mainly by 'moorish' sailors from Nagore (Public Sundries, Vol.21). Similarly the navigator for the Siamese expedition to Ceylon was a "malum" see note 17 above.
23. He lived in the later half of the 17th century (1030-1118 Hijra i.e. 1620-1708 AD) and was a Governor under Aurangzeb and later to Kizhavan sethupathi. He is known to have built the big mosque at Kilakkarai and a thousand pillared mandapam at Ramanathapuram both in the same style. His wealth was presumably from trade, but was augmented by his involvement in military affairs and administration. (S Mohammed Hussain Nayinar, "Seedakkadi Vallal"). Sethakkadi may be described as a "Portfolio Capitalist".
24. see Brennig, 1975,
25. Report of External/Commerce 1805, para 12-13, PDC Vol.309, 1806.
26. About 74767 bullocks and 290 carts were used to transport 1146 garce of paddy out of total of 1576 gore moved into Karaikkal in 1824; J Deloche, 1984, Vol.II, p.344, Cahier No.14.

CHAPTER - VII

FINANCING OF TRADE: THE ROLE OF THE DUBASHES 1757-1800

7.0.0 Introduction

A significant element in the working of the trading system in the Coromandel region was the financing and money transfer network available to the traders. There was the need for capital in every phase of production and shipping of goods overseas. The main needs at the production stage were for raw materials and the subsistence of weavers or other artisans. These were met by the merchant-contractors placing the orders. A large investment was required in the next stage, of gathering the produce and shipping it overseas. The established merchant networks which supplied piece goods for export were under several kinds of pressure in the period under examination. The local elite, the group that was involved in channelising agricultural surplus upwards to the urban ruling class found opportunities to move into the financing of trade. They derived their capital from their associations with revenue farming. They were gradually drawn into trade in primary agricultural products under the stimulus of the growing British private trade. Their familiarity with local usage led them into money changing which was becoming a major need in view of the EIC's policy

of revenue collection in cash. The dubashes who gained prominence in the period were drawn from such local elites. Their role was larger than mere translation work and in the period of 1760-1800 they achieved a considerable control over indigenous capital and disposable Produce.

7.0.1 References to the activities of dubashes recur in all the Company records. The modi records of Tanjore provide indications of the nature of dubashi activities (Venkatramayya 1984). A detailed biography of Pachiappa Mudali (Srinivasapillai 1915) besides Anada Ranga Pillai's Diaries provide useful information of the role played by dubashes in politics. The Sarvadeva Vilasa is an interesting work seeking to demonstrate the opulence of 'courts' of some prominent dubashes (Raghavan 1958). The Diaries of George Paterson throw interesting light on the machinations of dubashes (and private British traders) at the Nawab of Arcots' Court (Nightingale 1985).

7.1.0 Origins of Dubashi Capital

7.1.1 Nightingale described role of the dubashes in some detail. The relationship between the European official and his dubash was something more than between a master and his servant. The young official who sought to enter into country trade relied on his dubash not only for his knowledge and

local contacts but also for capital and loans. The relationship was sometimes a partnership between two young and ambitious merchants each using the other for their mutual advantage. As the European rose in the Company's service, so did the authority and the influence of the dubash who could now make use of his master's power to increase their joint fortunes. How much his master condoned or inspired his activities is a question which cannot be satisfactorily answered, but there is no doubt an unscrupulous dubash was in a position to exploit and deceive (Nightingale, 1985, p.99). Susan Nield Basu's study of the Madras dubashes points to the following conclusions: (Nield Basu 1984).

- i) The dubashes derived their power from political influence and preferred to obtain revenue collection contracts and money lending .
- ii) the dubashes were from the land owning groups with a local political base surrounding Madras and not from prominent merchant groups.¹
- iii) The institution of the dubash held seeds for its own destruction - The consolidation of British power in India, and the development of a stable administrative machinery, rendered them redundant.
- iv) The administrators mistrusted the dubashes to a great

extent and were wary of their intrigues and diabolical schemes, particularly after 1800.²

Another concept useful in describing the activities of a dubash would be the notion of "portfolio capitalists" as their interests were indeed wide-ranging covering politics, revenue collection, in-land trade in grain as well as long distance trade.³

7.1.2 The prominent dubashes invariably hailed from the environs of the colonial port cities. They probably began as commercial intermediaries but in the period of our study (1757-1800) they were political as well as administrative agents to their European masters. A typical day in Ananda Ranga Pillai's life would begin with his going to the Governor's house in the morning and reading to him mail from the various country powers. Replies would be readied in accordance with the Governor's instructions. He would then return to his arecanut godown to conduct trading activity, both his own and that of his European principals including the Governor.⁴ Townsman would call on him for various favours - to obtain the Governor's nod for a transaction, settle the terms for a marriage alliance, or make peace in a caste dispute. At dusk, there was perhaps a poet to read his compositions and obtain gifts; or a procession from a temple or a quiet *tete a tete* with chosen friends. And of course he

would write the diary (or rather dictate it to a gomastah).⁶ The dubashes were mainly from the prominent land holding castes.⁷ While some of them inherited extensive land holdings (like the Thotticalai, Numgambakkam or Neydavoyal families), others were helped by their kinship or other ties with prominent dubashes. Thus Pachaiappa, though an orphan, was a protege of Neydavoyal Narayana Pillai. They were thus already well connected with local elites of the region.

7.1.3 When Europeans began obtaining rights for revenue farming in the 1760s they unvariably relied on dubashes for collecting the dues. Thus dubash Kumara was as notorious as his master Paul Benfield. Dupliex's 'Jaghir' was managed by his dubash, Ananda Ranga Pillai. The activities of the Madras dubashes in Tanjore best demonstrate their revenue farming activities. The finances of Tanjore were in disarray from the 1770s onwards with successive attempts by the Nawab of Arcot to corner Tanjore revenues. The Rajahs had to meet a strict payment schedule to the EIC. The Madras dubashes who had large interests in Tanjore were Powney Narayana Pillai, Pachaiappa and Manali Mutthukrishna Mudali and his son Chinnaiah Mudali. Narayana Pillai was involved in diplomatic negotiations with Tanjore in the 1750s (Srinivasa Pillai, 1911, p.5). Pachaiappa as his protege probably drew on his contacts when he went to Tanjore in 1785 and acted as his agent. Pachaiappa's last letter was to Narayana Pillai and it

clearly demonstrates that Pachaippa acted as Agent for Narayana Pillai in many instances. Pachaippa had named Narayana Pillai as his Trustee. Manali Muthukrishna Mudali was Lord Pigot's negotiator throughout this period. His son Chinniah Mudali was stationed in Tanjore. All these dubashes were involved in lending to the Rajah and revenue farming. The modi records offer some details of such loans. Pachaippa seems to have been the major middleman in these deals.

TABLE - 7.1

Loans to the Rajah of Tanjore arranged by Pachaippa

Year of Loan	Amount	Value of security	Rate of return	Lender
1780	8960	11,060 (20 Jewells)	1.5% p.m.	Narayana Pillai through Pachaippa
1783	689	1 Gold pendent	1% p.m.	-do-
1783	50000	Not specified*	1 .5% p.m.	Pattinam Panachetty through Pachaiappa
1783	15000	Not specified*	Not speci- fied	Muttaiah Mudali through Pachaiappa

Source: Venkatramayya, 1984, p.405-406

*against expected land revenue.

Among the well known Madras dubashes, Venkatachala Mudali and his brother Chengalvaraya Mudali lent 18800 pagodas. There is another document regarding the pledging of the revenues of Sirkali taluk to nine lenders including some Brahmans and Muslims, and the Madras dubashes Chinniah Mudali, Koodaloor Venkatachala Mudali besides Pachaiappa and Muthiah (Venkatramayya 1984, p.405).

7.1.4 Tanjore was a major grain production centre and dubashes with their revenue collecting rights invariably found that they could gather large stores of grain. Large British traders in grain, like Cochrane, relied on cheap supplies of rice in Tanjore to supply to Madras.⁷ An indication of the stranglehold developed by the dubashes over grain supplies is the fact that the Madras Government ordered the expulsion of all dubashes from Tanjore on complaints from the Rajah, that they were cornering grain to raise the price.⁸ There is also evidence of some attempts to control indigo trade. In 1789-90, the Rajah complained to Madras that the Resident Mr. Ram was enforcing a monopoly in Indigo trade which was detrimental to local traders. It is evident that Mr. Ram did engage in indigo cultivation and export to Europe in the name of Subbarow his dubash and that Manali Chinnaiah Mudali was also involved. Chinnaiah is also cited as Raja's lender for payments to the British.⁹ The entire

episode throws light on the way dubashes held sway often in the name of their masters in Tanjore in the 1780s. dubashes often used the name of their principal to justify their acts. The excesses reportedly perpetrated by Causie Chetty in Garrow's name in Coimbatore, and Avadanam Paupaiah in the name of the Holland brothers are some well known instances of this kind (see Appendix D for details).

7.1.5 In the 1760s, the EIC and individuals like Paul Benfield obtained extensive contracts for revenue farming. Many land holders and local chiefs were drawn into the ambit of the British by their role in revenue collection activities. Revenue was collected in kind under earlier regimes and the local leaders had to arrange for collecting the ruler's share of the paddy and sending it to the ruler's seat of power (usually an inland Fort or city). The British, however, wanted the revenue in cash and the local leaders were thus drawn into trading in grain and money changing. The growth of urban centres with large consumption needs promoted further interest in grain trade. Thus grain trade had moved into the hands of a few active British private traders and the traditional merchants were marginalised. These traders relied on their network of dubashes to arrange for supplies. The dubashes in managing revenue collection activities for their principal were drawn

into the grain trade and money changing.

7.1.6 The dubashes hailing from landowning class of local leaders in the environs of the European port cities had traditionally mediated in land revenue collection .Local rulers relied on them for grain as well as soldiers in times of war. With the EIC's ascendency in the 1760s, their services were used in by the British diplomacy also. As intermediaries in revenue collection they were drawn to whole-sale trade in agricultural produce like grain and indigo. The dubashi activities in Tanjore can illustrate these developments.

7.2.0 The social standing of the dubashes

7.2.1 The evidence in the sources like Sarvadeva Vilasa indicate the emergence of the dubashes as a the well-knit social group in the second half of the Eighteenth Century. Though they held extensive land, they entered the service of English EIC officials and gained prominence along with their masters. The leading dubashes often acted together in commercial matters as is evident from the details of their activities in Tanjore. Their bonds were forged both in terms of their standing in their local communities and common commercial and political interests .The cultural, ties which brought them together is well described in Sarvadeva Vilasa

(ed. Raghavan, V, 1958, written around 1800). The work describes the elaborate courts held by three prominent dubashes where poets, musicians and dancers were honoured. Even though these gatherings were held in the native villages of a particular dubash, the other leading dubashes joined the festivities. This was a period of development particularly for South Indian music and dance - the Trinity of carnatic music were at work in Tanjore and their influence reached Madras too. dubashes like Pachaiappa and Chinnaiya Mudali had developed a deep interest in fine arts particularly during their stay in Tanjore. They were perhaps instrumental in bringing this cultural renaissance to Madras. Works like Sarvadeva Vilasa were no doubt commissioned by the personages prominently featured in it - dubashes Deyva Naik Thoticalai Armugam and the others. The fact that a single work lauds so many figures points to good cooperation amongst the patrons and perhaps joint patronage. The earlier works of this genre were dedicated to a particular patron. Ananda Ranga Kovai featured Ananda Raja Pillai only, reconstructing his genealogy (C.Srinivasa Chari, Madras 1940, Introduction). The good cooperation among the Madras dubashes particularly in the life time of big operators like Pachaiappa, Neydavoyal Narayana Pillai and Manali Chinnaiah Mudali, seems to have vanished with declining fortunes. There is a marked increase in mutual competition after 1800 as evidenced by the long

drawn out litigations carried on in the Madras courts. The life style of the second and third generations has been described as decadent (Srinivas Pillai 1915). The disappearance of avenues for profit like large scale lending and the decline in mirasi incomes perhaps led to their decline.

7.2.2 Dubashes sought to enhance their status by their support to religious activities by seeking to hold posts of Darmakartas in various important temples. Thus in 1795 Neydavoyal Narayana Pillai became Dharmakarthas of the Triplicane temple. His son and his grandson continued to hold the office. They were granted control of the Triplicane temple "as part of perquisites of their borker offices in the colonial economy". The activities of the Neydavoyal family upset the ancient traditions relating to distributions of temple offerings and other prerogatives of temple staff. There was in fact much litigation over these issues between 1799 & 1832 (Appadorai, Arjun 1983). As temples controlled considerable wealth and cultivable land, the rivalry for these ritual positions certainly had very tangible underpinnings in the control derived by the office-holders on the disposal of cultivatable land. Pachaiappa's charities to temples are well known and almost every temple town in Tamil Nadu has a choultry or street in his name. In view of his low

caste he was not allowed to perform charities at chidambaram by the Dikshitars (a snobbish priestly class known to have defied secular authorities of all eras). The matter was resolved by Manali Chinnaiah Mudali interceding on his behalf. Pachaiappa's will lists the various temples like Chidambaram, Tiruvidamarudoor, Kashi etc where daily rituals were to be maintained .

7.2.3 The range of dubashi activities was closely linked to the extent of their political interests. This is clear from the details of Pondicherry dubashes. For example, Ranga Pillai was engaged in Trade before 1740 He took up revenue farming and reduced his trading on his acquiring political importance with his elevation to Coutouriership. The decline of French power immediately led to his rapid fall. In addition to revenue farming, the related services of arranging remittances, money changing etc., also constituted an important part of dubashi activities. We are able to date the rise to prominence of Madras dubashes to 1760 and their decline set in after 1800. They do not for example appear prominently, in the lists of the Nawab's creditors in the 1767 consolidation. The strength of the British private capital in Madras and Arcot must have kept them out of this market. We find them playing a prominent role in Tanjore after 1775. It would appear that the British lenders

preferred to lend to the Nawab, leaving more distant (and relatively less secure) markets like Tanjore to the dubashes. The dubashes also seem to have lent at a lower interest rate compared to European lenders at Tanjore. dubashes lent usually at $1\frac{1}{2}\%$ per month while Englishmen lent at $2\frac{1}{2}\%$ perhaps because of the greater influence of Englishmen. They were entitled to a commission when they arranged loans besides a Nazar of 5% when they lent. (Venkatramayya.p 405-406)

7.2.4 The EIC's administrative measures relating to land tenures greatly eroded dubashi rights over their traditional land holdings. Their efforts to hold on to some of the former mirasi rights led to conflict with EIC administration. This in turn led to their being viewed with distrust by administrators like Lionel Place the collector of the Jaghire in 1799. In response to this situation they opted to use their influence in the Company to secure jobs in the expanding administration, for their near and dear. Unlike the Calcutta bania, the dubashi instinct was for land and they did not diversify into trade to maintain their economic status. It has been held that the prolonged trade depression in Madras was an inhibiting factor for their entry into trade. Though several causes contributed to the trade decline, it was perhaps compounded by the reluctance of the

dubashes to channelise their resources and energies into trade. The capital available with them was eroded rather rapidly with their changing fortunes, particularly because it was not invested either in trade or in manufactures.

7.3.0 Conclusions

7.3.0 The rise and decline of dubashes, helps to illustrate how local leadership reacted to the expanding European presence in the Coromandel region. The top dubashes were from the land owning gentry, hailing from the villages close to Madras like Manali, Thoticalai, Nungambakkam, Vandalur etc. They were used to holding land and the management of agriculture and were well connected with the local rulers. As social figures they patronised art, learning and religious activities, these common interests and traditions welding them together as a class. They allied themselves with the European conquerors and served mainly the private interests. While they gained by this alliance initially, they found that their dubashi role was soon redundant while their mirasi status was undermined by the changes in the wake of direct administration by the EIC. Their unpopularity with administrators particularly after 1809, indicates that they resisted the threats to their status in the villages. The dubashes emerged to meet the

needs of the Europeans administrators engaged in expanding their territory. Their linguistic and negotiation skills were of use to the French/British first in their political and military manoeuvres and next in settling their vast territories. dubashi trading interests grew alongside the colonisers interests. They played a critical role in Madras between 1750-1800. Prior to 1750 their intermediation was mainly related to trade. Around 1750, English ambitions for territory grew larger and it was then found that they could draw on the resourcefulness of their dubashes. By 1800, the dubashes had neither a political nor a commercial role. Their efforts to retain at least some of their ancient privileges earned them the disapprobation of the new breed of the EIC administrators.

NOTES

1. Bundla Ramaswamy Naidoo, in his "Memoir on the Internal Revenue System of the Madras Presidency", Madras 1908, (Written in 1820) describes how the "Tamul dubashes" were original land owners and "a peculiar people of Agriculture" see p.22-23 as well as Appendix I, Nos2, Nos3 in p.67-p.74.
2. See for instance place's Report on the Jaghire, Fifth Report Vol.III p.102.
3. Sanjay Subrahmanyam and C A Bayly describe the activities of a portfolio capitalist in the following terms:
"An entrepreneur who farmed revenue engaged in local agricultural trade commanded military resources (War animals arms and human labour) as well as on more than the odd occasion had a flutter in the great game of Indian Ocean Commerce". Subrahmanyam and Bayly, 1988, "Portfolio Capitalists and the Political Economy of Early Modern India" IESHR, Vol.25, 1988, p.401-422.
4. Ananda Ranga Pillai's family was from Perambur to the North of Madras and migrated to Pondicherry in his fathers time. The prominent dubashes hailed from villages such as Manali, Neydavoyal, Thottikalai, Nungambakkam, Kanchipuram which are also located close to Madras.
5. Gomastah were clerks/writers/accountants engaged by native traders and rulers.
6. Dubashes were mainly from Yadava and Vellala castes which were the land owing groups in Chinglepet. The Place Report (1799) has estimated that the caste-wise distribution of such local leaders (i.e., share holders in villages) as under (a) vellalas 50% (b) Brahmins 23% (c) others 27% (including Reddy, Vanniyar etc.) (see appendix D for details of lives of dubashes).
7. Public Department Consultations, 15.1.1778 (see Chapter IV, para 4.2.1).
8. Public Department sundries Vol.86A, 1799-1800, Committee on Tanjore (Srinivas Pillai, 1911 p. 15).
9. Military sundries Vol.75, 1789-90.

CHAPTER VIII

FINANCIAL PROBLEMS OF LOCAL RULERS 1757-1800

8.0.0 Introduction

An attempt is made in this chapter to understand the commercial underpinnings of British territorial acquisition in the Coromandel region. The denouement in the case of two separate kingdoms-Arcot and Tanjore-is examined taking the commercial and non-political forces governing the events into consideration. It is found that the stages in the transfer of control are remarkably similar in the two cases, although some political histories treat Tanjore and Arcot as traditional enemies [Ramaswami, N.S., (1984), K Rajayyan (1969), S M H Nainar (1952-58)]. The information on Arcot is mainly drawn from the voluminous details available in the Fort St.George records. A compilation from EIC records entitled Tanjore Affairs preserved at the Saraswathi Mahal Library as well as the Modi records of that library are the most valuable sources for Tanjore.

8.1.0 Revenue Farming

8.1.1 The growth of the political importance of the EIC brought wealth to the officials in their individual capacity in two forms. The officials received gifts or rewards in

cash and kind in keeping with local custom. Military adventures also provided large booties to be shared amongst the army officials. Thus officials in both the civil and military wings quickly amassed large fortunes. The capital accumulated in this fashion was intended to be repatriated to their homeland, Britain. But such repatriation could not be arranged readily because of the limited facilities available for remittances. The funds were therefore invested in local activities while awaiting opportunities for returning to England. The first avenue for investment available was trade - both country trade and Europe trade (often clandestine). The growing importance of private trade was a direct outcome of the availability of such capital. The risks in trade were often unpredictable .

8.1.2 The second option available was lending to the Indian rulers who were already subject to British dominance in varying degrees. Such loans took the shape of 'revenue farming contracts' under which the lender was given a tankah or written order allowing him to collect the land revenues from a specified district or tract of land after the harvest. This form of lending was an accepted mode of raising resources in Indian courts . There were many such instances including loans of the Marathas (Bayly C A, 1990, p.100), the nawab of Arcot, the Rajahs of Tanjore (Rayaygan K 1969). The

state was thus independent of seasonality and fluctuations of revenue inflows and did not need to maintain a costly beaureaucracy to gather land revenues. For the lender, such tankas gave unfettered powers over the local populations besides an assured return of 25% to 36% per annum. The large scale involvement of British private entrepreneurs in such revenue farming formed the background for the political developments of the period. Each political development could be understood in terms of its impact on the fortunes of such investors. The broad pattern visible both in Tanjore and Arcot are the same.

B.1.3 Military collaboration (or support) was the entry point into a territory. The rulers when they sought EIC military support found that such military alliances perpetuated themselves. The costs of the expeditions as well as the cost of such continuing support were to be borne by the local ruler. This resulted in the piling of huge dues to the East Indian Company. Large borrowings were necessary to meet these dues. It was usually the British in their individual or private capacities who had the resources to lend such amounts. Continued borrowings from European lenders led to the legitimisation of loans in that, the lenders could 'persuade' the EIC underwrite them. Delays in repayments of such loans was the ultimate justification for the outright

(or say 50 lac star pagodas) which included the cost of the war against Haider (14.5 lac pagodas). Of this 27 lacs pags were due to the private lenders mainly the Englishmen in Madras (Table B.1).

B.2.2 The directors of the EIC soon realised that their debts to the Nawab were growing at an alarming rate and that the parallel growth of the Nawab's private debts was hampering the realisation of their dues. These private loans carrying an interest between 24% and 36% per annum were secured by tankas on major tracts of his kingdom. The EIC initiated the consolidation of 1767 whereby individual creditors transeferred their claims against the nawab to the EIC's Government. The Government was to ensure the gradual repayment by apportioning the Nawab's repayments equally between its own dues and that of the private creditors. When these arrangements were finalised in 1769, the Company's servants were forbidden to lend further to the Nawab and the interst on private loans was fixed at 10%. There were some misgivings⁶ among the creditors initially but eventually the surrendered individual claims they had against the nawab. These loans amounting to 22,29,650 star pagodas (approximately £8,80,000) were gradually repaid with interst.⁷

TABLE B.1

NAWAB OF ARCOT'S DEBTS (IN STAR PAGES) 1756-1770

Debts to EIC Star Pags	Debts to Private Creditors	Details of Sources	Repayment Scheme	Other Remarks
1371906		Baliga p 324	To repay 1.5 lac pags p.a. (in peace time)	Debt mainly cost of Defence of Madras.
2525374		Baliga p 324	Due to war, repayment not kept up.	Rise due cost of Defence of Madras and attack on Pondicherry.
1365104		Baliga 324	Assignment of revenue of Jagir 4+ lac pag p.a. to EIC money received by EIC upto 1766.	—
2700000 (Old arrears 1250000+ cost of Mysore war 1450000)	2229650	Baliga 324 and Ramaswami	Nawabs Total Revenue per annum 25 lac pags. Payments: Military costs 7 + lac pags Jagir Debt 3 + lac pags. Total 11 lac pags 11 lac pags	Company under wrote repayment of private loans and applied revenue from Nawab to regularise its own loans to him as well as private loans (1767 conso- lidation mostly repaid before 1777) Interest rates for private loans ran- ged between 25 and 36% and was redu- ced to 10% by EIC in 1767.

a: (1) Baliga, B S (1960) studies in Madras Administration "British Relations with the Nawabs and primary Arcot", Vol.I, Madras, 1960, p.324.et seq.

(2) Ramaswamy, N S (1984) A Political History of the Carnatic under the Nawabs, New Delhi.p306-310

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1766	1365104		Baliga 324	Assignment of revenue of Jagir 4+ lac pag p.a. to EIC money received by EIC upto 1766.	—
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8.2.3 An option available to the Nawab was Territorial expansion to enlarge his revenue base. The Tanjore expedition and occupation was one such attempt backed by British Private Entrepreneurs. (1771-1777). Further borrowings from the same lenders were necessitated to meet military costs. This resulted Cavalry loan 1777 and the 1787 consolidation. Reckless profiteering by private traders and agency houses led to the circulation of and speculation on spurious bonds of the Nawab. The prime movers in each of these stages were the British lenders to the Nawab. In the pre-Tanjore phase (before 1771), the lenders were a few individuals controlling large resources. With the change in EIC policies towards such activities the lending came to be channelised through free traders and later the agency houses. Every policy measure of EIC was carefully crafted to suit the interests of such lenders. The first consolidation while enabling the repayment to the Company, brought greater legitimacy to the private creditor's claims against the Nawab . Paradoxically, the consolidation resulted in further private loans to the Nawab. The EIC, by taking up responsibility for repayment enhanced the security of these loans even though the interest return was reduced. The private capital in Madras had demonstrated its ability to shape EIC policy to suit its needs. This led to an actual increase in further loans to the Nawab, and two further consolidations in 1777 & 1787.

8.2.4 It was this desperate financial position that formed the background for Mohammed Ali's aggression against Tanjore. Tanjore was one of the richest kingdoms in the region, with good agricultural yields as well as textile production for export. In concrete terms, the annual revenue of Tanjore was around 20 lac pagodas (Phillips 1986 p.2). As the peishcush agreed upon was only Rs.4 lacs (or 1 lac pagodas), the Nawab looked for opportunities to annex the whole kingdom. His British financial backers were also attracted by the prospects of an entry into Tanjore and actively supported the Nawab in his plans. Though the EIC had always been supported by the Tanjore Rajahs, it allowed itself to be a party to the expedition against Tanjore mainly to suit the interests of creditors of the Nawab. The arrears of peiscush^a and the Tanjore attack on Sivaganga and Ranmad were made the immediate reasons for the attack. Josias du Pre, the Governor of Madras in 1771 was reluctant to get involved as he was of the view that the expedition required better preparation. The other deterrents were the fear of Maratha support to Tanjore and the enhancing of Mohammed.Ali's status in the event of victory. DuPre decided in favour of the expedition in the year 1771 mainly because of the threat of a war with France in Europe and the fear of a French attack on Tanjore (Nightingale 1985 p90). The Nawab on his part was also

suspicious of British intentions and sought to impose conditions on the extent of British power in Tanjore after the conquest. It was September 1771 by the time the army was ordered to march from Trichi. The army led by General Smith laid a short seige and then terminated the expedition without storming the fort. The abrupt end was widely believed to have been brought about by a Tanjore bribe to the General. Mohammed Ali accused the British of treachery (Nightingale 1985, p153).

8.2.5 The political as well as the financial implications of this episode need a close scrutiny. Other than private gains in the form of gifts, the Company's Government did not benefit substantially from this foray. In fact, their prestige had suffered in the eyes of contemporary war lords in the Carnatic. For Mohammed Ali, the expedition was apparently a failure and in public he blamed his allies, the British, for letting him down. His grief and anger could not have had much substance, for, he had benefitted from the

expedition in his unique way. His gains could be categorised under financial and political gain. Financial gains included the amount Rs.50 received by Mohammed Ali, over the next two years from the Rajah. He could save the cost of payment for the British military support as the expedition failed. Further, he did not have to pay the promised reward of Rs.10 lacs to the army. Admiral Harland estimated that these costs would have come to £ 5,60,000 (or star pagodas 14,00,000) had the expedition succeeded (Nightingale 1985, p.90-91). The political gains were substantial. The Nawab was always nervous about the spread of British influence in the region, and the failure of the expedition prevented the British entry into Tanjore. At the same time, he succeeded in enforcing his right to the revenue. He also scored another strategic point in that the British were no longer guarantors for the peishcush payments and he could deal directly with the Rajah. It was a paradoxical situation where the Nawab's apparent loss was infact his gain. (Nightingale, 1985 p.68-72, 90-91).

8.2.6 The detailed break up of the payments to be made by Tanjore in the year 1771 was as under.

TABLE 8.2
FINANCIAL COMMITMENTS OF TANJORE 1771

(i) Two years peishcush due	Rs. 8,00,000
(ii) Interest on peishush due	Rs. 77,000
(iii) Indemnification for the cost of expedition (1771)	Rs. 32,50,000
(iv) Nazars to the Nawab's sons	Rs. 4,00,000

TOTAL	Rs. 45,27,000

Source: Tanjore papers, Vol.2-3, 1789, p.932, para2.

The Rajah paid Rs.12.5 lacs in ready money as the arrears of peishcush and nazar for the period of 1771-1773, out of Rs.40.50 lacs due (i+iv Table 8.2). He resorted to borrowings to meet such large demands on him, by sale of territory to the Dutch.⁷ Mohammed Ali found one more reason to complain when he heard of the territorial concessions made to Dutch by the Rajah as part of his efforts to raise money (Table 8.3). By 1773, the Rajah was behind in his payments by Rs.11,63,100 and assigned some districts to the Nawab. In 1773, the Nawab appointed Benefield as the rentier for the districts.

TABLE 8.3

FUNDS RAISED BY THE RAJAH OF TANJORE IN 1771-1773

i) Borrowings from Coledapa Mudali	1,80,000 pags
(Security of jewels worth 5 lac pagodas)	
ii) Proceeds from sale of Nagore and adjoining areas to Dutch	5,18,200 pags

TOTAL	6,98,200 pags

Source: Tanjore papers 1789, TMS SM library vol 2-3 part 2, p.1379.

These funds were been used to pay the Rajah's dues to Nawab as well as to Kumara (who was Benfield's dubash and perhaps his proxy. The sale of Nagore to the Dutch was also forced on the Rajah because the chetties of Nagapattinam, did not maintain their Promise to lend money to the Rajah.

8.2.7 Being unable to clear the debts to the EIC private creditors, the Nawab mooted the idea of a second Tanjore expedition in March 1773. The Fort of Tanjore was taken and the Rajah was deposed in September 1773. It is again instructive to examine the various influences at work. (Nightingale, 1985 p.142-44). The Nawab had to ensure that he met the expectations of all the groups - company officials, army and private interests before the expedition could get underway. The Governor and the Council received lavish gifts

TABLE 8.4

TANJORE EXPEDITIONS
A COST-BENEFIT ANALYSIS

Year	Mahomed Ali	EIC		British Private Intt.		Tanjore
	Cost	Benefit	Cost	Benefit	Cost	Benefit
1771	Bribes to various officials (amount not known)		a) Loss of prestige b) Cost of expedition	a) Tanjore revenues revenues could be used to off set Arcot debts	a) Gifts of various sorts b) Rev. from Tanjore could be used to pay their dues	1) To pay over 1771-74 50 lac pags 2) Bribes to Army etc. (amount not known)
	1. Show of strength					Backlog of kingdom averted
	2. Direct control over revenue payments					
	3. Avoidance of meeting cost of expeditions and gifts to be made to Army					
	4. Gains over the period 1771-74 expected to be 50 lac pags.					
1773	Total cost of both exp. 1 crore pag.		a) Sales by way of a) Allowing enlarging a) The hopes of realizing dues from Nubab strengthened b) The reverse of 1771 made up for b) Rev. collection b) Betraying a long standing Ally Oct. 1773-April 1776 - 178 lac Rs. or 50 lac pag (approx.)		a) control over Tanjore revenue b) Tanjore in 1775 for most of Nubab's territory	1) Loss of sovereignty 2) Lootings, loss of money
1776 a) Loss of Revenue -1777 of Tanjore			a) Cost of wars	a) Restoration of prestige b) Control over Tanjore	c) Increase in lending opportunities 3) Extortionate revenue collection 1773-75 impoverished country. a) Access to Tanjore revenue b) Assignments of 50 lac chakras by the Nubab for debts.	1) Restoration of private capital & Dubashes into Tanjore. 1) Restoration of private capital & Dubashes into Tanjore.
b) Financial chaos & cost of wars						

to help them decide in favour of the expedition.¹⁰ There was also the expectation that there would be further and bigger rewards upon the successful completion of the expedition. Similarly the interests of the army had to be taken care of. The army felt that it was cheated of the spoils in the 1771 expedition when the Fort was not stormed and taken. The condition imposed was that some prize money had to be paid to them, whether or not the Fort was taken.¹¹ Benfield who stood for the British private interests was finally persuaded to back the expedition with a loan by the promise of protection of his interests in Tanjore.¹² The Nawab's gains from this expedition had many dimensions. The most tangible gain was absolute control over the entire kingdom of the Tanjore. Besides the gain in stature, he hoped to square his financial position with the help of the Tanjore revenues. (Table B.4)

B.2.8 The two expeditions were estimated to have cost the Nawab one crore pagodas but expected to lead to a doubling of his revenue (Philips p.3).¹³ In his 2½ years of occupation, Mohammed Ali collected a total revenue of Rs.173.5 lacs, or an average of Rs.70 lacs per annum. This was nearly double the normal collection and the country was laid bare by such extortion.¹⁴ When the news of Tanjore events finally reached London, much debate was generated in the Parliament, the EIC and outside. Lord Pigot was finally

sent as Governor with a mandate to restore Tanjore to Rajah Tuljaji. Mohammed Ali reacted in his own crafty way by giving tankahs on Tanjore to many Europeans. He was banking upon their ability to protect their claims (see Table 8.5). This could unite the private interests in Madras. Lord Pigot agreed to protect these claims even after restoring Tuljaji to the throne of Tanjore.¹⁵

TABLE 8.5

TANKAHS TO EUROPEANS IN TANJORE 1773-1775

Name of Tankah holder	Value of Tankahs		Star Pags
	Chakram		
Mr. Benfield	11,74,779, 9, 3/4		499778, 3/4
Maj. Martinez	1175		
Mr. Henry Moore	29046		
Col Bonjour	27600		
Mr. Redhead	11750		
Mr. de Souza	345749, 2, 7/8		
Mr. Taylor	83573, 0, 1/2		
Mr. Monckton	641728, 5, 11/16		
Dr. Storie	12474, 0, 15/16		
John Defries	67141, 8 1/2		
Gene. Flectcher	7050		
Geo. Smith	76375		
Thomas	28200		555260, 3/4
	-----		-----
	1304862, 8 1/2		
Tankahs to Europeans	2479342, 8,	10,55,039,0	
Tunkahs to others	827638, 3, 14/16		
Total Tankahs	3306981, 2, 1/14	14,07,226	
Cash sent to the Nawab	108405, 3, 17/32	13630, 5/32	
Total	5040685, 8, 7/16	2144972, 11/32	

Source: Tanjore Affairs 1789 Vol.2-3, part 3 p.1381-1383

Note: The conversion rate of chakram to pagodas varied widely and the conversion given here is exactly as in the original source.

8.2.9 The last phase of the Nawab of Arcot between 1776-1800 is interesting, the restoration of the Maratha Rajahs in Tanjore marked a turning point in the Nawab's relationship with the British. The failure to annex Tanjore eroded the Nawab's credibility, and his solvency was worsened. His borrowings, in the expectation of higher revenue, had been reckless during 1776-1775. He continued to depend largely on Paul Benfield for money. The steadily increasing category of free merchants were drawn to his court and freely engaged themselves in the circulation of spurious bonds. The Company servants no longer openly lent to him but used free merchants and agency houses to cloak their transactions. The council headed by Stratton authorised what came to be known as the Cavalry loan of 1777 (Burke, 1981, Vol.V, p.504-505). Three Englishmen - Andrew Majendie, James Taylor and John Call-lent the Nawab 4,00,000 pagodas (£160000) to enable him pay off his cavalry and reduce expenditure. The loan was also underwritten by the Company's Government. It was the Nawab's complaint that the money was not paid to him even after 2 years. As the money never came, he could not disband the cavalry and continued to pay it; the interest on the bonds he issued to the three lender's in anticipation of the money mounted as well (Burke, Vol.V p.504, 505). The rate of interest was legally 12%, but perhaps in reality 20% or 24%. Meanwhile Taylor and his co-lenders were receiving revenues

from tracts assigned to them as security for their "loan".¹⁶ There was also a second consolidation in 1777 of loans by private creditors lent after 1767 besides the Cavalry loan . This was despite the ban against such loans by the company.¹⁷ These details demonstrate clearly the shift in the balance of power after the Tanjore fiasco. The private interests clearly recognised that the Nawab could not do them any harm, and indulged in fraudulent methods to extract more money from him. Such blatant abuse of political influence was at its height during the period of 1777-1784. There was a soaring market in the Nawab's bonds in Madras and the free traders in Madras and their agency houses were engaged in this game. The efforts to control this phenomenon in 1784 led to the consolidation of 1787 (Table 8.6), and thereafter to the setting up of the fund for registered debt in 1807.¹⁸

8.3.0 The British in Tanjore¹⁹

8.3.1 The "Restoration" of Rajah Tulajaji marked the first stage of British entry into Tanjore and a military alliance was the harbinger of change. The Rajah allowed the British to garrison the Tanjore fort and agreed to meet the cost of the upkeep of this garrison (amounting to 4 lacs pags per annum). Payment of peishcush to the Nawab was to be routed through

TABLE 8.6

NAWAB OF ARCOOT'S DEBTS: THE CONSOLIDATION OF 1767

n.	Name of Debt	Original Amount	Original Rate	Interest Rate specified in 1784	Repayment Programme Settled
1.	1767 consolidation	880000 pag 2229650	Original loans for 24-36%, 10% agreed upon in 1767 consolidation	10% s.i.p.a.	This debt with intt @ 10% to be paid off just by setting apart half of the revenue from the Nawab after pay- ing current intt. of 1777 cavalry and consolidation loans
2.	Cavalry Loan 1777	160000 (400000 pags)	12%	12% s.i.p.a.	Repayment after 1767 loans is completely repaid. 50% of revenue from Nawab after the current intt. on 1777 consolidation is paid.
3.	1777 consolidation	2400000 (5498500 pags)	12%	6% from Dec. 1781	To be repaid after repayment loans above.
4.	Borrowings from EIC	pags 1756-1371906 1761-2525375 1766-1365104 1781-30 lac 1785-22.5 lac	-	-	50% of revenue from Nawab (after meeting current intt. pay- ments)

Source: Ramaswamy N S, (1984) Political History of the Carnatic under the Nawabs, New Delhi, 1984.
p.306-310.

the British (who held the sum to clear portions of the Nawab debts) which gave them control over public revenues also. The Rajah had to refrain from entering into treaties with the other foreign powers. We may say, that in the period 1776-1800 though Tanjore was not directly administered by the EIC the English presence was felt everywhere. The successive demands on the Rajah had left his reserves completely depleted. He had been forced to pay a large ransom to Hyder Ali to save his kingdom in 1767 and to the Nawab of Arcot in 1762, 1771 and 1773. During the Nawab's occupation, the kingdom had been impoverished. As the treasury was empty taccavi loans to the ryots to help them to restart cultivation could not be made. This in turn depressed, production and revenue collection and worsened the problem of payments and the only option available was to borrow. In today's idiom, the kingdom had fallen into a debt trap.

8.3.2 European lenders moved in and seem to have lent to the Rajah on at 2.5% per month which the Indians charged 1.5% per month. The schedule of debts attached to the treaty of 1787 indicates that the borrowings from the Europeans had mainly been during 1780-82. (Table 8.7) The dubashes flocked to Tanjore. Several instances of borrowing from dubashes have been recorded in the surviving modi records (Venkataramayya, p.404). They exchanged currencies, arranged remittances and

often accepted assignments of revenue as security which gave them opportunity to corner grain stocks. There came a situation in 1793 where the British Government ordered the dubashes to leave the place. [para 7.1.3 & 7.1.4 above]

TABLE 8.7

LOANS BY EUROPEANS TO THE RAJAH OF TANJORE 1780-1787
Remaining unpaid in 1787

Name of the Lender	Principal (Star Pags)
Alexander Brody	99254
Duncan Baine	30000
George Ramsay	20000
Col. Maclellan	72000
Maj. Capt. Burrows	26100
Mr. White	1706
Mr. Swartz	1000

	253060

(Hickey 1872, Appendix XXXV)

8.3.3 The treaty of 1787, took stock of the situation and a stiff repayment programme was fixed. The Rajah was to pay to the EIC's Government (and not the Nawab) a sum of 4 lac star pagodas. In addition, the Rajah was to pay 3 lac pags annually towards his dues to the Nawab of Arcot and his other private creditors. All these sums were to be paid through the British Government. The Schedule of these payments (when there was no war) was distributed over the year (Table 8.8)

TABLE B.8
REFAYMENT PROGRAMME 1787
star pagodas

Month	Repayment of debt	Peishcush	Total
January	10000	50000	60000
February	10000	90000	100000
March	10000	90000	100000
April	-	100000	100000
May	60000	-	60000
June	60000	-	60000
July	50000	-	50000
August	40000	-	40000
September	40000	-	40000
October	-	-	-
November	10000	20000	30000
December	10000	50000	60000
	-----	-----	-----
	300000	400000	700000
	-----	-----	-----

Source: Tanjore papers 1859, p.7.

In April 1787, the Rajah's arrears of peishcush amounted to 12,57,142 pagodas and loans to British subjects including interest came to 400,000 pagodas. This payment schedule was, to say the least, unrealistic. The Rajah's annual revenues were expected to be 10 lacs pags on an average and the schedule envisaged appropriation of 70% of this. During the

first portion of Tuljaji's reign it was generally accepted that the peishcush was Rupees 4 lacks and not pags 4 lacs (ie.Rs.14 lacs approximately). Thus the apparently generous act of restoring the Rajah served as a pretext for further fleecing of the kingdom in order to service debts contracted by the Nawab of Arcot. In the event of war the company was to receive 4/5 the revenue and no peishcush need be paid during such a period. The Rajah was to bear 1/5th of the total cost of war and he had to continue paying 4/5th this revenue to the British until these costs were met.

8.3.4 Predictably such a payment schedule could not be kept up and a more realistic schedule had to be drawn up, which led to the treaty of 1792. Under its terms, a low tribute was envisaged for the 3 years 1793, 1794 and 1795 (art 6).

The Rajah however had to pay the following sums:

Tribute:	3.5 lac Pags
Arrears:	0.5 lac "
Private Debts	0.6 lac "

	4.6 lac

An additional payment of 1.14,285 pags was to commence after these 3 years, being repayment of Nawab's old dues. In case of defaults, it was agreed that the British could take over revenue management of the districts of Mannargudy and Tiruvadi (149609 pags) Mayavaram (164668 pags) and

Puthukottai (27638 pags) (total 587113 pags). This scaling down helped to make the situation easier for Amar Singh. However, the arrears continued to mount as all the payments stipulated could not be kept up.

8.3.5 This state of affairs continued upto 1799 when the EIC decided to ease out Amar Singh by recognising Serfoji's right to the throne. This occasion was used to change the financial arrangements also. A new treaty was entered into and provided for "a permanent system for the collection of revenue and for the administration of Justice". The company was to collect and account for all revenue. The Rajah was to receive one lac star pagodas and one fifth of the net revenues after deducting all charges (including the Rajah's allowance and of lac pagodas and Rs.25000 for Amar Singh). This portion in general amounted to two lac pagodas Serfoji II was thus rendered a monarch only in name and devoted his energies to literary, artistic and educational pursuits. His court became a focus for the development of music, painting, and poetry. (see Appendix A)

8.3.6 The EIC pronouncements of the day described the coronation of Serfoji as an act of honour, by which the British sought to undo the wrong of their recognising as valid, Amar Singh's claim to the kingdom. But ulterior-motives were not far away. As the Tanjore revenue was used by the British to repay the Nawab of Arcot's loans

(underwritten by the company), Amar Singh was bound by treaty not to mortgage any part of his territory. He was however obliged to do that to meet his personal needs. Amar Singh also rejected the British proposal for the complete taking over of civil and military control of Tanjore. It was at this juncture that Serfoji was put on the throne and the Treaty of 1799 finalised. Serfoji, it is said was more affluent than his predecessors as he did not have to pay 6 lacs to the company for the army or interest on his debts (amounting to 1 lac pags per annum) or maintain religious establishments like the big temple which were taken over on by the company (Valentia, 1809,p.352).

B.3.7 The stages of British annexation of Tanjore bear remarkable similarity to the case of Arcot. The first step in was military support in the shape of garrisoning of the Tanjore fort. The payments to Arcot were to be routed through EIC and this gave them control over the revenues also. The Rajah often had to borrow keep up these payments. British private capital and its proxies the dubahses slowly took over revenue collection in Tanjore. The transfer of power to EIC was completed by 1800 with the installation of Serfoji II. All administration and political powers passed over to the Company and Serfoji II was reduced to the status of a pensioner.

8.4.0 CONCLUSIONS

The British private interests in Madras in the used their capital and resources as leverage to penetrate the local administrative structures and their gradual dominance over the local elites. Though Tanjore and Arcot are seen as opponents in texts on political history, the similarities in their decline are striking. The entry of the British private lenders (1756 in Arcot, 1772 in Tanjore) marked the beginning of the end. The Company granted legitimacy to these operations by first taking over a part of these loans and then continuing this practice over the years. The private debts in Arcot and Tanjore were protected by the Company. The EIC's military machine being the most powerful in the region, its might was used to secure the private interests in both kingdoms. In consonance with the EIC's insistence on its commercial nature, the cost of maintaining this militia was invariably to be borne by the victims. Thus both Arcot and Tanjore were saddled with heavy annual payments for the military expenditure besides enormous cost of specific forays. The ballooning debts created adequate justification for the EIC takeover of these kingdoms.

NOTES:

- 1) Care has been taken to quote only those figures of the Nawab's debts which are not contradictory and are confirmed in the various sources of material available.
- 2) The conversion rate of 8s = 1 star pagoda, i.e., $\frac{40}{100}$ star pagodas and Arcot Rs.350=100 star pagodas is used in this chapter (see Appendix ^I below).
- 3) The campaigns were the raising of the seige of Madras, 1757-58, capture of Pondicherry, 1761, Mysore war 1767-68 and the Tanjore campaign 1771-73 (Baliga 1960, pp.324).
- 4) For details of Jaghire revenue ^{table} see 2.3 above.
- 5) The private lenders held assignments covering a major portion of the Nawab's revenue. For instance, when the arrangements for the 1767 consolidation were finalised in March 1769, the trustees for the creditors, M. John Pybus, John Call and James Bouchier held assignments over 15 districts with an average revenue of 8 lac pagodas besides a right to the Tanjore peishcush (Rs.4 lacs equivalent to 1.10 lac pagodas) (Burke p.498). Under such an arrangement the cost of maintaining the army (7.5 lacs pagodas) and these assignments of 9 to 10 lac pags would have swallowed up most of the total revenue estimated to be 25 lac pag per annum (Phillips 1986, p.2). The Nawab had been borrowing from the Seths and Sahukars like Tikamdas and Goverdhan Das, but switched over completely to English lenders in the early 1750s (Ramaswami 238).
- 6) Francies Jourdan's letter dated 17.3.1968, MCR XII(a) Vol.4.
- 7) Important personalities who surrendered their claims included Charles Bouchier (1,19,000 pags) Josias Dupre (15100 pags) Henry Brooke (64,600 pags) John Call (58,950 pags) George Mackay (45500 pags) Smith (45700 pags) Briggs (55100 pags) Boswell (64850 pags), Richard Fairfield (54200 pags) Dawson Drake (58600 pags) Russell

(54050 pags) John Wood (99050 pags) John Pybus, James Call and James Bouchier were the trustees with George Mackay becoming a trustee on John Pybus' demise (Political sundries No.1, 1769-70).

- 8) The back-ground to the 1771 dispute was the settlement made in 1762 between Tanjore and the Nawab. Against Mohammed Ali's claims of arrears of peiscush from 1748-1761 amounting to Rs.136,50,000 (3900000 pags) the final payment proposed in settlement of old dues was Rs.26,00,000 (7.42 lac pags). Further a peishcush of Rs.4 lack was to be paid annually and a nazar of Rs.30,000 paid to the EIC for its role as mediator. This settlement was finalised under the mediatory efforts of Lord Pigot and Josias du pre. The Peishcush was to be paid to the British for dilution of the Arcot loans (EIC as well as private). The differences over sharing of the Cauvery waters controlled by Mohammed Ali who held Trichirapalli also were settled by 1765. Tanjore did not manage to keep up the revenue payment commitments under this accord (Ramaswami, p.251-53, Burke,V, 121-4).
- 9) An early instance of Borrowings from an Englishman was the loan of Rs.4,30,000 from a Mr.George in 1772 @ 2.5% per month. Many such loans followed - (Venkatramayya, 1984, p.403).
- 10) Paterson believed that 2 lac pagodas was paid to the Governor and 30000 pags each to the councillors to get them to agree to the expedition. (Nightingale 1985, p.152). The Rajah's better offer of 2 lacs pags to the governor and another 2 lac pags to the councillors was rejected.
- 11) The role played by Prize money is illustrated by the army's refusal to proceed to Nagapattinam after the conquest of Tanjore. General Smith who was to lead the expedition had to be offered suitable gifts. It was subsequently rumoured that the Rajah offered the General 2 lac pags in jewellery to induce him to lift the siege. The general refrained from accepting mainly because of the difficulty he anticipated in converting the treasure into cash. "It was the poverty of the Rajah and not the Genral's virtue which carried the place". (Nightingale 1985, p.163).

12) Securing of the support of Benfield who represented the interests of British private capital was an even more delicate issue. The nawab needed money to equip his army and knew that Paul Benfield could meet his needs. Benfield could draw on the resources of the English Community in Madras, in addition to his own sizeable assets. Relations between the Nawab and Benfield were not entirely cordial. It was also well known that Benfield held extensive revenue farming assignments in Tanjore. He had, in-fact, taken over the revenue collections in areas earlier held by the Nawab, the Nawab was known to be dissatisfied about this. Further, Benfield had lent the Rajah 94,367 pags and the Rajah of Tanjore had reportedly offered Benfield Rs.1 lac to prevent the expedition. Finally the Nawab did approach Benfield and received a loan of 1 lac pagodas from him in exchange for the protection of Benfield's revenue farming interests in Tanjore. The expedition could move only after all these ends were tied up (Nightingale 1985, p.156).

13) The Rajah of Tanjore estimated that the value of sundry assets forcibly carried away from Tanjore Town in 1773 amounted to 1,50,10,000 pagodas (Tanjore Papers, 1789, vol.2-3, part 3, p.1376-78). The major items in his list were as under:

Estimate of plunder from Tanjore by the Nawab of Arcot's Army in 1773

(i) Ready Money	1200000	<i>pags</i>
(ii) Jewels	2500000	"
(iii) Gold/Silver Articles	500000	"
(iv) Assets seized from merchangs etc.	3000000	"

Total	8200000	"

Source: Tanjore Papers: 1789 vol.2-3, part 3 d 1376-78
The balance was made up of value of arms and ammunition and the like. Even if fifty per cent is discounted as over-statement half of the amount came to the considerable sum of 75,00,000 pags.

- 14) Collections were 31 lac chakrams in 1773, 54 lac chakram in 1774 and 24 lac chakram in 1775 or Rs.46.50 lac, Rs.81 lacs and Rs.36 lacs respectively. (Venkatramayya, 1984, p.136). Documents like the Treaty of 1787 between British and Amar Singh put the average revenue at 10 pagodas or Rs.35 lacs per annum.
- 15) Overlooking the Rajah's protests the council supported Nawab's act in mortgaging unharvested crop. Benfield alone had claims of 180000 pagodas and Pigot's efforts to weed out exaggerated claims led to a 'coup' of sorts. The majority in council arrested Pigot on 23.8.1776 and he died in captivity in May '77. The Rajah's protests against being saddled with these debts were to no avail. He agreed to deposit Rs.4 lacs with the EIC to settle these claims but it is not known if this sum was paid (Tanjore papers 1789, Vol.II - part 3, p.1371) (Ramaswami p.296).
- 16) Incredible as this may seem, Burke also cites a letter from Madras describing a similar instance. Individuals saw to it that demands were raised by the company on the Nawab and then stepped in to finance the Nawab. They received bonds and held them and paid the company only after they realised their revenues from the tracts assigned to them (Burke p.507).
- 17) Loans included in this consolidation of 1777 had been contracted to equip the Tanjore expedition. The major lender was Paul Benfield. Much of this consolidation was made up of the assignments he received on the Tanjore revenues in 1775 which were not accepted by the Rajah. In the end this became the Nawab's liability and was consolidated in 1777. This loan amount was pag 54,98,500 (£13,74,625). By this time it was well known that many of these bonds represented bribes or Nazars to Company servants for various services rendered. It suited everyone that these claims were not too closely examined. But unambiguous instructions were issued that there were to be no further lending to country powers by British in India.
- 18) The consolidation of 1787 was based on the expectations of a revenue of 12 lac pagodas from the Nawab. 3 types of claims were recognised and the order of these claims for the distribution was as under:

Current interest provisions (408000 pagodas) were to be first met. Of the balance 50% would go to meet Company's loans and 50% to the registered private loans. The 1767 loans, accumulated interest on it, the 1777 cavalry loan and 1787 consolidated loan were to be repaid in that order. Further the Tanjore peishcush was to to to repay the Nawab's debts. If the revenue was to fall short of 12 lacs the same proportions of repayment were to be maintained. This estimate was based on the assumption that the revenues of the Carnatic was 20 lac pags. This procedure for repayment was expected to take eleven years. In case of war, the entire revenue was to be taken over by the British until the cost of war was met.

Almost Predictably this agreement too was not respected after the first few years. The cost of the Mysore war had increased further the Nawab's indebtedness to the Company. In 1801, the Company insisted on taking over the administration of the Carnatic. An annual payment of Rs.2773867 was to be set apart from the revenues to pay the debts. The old debts were repaid in 1804. But it was then discovered that new debts amounting to Rs.29,000,000 had been contracted by the Nawab. These loans could not be easily accepted (Baliga p.324).

After much deliberation, it was decided to create another fund for the registered debts of the Nawab of Arcot. A sum of pags 621105 was to be paid by the Nawab (deducted first from the Carnatic revenue) until this debt was liquidated (Public Sundries vol.76, Letters regarding the Nawab of Arcot, 1807). All creditors were to accept the fund and surrender their claims, Commissioners were appointed both in India and London to examine the claims. These Commissioners found only claims for Rs.2,686,148 acceptable out of the total claims of Rs.30,40,4919 (Ramaswami, 1984 p.309).

Debts were segregated into two classes. The first class were the debts contracted before 12-2-1785 or payments of salary etc. These debts had carried a maximum of 12% upto 12-2-1785 and 6% per annum thereafter. From 15-5-1804 these loans were to get 4%. All others were called second class debts and they were to carry interest at 5% per annum from 15-5-1804. Bonds representing gifts, excessive salaries and sums without due consideration etc., were

not accepted. The process of settling all these payments was completed only in 1860.

- 19) The events in Tanjore are described in Tanjore Affairs a collection of papers in TMSMSM Library, Hickey (1872), Nightingale (1985), Burke are the other sources.

CHAPTER - IX

PUBLIC BORROWINGS OF THE E.I.C. 1800-1833

9.00 Public borrowings continued to remain a significant source for state spending even after the transfer of control to the EIC Government by 1800 and the newly established EIC administration held sway over the region. It resorted to large scale borrowing from the agency houses often at high interest rates. For British Private Capital in Madras, lending to the country powers which had once been the most profitable avenue for deployment, was no longer in existence by 1800. Other avenues were trade and investment in bonds and loans raised by the Madras Government. The role of British private resources in the financial operations of the Madras Government after 1800 as well as the organisation of British Private enterprise in Madras in this period are interesting. Private trade was in the hands of Agency Houses and the activities of these trading bodies were quite similar to the operations of such Agency Houses in Bengal. There have been detailed analyses of the functioning of Agency Houses, focussing on Bengal beginning with Amalesh Tripathi's work (1954, 1955). P.J. Marshall (1976) and I. Bruce Watson (1980), Holden Furber (1976) and Ashin Das Gupta (1979) have briefly dealt with the activities of the Agency Houses in Madras in

their analyses of the general aspects of their functioning. There, however, appears to be no work specifically covering the activities of these houses in Madras as the works of Arasaratnam and Susan Nield Basu dealt with the position on the Madras Coast at slightly earlier dates.

9.1.0 Public Finance and the Agency Houses

9.1.1 Agency houses in the early nineteenth were involved in trade, banking and insurance besides agency services; but their mainstay was their financial dealings with the Government of Madras. These transactions have to be understood in the context of the acute specie shortage as well as the large military expenditure facing the Madras Government around 1800. It was estimated that about 36 lac pagodas were withdrawn from the circulation of the region around 1797 against the estimated requirement of nearly 100 lac pagodas in circulation.¹ The sharp rises and falls in interest rates on borrowings and in the Presidency would also point to the scarcity of money (see Table 9.1). The rate rose steeply and varied around 9%, but fell to 6% after 1810 6% was the level in 1793 and seems to have been the base level to which the rate reverted with the return of fiscal stability in 1810.

TABLE 9.1

The Median rates of which money has been borrowed between
1792-93 and 1812-13

Year	Bengal	Madras	Bombay
1792-93	9	-	-
1793-94	7	7	-
1794-95	6	6	-
1795-96	6	7	-
1796-97	12	9	8
1797-98	12	9	11
1798-99	11	10	12
1799-1800	9	10	10
1800-1801	11 $\frac{1}{2}$	10	10
1801-02	10	9	10
1802-03	8	8	9
1803-04	8	9	10
1804-05	9	9	10
1805-06	10	9	10
1806-07	8	8	9
1807-08	8	8	10
1808-09	8	8	8
1809-10	6	8	8
1810-11	7	7	8
1811-12	6	6	6

The average rate from 1812-1813 to 1822-23 was 6%.

Source: Auber, Peter, An Analysis of the Constitution of EIC,
London 1826, p.290 et s eq.

9.1.2 The period 1790-1810 was marked by a steep increase in the expenditure of the Madras Government, particularly due to the increased Military expenditure. Military charges which were nearly around £1.4 million per annum in 1792 rose steadily to touch £4 million per annum in 1804, 1805 before declining to around £3 million per annum in 1807-

1809. Total charges rose from £2.2 million per annum to £5.4 million per annum around 1809, touching a peak of £6.3 million in 1804, 1805, because of the high military charges in those years (Milburn 1813, Vol.II, p.71, 73 and 75). The revenues, however, were not elastic enough, leading to an overall deficit in the period. The gap between receipts and payments was particularly sharp during the years 1799 to 1806, which pushed the EIC into heavy borrowings from the local market. The EIC's debts which stayed below £1 million before 1796 touched £2 million in 1797 and grew steadily to touch £7 million in 1810. With the tapering off of the military expenditure, the debt also declined fall to about £5 million in 1814, nearly £3 million of this being the nawab of Arcot debts taken over by EIC (see Table 9.2 & 9.3). Total expenditure remained around £5.5 million for the period 1814 to 1830, while revenues varied between 5.3 million and £6.3 millions. The difficulties in the span were however small when compared to the 1790s and 1800s.

9.1.3 The borrowings of the Madras Government in this crisis were mainly from the Agency Houses controlling the British private capital available. An examination of one of the early loans taken by the Government would serve to illustrate the type of conditions the lenders could impose on the EIC Government. Referring to a loan availed of in 1799,

TABLE - 9.2

Public Expenditure in Madras Presidency 1792-93

₹ 000's omitted

Year	Military Charges	Interest Debt	Total Charges	Total Rev.	Surplus/Deficit	Debt	advances
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1792-93	1413	83	2223	2476	+253	1095	3030
1793-94	1444	47	1972	2110	+138	569	2849
1794-95	1508	9	1880	1776	-104	495	2818
Average 1792-95	1455 (72%)	46	2025	2120	+ 95	719	2899
1795-96	1529	15	2119	1894	+ 225	718	3040
1796-97	1796	37	2449	1996	- 453	2010	3331
1797-98	1868	147	2665	1939	- 726	2241	3384
Average 1796-98	1731 (72%)	66	2411	1943	- 468	1656	3252
1798-99	2561	160	3442	2124	-1318	2399	3365
1799-1800	2261	254	3319	2823	- 496	2604	2542
1800-01	3130	209	4615	3540	-1075	3130	3709
Average 1799-1801	2651 (70%)	208	3792	2829	- 963	2711	3205

1801-02	3571	261	5348	4730	- 618	3822	3943
1802-03	2839	287	5118	4725	- 393	4414	3705
1803-04	4026	312	6306	4652	-1654	4715	3587
<hr/>							
Average							
1802-04	3479 (62%)	287	5591	4702	- 888	4317	3745
<hr/>							
1804-05	4072	321	6313	4897	-1416	5462	4006
1805-06	3384	313	5728	5014	- 714	6381	4262
1806-07	3126	473	5743	4603	-1140	6808	4243
<hr/>							
Average							
1805-07	3527 (59%)	369	5928	4838	-1090	6217	4170
<hr/>							
1807-08	3095	524	5717	4928	- 789	7515	4383
1808-09	3144	495	5431	4968	- 463	7060	4060
<hr/>							
Average							
1808-09	3120 (56%)	510	5574	4948	- 626	7288	4060
<hr/>							

Note: The percentage in bracket (column.1) indicates share of military charges in total charges.
Source: Milburn (1813), Vol.II, p.71, 72 and 75.

TABLE 9.3

Revenue and Expenditure in Madras Presidency
1814 to 1830

£ 000's omitted

Year	Total Revenues	Total Charges	Surplus Deficit
	(1)	(2)	(3)
1814-15	5322	5234	+ 88
1815-16	5106	5406	- 300
1816-17	5360	5322	+ 38
Average 1814-17	5233	5321	58
1817-18	5381	5602	- 221
1818-19	5361	6091	- 730
1819-20	5407	5806	- 399
Average 1818-20	5383	5833	- 450
1820-21	5403	5697	- 294
1821-22	5557	5510	47
1822-23	5585	5240	345
Average 1821-23	5515	5482	- 33
1823-24	5499	6399	- 900
1824-25	5440	5952	- 512
1825-26	5715	5917	- 203
Average 1824-26	5551	6089	- 538
1826-27	5982	5772	+ 210
1827-28	5348	6187	- 839
1828-29	5575	5701	- 126
1829-30	5716	5460	+ 256
Average 1826-30	5655	5780	- 125

Sources: Minutes of Evidence taken before the select committee on the affairs of EIC, II, Appendix No.4, p.96 (London, 1832).

Benjamin Roebuck rather sanctimoniously states; "we have very patriotically come forward with a loan of Rs.5 lac pagodas to enable the army to move. It is to be repaid in 3 and six months. The scarcity of Specie is prodigious. 12% bonds are from 8 to 10% discount". 4 lacs of this loan were said to be from the houses of agency and the natives of the settlement.² Further details in the Governments consultations reveal how far patriotism was tinged with opportunism.³ The loan of 6 lac pagodas (and not 5 lacs as noted by Roebuck) was raised at 12% interest repayable one half in 3 months and another half in 6 months. An arrangement was also concluded with two local private Banks the British Bank and the Carnatic Bank under which the banks would meet these payments and be reimbursed by the Government in various forms. There were some other details of the repayment arrangement (see Table 9.4). The banks were to get a commission of 1% or 6000 pags besides interest. The Government further agreed to refrain from issuing drafts on Bengal and to purchase specie only from these banks (only the predetermined commitments of the Government for issue bills on Bengal as repayment of nawab of Arcot's bonds were to be kept up). In this manner, the two banks obtained complete control over the remittances to Bengal and could hawk the Bengal bills to highest bidders for their own advantage. The banks were in fact run by the

Table 9.4

Repayment schedule for the loan of 1799

Date of repayment	Amount Pagodas	Form	Remarks
1.2.1799	60000	Bills on London at 9s a pagoda for 27,000 at 6 or 9 months sight and 5% interest per annum	With the market rate being 8s a pagoda, there was a profit of 3000 or 7500 pags. This amount to 12½ in addition to the 5% interest. This profit realised immediately.
1.2.1799	80000	Bills on Bengal at 30 days sight at 405 Ar Rs. per 100 pag.	The market rate was 385 Ar Rs. per 100 pags. This gave a profit of 16000 Ar Rs. or approx. 4150 pags.
15.2.1799	80000	Bills on Bengal at 30 days sight at 405 Ar Rs. per 100 pag.	The market rate was 385 Ar Rs. per 100 pags. This gave a profit of 16000 Ar Rs. or approx. 4150 pags.
15.3.1799	80000	Cash	
1.4.1799	50000	Cash or Bills on England	
1.4.1799	100000	Cash or Bills on Bengal	
1.5.1799	100000	Cash or Bills on Bengal	
1.6.1799	50000	Cash or Bills on Bengal	

Source: Public Department Con., January 1799, Vol. 232 B p.76

et seq.

private houses to support their shaky finances and were patronised by the Government to some extent. There was considerable profit accruing to the banks besides interest income (see Table 9.5).

TABLE - 9.5

Profits from the 1799 loan

Date on which income realised	Source	Pagodas
01.02.1799	Profit on exchange rate from London bills for 60000 pags	7500
01.02.1799	Profit on exchange rate from Bengal bills for 80000 pags	4150
15.02.1799	-do-	4150
01.02.1799	Commission on 6 lac pags at 1%	6000
		----- 21750 -----

Source: Public Department consultations., Jan 1799, Vol.232B, p. seq.

The outlay of 6 lac pagodas brought in 21750 pagodas immediately or 3.62% approximately. Interest at 12% which was higher than the prevailing rate besides a complete control over the official remittance channel to Bengal were the other advantages. Individuals in such uncertain times were always eager to reparate their money and the volume of Bengal and Europe bills cornered by these banks would have brought them further profits as well.*

9.1.4 The pattern of resource mobilisation during 1801-1805 seems to have been similar to this (see Appendix E,F). Agency houses then operating at Madras seem to have provided loans and the terms were extremely favourable to the lenders. The compulsion behind the Government's acquiescence to such terms was the combination of the Government's urgency and its failure in raising funds through orthodox devices like floating of Government loans. It floated 8% loans in 1800, 1804/5 and a 10% decennial loan in 1805/6. In 1801, it raised 21,16,239 pagodas by treasury bills. When it tried to float as an 8% loan in 1803/4 a subscription of only 600 pagodas was received. Evidently, the private traders with resources felt it advantageous to lend directly at terms to their liking rather than to subscribe to decennial loans and treasury bills. Such direct loans ensured for the lenders better control over their funds and capital as well as remittance channels and specie supply. The resources marshalled from British Private sources averaged 20 to 25 lac pagodas in 1801 (see Table 9.6). All these loans except one by Madras Bank were controlled by the Cartel composed of Harrington and Company, Lautour and Company, De Fries and Company. Madras Bank had lent only once.^o

TABLE - 9.6

Summary of Government Borrowings 1800-1805

Year	Loan amounts (in star pags)	Lender's Name
1800	-	
1801	2,70,000 2,00,000	Lautour and Company Harrington, Lautour and De Fries
1802-03	20,00,000 5,00,000	British Bank Harrington Lautour and De Fries
1803-04	5,00,000 5,00,000 5,62,192	Carnatic Bank, Madras Bank and Lautour and Co. Madras Bank Harrington, Lautour, De Fries and Company.

Source: Appendix E.

9.1.5 The EIC Government looked almost exclusively to British private capital to meet its financial requirements. The Indian merchants of Madras controlled enough resources to meet the Government's requirements; but they were called upon only when it was clear that the British community could not provide any further capital. This is illustrated by some transactions which took place in November 1804. The Government let it be known that the Treasury would be open for receipt of dollars at the exchange rate of 15½ dollars for 10 pagodas to be repaid either in bills on Bengal,

Treasury notes or promissory notes (8% loans paper). As the ways and means position of the Government turned desperate in 1805, the Chief Secretary, Buchanan and the Accountant General Smith, accepted into the Treasury, bank notes and rupees worth Rs.8,97,650 from Indian merchants between January and October 1805. The exchange rate announced for dollars (in specie) was paid for the bank notes tendered. Ravanapah and his brother Venkatesan paid in almost half of this money. In the evidence given before the committee of enquiry, the leading British private traders uniformly affirmed that there were no dollars to be had in Madras at that point of time and no malafides could be established against Buchanan and Smith.⁴ The Indian lenders were thus allowed to participate only when the British community's resources got dried up.

9.2.0 Changing organisational structure of British private enterprise.

9.2.1 The development of Agency Houses was a strategic response to the diffusion of holdings of private capital within the British community. The exit of prominent operators like Paul Benfield, and the establishment of greater orderliness within the EIC Government ensured that capital was no longer controlled by a clique of a few individuals. Houses of agency developed both in Madras and Calcutta in

this changed context. They were in fact loosely defined partnerships, which were involved in various types of activities. They were called houses of agency because they acted as agents in the affairs of Company servants who were stationed away from Madras (Bombay or Calcutta) or returned home. They were entrusted with the savings of the British residents both in Madras and outside in the form of deposits and were engaged in employing such capital. They invested in the EIC bonds and loans to the Government and controlled coasting and country trade. They were often entrusted with arranging the remittance of private fortunes to Europe. This led to their involvement in clandestine European trade under the guise of Danish, Dutch or American colours. They often controlled the public finance of the Presidency by the loans and used their influence to obtain control of the official remittance channels and manipulate exchange rates.

9.2.2 The merchant houses in 1776 included the firms of Jourdan, David Young, and Basil Cochrane. These early firms were owned and managed by Company's servants prominently engaged in trade as well as by free merchants. In 1787, however, strict instructions prohibiting private trade by Company servants began to be enforced and the those involved in trade had to transfer their interest to reliable agents (or give up their employment and directly engage in trade).

This change influenced the rise of Agency Houses in Madras as it did in Bengal (A.Tripathi 1979). In Madras, there were a greater number of free traders to whom EIC servants transferred their interests and fewer Company servants gave up their service, due to the less profitable trade in the Presidency. The number of Agency Houses rose from 3 or 4 in 1776 to around 13 in 1799.⁷ Of these firms, at least three, namely Arbuthnot and Company, Binny and Company, and Parry and Company survived to become well established institutions involved in all commercial activity in the Presidency. They were trusted names and both the Indian and English population in Madras invested in them. They were strong enough to survive the business crash of Calcutta in 1829-30 (Capper (1853), Tripathi (1979), Rungta (1970)). The crash of Arbuthnot and Company in 1907 was a decisive event in the commercial life of Madras leading to the development of a definitely Indian financial sector in the city. Parry and Company and Binny and Company have survived to this day and took the lead in introducing large industry into the Presidency. These firms continued to operate as partnerships throughout the period of 1800-1833, with changes in their organisational structure taking shape only with the introduction of the Joint Stock Companies in India in (1849) (see Appendix G and table 9.7). The number of houses of agency and the number of new firms and closures indicate that

there actual number ranged between 9 and 14 over the period of 1801-1835. Further, there were many closures due to business failures or death of partners between 1802-07 and around 1821-24. The details available in sources like the Government consultations also indicates that the decade 1800-1810 was a period of great instability (see Appenix - G).

9.2.3 These houses operated mainly on the funds deposited with them by the Company's servants^a with hardly any resources of their own to fall back upon. Their resources were often supplemented by borrowings from local traders. This is evidenced by the lists of proprietors of the private banks in Madras. Chinnaiah Mudali was a proprietor of Madras Bank while Ramaswamy Braminy had invested in the Carnatic Bank. The Asiatic Bank has as many as 15 Indian proprietors against 9 British owners and Paddaswamy and Paupaiah were directors (Madras Almanac 1806 and 1807). The resources of the Agency Houses and the Banks promoted by them were deployed in lendings to Government as well as in Coastal and European trade. Formal and illicit channels for Europe trade were freely used clandestine remittances were made to Europe in the shape of Danish or French Bills drawn on London or the shipment of goods under such foreign flags. Profitable avenues for investment included taking up monopolistic

TABLE - 9.7

Firms Functioning over 10 Years Duration

Name	Span of existence		Remarks
Abbott & Maitland	1802-1820	18 Yrs	Earlier Roebuck Maitland
Arbuthnot & Co.	1810-1906	96 Yrs	One of the best known Agency Houses (formed by merging of Lautour & Co., and Satur, Demonte and Co., in 1810)
Binny & Dennison	1802 to the present		The group is still in existence today
Colt Hart Weston (earlier Colt Baker & Co.)	1799-1821	22 Yrs	
Adrian De Fries	1799-1821	22 Yrs	
Edward Dent	1809-1830	21 Yrs	
Harrington	1799-1821	13 Yrs	
Hunter & Hay	1799-1821	22 Yrs	
Knox & Colis (Later Knox and Gordon)	1809-1825	16 Yrs	
S H Greig (earlier Dalrymple Grieg)	1807-1821	14 Yrs	
Parry & Pugh (later Parry and Dare)	1807 to the present		The group still Operates

Source: From Appendix G₁

contracts in specific commodities like salt, grain, chank, betel nut, timber, and revenue farming. Cloth continued to be the major item for long distance trade. It was exported to China as well as Europe. Yarn, Indigo and sugar were also among commodities involved in oceanic trade.

9.2.4 Being a small band of aliens in newly acquired territory and permitted to carry on trade at the Company's will, these free traders had to seek the Government's support for many aspects of their functioning. Given the fact that major investors in these ventures were company servants, official position was often used to protect the interests of these trading houses. Monopolies in the trade of specific articles like salt, grain, chank, betel-nut and even pack-bullocks were sought after." Patronage was also essential in obtaining permission to use cargo space available on Europe ships. They depended on the Company for supply of goods from Europe to meet the demand of their constituents. In return Government sought their support to tide over their resources crunches now and again. The growth of Binny and Company is an interesting example. The house began with an initial capital of Rs.50,000 and a staff of six in 1799. By 1811, its profit rose to Rs.1,40,000 and the house had interest in sugar and coffee besides banking and agency business. It survived the traumas of business failures in 1830 and later in 1907 and it continues to operate till today (Jones, 1986).

9.2.5 Much of the import trade from Europe was in the hands of these Agency Houses. For example, in 1802-06, the imports into the Presidency from Europe by these individuals was valued at Rs.86 lacs while the EIC imports were only Rs.76 lacs (Milburn, Vol.II, p.70). There was a differentiation in the type of goods brought in. The EIC generally imported marine stores and metals besides broad cloth. Private imports were mainly luxury goods, wines, corals, books, which were distributed by them to their fellow countrymen residing in all corners of India. Agency houses were very much involved in the export of textiles from the region, both to Europe and other Asian markets. They were the chief competitors to the EIC in the exports to Europe. The Company had, in fact, to turn to them in 1797-1799 when its resources position could not allow it to purchase the investments ordered for by it. Earlier in 1796, the Company had banned any sale of the items of cloth included in the Company's exports to Europe in an effort to curb private exports. By 1796, it held direct contracts with weavers in all major production centres with only a few looms at a place being left uncovered by such covenants. The financial stringency, of 1797-99 however, forced the Government to allow the commercial residents to purchase cloth themselves or to allow free merchants to purchase the cloth contracted for. This in

effect meant a free hand to the private traders (HRC Wright, 1972, p.761-780). There is evidence that the commercial residents used the opportunity to buy up all surplus cloth available leading to protests by the private houses. Thus a petition dated 8th May, 1800 was presented to the Governor in Council which indicates that the Company's investment for 1800 in Visakhapatnam could only be about 50% of the total production valued approximately at Rs.6.24 lac and that the commercial resident there was not amenable to the needs of the private traders. The signatories were Tulloh, Brodie and Connells, Adrian, John & Lewis de Fries, Chase, Sewell and Chinnery, Roebuck and Abbot, Colt Baker and Co., F.Lautour and Co., Stephen and Cockell and Satur and Demonte. Thus eight houses atleast of the 13 operating in 1799-1800 were active in procuring textiles from the Visakhapatnam region.¹⁰ The petition also indicates the mutuality existing between the EIC and private trade even in a sphere in which they were bitter competitors. At the political level the Company was stoutly defending its monopoly rights while private traders joining hands with Manchester manufacturers mounted a vigorous campaign for free trade ultimately resulting in the Charter of 1813, withdrawing much of the EIC's monopoly. In Madras, however, there was a tacit collaboration between the Company and free traders even in textile exports.

9.2.6 As a logical extension of their interests, these Agency Houses entered the nascent areas of banking and insurance. A number of private bankers in Madras, and a few of the agency houses joined hands in promoting banks (see Table 9.8). They were seen mainly as a means to circumvent the growing shortage of specie in the Presidency. The Governments under Lord Clive and Lord Morington also found the notes issued by these banks useful in avoiding transport of specie. In 1799, for instance, an arrangement was finalised under which the Ceylon Government was to accept bank drafts issued jointly by the British bank and the Carnatic bank upto 2 lac pagodas. Such drafts were to be countersigned by the Public Department. It was anticipated that drafts for upto 2 lac pagodas would be drawn under this arrangement to finance the annual pearl fishery at Tuticorn and Northern Ceylon. The merchant community, however, used this facility only upto 45000 pagodas.¹¹ Lord William Bentinck, however, did not view favourably the practice of Government accepting bank notes instead of cash. He refused to accept notes of the Asiatic Bank because he knew that the Bank had been set up to prop the tottering Chase and Company which went bankrupt in 1807 despite such support.¹² The capital in the Asiatic Bank was mainly raised from Indian investors as 15 out of the 24 proprietors listed were Indian and 2 of the 4 directors were Indian (Madras Almanac 1806).

The Agency Houses promoted insurance companies to back up their trading ventures (see Table 9.9).

TABLE - 9.8

Private Banks in Madras 1800-1810

Name of the Bank (founded in)	Carnatic Bank (1788)	British Bank (1799)	Madras Bank (1795)	Asiatic Bank (1805)
(1)	(2)	(3)	(4)	(5)
Names of Directors	William Harrington Thomas Cockburn John Defries Basil Cochrane Colt Baker and Hart H Burnaby Ramaswamy Braminy	Francis Lautour Jn Chinnery G. Chalmer SM Moorat Jn De Monte	G. Lys Th Parry G Hay R Dennison G Halyburton	Taswell Abbot Peddaswamy Paupiah
Association with Agency House	Harrington & Co., Colt Baker & Co., De Fries	Lautour & Co., De Monte, Chase & Co.,	Lys, Satur De Monte Tulloch & Coy Hunter & Hay Binny & Co.,	Abbott & Maitland Taswell
Cashier	J K Lane	J Hunter		
Accountant	D Johnson	G Thompson		
Date of Closure	1809-10	C 1806	1809	1809

Sources: 1. Madras Almanacs 1802-1810 & Public Department Cons. 1799.

TABLE - 9.9
Insurance Companies

1802-1813	The New Madras Insurance Coy - Secretary Thomas Chase The Old Madras Insurance Coy - Lys Satur & De Monte The Exchange Insurance Coy. RA Maitland
1814-1820	Old Madras Insurance Co (Moorat, MC Taggart, De Fries) Carnatic Insurance Co (Wilm Ord, De Fries, SH Grieg, Weston & Sons) India Insurance Society (A De Fries, S Sam, Moorat, R McNicholl)
1821-1828	Madras Insurance Co (G Arbuthnot, J W Dare, J Aratoon) Carnatic Insurance Co (W Rutter, Seth Sam, J Aratoon) India Insurance Co (Strachan, Moorat, Sam & Rutter)
(By 1829	Only one Insurance Company was left).

Source: Madras Almanacs 1802-1833

9.2.6 Lord William Bentinck when he arrived in Madras in 1806 took a fairly dim view of the situation and his opinion is worth examining. Referring to the "unavoidable military disbursements" which meant contracts for supplies, he had no doubt that the houses of agency and the private merchants "engrossed a great part of these funds". He identified the source for the large loan to Government as the gains from such contracts.¹³ He also attributed the failure of Government loan issues to an over assessment of the Presidency's resources by Bengal as well as the fact that Agency Houses at Madras could react to a sufficiently attractive package of returns.¹⁴ He did not in fact rate the ethics of the agency houses highly¹⁵ Capper writing in 1853, is similarly critical of the methods of the Houses of Agency and describes the detail the failure's of the 1830s (Capper 1853, p.381 to 383)..

9.3.0 Government initiatives to reduce borrowings.

9.3.1 By 1806, there was a consensus within the Madras Government that this cycle of borrowing had to be broken. The improvement in revenue collections and reduction of military conflict automatically helped in the situation. The Government also initiated other measures like establishing a Government Bank and taking up currency reform to ensure

smooth monetary circulation. In 1805 a second committee of finance was set up to examine ways to deal with the specie shortage. The committee members were T Oakes, M Dick, Cecil Smith, G Buchanan, and James Taylor. They considered again the options available for promoting paper currency and suggested a new plan for a general bank. They were in fact reviving a proposal made by the First Committee of Finance in 1799.¹⁴ Their proposal was in line with the earlier Cockburn-Kindersley approach and had no provision for Government involvement in the management of this general bank. A capital of 6 lac pagodas was proposed of which 3 lacs had to be held as reserves in Company papers and the proportion of note issue was not to exceed three to one proportion. The Government was to approve of its rules and regulations and could verify cash and notes issued. Nine directors were to be chosen from the proprietors and no director could continue beyond 3 years. The bank's notes could be received by the Government at the Treasuries and other offices. Loans were to be for a period of 3 months only and discounts were to be made available for traders.

9.3.2 Lord William Bentick however had definite views on the trading and banking practices prevalent in the settlement and would not go along with this plan. He was vehemently opposed to the Government backing of a paper currency issued

by a general bank where the Government had no say in the management. He proposed, instead, a Government owned institution to float paper currency, suggesting a capital of 8 lac pagodas to support a note issue of 12 lac pagodas. He saw the deposit of specie with the Institution as a fund available for contingencies like war. Loans would be made against Company's paper but not private bills. He pointed that another general bank could be opened separately on the lines suggested by the committee. After further discussion, the plan for a Government Bank was finalised and it commenced operations on 1.2.1806. It was described in the advertisement as "a Government Bank for receipt and deposit of specie and for the issue of promissory notes payable on demand under the responsibility of Government". It was to commence operations with a capital of 8 lac pagodas and the ratio of specie to currency was not to exceed 3:1. Lord Bentinck was to be the sole director. Notes issued were to be payable on demand and were to be received as cash by all Collectors and Paymasters in the Presidency. Notes of other banks would not be accepted thereafter. Deposits would be received by the merchants and others while loans could be made only with full security. Bentinck rather reluctantly agreed to permit discount of bills.

9.3.3 Private interests orchestrated protests against this Bank both in Bengal and London, though they could not prevent Lord William Bentinck from establishing the Bank. When the Government Bank was presented as a fait accompli neither Calcutta nor London was amused. The Court of Directors in fact issued express instructions to wind up the affairs of the Bank and stop Government backing of a paper currency. While free traders had yet to win the day, Laissez-Faire doctrines had definitely become the guiding principles for policy makers.¹⁷ Bentinck had argued that a note issue by the Government Bank would be automatically vested with credibility. London and Bengal declared that in a general crisis, when the acceptability of the paper currency would be of greatest importance, its credibility would be eroded by the very relationship it bore to the Government. A run would probably be precipitated by a general crisis and would serve to further aggravate the Government's difficulties. They also objected to direct Government participation in trade.

9.3.4 On the recall of Lord William Bentinck in 1807, William Petrie who had disagreed with the final plan for the Government Bank declined to be the sole director. It was decided to appoint four ex-officio directors who were the Chief Secretary, Accountant General, Mint-master and Sub Treasurer (Ramachandran, 1980 p.115). In response to the

directives from London, Government Bank notes were not accepted in all subordinate treasuries after 1st February 1809.¹⁸ The much discussed solution to the specie shortage was dealt a death blow, though the Government Bank continued its other operations upto 1843. It thus continued to make loans against the Company's paper and permit discounts besides accepting deposits from the public. Private traders continued to find succour in the loans and discounts of the banks. The operations of the bank were subjected to a close scrutiny in 1819 when an investigation was ordered into its progress. The report on its working noted that the Bank had been established to overcome an acute scarcity of specie. It had, over the dozen years of its functioning, accumulated the specie in the treasury for military purposes and withdrawn from circulation, the large volume of Government promissory notes at 8% and 10% by repurchasing them. It had thus met the expectations raised when it was founded (Ramachandran 1980, p.115). The Bank's note circulation in 1806 averaged 8.5 lac pagodas and during 1835-40, it averaged Rs.13.21 lacs while general discounts averaged Rs.57.51 lacs. Its operations were, however, less dangerous and more balanced than private banks and Bagchi sums up its contribution. "The Government Bank far from being the moribund institution it was alleged to be yielded a total net gain of Rs.79,88,469-3-5 between 1st April 1806 and 30th April 1842 the net gain in 1841 being

Rs.1,80,000. The bank also charged moderate interest" (Bagchi 1986, part I, Chapter I).

9.3.5 In keeping with the mores of the community, the institution of the Government Bank was also used to shore up the interests of private traders in various ways. despite Lord Bentinck's awareness of such manipulation and his ongoing efforts to save the Bank from such schemes. Firstly, there is evidence that it provided a temporary or more lasting refuge for private traders faced with business losses. Similarly, Civil Servants not deemed sufficiently competent were often pushed into the Government Bank. Even at the beginning in 1806, Lord Bentinck recommended the following names:

Name of the post	: Secretary and Treasurer
Individual recommended	: Mr Charles Harris
Remarks	: Earlier removed from collectorship of Madras.
Name of the post	: Sub Treasurer and Secretary
Individual recommended	: Mr Richard Yeldham
Remarks	: Resident of Madras for 10 years
	Earlier Director of Bank of England.
Name of the post	: Cashier
Individual recommended	: Mr Willian McTaggart
Remarks	: Man with "Business intelligence"
Name of the post	: Deputy Cashier
Individual recommended	: Mr G.M.Taswell
Remarks	: Cashier of Asiatic Banks (which failed)

associate of Abbott and Maitland and seems to have actively supported this proposal. He recorded an enthusiastic note assessing the probable returns from the voyage and expressing confidence that the loan would be repaid even under the worst conditions. Sherson the other director, went along with him while the third director George Strachery opted to refer to the Governor in council. The Governor refused to give directions in specific cases, while the council refused to accord consent to the arrangement. Thus, the proposal was not accepted by the bank. In June 1808, on a demand from the Bank the additional security offered by the firm was a claim prosecuted by William Albott for 103000 pagodas against Hussain ul Mulk or a claim on the Kingdom of Cochin-China. The second offer was accepted. The preference was perhaps due to the Government support for the claim, with the Admiral having ordered despatch of a ship to awe Cochin-China into submission. By June 1809 it was proposed to initiate legal action against Abbott and Maitland and a notice was issued to the guarantor Seetharamaiah. The bond on Cochin-China was yet to be realised due to delay in sending a frigate. Abbott and Maitland predictably sought time while offering the claim against Hussain-ul-Mulk as additional security. The Governor-in-council were then persuaded to suspend legal proceedings, with G.C.Kebble and G.Garrow being directors of the Bank.²⁰

The directors again sought Government guidance in 1810 and asked to be advised the position relating to the claim on Cochin-China as they did not want to ruin Abbott and Maitland.²¹ This solicitude for Abbott and Maitland's interests continued further, though the claim of Cochin-China was not realised even in September 1812. H.M.S. Glendower had been despatched for this purpose and was expected to return by December 1812 or January 1813. Abbott and Maitland continued to request for postponing legal action²². The bank quite justifiably became nervous at the news of Abbott's planned return to London, but had to content itself with his assurance that he was going for collecting his dues leaving

TABLE - 9.10

Cashiers of Government Bank 1806-1833

-----	-----
Mc Taggart	J.K Lane
1806-1814	(Ex Carnatic Bank) 1806-1814
J Babington	T. Parry
1814-1816	1814-1818
R.A. Maitland	H. Mortlock
1816-1829 (Maitland became Treasurer in 1830)	1819-1822 Elliot 1822-27
	Nixon 1827 - G. Tyler 1831.
-----	-----

Source: Madras Almanacs (1806-1833).

Maitland to stand for him. Presumably the loan was still outstanding in 1813, but the final mode of disposal of this affair has not been traceable. R.A.Maitland however became a cashier of the Bank in 1816 and continued to hold the office till 1829 when he became Secretary and Treasurer in 1830. He was finally dismissed from service in 1830, for taking advantage of his official position to accumulate a considerable debt to the bank by making advances on property of doubtful and uncertain value.

9.4.0 Currency Reform in Madras:

9.4.1 Along with the establishment of a bank to expand the circulation of available bullion, there were also other measures taken to improve the situation in Madras. This was an era of bimetallism or gold and silver specie circulation in the Presidency. Traditionally, the unit of account had been the 'varaha' a gold coin weighing 53 grams and of 8 5/8 'mattu' or fineness. For reasons not clear this coin was termed 'pagoda' by the European companies on the coast. There were a great variety of pagodas in circulation because of the large number of mints operating on the coast at that time. The relative weights of the pagodas from various mints varied (see Appendix H). It was common to settle transactions by exchanging bags containing 1000 pagodas tied

and sealed by shroffs. The fanam was the sub-division of the pagoda also in gold which was the coin of every day use. The fanam was made up of casus or small copper coins. A fanam was generally 80 casus and the single casu was a coin of account with 4 casus being the smallest coin struck (see Table 9.11). The number of fanams in a pagoda could vary from place to place. At Golconda, 12 fanams were equal to pagoda at Portonovo, 8 and at Pulicat and Pondicherry 24, (Ramachandran, 1980, p. 96-97).

TABLE 9.11

SUB DIVISIONS OF THE STAR PAGODA

Gold coins:

1. Double fanam	21 to 23 for 1 Str pag
2. Fanam	42 to 46 for 1 Str pag

[5 Fanam & 3 fanam pieces were also struck at Madras]

copper coins

4 pice = 8 duddoos = 80 cash = 1 fanam

Where 1 pice = 2 duddoos = 20 cash

1 duddoo = 10 cash and

80 cash = 1 fanam

Source: Milburn, 1813, Vol. II, p.7-8.

Rupee, the major silver coin, was introduced in the South only by the mid seventeenth century. It was in use in areas with strong Muslim influence like Arcot and Trichinopoly. Silver coins in circulation were the Rupee, the double Rupee, Half Rupee and Quarter Rupee. There was again a large variety of Rupees. The current Rupee was never an actual coin, but a unit of account used by the EIC in Bengal. The Madras or Arcot Rupee was the most prevalent in the Presidency as it was used to pay the Nawab's troops (Milburn 1813, Vol.II, p.8-9). (see appendix I,J)

9.4.2 This plethora of coins and the shifting values often came in the way of settlement of commercial transactions. People had to incur heavy cost with the money changers or go through recoinage at the mints. Thus the EIC Government, once fully in control of the region had to address itself to currency reform. The Madras Government not only had to look to the needs of the Presidency but also strive for uniformity with Bengal and Bombay. As efforts were on to arrive at a common medium of circulation throughout British India, the EIC in London outlined the new approach in 1806.²³ The difficulties were seen to be caused by the variety of coins and the bimetallic system. London laid down that monometallism was superior in principle and practice and preferred silver to be the metal for coinage. The decision

was based on the fact that stocks of gold were not sufficient to support the growing volume of transactions while silver supplies were deemed adequate. In 1808, the Madras Government appointed the Mint Committee to implement these reforms. They modified slightly the suggestions from London and decided that the rupee should have 166.5 grams of silver and 13.5 grams of alloy [The court of directors had proposed that rupee contains 165 gms. of silver and 15 gms. of alloy]. This was almost identical with the existing arcot Rupees and could be passed into circulation smoothly. This new coinage was introduced on 21st April 1812 and the coinage of fanams etc. ceased from that date (Madras Almanac 1813). Gold coins however continued to be used until they gradually disappeared. The Court of Directors were, however, unhappy with the independent decision to alter the new rupee in Madras and sent out instructions to ensure uniformity. This led to the proclamation dated 7th January 1818 by which the new coinage of silver was to consist the Rupee of 165 gms. pure silver and 15 gms. alloy weighing in all 180 gms. (Madras Almanac 1819). The sub-denominations of the Rupee were the anna [one sixteenth of a Rupee] and pice [a copper coin - which 12 pice made an anna]. The gold coins, pagodas, fanam and casu remained in circulation but were gradually eased out as there was no fresh minting of these coins. Thus there was bimetallism in spite of the shift to silver

standard in view of the validity of gold coins. The parity was fixed at 350 Rupees for 100 Star pagodas [Ramachandram p.101 to 1031.

9.4.3 Around 1800, the II Finance Committee attributed the financial difficulties in the Presidency to the continued export of bullion to Calcutta and Manilla. There was, practically, no export of specie to Europe either by the EIC or the private traders in the period 1802-1806, while imports from Europe accounted for 164,26,000 s. Rs. or 44.14% of the imports of specie into the presidency. The total export of specie was much smaller than the total imports, and amounted only to 9.45% of the total imports (Milburn vol II, p70). The acute scarcity of specie appears to have been tided over by 1806, due to factors like the formation of the Government Bank, and the reduction in military charges with the end of warfare in the region besides the improved revenue collections. Unfortunately, we do not possess details of the EIC transfer of specie from 1806 to 1819. However, the bullion movements on private account are set out in Table 9.12. A rise in treasure imports particularly in 1820-25 was followed by a fall. The treasure exports never exceeded the imports though it exhibited a rising trend particularly after 1825. The picture changes significantly when we include the data on EIC's bullion transaction (see Table 9.12). This

reveals a continuous net drain of specie from the presidency particularly after 1825 as silver was shipped to Bengal. The deflationary trend in prices in the region was a result of this out flow.

TABLE - 9.12

Bullion Movements in the Coromandel Region 1819-20 to 1834 (000s omitted)

Year	Private A/c		Company's A/c		Total		Total Imp.
	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Total Exp.
1819-20	4024	530	3804	3060	7829	3690	+4139
20-21	4369	151	-	2577	4370	2728	+1641
21-22	4006	277	-	4850	4006	5127	-1121
22-23	4281	273	-	2700	4281	2973	+1308
23-24	2998	824	4192	7379	8457	8442	+15
	(3936)	(411)	(1599)	(4113)	(5788)	(4592)	(1196)
24-25	4490	442	2331	7977	6821	8418	-1597
25-26	3706	538	28	12434	3734	12972	-9238
26-27	3274	898	1121	5005	4395	5903	-1508
27-28	3628	1013	-	4466	3727	5479	-1752
28-29	2631	991	-	4769	2631	5760	-3139
	(3545)	(776)	(696)	(6930)	(4262)	(7706)	(-3447)
29-30	2240	1265	-	8339	2240	9904	-7664
30-31	2039	785	-	2120	2039	3335	-1316
31-32	2633	1780	-	6798	2633	8578	-5945
32-33	2543	2693	143	3189	2687	5881	-3195
33-34	2676	2367	3513	2955	6189	5322	+866
Total	49538	14827	15132	78618	66039	94532	
General average	(3302)	(988)	(1009)	(5241)	(4402)	(6382)	

Source: Raju (1941) Appendix No. IX, p.306-307.

9.5.0 Conclusions:

The EIC Government on attaining control over most of South India, found itself relying on borrowings to run its administration. It turned automatically to the British private capital available in Madras. The dominance of British private capital clearly dislodged Indian lenders who had over the earlier eras lent to the State. The details recorded here demonstrate the size of British capital (which averaged 25 lac pagodas) and its pervasiveness as well as the marginalisation of Indian capital. The Government Bank was established to mitigate the problems of specie shortage and private trade drew support from this institution in several ways . The problems of currency reform faced by the EIC Government and the conversion to a silver standard brought about a deflationary trend which was aggravated by the outflow of silver from Madras.

Notes:

1. "The Specie in gold & Silver actually kept in circulation in the Carnatic and the Northern Circars for a period of 20 years previous to 1794 may be estimated upon an average from 80 to 100 lac of pagodas of which 40 lacs are appropriated to the Nawab of Carnatic for the expenses of his Government for inland trade and advances for cultivation etc. and 40-50 lacs is said to be required by the company for their military and civil establishments and for the purchase of investments for Europe. During 1790, 1791, 1792 the company borrowed large sums of money in order to carry on the war with Tippu Sultan and in the course of that year and the next, 45 lacs of pagodas were paid by the Sultan which enabled the Madras Government to pay off its debts and brought 30 lacs into circulation and the interest of money fell to 6%. The merchants were unable to employ the money and as the government would give no bills on Bengal they remitted gold and silver to the extent of 30 lac pags to Bengal and a lac of Dollars to China.

Thus three fourth of the money that came into the Carnatic flowed out immediately and the rest absorbed in the sink of payments from the Carnatic and the Circars to the countries of Mysore and Hyderabad. At the conclusion of 1797, 36 lacs of pagodas in gold had been taken from the circulation medium of the coast [Pub Sundries, Vol. 140A, p.420 onwards].

2. M.C.R. XII (a) Vol. 45 letter dated 26.2.799.
3. Public Department Consultations January 1799, Vol. 232b, p.76.
4. Public Department Consultations B.6.1799, Vol. 236A, p.897.
5. Madras Bank was promoted by Tulloh, Hunter & May etc. British Bank has promoted by Lautour & Co. see para 9.2.3 for information on Banking business of the Agency Houses.
6. Public sundries, Vol. 75, 1807-1808.
7. The trend towards formation of such Agency Houses was visible from the 1780's. In Mr. Petries words "In the year 1776 there were not more than 3 or 4 merchant house

or Houses of agency in the place and their commercial transactions were very limited. Out merchant houses are now (1799) 3 times that number" [Pub Sund. Vol. 140A, 1799, p 424]. In 1799, the 13 houses in operation are listed in Appendix B.

8. As an example of the investments by civil/military servants in these houses of agency we may quote details on Sri Thomas Munro's investments [Burton Stein, 1989, p.140]. He placed 1000 star pags with Andrew Ross in 1787, Colt and Co. remitted £200 pa to England for him from 1805. He transferred a fund of £30000 also to England in 1806 & £10000 in 1808.
9. Farlie & Co. from Calcutta had a contract for supply of rice to Madras. Reobuck & Albott had a contract for coast salt MCR XIIa, vol 46, 1799 Colt Baker & Co. sought an exclusive agency for spice trade east of Cape of Good Hope but were refused it [PDC 30th July 1803].
10. Public Department consultations May 1800, Vol. 254A, p.9 and p.14-22.
11. Public Department consultations Jan. 1799, Vol. 232B, p.64-65.
12. Secret sundries Vol. 16A, para 39 of Minute of 6.12.1805.
13. "I cannot in my own mind entertain a doubt that the houses of agency have contributed to raise the interest of money, they have in fact been the great monied monopolists " [Secret Dept. Sundries Vol A.16, Minute 6.12.1805, para 35] pages 30-38 discuss Agency Houses.
14. "The Bengal Government would appear to have formed too high an opinion of the pecuniary resources of Madras. It was not considerable that a loan of 30 or 40 lacs was out of all proportion to the capacity of the settlement. It was not sufficiently adverted to also that the settlement has been in the habit of placing the most perfect confidence in particular houses of agency here - a confidence not inferior to that felt for the stability of Government itself. That as long as this confidence continued and that an equal interest was received the very convenience of withdrawing at pleasure their deposits without loss would determine their constituents to permit their deposits to remain in their agents hands. It was not under such circumstances profitable that a loan under low interest to which they have been limited

would be successful. If it had been desired to break through this intermediate interest, high terms should have been in the first instance proposed [Secret Dept. Sundries Vol A. 16, Minute 6.12.1805, para 34].

15. Here those that are Bankers act as merchants, engage in deep speculation with money not their own but belonging to these constituents and involve "unwarrantably the fortunes and properties of thousands and "the individuals enjoying the trading part of the society in India are not men of the same substantial property as are persons of the same description in Europe and consequently credit interest in a greater degree into every species of commercial dealings and it does not appear to me within the province of Government to grant them extraordinary assistance and countenance [Minute dt. 6.12.1805, Vol. 16A, 1806 paras 28 & 29 respectively.

16. In 1779, there was consensus that a bank should be promoted to issue paper currency, but there was violent disagreement over the level of government participation in the new institution. Petrie & Clerk basically civil servants favoured government participation in capital with power to nominate a Director while Cockburn and Kindersly representatives of private trading interests (both being active in the management of British Bank & Carnatic Bank) were vehemently against it. The measure was not attempted in view of this difference of opinion [Secret Sundries, Vol. 16 A, Part I, 1806].
17. Ambirajan (1965) has cited the establishment of the Government Bank as an instance where laissez faire was ignored. Bentick himself used the tenets of Laissez faire to support his reluctance to allow bill discounting by the Government Bank. This could interfere with the opportunity to lend and generate profit available to a private bank or a money lender. He was also of the view that there existed sufficient capital with the agency houses to meet the needs of traders at Madras IESHR, 2, 1965 p.238-244.
18. Public Department consultations, 29.6.1809, para 11.
19. Public Department consultations, 10.11.1807, Vol. 332, p.7394.
20. Public Department consultations, 1809, Vol. 359B, p.1809.

21. Public Department consultations, 7th June 1810, Vol. 370,
p.3004.
22. Public Department consultations, 21.8.1812, Vol. 398.
23. Public Despatches from England, 25.4.1806.

CHAPTER X

CONCLUSIONS

10.1 This study of trade and finance on the Coromandel Coast covering a period which witnessed the transformation of the trading and commercial capital of the EIC into political interest in a matter of few decades establishes the key role of growing British private capital in achieving the change.

10.2 A survey of data on economic changes in the region during the period 1757 to 1833 reveals the adverse impact of unsettled political conditions on agricultural production. The fall in agricultural production particularly before 1800 as reflected in the declining figure of land revenue and depopulation brings home the impact of continuous warfare on the economy. The textile output which fell sharply around 1780 recovered after 1790. There was an improvement in agricultural output after 1800 when administration of the region was completely taken over by the EIC. The prices of consumption articles like rice and salt were declining after 1800 leading to depressed economic conditions. Frequent famines further heightened the sufferings in the country side and consumption levels improved marginally.

10.3 The pattern of textile exports to Europe underwent significant changes in the period. The decline of textile

exports to Europe after 1780 was due to the unsettled conditions in the region. The volume of exports by the EIC had recovered after 1790. It is estimated that the cost price of exports to Europe was £9,60,000 around 1795 and remained steady around this figure upto 1806. There was a rise in private trade after 1810 both to Europe and South East Asia with textiles predominating in the exchange. Imports from Europe like wines, ammunition, and metals were handled by these traders. Bullion movement was also under their control. The considerable trade in consumption goods like grain, and salt was handled both by European and Indian private traders.

10.4 The size of EIC's commercial dealings and the direct and indirect patronage of British private interests during the period 1757 to 1800, is visible in the records of the EIC. The role of Indian suppliers was marginalised after 1770 and the system of direct or aumani contracts with weavers preferred. This proved detrimental to the Indian wholesale suppliers and the EIC, while benefiting the British private traders. EIC consistently preferred British suppliers of other consumption goods like rice, timber, and cotton, particularly after 1770. The Indian traders were elbowed out of these profitable activities much to the advantage of the

British private traders. There was a sharp rise in cloth and cotton prices as well as grain prices before 1798.

10.5 British private trade which grew along with the EIC trade from the very early period came into its own after 1757. The traders who were Company servants drew on their network of colleagues and compatriots located along the coast to procure textiles for export to Europe. They also took over traditional lines of commerce earlier completely in Indian hands. These traders found new opportunities to gain advantage with their rise in the EIC hierarchy. The spurt of trading activity and other lucrative contracts led to a sizeable accumulation of capital in the hands of British private traders. They became involved in arranging the transfer of such wealth to Europe both by clandestine trade to Europe and remittances through French and Danish channels. They were also drawn to invest such capital in loans to Indian rulers awaiting opportunities for eventual remittance to Europe.

10.6 The Indian traders were put under severe pressure from the rising influence of British private trade and they had reformulate key areas of their activities. Some groups with access to capital like the Nattukottai Chetties moved into retail lending both in India and throughout South East Asia. Wholesalers in cloth and grain like the Komaties were much affected but retained their hold over distribution networks

in the vast hinterland and found some niches like jewellery trade. Traditional navigational expertise was rendered obsolete by the era of steamships and communities like the Marakkayars were pushed further into isolation.

10.7 British private intrests used their rising political power to move into areas like revenue farming traditionally managed by the local leaders. The impact of such takeover is manifest in the rise and decline of dubashes. The top dubashes were from the land owning gentry hailing from villages close to Madras; they were well connected with Indian rulers. They enjoyed high social status and patronised art, learning and religion. Their alliance with British private interests in revenue collection and commodity trade brought them attractive returns initially. With the transfer of administration to the EIC by 1800 their intermediary role was rendered redundant.

10.8 The ultimate result of the deployment of British private resources in loans to Indian rulers was the take over of such kingdom by the EIC. Though Arcot and Tanjore are seen as opponents in traditional texts on political history, the similarities in their decline are striking. The EIC's military machine being the most powerful in the region, it was used to secure British private interest in both kingdoms. The cost of the EIC's military support proved more than what

could be borne by the finances of these kingdoms which led to further borrowing usually from British private sources. Such ballooning debts invariably justified the complete EIC takeover of the kingdom.

10.9 The EIC government found itself relying on borrowings to meet its acute financial needs when it commenced its administration of newly acquired territories around 1800. It turned automatically to British private capital and found itself paying dearly for such aid. It responded by initiating currency reform and establishing a government bank to improve its financial stability. The widely dispersed holdings of private capital led to the formation of Houses of Agency and development of both large industry and financial services in the region. This organisational arrangement provided the structure for developing the expanding British private trade in the Presidency.

10.10 Thus, British private trade not only replaced Indian native trade at higher levels and reduced Indian traders at lower levels to subservience to their personal and Company interests, but paved the way for the establishment of British suzerainty in India. The declining Indian political Powers like the Nawab of Arcot were caught neck-deep in debts to the European interests, especially the British private traders. It is possible that the European private traders played a similar decisive role in the process of the EIC ascent to

political power in the other regions of India as well. Detailed research on this aspect would serve to deepen our understanding of the socio-economic factors that led to the colonisation of India. Fresh sources of information particularly relating to the Indian arena such as epigraphical and Indian literary evidence besides oral and local traditions still await a systematic study.

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Appendix A

A Chronology (Political Events) 1757-1800

Year	FSG	Arcot	Tanjore
(1)	(2)	(3)	(4)
1757	French capture of Ingerman Bandarulonka, Vizagapatnam (Ganjam to Masulipatnam)		
1758	Capture of Cuddalore		
1758-59	Seige of Madras (FSG) French failed to capture	Nawab of Arcot to bear cost of defence	
1761	Seige of pondicherry and attack	Nawab of Arcot to bear cost of attack Stores of Pondicherry also not made over to him	
1762	Lord Pigot and Josias du Pre negotiate	Dispute with Tanjore	Dispute with Arcot
1763	Treaty of Paris (peace with Fr)	Treaty with English. Transferred Jaghir to British (Revenue pag 400494)	Dispute with Arcot over sharing Cauvery water resolved.
1765	EIC obtained Northern Circars from the Moghuls		
1767			Invasion by Haider Ali
1768-69	Invasion by Haider Ali. I consolidation of Nawabs Pvt. debts	Jaghir sacked by Haider Ali	
1770		Arrival of Jn Lidsay Minister pleni- potentary from King of English to Nawab Lidsay succeeded by Harland.	Invaded by Nawab of Arcot

(1)	(2)	(3)	(4)
1771		Invasion of Tanjore	
1772		Invasion and capture of Maravar country (Ramanathapuram)	
1773		II Invasion and occupation of Tanjore	Invasion and occupation by Arcot 1773-76
1775	Arrival of Ld. Pigot	Nawabs tankas on Tanjore favouring Beniefid	Restoration of Tuljaji (his second term 1776-87)
1776	Arrest of Ld. Pigot (Aug)		
1777	Pigot's death in captivity Cavabry loan to the Nawab		1778 - Grant of Nagore to EIC
1780	Capture of Nagapattinam from Dutch. Haider invades Arcot and his son Tipu invades Northern Circars		
1783	Peace with Tipu		
1787			Tuljah dies Amar Singh succeeds him.
1789	War with Tipu		
1792	English fight Tipu Baramahal	Treaty with English Nawab to pay a lac pags for army and 621105 star pag for debts each year.	
1794	Jaghir takeover		
1799	War against Mysore (Specie captured Jewels worth 900000)		
1800	Take over of Arcot		Restoration of Serfoji II EIC take over administration

Source: Maclean : Manual of Madras Administration, (1885) P188

Appendix B

Contracts for Supply of Piece Goods at Madras for the East India Company (1768-69)

	1763-64			1764-65			1765-66	1766-67	1767-68	1768-69		
Textiles Type/Year	No.of pieces	Price in Pagodas/ Corge	Suppliers 1763-65	No.of pieces	Prices	No.of PCs	Remarks (Place of supply 1765	No.of PCs	PCs	Prices	PCs	Prices
Long Cloth Ordinary	19000	42	DasooReddy	31000	43	51000	Cuddalore, Madras & Masuli- patnam	63500	17200	42 18/43	16000	42.18
Middling	12000	45	DasooReddy & Rama- lingapah	10600	45	23500	"	25000	5000	44 18	5000	44.18
Fine	8000	66		5800	66	8600	"	10000	3000	64	3000	64
Middling Blue	-	-		4000	29	15000	"	21120	5000	59	1500	58.18 to 59.18
Salempores Ord.	16000	21	Annagry Chetty	16000	21	16000	Madras	10000	40000	21 18	25000	21.18
Middling Blue				25000	22	27000	"	25000			25000	28.10
Fine	8000	30	Mootoomar Chetty	8000	30	8000	"	8000	8000	29	10000	29
Middling....						1000	Cuddalore	1000				

Monees Ord.	5500	22-26	Arnagry	4500	22-26	4000	Madras	4500	5000	21+25	5000	21+25
Fine	2500	42-48	Mootoomar	2500	42-48	2500	"	4000	2500	41-47	2500	41-47
Super Fine	800	64-72	"	800	64-72	800	"	800	800	62-70	800	62-70
Chinty	1500	45-51	"	1500	45-51	-	"	-	1500	41-45	1500	41-45
Lampasses	500	27-33	"	500	27-33	500	"	500	500	24-29	500	24-29

Longcloth(Spl)	900	100-120	Arnagers	800	100-120	800	Madras	-	-			
Betellas Orangal	2000	50-60	Gundaveddy Minar Chetty	1000	50-60	1000	"	2000	2000	50-60	4000	50-60
Pulicat(o)	1500	80-97	"	500	80-97	500	"	800	1000	80-97	1000	130-146
Pulicat Borden red	500	130-146	"	200	130-146	200	"	200	300	130-146	2000	80-97
Extralong						2000	Cuddalore	2000				
Conjeevanam Plain						100	"	750	1500	29-33	1500	29-33
Flowerd						100	Ingeram	750	1500	43-50	1500	45-50
Borden						200	Madras	200	400	67-75	900	67-75

Callampores						1000	Masuli-						
							patnam						
Gingham Small													
Blue stiped	200	20-23	Chapperumal Chetty	200	20-23	600	"	100	400	20-23	500	20-23	
Red stiped	200	25-29	"	200	25-29	600	"	200	400	25-28	500	25-28	
Iizarees						400	Maddepollam						
Romails						13000	"	8800					
Sastrabindas						4000	"	-					
Allejaras						1000	"	-					
<hr/>													
Total No. of PCs	79100			113100		183200		189420	96000		107700		
<hr/>													

Source: The details of contracts finalised appear in the following records:

Contracts Year	Source
1763-64	PDC. 18.1.1763
1764-65	" " " 06.1.1764
1765-66 & 1766-67	" " " 05.2.1765 (investments decentralised)
	Actual received in 1765-76 - Pub. Dep. Cons. 17.3.1766.
	Delays in deliveries for 1766 - PDC. 29.1.1767
	Actually secured for 1767 - PDC. 30.3.1767
1767-68	PDC. 4.04.1767
1768-69	PDC. 28.4.1768.
Reasons for short supplies are discussed in detail in P D C dated 17th March 1766 and 30th March 1767 and PDC 4th April 1768.	

APPENDIX C
PORTS OF THE COROMANDEL 1757-1833

Name	Location	Major activities 1750-1830	Connections with trading companies prior to 1800	Remarks
<u>BANJAM Dt</u>				
1. Banjam	Mouth of river Rushikulaya	Rice exports to neighbouring coasts the ports of Madras	Nil	Did not participate much in oceanic trade; Rice, salt were major items in its coasting trade not much textile export.
2. Gopalpur-)-	Adjacent ports south of Banjam	" "	Nil	" "
3. Sonapur -)				
<u>Srikakulam Dt</u>				
4. Kalingapatnam	Mouth of Vamsa dhara	Rice trade	Nil	Rose in importance with Srika- kulam harbour becoming inacces- sible.
5. Srikakulam (Chicacole)	Mouth of Langu lya river 4 miles upstream	Textile and pc goods export	Nil	The port lost its importance as its exit to the sea was gradually blocked by silt (Mieburn, vol II p91, " little trade and seldom frequented"
<u>Vishakapatnam Dt.</u>				
6. Bimlipatnam	open roadstead	Rice exports	Dutch Factory	
7. Vishakapatnam	riverine port	Rice and textiles	English " (1688) (short French occupation in 1757)	Grew in importance during this period
<u>East Godavari</u>				
8. Coringa	Ports in the	Textile trade of	—	Kakinada deemed to be "safest harbour in India, during the sw monsoon", it had the securi- ty of a muddy bottom and vess- els driven from their anchor by stress of weather escape serious damage" (Topping 1833 p.5-15), also Mieburn, II p.90.
9. Kakinada	Coringa Bay	private European	—	
10. Ingeram	(Godavari Delta)	merchants	English	
11. Bandarulanka			English	
12. Yanam			(French upto 1794)	
13. Jgannathapuram			Dutch	

Name	Location	Major activity c 1750-1850	Connections with trading companies prior to 1800	Remarks
<u>WEST GODAVARI</u>				
14. Narsapore	Mouth of the	ship building acti-	Nil	The Dutch , Europe had ship docks here produced a cloth known as Madepollam; the Eng- lish and the Dutch had a sub- ordinate factory here.
15. Maddepollam	vasishta Godavari	vity		
<u>KRISHNA DT.</u>				
16. Masulipatnam	Krishna Delta	Textile & Piece good	Early English & French	Major outlet of Golconda, dec lined in importance after 1750
17. Divy	"	timber exports	presence	
<u>NELLORE & ONGOLE</u>				
18. Mottupally	Open roadstead	Small trade in tex-	_____	Small trade by Indian vessels only.
19. Kothapatnam	" "	tiles		
20. Ramapatnam	" "			
<u>NORTH ARCOT</u>				
21. Armagon	River mouth	Not much activity	English Factory	An early English factory not much use in 1750-1800. Major centre for European trad
22. Pulicat	on a Lagoon	Exports of Rs.127lac	Dutch Factory	
23. Madras city	_____	Capital of presidency.	English Factory	
<u>SOUTH ARCOT</u>				
24. Sadraspatnam	Generally located	pondichery was the	Dutch Factory	All these ports involved in coastal rice trade in addition to textile collection by the European companies.
25. Pondicherry	in the mouths of	locus of French trad	French Factory	
26. Devnampattinam	small streams	other were mainly	Old indian Fort. Old	
27. Cuddalore		collection centres	portuguese outpost.	
28. Ft.St.David		(avg exports around		
29. Porto novo.		1790 discussd in chap 3)		
<u>TANJORE DT</u>				
30. Thirumalavasal	Cauvery Delta	A free port of the Tanjore kingdom with rice and other tra- ditional trade	Open to all Europeans.	Mainly an indian trading port.
31. Tranquabar	" "	Danish port no expo- rts to Europe after 1777.	Centre of Danish Europe trade.	Trade from here was backed by clandestine funds of British civil servants.
32. Karaikkal	" "	mainly rice, and other commodities to Cey- lon and the Malay archipelago	French enclave	Textile collection centre for the French.

Name	Location	Major activity c 1750 - 1850	Connection with trading companies prior to 1800	Remarks
33. Tirumalroy- patnam	Cavery Delta	Mainly rice	Indian port	Typically Indian port
34. Nagapattinam- Nagore	" "	Mainly rice, Textiles & other goods to Ceylon, Malabar & malay archipelago (180 2-5 avg Exptsb of 2.98 lac pag	Important first as a por- tugese port and than Dut- ch. English contract from 1783	Centre for the European pvt trader as well as the Indian merchant community.
35. Muttupet	" "	Mainly rice	Indian port	Small volume of Indian trade
36. Adirampattinam	" "			
37. Saluvanakken- pettai	" "			
<u>RAMANAD DT</u>				
38. Kilakkarai	Ports in the plk Bay	Chank fishing, trade in pearls, gems	Purely Indian settlement though some European presence did exist	Muslims descended from early Arab traders were the powerful trading group from this area.
39. Periapattinam	" "			
40. Thondi	" "			
41. Vandalai	" "			
42. mandapam	" "			
<u>TIRUNELVELI DT</u>				
43. Tuticorin	Gulf of Manner	Mainly trade with Ceylon-rice areca nuts exports of raw cotton after 1810 value of exports 1802-1805, 3.27Rs.	Strong portugese presence in the C16 Dutch possessed for the Tuticorin in 1658, became British in 1785	Tuticorin was the major port for the Nattukottai chetti trade and became dominated by agency houses in the 1840s.
44. Kulasekaranpa- ttinam	" "	Trade with Ceylon	_____	_____
45. Kayalpattinam	" "	" "	_____	_____

Note : These table is completed from details available in Milburn "Oriental Commerce" vol II (London, 1813) the district Gazetters and S. Arsarathnam (1986). In addition details gathered from interviews at the following ports have also been used. 1. Pondicherry, 2. Karikkal, 3. Tirumalroy-pattinam, 4. Nagapattinam-Nagore, 5. Kilakkarai.

APPENDIX D.
BIOGRAPHICAL DETAILS OF LEADING DUBASHES

The Dubashes of Pondicherry:

It is deemed appropriate to begin with descriptions of Pondicherry dubashes as Pondicherry between 1736-1761 anticipated Madras 1760-1800 in many ways and the Ananda Ranga Pillai diaries describe dubashi life style (1736-1761). The role played by dubashes like Kanakaraya Mudali and Ananda Ranga Pillai anticipated the activities of famous Madras Dubashes like Manali Muthukrishna Mudali, Neydavoyal Narayanaswamy Pillai, Pachaiappa Mudali and others. It was only the vaster domain of British influence and the greater stability of their administration that allowed the Madras dubashes to sustain their influence over longer periods. From the diaries as well as other sources (Srinivasachari 1940 Vasuki 1989) we are able to reconstruct the sequence of holders of the office and the Coutourier or chief dubash of Pondicherry (or Mudali in Tamil).

Narayana Pillai	Up to 1720
Pedro Kanakaraya Mudali	1720-22
Chevaliar Guravappa son of Narayan Pillai	1722-24
Tiuruvengadam Pillai (brother- in-Law of Narayana Pillai)	1724-26
Pedro Kanakaraya Mudali	1726-46
Ananda Ranga Pillai (son of Tirvengadam Pillai)	1751-61

Pillai, Vol.I, p.347). His only son having died during the Mudali's life time, his widow Nakshatrammal and brother Lazar Chinna Mundali were both claimants for his estate. He was a leading member of the Catholic Church as well. He was effective in persuading the priests to allow the congregation to retain some of their earlier beliefs and customs. For instance, he ensured that some caste barriers were observed within the church also. He was not ostentatious in his charities for religion and there is no evidence of his having willed any money for charity. In his life time he was sometimes ridiculed for the lavish feasts he held because he did away with caste barriers amongst higher castes. Ranga Pillai for instance held that he had lost caste by his conversion (Ananda Ranga Pillai Vol.I, p.294). Ranga Pillai is not really an unbiased reporter on Kanakaraya. He says him as a rather sinister scheming personality. There are however occasional glimpses of his humaneness.

ANANDA RANGA PILLAI:

Ananda Ranga Pillai's diaries provide us with a unique record of the personal point of view of a prominent Dubash. He was quite aware of his own importance and left his diary as a record of his activities for the benefit of his family. Like Kanakaraya before him, he was in the thick of

political manoeuvres. Dupliex the Governor relied on his advice regarding strategy and tactics in his diplomatic and military transactions. His interesting rival was Mme Dupliex, born in this country and well able to keep track of the changing political scene. He was a staunch Hindu, pious and apparently without any intentions of harming any one. He stoically endured the intrigues of the Catholics against him but did not consider converting to Christianity. At the same time he held the French in high esteem served their interests willingly. He was also well aware of the foibles of his superiors and often played on their weaknesses. He would glibly flatter Mr Dupliex but would not unbend to please Mme Dupliex. As the chief of the Indian Community he was involved in most of the negotiations ranging from marriage settlements to the recurring "idangai valangai" disputes.

SOME DUBASHI FAMILIES OF MADRAS:

THE MANALI FAMILY:

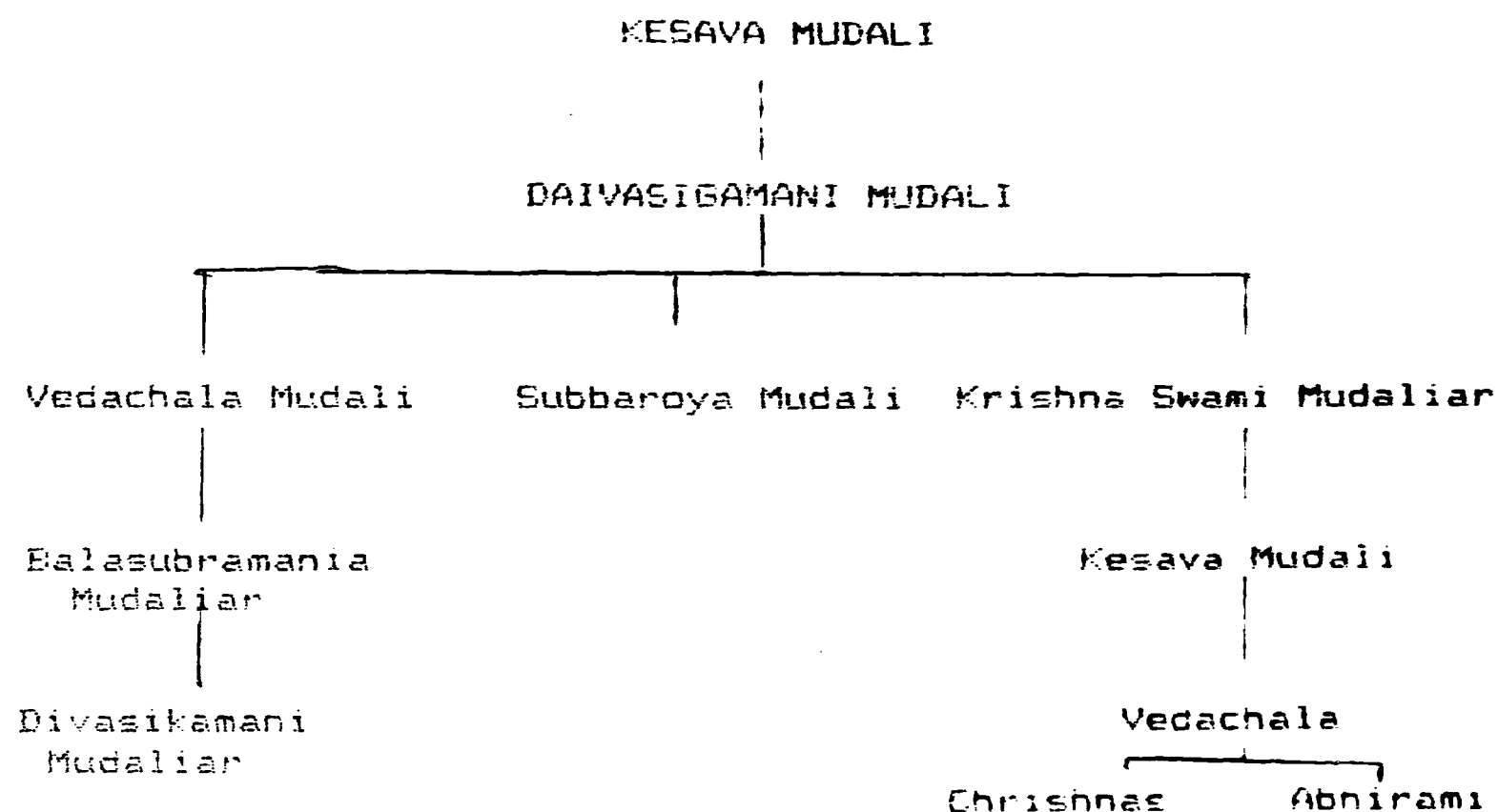
Manali Muthu Krishna Mudaliar, was employed as an interpreter in the company's Government from 1749 onwards upto his death in 1792. He was of the Nal vellar Community, a relatively 'Low' left hand caste. Manali is now a northern suburb of Madras. He was Lord Pigot's dubash during his first stint as Governor (1755-63) and continued as

dubash to later Governors. He was used to handling the entire country correspondence of the EIC on his own. Even when the company servants learnt Persian and Marathi correspondence in Tamil, Telugu, Malayalam used to be left to Muthukrishna Mudali and "his advise was taken in every business relative to the country Government" (Nightingale, 1985 p.98). As Lord Pigot's dubash he must have been deeply involved in the stirring events of 1775-1777. His base and contacts in Tanjore were built up during this period. He was also a devout Hindu. When the Chennakesava temple in fort area was demolished by the British, he raised a subscription of 15650 pagodas to build 2 new temples contributing roughly one third of the amount himself. The family are the hereditary trustees of these temples. His son Chinnaiah Mudali, alias Venkata Krishna finds mention in the Champu, Sarvadeva Vilasa, describing the patrons of art and religion in Madras City circa 1800 (Raghavan 1958). His business interests were centred in Tanjore and Madras and he was closely involved with other prominent dubashis like Pachaippa. He was involved in promoting the settlement of Comalesvaran coil with Pachaippa (Srinivasa Pillai, 1911). He had enjoyed considerable influence with religious heads in the land: he could persuade the Chidambaram Dikshitaras (famed for their stubbornness) to change their minds and accept charity from Pachaippa (ibid, p.15). After Pachaippa's

death, he was one of those to promote Muthaiah Mudali, Pachiappa's nephew to contest the will and thus initiate a prolonged legal battle with another notable dubashi family - the Neydavoyal group. This seems to indicate a certain degree of ill will or jealousy on the part of Chinnaiah Mudali against the Neydavoyal family (who were enjoying Pachiappa's estate as executors of his will). He died in 1817.

THE TOTTIKALAI FAMILY:

Tottikalai is a village near Tiruvellore, just north of Madras. Tottikalai Kesava Mudaliar, from a Poonamallee Tulu Vellala family owned several villages in this area and his estate was termed a samasthanam (small kingdom). He was also one of those reviled by Lionel Place for obstructing in skillful and devious ways, the revenue settlement of Poonamallee District (Nield Basu 1984, p.12). He was a patron of learning and culture as indicated by references to him in the works of Subramanya Muni, a Tamil religious poet. The family were darma karthas of the local temple and wielded considerable influence over several generations. Dr. Raghavan (Raghavan 1958 p.25) reconstructs the family tree as under.



Vedachala Mudaliar the grandson of the first Kesava Mudaliar was one of the 3 great patrons extolled in Sarvadeva vilasa. He was patron of a poet Rama Kavi and Musicians Doraisami and Srinivasa. In Sarvadeva Vilasa he is described as the richest of those engaged in dealings with the British and the magnificance of the sadas organised by him is described in detail.

THE NEYDAVAYOL FAMILY:

Neydavoyol is a village in the north west of Madras. Neydavoyal Narayana Pillai was of the Yadava caste and became a prominent dubash in the 1750s. He was reputed for his honesty; it was this facet of his personality that prompted

Pachaipappa's mother Poochiammal to entrust the small capital that was hers to his care. He not only increased her wealth but groomed her son Pachaipappa to become a leading dubash (Srinivasa Pillai 1911, p.3). He was known as Powney Narayana Swami Pillai indicating that he commenced his career as the dubash of a member of the Powney family (an old European family in Madras). In the 1750's he was entrusted with the conduct of delicate negotiations with the Rajah of Tanjore and performed the task so well that he won the esteem of the council (ibid p.5). It was at that time he built up his base in Tanjore and lent money both to the Nawab of Arcot and the Rajah of Tanjore. There are several references to his loans to the Rajah of Tanjore after 1775 in the modis records also (Venkatramayya 1984, p.406). Some of these are said to have been arranged through Pachaipappa (who was then residing at Tanjore) Pachaipappa was his protege and was presumably acting as his agent at Tanjore in the 1780's. Even Pachaipappa's last letter indicates that they were close associates. We may also infer that he could raise resources by borrowing from several individuals who were willing to trust him with their funds. He died in 1802. He was a patron of learning and religion, became the trustee of the important Tiruvallikeni (Triplicane) big temple just south of Fort St. George. It is his son Ayyaswami who is mentioned in Sarvadeva Vilasa.

Narayana Pillai's son Ayyasami died rather young in 1809, leaving behind him his young son Annasami. The family affairs were managed for Annasami by his uncle Pazhavanthangai Telisinga Pillai (the son-in-law of Narayana Pillai) Telisinga Pillai is said to have been fluent in English and well versed in Tamil, Telugu and Sanskrit. He was close to various Governors of Madras. He was intimately involved in the father-in-law's affairs and had attended Tuljaji's 2nd coronation (1777) at Tanjore. He had received villages as grants from the Nawab of Arcot and was a lender to mirasdars (Srinivasa Pillai 1911, p.29). Both Ayyasami and Annasami had to contend with litigation arising out of their position as executors under Pachaippa Mudali's will. After the death of Pachaippa's widow, his nephew began his attempts to gain control over the property. A law suit was filed in the Supreme court in 1810 and in 1816 Annasami took step of surrendering to the court the balance of Pachaippa's estate. This was later to form the corpus for Pachaippa's educational trust in 1832 (ibid 23-27). The family was also involved in continuous litigation arising from their Trusteeship of the Triplicane temple. It was a prolonged battle for their rights against the British administration (Appadorai 1963, p.111, 121).

NUNGAMBAKKAM KANAKAPPA MUDALIAR FAMILY:

Nungambakkam was a village to the west of Fort St. George and is today the heart of the Madras Metropolis. Around 1800 it was still a suburb with a large lake and the Coovum river. The land lords for this rich tract were a Tondaimandala Poonamalle Tuluva vellala family connected with the EIC from 1725 onwards. Kanakappa Mudaliar was a dubash at the Mayors Court during the period 1753-1775. His son Daiva Nayak was dubash in military affairs to Col. Forde and Sir Eyre Coote and was wounded in Wandiwash in 1760. Daiva Nayak's son Subbaraya Mudali took up his grand fathers place as dubash in the Mayor's court and held the post from 1775 to 1808. The family derived their political and social status as land lords for Nungambakkam for several centuries and were loath to give up their rights over the area. They were also generous patrons of arts and literature and Sarvadeva Vilasa describes Daiva Nayak and his munificence.

The family tree may be reconstructed as follows:

Kanakappa 1775 (Dubash from 1753-74 at Mayor's Court)
|
Daiva Nayak (Military Dubash)
|
Subbaraya (1808) (Dubash in Mayor's Court 1775-1808)
|
Subbu Daiva Nayak (1836-1909)

PACHAIAPPA MUDALIAR:

Pachaiappa Mudaliar is perhaps the best remembered dubash in Madras - his charities having created several important educational institutions in the city. He was of Agamudaya vellala stock from Kanchipuram and lost his father while still in the womb. His mother Pochiammal eventually moved to Madras seeking the protection of Neydavoyal Narayana Pillai. She entrusted her small capital as well as the grooming of her son to Narayana Pillai. Pachaiappa started trading under his patron's guidance at an early age dealing mainly in China ware for Europeans. When he decided to take up a dubash post, Narayana Pillai procured for him a suitable appointment with Mr. Nicholls to go South. The first instance of his revenue farming activities was in 1776 when he associated with Dharmaraya Mudali and Pungathur Chengalvaraya Mudali for taking on revenue farming of Ponamallie and Tirupachur. Besides collecting the revenue they had to pay Nazars and salaries for the Nawab's servants. He was the dubash of Joseph Sullivan who was actively involved in the Nawab of Arcot's efforts to short circuit the company's Government and deal directly with the King of Great Britain. In this position he was probably intimately involved in the financial affairs of Arcot. He accompanied Joseph Sullivan to Tiruchi in 1783 and was involved in marshalling an army for

the 2nd Mysore war against Tippu Sultan. His affairs in Tanjore soon became important enough for him to settle down there around 1785. The Rajah of Tanjore was required to remit large sums of money to the English Government and the payments had to be in star pagodas. Pachaiappa and other dubashes would perform the role of money changers. The profits on these transactions ranged between 10 and 20%.

In Madras, he along with a few other dubashes were involved in developing the suburb of Komaleswaran Koil near Chintadripet. Pachaiappa's interest in art and religion was further heightened by his stay in Tanjore and his patronage was extended to all major shrines from Kashi to Rameshwaram. In 1788 the Governor of Madras Sir Archibald Campbell chose Pachaiappa and Mr D'Souza to assist William Petrie at Tanjore in ensuring prompt payment of their dues by the Rajah of Tanjore. Pachaiappa lent Amar Singh 1 lac pagodas and other dubashes also lent on a similar scale and were in turn assigned the revenue of suitable areas. Stocks of grain and essentials were easily cornered by these dubashes, leading to acute scarcities. In 1791 all the dubashes were ordered to return to Madras, even though Pachaiappa protested that he was working for British interests at their earlier request. He returned to Tanjore in 1792 citing reasons of health and stayed there for the remaining 2 years of his life. He

continued his remittances and lending operations. He died at Thiruvaiyaru on 31st March 1794.

His will, leaving his entire property to his first wife (who was childless) was contested by his second wife and later on his nephew. Neydavoyal Narayana Pillai his as executor had to arrange for the charities specified by Pachaiappa. The dispute over his estate continued, with his nephew proceeding against the Neydavoyal family. It was finally resolved in 1832 after all the original claimants had died with the establishment of the Pachaiappa educational trust. In 1796 when the first settlement was arrived at between Narayan Pillai and Pachaiappa's widow the net balance of the estate in cash was 116300 pagodas while 120214 pagodas were the loans outstanding. Interest derived from 1 lac pagodas was to be used to perform rituals at various temples. This corpus had become 7,61,506 pagodas in 1832 and was thereafter used for educational activities. In Pachaiappa's case we are in possession of complete details of his life and activities. We may infer that others must have possessed comparable wealth and influence as he was by no means the richest of the dubashes.

SOME OTHER FAMOUS DUBASHES

Vayalur Kulandaivira Perumal Pillai was the dubash to

various Governors from 1778 to 1789 and left behind large estates in Sriharikota. Muniya Pillai was another dubash who lived in Tanjore with Pachaiappa. Pachaiappa is said to have chosen Comaleswaran Coil for his residence to be near this friend. His son Srinivasa Pillai was Pachaiappa's biographer and a trustee in Pachaiappa's trust besides trustees of the Tiruvallikeni temple for a brief period. Vandalur Vankataranga Pillai was a Kanakapillai dubash to the government and even his great grand father was a dubash to Warren Hastings in 1760's while his father was a dubash to council members. Venkataraya however did not achieve comparable status. He was accused of conspiracy to establish a false genealogy for a polygar family and fined Rs 18000. The collector of Ramnad was said to have received 18000 pagodas as nazar and Venkataranga was asked to pay this money to the company as the principal was no longer in the vicinity. This patent injustice had to be set right by orders from the court of directors.

KUMARA IN THE NAWAB OF ARCOT'S COURT

Kumara, Comoroo or Kolandai Mudali was Paul Benfield's dubash and we catch fleeting glimpses of him in the records. Lord Pigot for instance did not take to him kindly - he had him flogged for entering Tanjore in March 1777 (when Lord Pigot was presiding over the restoration of

Tuljaji as Rajah). In Patersons dairies we find that nawab of Arcot did not trust him enough to allow him to enter Nagapattinam to negotiate with the Dutch in 1773. The Nawabs dubash Venkatachalam also harboured a longstanding jealousy of Kumara (ibid p.223). Paterson however noted that Kumara "has sense and in my opinion much more reason than his master". Just as with his master Benfield, we are left with an image of an opportunist who did not win love, but was feared for his cleverness.

VENKATACHALAM

He was the Brahmin dubash of the Nawab of Arcot in the 1770's and was deemed one of the three important advisers to the Nawab along with Abdul Rashid Khan and Sajid Asim Khan, the Dewans. We find that Paterson relied heavily on him in his dealings with the Nawab. His parting with Venkatachalam was not on the best of terms. Venkatachalam was a self seeker like the rest, though it took Paterson time to realise it. Paterson was pained by his obvious greed and short sightedness.

AVADANAM PAPAIAH

He was a Brahmin from Nellore began his career as a clerk in the sea custom's office. He traded and owned ships, lent money to the Nawab, owned land in Chingleput and was a

revenue farmer for Tirunelveli. However, he was controversial throughout his career. During the Holland administration (1789) he was convicted of conspiring to discredit the Members of the Board of Revenue. His principals in the affair, the Holland brothers escaped to England while he had to face the charges of defalcation (see Military Sundries, 76, 1790). Paupiah achieved further when he was accused of forging bonds of the Nawab of Arcot for 46000 pagodas. The denouement began with Paupiah accusing Raya Reddy of making false entries relating to bonds in the account books at Chepauk. Tables were turned on him when he was accused of having himself forged a bond for 46000 pagodas. Paupiah, however, managed to escape with the help of his friends Thomas Fanny, and Abbot. Reddy Rao was convicted and his death in 1809, allowed him to escape punishment. The details of the Nawabs debt could only be sorted out after Paupiah's demise and stern administrative action.

DUBASHES IN INDIAN STATES

There also appears to have been another class of dubashes in the local Kingdoms. They functioned purely as translators and intermediaries in accomplishing the Rajah's business. In Tanjore, Kuppanna was perhaps the foremost of them. He is often referred to as Kuppaiah Bhat (Ramathilakan

(1989)) indicating perhaps his Brahmin caste. He negotiated with the Danes for the purchase of printing machinery and set up and managed "Nava Vidhya Kalanidhi Salai". The Rajah had to borrow heavily from the Danes (Nagarajan 1987) in 1788 and Kuppamma was a mediator. The portrait of Kuppamma in the Saraswathi Mahal library by a Danish artist, is dated 3rd October 1788 and may perhaps be deemed significant.

The modi records also mentions the following names:

- | | | |
|----------------|---|--|
| Mayappa Mudali | - | A dubash to Amarsingh who was paid a salary of Rs.60 Chakarams died in 1797. |
| Rama Nayak | - | 1782 received an advance of 200 pags to purchase articles for the Governors table. |
| Krishnaswamy | - | 1791, a translator in the Rajah's court who went every where with him. |

SUMMARY

Sl. No.	Name	Period	Caste	Major interest	Well known Associates	Details of financial study	Social services	Sources
1.	Pedro Kanakaraya Mudali	d 1746	Christian (from Vellala)	Chief Dubash for Govt. of Pondicherry 1726-1746	Governor of Pondicherry	Estate of 1-2 lac pagodas on death	Lavish social spending	A.Ranga Pillai's Diaries
2.	Ananda Ranga Pillai	d 1761	Yadava	Chief Dubash 1751-1761	-do-	Not easily assessed from diary	charitable to Artists poets act.	-do-
3.	Manali Muthukrishna	d 1792	Nai Vellaia (lefthand caste)	Chief translation for Mds. Govt.	Governor of Madras	A lender to Rajahs of Tanjore Associate of Pachaiappa	Built 2 temples in 6.Town	Srinivasa Pillai (1911)
4.	Tottikalai Vechachala Mudali	c 1800	Poonanallee Tulu Vellala	Not available	Other Madras Dubashes	Extensive land holding around	Patron of art and literature	Sarvadeva Vilasa (1958)
5.	NeydaVoyal Narayanaskamy Pillai	1802	Yadava	Diplomacy	Rajahs of Tanjore Pachaiappa	Major Lender to Rajah of Tanjore The Panney's family	Pachaiappa was an orphan raised by Narayana	1)Srinivasa Pillai (1911) 2)Venkata-ramayya
6.	NeydaVoyal Ayyaswami Pillai	d 1809	"	Trustees of Triplicane temple	Other Madras Dubashes	Executor for Pachaiappa estate	Prosinent in temple affairs	Appadorai (1981)
7.	Nungambakkan Kanapappa Mudali family (Kanakappa, Deiva Nayak and Subbaraya Mudali)	1753 to 1808	Tulu Vellalla	Chief Dubashes in Mayor's Court	All major private traders	Extensive land in Nungambakkan	Deyna Nayak leuded as patron	Sarvadeva Vilasa
8.	Kanchipuram Pachaiappa Mudali	d 1794	Vellala (low caste)	Lendings in Tanjore	Joseph Sullivan Other Madras Dubashes	Estate of 36000 pagodas besides real estate on death in 1796	Extensive charities to all leading temples	Srinivasa Pillai
9.	Kumara (Kolondali Mudali)	active in 1770-1780	Vellala	Revenue	Dubash to Paul Benfield	No estimation available	Reputation as sinister	Nightin-gale 1985
10.	Aradanas Papaiah	d 1809	Brahmin	Trade, Revenue Farming,	Holland Brothers, Thos, Ferry	None mentioned		C.S. Srinivasa chari

11. Causie Chetty	d 1810	Chetty	Bonds, rather notorious Revenue Farming and Trade Accessed of deflatations	Abbot Garrow (Collector of Coimbattore)	Lived in splendour	collected papers Public sonaries
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Loans of the Madras Government 1800-1803

Loan No.	Year	Date of borrowing	Name of Lender/Description of Loan	Amount (Star Pags)	Rate of Int.	Terms of Repayment	Other terms	Returns from special terms as a %	Remarks
1	2	3	4	5	6	7	8	9	10
1.	1800	1.7.1800	8% Decennial Loan	15,36,158	8	Repayable after 10 years Interest payable annually cash or bills on England @ 8% a star pagoda			Int. of 12% to be paid in star pags
2.	1801	Jan. 1801	Treasury Bills	21,16,239	10%	To be repaid in 9 months			Int. of 159718 to be paid out
3.		Apr. 1. 1801	Lautour & Co.,	2,70,000	10%	Repayment spread over 1 year as under: (against official rate 8%) 1) 95000 pags bills on England. 2) 100000 pags bills on Northward 3) 175000 pags bills on Bengal 2,70,000	1) Bills on England at 9.3% at 8s 10d a pagoda 2) 10% batte on Northward bills 3) Bills on Bengal @ 372 & 376 a Rs. against official rate of 350 a.rs. per 100 star pags		Interest of 27,000 to be paid as well as principal on terms specified
4.		1.5.1801	Decennial Loan	8,38,959	10%	Repayable in 10 years Int. annually in cash or bills on England @ 8% a star pags			Interest of 83896 pags to be paid out annually
5.		1801	Harrington & Co., Lautour & Co., and Detties and Co.,	20,00,000	10%	Repayable in 1 year 1) 100000 pags in bills on Bengal 2) 100000 pags in Promissory notes 21,00,000	1) Dollars to be received in the treasury @ 14-3/8 per pagoda (against 15 per pag) 2) Bengal bills @ 396 a.rs and 390 a Rs. (against official rate of 350) 3) Promissory notes on 7% premium (8% interest)		Interest 10% payable

6.	1802-03	1802-03	British Bank	20,00,000	6%	Repayable in 1 year 1) 7 1/2 lac pags Bengal bills 2) 12 1/2 lac pags promissory notes ----- 20 lac pags	1) Bills on Bengal @ 3 1/2 and 3 1/4 a Rs. per 100 pags 2) Promissory notes at 4, bonus and 3% bonus	8.4%	Govt. agreed not to issue Bengal bills over 350 a rs. or paper with interest 8% No decennial loan in 1802-03
7.	1802-03	1802-03	Harrington, Loutour and Defries	5,00,000	8%	Before July 1803 Bills on the Circars	10% Batta	10%	Finally, 3 lace paid in cash from Bengal and not Bills
8.	1803-04	1803	8% loan	-	8%	-	-	-	No subscriptions recd.
9.	Nov. 1803	Nov. 1803	Carnatic Bank Madras Bank and House of Loutour	5,00,000	10%	To be repaid in Rupees	-	-	The loan was attrac- tive due to the enor- mic scarcity
10.	Jan. 1804	Jan. 1804	Madras Bank	5,00,000	10%	Repaid in Feb. Bengal Bills	Rate of 37 1/2 and 37 1/2 a. rs.	-	Govt. not to issue Bengal bills at rate higher than 360 a rs.
11.	1804	1804	Harrington Loutour Defries and Co.	5,00,000	10%	Repayable in 6 months	Bonus of 2%	2%	They were allowed to pay treasury bills into the treasury
12.	1804/5	1804/5	8% Decennial Loan	1st 24,194 2nd 20,000 ----- 44,194	8%	Bills on England at On 10 and 12 month's sight	-	-	Bills of England and Treasury notes to be accepted Treasury
13.	1808	1808	10% Decennial Loan	14,01,128	10%	Bills on England On 9 and 12 etc sight.	-	-	Transferable to England

Current Resumption of loans made by the Madras Government from 1802-1808 with premium & interest added. 7.1.1808.
Public orders Vol 74, 1807-1808.

APPENDIX F

Calculation of Return for some Loans Listed in Appendix A.1

Loan No. 1 of 2,70,000 Rs. for Leasing to Co.

- 1) Bills on England 75000 pags
gain on Exchange rate Rs 10d - Rs = 10d per pag
For 75000 pag gain = $10 \times 75000 = 3750$
= 9875 pags (at Rs = 1 pag)
- 2) 102 Batta on bills on Northward of 100000 pags = 10,000 pags
- 3) 75000 bills on Bengal Reseyable
half @ 372 Rs. per 100 pags and 3 months slightly half @ 376 Rs. per 100 pags and 3 months slight
Gain on Exchange rate of 372 = $372 - 380$ or 22 or Rs. per 100 pags
= 22×375 or Rs.
= 8300 or Rs.

Gain on £ = rate of 25 = 25 or Rs. per 100 pags
= 25×375 or Rs.
= 9375 or Rs.

Total = 18000 Rs.
= 3163 other pags
@ 250 or Rs. = 100 other pags

Total pags (1) 9875
(2) 10000
(3) 3163

23038

No £ of principal = 25000

= 9.37%
23000

Loan No. 2

- 1) 75 credits on 10 less preliminary notes = 75000 other pags
- 2) Batta on Bengal Bills
on £ loan @ 355 or Rs. per 100 other pags
= 25 or per 100 other pags = or Rs. 100000 (25 = 25000)

on 5 lacs @ 3 1/2% or per 100 star pags
 = 46 or per 100 star pags = or rs. 200000 (40 x 5000)

 or rs. 380000

 = 108571 star pags
 (350 x rs = 100 star pags)

Total gains = 178371
 As percentage to principal = 8.9% (This is excluding gain on payments of Dollars
 into the treasury).

Lots Sold

a) Bills on Bengal

375000 pags @ 371 ars/pags or 21 ars/100 pags = 78750

175000 pags @ 375 ars/pags or 25 ars/100 pags = 65625

 172500 a rs.

= 47250 star pags

b) Bonds of 4, on 5 lacs = 21250 pags

Bonds of 25 on 7 1/2 lacs = 27500 pags

 58750 pags

Total: 58750 + 47250 = 106000 pags

Return on 2000000 = 100000

 2000000 @ 5% = 100000

Agency Houses in Madras 1777-1855

Name of Agency Houses in 1799	Changes during			Names of Agency Houses in 1809	Changes during 1810
	1802	1807	1809		
Brodie, Connel Chase Sewell, Chinnery	Abbott & Maitland Chase, Chinnery, McDouall	Tulbh, Brodie, Halyburton	Colt, Hart Weston	<u>New Firms</u> Abbott & Maitland Bonny, Dennison Colt Hart & Weston	Arthurnot, Demonte (Merging of Lautour & Lys, Satur Demonte)
Colt, Baker Adrian, John, Lewis Defries Harrington Burnaby, and Cockburn	Tulloch Connel, Brodie (merger of Brodie, Connals and Tulloch)	Harrington, Cockburn, Harrington	<u>New Firms</u> Knox, Collis E Dent	Dalrymple, Grieg Adrian De Fries Ed Dent	
J De Monte Harrington Watts & Co	Hunter and Hay	Lys, Satur, De Monte Dalrymple, Grieg Parry & Pugh	<u>Closures</u> Tulloch & Co (pre 1799-1809)	Harrington & Co Hunter & Hay Knox & Collis	
Hunter	<u>New Firms</u> Binny, Dennison		Total No.12	Lys, Satur, Demonte	
R Chalmer & G Wols	<u>Closures</u>	<u>Closures</u>		Fr.Lautour	
N.E.Kindersly Fr.Lautour Roebuck, Abbott Stephen Cockell Tulloch & Co	J.De Monte, (pre 1799-1802) Chalmer & Wols N.Kindersley Cockell	Chase, Chinnery, (pre 1799-1807) McDouall, 1804-05 Total No.11		Parry & Fugh Total No.12	Total 11
Total No.13	Total No.9				

Agency Houses in Madras 1799-1833

Name of Agency Houses in 1799	Changes during			Names of Agency Houses in 1809	Changes during 1810
	1802	1807	1809		
Brodie, Connel Chase Sewell, Chinnery	Abbott & Maitland Chase, Chinnery, McDouall	Tulbh, Brodie, Halyburton	Colt, Hart Weston <u>New Firms</u>	<u>New Firms</u> Abbott & Maitland Bonny, Dennison Colt Harb & Weston	Arbuthnot, Denante (Merging of Lautour & Lys, Satur Denante)
Colt, Baker	Tulloch Connel, Brodie (merger of Brodie, Connals and Tulloch)	Harrington, Cockburn, Harrington	Knox, Collis E Dent	Dalrymple, Grieg Adrian De Fries Ed Dent	
Adrian, John, Lewis Defries Harrington Burnaby, and Cockburn					
J De Monte	Hunter and Hay	Lys, Satur, De Monte Dalrymple, Grieg Parry & Pugh	<u>Closures</u> Tulloch & Co (pre 1799-1809)	Harrington & Co Hunter & Hay Knox & Collis	
Harrington Watts & Co					
Hunter	Binny, Dennison		Total No.12	Lys, Satur, Denante	
R Chalmer & G Walm	<u>Closures</u>	<u>Closures</u>		Fr.Lautour	
N.E.Kindersly Fr.Lautour	J.De Monte, (pre 1799-1802) Chalmer & Walm	Chase, Chinnery, (pre 1799-1807)			Total 11
Roebuck, Abbott Stephen Cockell Tulloch & Co	N.Kindersley Cockell	Medouall, 1804-05 Total No.11		Parry & Fugh Total No.12	
Total No.13	Total No.9				

Atlantic & Co
 Garretts Micholm
 De Colons & Co
 Total 12

[illegible]1791

[illegible]

Names of firms in		Changes during	
1820	1821	1810	1815, 16, 17
<p>Reconstitution</p> <p>Parry & Darr</p> <p>Seth & Bar</p> <p>J.B.Hall</p>	<p>Reconstitution</p> <p>Muller & Co</p> <p>Beaumont & Co</p> <p>Seth & Bar</p> <p>J.B.Hall</p>	<p>Reconstitution</p> <p>Adrian De Fries</p> <p>Ed. Dent</p> <p>T.B.Fanning</p> <p>Hunter, Hay Simpson</p> <p>S.H.Grieg</p> <p>M.Knox & Gordon</p> <p>Pugh, Briethout</p> <p>Seth, Gregory, Sam (New)</p> <p>White & Hall</p> <p>Total No.13</p>	<p>Reconstitution</p> <p>Parry, Pugh & Briethout</p> <p>New Firms:</p> <p>Parr Brothers</p> <p>Closures: Hill</p> <p>Total No.12</p>
<p>No Change</p> <p>Closure</p> <p>Harrington</p> <p>Total No.11</p> <p>Pugh & Briethout</p> <p>(Parry joins</p> <p>Govt. Bank as</p> <p>Cashier)</p> <p>Total No.11</p>	<p>No Change</p> <p>Closure</p> <p>Harrington</p> <p>Total No.11</p> <p>Pugh & Briethout</p> <p>(Parry joins</p> <p>Govt. Bank as</p> <p>Cashier)</p> <p>Total No.11</p>	<p>No Change</p> <p>Closure</p> <p>Parr Brothers</p> <p>(1811-1818)</p> <p>Total No.12</p>	<p>Reconstitutions</p> <p>1814</p>
<p>1812</p>	<p>1812</p>	<p>1810</p>	<p>1815, 16, 17</p>

JUBI RAJUBA	60 wts & 22.75 grain	21 carats	100	100 star pag = 350 Ar. Rs. 1 Pag = 8 s	8 Fr. 40c	45-48 small fanams = 1 star pag
Swamy Pagoda (Madras pag)	60 wts & 22.75 grain	20.67 carats	110	100 star pag = 275 Ar. Rs. 1 Pds pag = 8s 9d or 318 Ar. Rs. 100 swamy pag = 325 s Rs. (Fluctuated around this rate)		22+ big Madras fanam
Porto Novo Pagoda (P.N. pag)	"	17.75 carats	(a) 117-123 c 11783 (b) 120 c 1810 (c) 122-122.5 in c 1824	100 portonov pags = 271 s Rs. 7s 1d = 272 Ar. Rs.	7 francs	25.75 Tranquebar fanam = 1 pag 18 big Madras fanam
Canteria Pagoda (can pag)	"	17.75 carats	120-123			
Nagapattinam & Tuticorin Pagoda (Ng. pag)	"	18. carats	104	100 Ngtn pagoda = 312 s Rs. or 336 Ar. Rs.		
Pondicherry	"	17	112	100 Pondicherry = 27 s Rs. pag = 312.5 Ar. Rs.		
Chakras (in Tanjore) (Ch.)	Not available	Not available	(a) 1 star pag = 1 chakram 4 fanam c 1798 (b) = 2 chakram 1 fanam c 1778 (c) 1 Portonovo = 2 B to 2 8.75 86 to 93			10 fanam = 1 chakram
Nellore Fort Pagodas (Nell. pag)				100 Nellore Fort pags = 108 to 116 st. pags		
Coconada Pag (Coc. pag)			92 to 95	100 coconada pags = 105 to 108 st. pags		

Notes: 1) Rates varied with the condition of the coins. This 'very old' p.n. pags were exchanged at 10 to 112 p.n. pags to 100 star pags. while new p.n. pags were 117 to 123 for 100 star pags (pub. sundries vol. 1388. Paper on currency written in 1783).
2) Exchange value in silver is calculated in terms of exchange value for a hundred star pags all except star pagodas.

Source: a) Milburn's data is c.1810
b) Pub. sundries 1388, note on currency written in 1783 gives data c.1783.
c) V. Venkatramayya gives data circa 1775 to 1800 in Tanjore (Chakrams etc.)

Appendix I

Foreign Coins Exchanged in the Circumal Region

Name of the Coin	(1) in stg. (1783-93)	(2) stg. (1809)	(3) Indian coinage (1809)	Remarks
French Livre (of 20 sous)	0 - 0 - 10	-	-	-
Livre Tournois	-	0 - 1s - 0	24l for 3 pags	New Livre after Revolution
Livre Mauritius	-	0 - 0 - 6d	48l for 3 pags	
Spanish Dollar	0 - 5 - 0	0 - 5s - 4d	15 dollars for 10 pags (1 dollar is 28 40 cash)	
Rix Dollar	0 - 3 - 6	0 - 4s - 0	1 Rix Dollar = 21 fanams	
Mocha Dollar	0 - 4 - 0			
Trenquebar Rix Dollar	0 - 3 - 0			
Bateria Rix Dollar (48 staves)	0 - 4 - 2d			
Chinese tea	0 - 6 - 5	0 - 8s - 0	1 teal = 1 pagoda	
Dutch Florin (Guilder)	0 - - - 0			
German Crown	0 - 4 - 0			
Portuguese/Madeira Milre	-	0 - 6 - 8d	1 milrea = 33 fanam 30 cash	

Source: Column(1) Fisher (1951), Appendix
Column(2) 2(3) Milburn (1913), Vol. II, p. 58.

APPENDIX J

Silver Coins in Circulation in the Coromandel 1757-1833

Name	Weight (in silver) grains troy	Content of fine silver	Equivalent to 100 Ar. Rupees	Equivalent in gold	in Sterling	Francs
Arcot Rupees (Ar. Rs.)	176.67	166.447	100	100 str. pags = 350 Ar. Rs. (320-375 c. 1783)		
Sicca Rupees (Calcutta) (S. Rs.)	178.67	175.927	108	100 str. pags = 325 S. Rs. (320-335) c. 1783)	2 s 6d	
Madras Rupee (Coinage of 1808) (Mds. Rs.)	180	165	100	100 str. pags = 350 Mds. Rs.	2 s 3d	
Bombay Rupees (B. Rs.)	179	164.14	98 - 2 - 11	100 str. pags = 330 to 350 Bombay Rs.		
Surat Rupees (Su. Rs.)				100 str. pags = 330 to 370 Surat Rs.		
Current Rupees (a coin of account) (C. Rs.)				100 Str. pags = 425 C. Rs.	2 s	40 cents (2 livres & 8 sous in 1785)
Ponicherry Rupees (equivalent to Mds. Rs.) (P. Rs.)				100 str. pags = 350 P. Rs.		

Notes: Subdivisions of the Rupee

- 1 Rs = 16 annas
 - 1 Rs = 12 fanams or 6 double fanams
 - 1 anna = 6 pices 1 pice = 2 daddus 1 daddu = 0 cansas
- Sources: 1) Millburn, 1813, Vol. II, p. 7-8, p. 38
2) H. Fisher (1931), Appendix

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Pondicherry Rupees (equivalent to Mds. Rs.) (P. Rs.)				100 str. pags = 350 P. Rs.		

Notes: Subdivisions of the Rupee

- 1 Rs = 16 annas
 - 1 Rs = 12 fanams or 6 double fanams
 - 1 anna = 6 pices, 1 pice = 2 daddas, 1 dadda = 6 casus
- Sources: 1) Millburn, 1813, Vol. II, p. 7-8, p. 38
2) H. Faber (1931), Appendix
3) F. Bress (1971) and De Locht 1984, 1991.

LIST OF ABBREVIATIONS

(A) Units of Currency

pags	pagodas
str pags	star pagodas
s.Rs	Sicca Rupees
Ar.Rs	Arcot Rupees
C.Rs	Current Rupees

(B) Libraries/Archives

APSA	Andhra Pradesh State Archives, Hyderabad
LSI	Library Service of India, Kottaiyur
TMSSML	Thanjavur Maharaja Serfoji's Saraswathi Mahal Library, Tanjore
TNSA	Tamil Nadu State Archives

(C) References to Records at TNSA

BORP	Board of Revenue Proceedings
BOR Misc	Board of Revenue Records, Miscellaneous
MCR	Mayor's Court Records.
MDS	Military Department Sundries
PDC	Public Department Consultations
PDS	Public Department Sundries
RDS	Revenue Department Sundries
SDS	Secret Department Sundries

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