

A

STUDY OF MURSHIDABAD DISTRICT

1765 - 1793

by

KHAN MOHAMMAD MOHSIN

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A B S T R A C T

This thesis is a study of Murshidabad District, in Western Bengal, during the years 1765 to 1793. Its purpose is to examine how Murshidabad was affected by the rise of the English East India Company to power in Bengal at the expense of the Nawabs who had made Murshidabad city their capital and centre of administration.

The introductory chapter establishes the extent of the District during the eighteenth century and narrates the history of the city's growth as a great trading centre and administrative headquarters.

Chapter II deals with the markets and trade of Murshidabad city and of the principal river ports around it, and examines the pattern of exports and imports of the District.

Chapter III is devoted to the manufactures of Murshidabad, especially the silk industry, and discusses the causes of their decline.

Chapter IV describes the pattern of inland customs, the growth in this period of zamindari chaukis and lakhiraj ganjes and the attempt to abolish them, and analyses the new customs regulations promulgated by the Company and the extent of their success.

Chapter V discusses the nature of the banking and currency systems in Bengal, with special emphasis on the changing part played by the local business houses.

Chapter VI studies the size, importance and organisation of the Nawab's household. The decline in the political and financial fortunes of the Nawabs is examined, and the consequences for the District of that decline.

Chapter VII attempts a general survey of the economic life of Murshidabad. Attention is particularly directed to the effect of the famine of 1769-70, of the transfer of the provincial capital to Calcutta with its consequent loss of employment opportunities in Murshidabad, and to changes in the levels of incomes and prices. The Conclusion reviews the decline of Murshidabad as a centre of administration and industry and ends with a picture of its position at the turn of the century.

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L I S T O F A B B R E V I A T I O N S

- B.D.G. : Bengal District Gazetteer
- B.M. Add. Mss. : British Museum Additional Manuscripts.
- B.O.R. : Board of Revenue.
- B.O.R.P. : Bengal Board of Revenue Proceedings.
- B.O.R.M.P. : Bengal Board of Revenue (Miscellaneous) Proceedings.
- B.P.C. : Bengal Public Consultations.
- B.P.P. : Bengal Past and Present.
- B.R.C. : Bengal Revenue Consultations.
- B.S. : Bengali Sāl (Year).
- Beng. Sec. Cons. : Bengal Secret Consultations.
- C.C.P. : Committee of Circuit Proceedings.
- Famines in India (extracts) : Extracts from Records in the India Office Relating to Famines in India, 1769-1788.
- H.M.S. : Home Miscellaneous Series.
- I.O.L. : India Office Library.
- J.A.S.B. : Journal of the Asiatic Society of Bengal.

- J.P.H.S. : Journal of the Pakistan Historical Society.
- Letter to Court : Letter from the Bengal Council to the Court of Directors.
- Letter from Court : Letter from the Court of Directors to the Bengal Council.
- M.F.R. : Murshidabad Factory Records, (Proceedings of the Council of Revenue at Murshidabad).
- Misc. F.R. : Miscellaneous Factory Records.
- Q.F.R. : Qasimbazar Factory Records.
- Riyaz : Riyaz-us-Salatin.
- Rs. ans. : Rupees, annas.
- Sel. Com. Procs. : Bengal Select Committee Proceedings.
- Siyar : Siyar-ul-Mutakhkherin.
- W.B.D.R. : West Bengal District Records (New Series).

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P R E F A C E

The present work is a study of the Murshidabad District of Bengal between the years 1765 and 1793. In the opening year of the period, the Mughal Emperor's grant of the Diwani of Bengal to the English East India Company placed the District under the financial authority of the Company. In the years which followed the Company's supervision of indigenous revenue administration, in Murshidabad as in the rest of the province, was gradually transferred into a direct English management not only of land revenue, but of justice, civil and criminal, of police and of inland customs system. Since the Company added governmental authority to an already commanding trading position in Bengal, English influence on the commercial life of the province also grew rapidly in this period. The effect upon a great manufacturing and trading District such as Murshidabad was necessarily profound. The closing year, 1793, is best known as that in which Lord Cornwallis introduced the Permanent Settlement of the Bengal

revenues. The date has another importance, however, for Murshidabad as the year in which the judicial headquarters of Bengal were finally transferred from the old Capital, Murshidabad, to the new, Calcutta. At the opening of the year 1765, Mir Jafar was still on the masnad at Murshidabad and all branches of provincial administration were still conducted from his capital. At the close of 1793, when his third son Mubarak-ud-daula died, all authority had passed to Calcutta - control of the armed forces and defence of the province, revenue administration, police organisation, the dispensation of both civil and criminal justice, the management of the mint, the regulation of trade. The years 1765 to 1793 thus have all the importance in relation to Murshidabad of a period of transition, of revolution.

The selection of Murshidabad District for particular study has been prompted by a number of considerations. There is a personal element in the choice, in that my ancestors lived in Murshidabad and were associated with the Nawabi administration. But in any case, in this period Murshidabad is not merely one of a number of districts equally subject to the transforming impact of Company rule. It is the district in which the servants

of the English Company came into most direct political contact with the old ruling class : The Nawabs, the naib-Subahs and naib-Diwans, the Mughal Aristocracy, both Muslim and Hindu. Murshidabad city in 1765 housed a court and was the headquarters of all branches of the administration, military and civil. It was also a mint town, a financial centre whence the great banking families, such as the Jagat Seths, conducted business throughout Bengal and Bihar. In Murshidabad, and a cluster of river ports round about it, were also concentrated important manufactures, notably of silk, and the factories of the Dutch, English and French together with the collecting centres of the Armenians and Indian merchants. Every activity of the city and the District was transformed during the course of the next twentyeight years, as the administrative authority of the Nawabs was taken over by the English, as the commercial and financial supremacy of Murshidabad was replaced by that of Calcutta. No district of Bengal suffered more profoundly from the transition from Mughal to English rule than did Murshidabad.

It may be asked why a district based study should be pursued. One answer would be that there is too large a

gap between the older continent or province-wide studies of the historian and the work of sociologists and anthropologists, limited very often to individual villages. The district provides the natural framework for study, intermediate between these extremes. It has for centuries been the basic unit of local government, with the district headquarters as the focus of administration, of justice and of education. In Bengal, at least, there are very great differences between the structure of district and district. The district of Rajshahi consisted of one overgrown zamindari; that of Chittagong contained a multiplicity of estates, some only two or three acres in extent; Tipperah and Sylhet were frontier districts, Dacca and Hugli old centres of administration; Jessore was rural and agricultural, Murshidabad housed the Capital city and numerous manufacturing towns. It is only by more local studies that this rich variety of administrative structure and of social and economic life can be brought out and the impact of policy decisions be ascertained, and only by such studies that the validity of our generalisations can be tested. No district lends itself more properly to such local study than Murshidabad in this period.

There are several modern works which deal with Murshidabad District and with the city of Murshidabad. The first of these is Nikhil Nath Raya's Bengali Murshidabader Itihasa, an historical account of the District of Murshidabad, which was published in 1902. Though it is 650 pages long it hardly touches the period covered by this study, being in the main a laborious attempt to establish the history of Murshidabad from the Hindu period to the time of Sarfaraz Khan (1739-40), though the author has used some literary sources to describe the condition of Bengal in the eighteenth century. As a survey of the District in the wider context of all Bengal it will continue to be of interest to historians, but it has little to say on the period here reviewed. Another work published in 1902 is A History of Murshidabad District by Major J.H.T. Walsh. This covers the eighteenth and nineteenth centuries in two nearly equal parts, the first, of 127 pages, gives a history of the District, its topography, climate and industries, with notes on the principal towns, the second contains biographies of the Nawabs of Murshidabad and of various noted families of the District. The author, who was a surgeon, has not been able, in so wide ranging a study, to

examine original records at all adequately. He himself admits "that the work is incomplete, and has other imperfections, I am only too well aware. I can only plead as an excuse that the work was mainly compiled in the few leisure intervals in the busy life of a civil surgeon in an Indian District". It is not without value to those interested in the economic life of the District, but again has little to offer on our period. Another amateur study is P.C. Majumdar's The Musnud of Murshidabad, published in 1905. It is a synopsis of the history of Murshidabad for two centuries from 1704 to 1904 to which "are appended notes of places and objects of interest at Murshidabad". There is, however, no analysis and the author's acquaintance with the primary source material is inadequate. The author admits the limitations of the book in his own words : "This is neither a History nor the Chronicles of Murshidabad, but merely a Memorabilia ...". With some eighty two illustrations - photographs of the Nawabs and of monuments and places of interests in the city - and a synopsis of the city's history, the book primarily serves as a visitor's guide to Murshidabad, though an inconveniently bulky one. All three of these works, published between 1902 and 1905,

use much the same sources with varying emphasis. Their authors all acknowledge deep indebtedness to Khandaker Fazli Rabbi, then Diwan of Murshidabad, for information and material he made available to them. However when I approached one of his descendants, the only information he could provide was of the past history of his family, which though interesting was of limited value for this study.

Of modern official works, the first is Sir William Hunter's Statistical Account of Bengal, volume 9, in which some contemporary evidence is given relating to Murshidabad. Hunter, however, is both brief and patchy. Many important aspects of the economic life of the District in this period find no mention. The District Gazetteer written in 1914 by L.S.S. O'Malley is based very largely on Hunter, and in its historical treatment is still briefer.

This thesis is therefore based almost entirely on the unpublished documentary sources of the East India Company, the records of the Government of Bengal. From the earliest times the Residents and the Supervisors or Collectors were required to report upon and send all papers and documents dealing with administration, to the authorities

at Calcutta for their consideration and final disposal. It is from such records, which have been well preserved, that this study has been written. Had the supervisors appointed in 1769 to the districts of Bengal with orders to investigate land revenue, to submit a summary history, and to provide an exhaustive report on trade, manufactures and the whole economic survey of their districts completed their work, their reports would have been the natural starting point of such a district^{study}, as this. Unfortunately, the experiment of supervisorships was shortlived, the men chosen were often inexperienced and linguistically unqualified, and the burden placed upon them was too heavy, so that no general district surveys were in fact compiled. In the absence of any such survey for Murshidabad, the most important series is the Proceedings of the Council of Revenue at Murshidabad from 27 September 1770 to 27 December 1779. Although these records properly belong to the Bengal Revenue series, they have, however, been included in the factory series of India Office Records "for greater convenience of reference".

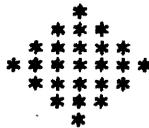
Another valuable source for the present study is the Board of Revenue Miscellaneous Proceedings, which

include the consultations of the Board of Customs and correspondence dealing with trade, salt, sair and grain duties. The appendix volumes, though they cover only a few years, furnish a mass of statistics on exports and imports passing through the Murshidabad Custom house. They are by far the most illuminating material on the markets and trade of the District, and its commercial relationships with the rest of the province, available in London. The proceedings of the Board of Trade which would provide the natural supplement to these records are all in the West Bengal State Archives at Calcutta. However the correspondence from the Board of Trade to the Board of Revenue is embodied in the Bengal Revenue Consultations and these have been fully utilised. So, too, have the Letters Received from Bengal.

The source materials from the London end of the Company, the Home Miscellaneous Series, the Despatches to Bengal and some Parliamentary Papers have also been consulted, together with the relevant volumes of the Hastings Papers in the British Museum.

The manuscript sources referred to in this study are, unless otherwise stated, the records in the India

Office Library, the Commonwealth Relations Office, London. The Indian names and terms, mostly Persian, Arabic and Bengali in origin, which are found in the records, are very variously transliterated in the originals. In their spelling, modern usage has been generally followed. Likewise in quoting the eighteenth century manuscript records, the indiscriminate use of capital letters has been avoided as far as possible. A glossary of these terms which may be unfamiliar to foreign readers has been appended. For extracts from the letters to and from the Court of Directors, the relevant volumes of the Fort William - India House Correspondence have been quoted. Finally, capital D for district, has been used to refer to Murshidabad District only.



C h a p t e r O n e

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I N T R O D U C T I O N

I N T R O D U C T I O N

The present District of Murshidabad¹ is bounded² along its north and east sides by the Ganges or the Padma, which separates it from the districts of Malda and Rajshahi. The Jalangi river forms the south-east frontier for a considerable distance and divides the District from Nadia. To the south is Burdwan and to the west Birbhoom and Bhagalpur districts³. The Bhagirathi river, flowing from north to south, intersects Murshidabad cutting it into two nearly equal parts⁴. The western side, the high and dry part, is locally known as Rarh and the eastern portion, the deltaic part, as Bagri - names which represent the old divisions of Bengal under the Sena Kings⁵.

In the seventeenth century the modern Murshidabad District, not then created, lay within the sarkars of

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1. Murshidabad is now an administrative District of West Bengal State within the Federation of India.
 2. The Channel of the Ganges from the Bhagirathi down to Chandpur (in the Comilla district of East Pakistan) is known as the Padma.
 3. For the boundary of the District of Murshidabad see J.R. Gastrell : Statistical and Geographical Report of the Moorshedabad District, p. 2; W.W. Hunter : A Statistical Account of Bengal, vol. 9, p. 21; L.S.S. O'Malley : Murshidabad District Gazetteer, pp. 1-2.
 4. The river navigation has been discussed in the Chapter on Markets and Trade, see Infra, p.35.
 5. Rowland N.L. Chandra : The Revision of the Boundary Commissioners' Lists of Villages in the Province of Bengal, p. 18.

Satgaon,¹ Tandi² and Sharifabad,³ three of the nineteen sarkars into which the whole of Mughal Bengal was divided. In 1722 Murshid Quli Khan redistributed the subah of Bengal into thirteen larger territorial divisions called chaklas. The chakla of Murshidabad comprised the whole of the present districts of Rajshahi, Bogra, Pabna and Murshidabad together with parts of Birbhoom, Malda and Nadia. During the late eighteenth century the chaklas came to be superseded by smaller units, the districts whose names still survive, though the areas to which they apply have been subject to much rearrangement in the course of time. One of these districts was Murshidabad. Being the seat of Government of the Mughal Nawabs, its administrative control was extended over a wider area than that of any other district. As the Naib Diwan argued in 1771 Murshidabad District had to be more extensive than others in order to maintain the proper dignity of the Nawab in the eyes of the people.⁴

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1. Satgaon, anciently known as Saptagram, was situated about 20 miles to the north of Calcutta, near the junction of the three rivers, Ganges, Swarasati and Jamna, known by the poetic name of Triveni. See M. Mir Jahan: "Mint towns of Medieval Bengal," Journal of the Pakistan Historical Society, vol. I, part IV (1953), p. 403.
 2. Tandi means highland. It was situated fifteen miles south east of Malda, just at the point where the Ganges in those days separated into two branches, see Ibid., p. 413.
 3. Sharifabad comprised^{the} south eastern portion of Bhirbhoom and a large portion of Burdwan, see Ibid., p. 412
 4. Calcutta Committee of Revenue Proceedings, 1 April 1771 R.67, vol. 53.

After 1772 when revenue administration passed into English hands a variety of changes took place in the boundaries of the District. The Collector of Murshidabad, writing to the Board of Revenue at Calcutta in 1786, said, "The Zillah of Moorshedabad is so changed from what it formerly was, that had I all the plans, which at various times have been made thereof before me, it would be difficult to point out with any degree of accuracy my mutilated chiefship."¹ In 1772 Murshidabad included the neighbouring zamindaris of Birbhoom and Bishnupur and much of Bankura. These were noted for lawlessness, created by armed dacoits during the period of the decline of the Nawab's authority. In 1787, therefore, they were finally separated from Murshidabad, so as to secure a more efficient administration of justice.² Other parganas and mahals were later interchanged with those of the neighbouring districts of Nadia, Jessore, Birbhoom and Burdwan, mainly with an eye to the ease of communication with administrative headquarters.³ The transfer of Deogram, Baminpara, Belgram and Sultanpur to

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1. Quoted in Gastrell: op. cit., p. 3.
 2. Imperial Gazetteer of India, vol. 18, pp. 46-47. Some argue that the basic structure of a district was mainly determined by the convenient and speedier mode of revenue collections. See S.K. Bose and A. Mitra: West Bengal District Records (New Series) - Murshidabad - letters Received 1789-1803, p. CLXXXVI and pp. 106-110, 112 Letters from the Board of Revenue to the Collector of Murshidabad.
 3. Bengal Revenue Consultations, 20 and 27 December 1793, R.53, vol. 9.

Birbhoom district in 1793 are examples of such changes.¹ Geographically several of these had been either entirely or partly enclosed within the boundaries of Birbhoom, and ~~wall~~ were much nearer to Birbhoom than to Murshidabad.

The District of Murshidabad was thus reduced by the end of the eighteenth century almost to its present size. There were of course many internal changes also, and because of constant transfer of landed property from one party to another either by sale, gift or exchange, revenue areas became so confused and mixed that villages appeared to have belonged to several parganas, and in some cases to more than one district.² The map attached to this thesis, based upon the pargana boundaries shown in Rennell's maps^{prepared} during the 1770's, and upon the changes recorded during our period, is therefore in approximation, designed to show the area of the District as constituted towards the close of the century.³ It should be remembered, however, that the administrative influence of the city of Murshidabad, the seat of the Nawab's Government and of the English chief of the Council of Revenue

1. Bengal Revenue Consultations, 20 and 27 December 1793, R.53, vol. 9.

2. Gastrell: op. cit., p. 2.

3. Plassey is shown in the District of Murshidabad. Although it is no longer in this District it was so in our period. The faujdari of Plassey had been important for the defence of the Capital and so had depended upon it. The customs station at Plassey was under the supervision of Murshidabad. The area of the old Plassey was much reduced during the period by the change of the course of the Bhagirathi river.

extended beyond the local area of the District shown on the map.

The well established history of Murshidabad city begins from the early years of the eighteenth century, but its origin is uncertain. According to Ghulam Husain Khan, author of Riyaz-us-salatin, a merchant named Makhsus Khan¹ first improved the present site of Murshidabad. A Makhsus Khan has been mentioned in the Ain-i-Akbari as a nobleman who served in Bengal and Bihar during the last decades of the sixteenth century. He was probably the brother of Said Khan,² governor of Bengal (1587-95) under Akbar. He built a sarai or guesthouse at a market place which was called after him, Makhsusabad or its variant Makhsudabad. There is also mention of this place as "Morasudabad founded by a yavana" (Musalman) in the Brahmanda section of the Bhavshyat Purana,³ which was probably composed in the late sixteenth century. In Valentyn's map (1658-64) a "Moxudabath" is shown on a⁴ island formed by the two branches of the Ganges.

During Jahangir's reign this place became well known for silk and silk fabrics. Along with Qasimbazar, the

1. Translated by Abdus Salam, p. 28.

2. M. Chakrabarti: "Notes on the Geography of Old Bengal", Journal of the Asiatic Society of Bengal (July 1909) p.233.

3. J. Burgess: "Geography of India", Indian Antiquary, vol. XX (Dec. 1891) p. 419.

4. M. Chakrabarti: "Notes on the Geography of Old Bengal", Journal of the Asiatic Society of Bengal (July 1909) p.234. See also J. Tieffenthaler: Description Historique Et Geographique de l'Inde, vol. 2, p. 452.

most important silk manufacturing station in the area, it continued to grow in importance during the second half of the seventeenth century and eventually became an administrative station.¹ It was also a mint town from 1679.²

The history of the District really becomes clear from 1704 when Murshid Quli Khan, the Diwan of Bengal, removed the seat of diwani administration from Dacca to Makhsusabad. His decision to move the revenue department from Dacca was taken after the governor of Bengal, Prince Mohammad Azim-ud-din, better known by his title Azim-us-shan, out of jealousy and hatred, made an unsuccessful attempt to kill Murshid Quli Khan. To safeguard himself against any further attempts on his life the Diwan resolved to transfer the diwani headquarters from Dacca.³ He discussed the move with his revenue officials and selected Murshidabad, where "news of all the four quarters of the Subah could be easily procurable, and which, like the pupil of the eye, was situate in the centre of the important places of the Subah",⁴ as a suitable centre. If Murshid Quli Khan moved for personal reasons there were also administrative, political and

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1. The English agents Stensham Master and William Hedges mention it as the seat of a local officer who administered the area. Quoted in M. Chakrabarti: op. cit., p. 234.
 2. The Lahore Museum has a rupee minted at Murshidabad dated 1090 A.H. or 1679 A.D. Lahore Museum Catalogue, p. 178 quoted in M. Chakrabarti: op. cit., p. 234.
 3. A. Karim: Murshid Quli Khan and His Times, pp. 20-21. See also A.H. Dani: Dacca, p. 45.
 4. Riyaz: p. 251.

commercial considerations suggesting a move from Dacca.

Dacca had lost its former importance as a strategic base for operations against the Maghs and the Portuguese who were no longer dangerous,¹ and it was much less centrally situated for the administration of the province than Murshidabad.

The Diwan's growing concern over the expansion of foreign trade in north-western Bengal and the military activities of the European traders, busy fortifying their factories and settlements,² may also have influenced his choice.

Murshidabad was situated on the main line of communication between the upper Ganges valley and the Bay of Bengal along which the activities of the European traders were vigorous. It also commanded the European settlements along the banks of the Bhagirathi and Hughly rivers. Murshid Quli Khan may well have realized that the activities of the Europeans in Bengal could more effectively be controlled from the new headquarters. He took with him from Dacca all the revenue officials and some of the richest merchants and bankers who settled in different parts of the District. The house of the Jagat Seth which played so important a part in Bengal trade and politics during the eighteenth century was one of the trading families brought to Murshidabad by him.

After his arrival at Makhsudabad he improved the town, erected public offices and other government

1. Dani: op. cit., pp. 18, 22 and 28-29.

2. A. Karim: Murshid Quli Khan and His Times, p. 21.

establishments and changed its name to Murshidabad, after his own name. Henceforth the administrative centre shifted to this place first as the seat of diwani and some years later when Murshid Quli Khan became Subahdar as well as Diwan, as the headquarters of the provincial government. The city and the District flourished during the time of Murshid Quli Khan and became the centre of political, economic and social life under the Nawabs of Bengal for nearly a century.

We have seen that Murshidabad rose from the position of a small market town to be the headquarters of Bengal. But in becoming the capital of the province, it did not cease to be a commercial centre. By the beginning of the eighteenth century its importance as the centre of ^{the} silk trade was already established. Several important centres, for the manufacture and distribution of silks, flourished in the District, of which the principal were Murshidabad city itself, Qasimbazar, Saidabad and Jangipur. These places attracted many foreign traders. The leading European companies all had their factories at Qasimbazar. In addition the French had a factory at Saidabad, the English at Jangipur and Gunatia and the Dutch at Kalkapur, with other aurangs in the interior of the District as far as Kagram.

The first Europeans, other than the Portuguese,

1. Gangarama: Maharashtra Purana, quoted in K.K. Datta: Studies in the history of the Bengal Subah, p. 207.

2. The Portuguese, who were the first European traders to

to take note of Murshidabad's possibilities were the English. Agents of the London company were sent from Surat to Patna to explore the markets of the lower Ganges. In 1621 they reported that unlimited quantities of silk could be obtained in Murshidabad. However, it was not until the English had settled in Bengal that this promising source was tapped, in 1658, by the opening of a factory at Qasimbazar with an investment of Rs 50,000.¹ Though trade was carried on under the greatest disadvantages, owing to a civil war in Bengal and the hostility of Mir Jumla, Governor of Bengal from 1659 to 1663, the Qasimbazar factory thrived. In 1681, twenty three years after its first establishment, the Qasimbazar factory received £140,000 out of a total English investment in Bengal of £230,000.² In 1737 the contract for silk piece-goods there amounted to Rs. 126,100 and for raw silk to some Rs. 540,000,³ and by 1750's the Murshidabad silk was the most important item of their investment in Bengal.⁴

Important though ^{English} silk purchases were, in the

come to Bengal, had already lost their influence over the trade of Bengal. The Portuguese settlers were still to be found in Hugli; but they had no organised factories to continue trading activities. In the eighteenth century they earned their living by serving the Mughal Government and other European companies as writers and soldiers. See A. Karim: Murshid Quli Khan and His Times, p. 192.

1. W. Foster: The English Factories in India, 1655-66, p. 275.
2. Murshidabad District Gazetteer, p. 184.
3. S.K. Bhattacharya: The East India Company and the Economy of Bengal, p. 155.
4. A.F.M. Ali: "The Silk Industry in Bengal," Bengal Past and Present, vol. XXIX (1925), p. 33.

seventeenth century they were usually surpassed by those of the Dutch East India Company, who reached Qasimbazar nearly a decade before the English. In the early years of the 1650's first orders for 50,000 lbs of Bengali silk a year sold so well that in 1654 they were increased to some 200,000 lbs,¹ about a tenth of the total production of Qasimbazar, as given by Tavernier in 1676.² Though in the 1670's and 1680's Dutch purchases fell,³ they revived again towards the end of the century and at that time were twice as large as English purchases. The Dutch lead seems to have continued until about 1730⁴ after which the English Company's imports of Bengali silk steadily outstripped those of their Dutch competitors.⁵

The French were the late arrivals in Bengal, and their first factory in Murshidabad District was not established until 1691,⁶ though as early as 1686 the special value of the silk trade had been noted.⁷ But though considerable warehouses were erected and a silk filature projected, war with the Dutch in 1693 halted their trade in Bengal. The Qasimbazar factory was not abandoned, and a

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1. K. Glamann: Dutch-Asiatic Trade, p. 122.
 2. Quoted in Bhattacharya: op. cit., p. 153.
 3. Glamann: op. cit., p. 125.
 4. Ibid., p. 131.
 5. Ibid., p. 129. See also Balkrishna: Commercial Relations Between India and England, pp. 228-229; and A. Karim: Murshid Quli Khan and His Times, p. 199.
 6. A. Karim: Murshid Quli Khan and His Times, p. 200.
 7. P. Kaepelin: La Campagne des Indes Orientales, p. 320.

little trade was sustained, but peace when it was restored was only temporary. The War of the Spanish Succession ruined the French East India Company, which went into virtual liquidation after 1712.¹ It was not until the 1720's that a new Company, with more vigorous Governors in India, revived French trade in Bengal. Even so in 1740, while forty two English ships reached the Hugli only twenty French vessels arrived.² The annual average of their investments during 1767-71 shrank to one-seventh of ^{that of} 1725-36.³

One last European competitor must be mentioned - the Ostend Company, chartered in 1723. This early established a factory at Saidabad, not far from Murshidabad. Thence a flourishing trade in silk was rapidly built up, so that by 1729 as much as 160,000 lbs of silk were purchased there in the year. However the combined hostility of the English, Dutch and French was sufficient to break the new Company in Bengal, and in 1731 the Emperor Charles VI agreed to suppress it.⁴

The vigorous commercial activity of the European Companies, whose rivalry prevented anyone of them from controlling the market, fostered the steady growth of trade in Murshidabad. Though the main commodities they bought were

1. A. Karim: Murshid Quli Khan and His Times, p. 201.

2. Bhattacharya: op. cit., p. 86.

3. Balkrishna: Commercial Relations Between India and England, pp. 230-231.

4. Bhattacharya: op. cit., pp. 87-103. See also A. Karim: op. cit., pp. 205-209.

silk and silk piece-goods, they also purchased some other goods, notably fine cottons. Dacca had been the traditional centre for these last, but Armenian competition and high local taxation there, made Murshidabad an increasingly attractive alternative for the supply of cottons. (The transfer of Mughal Government from Dacca to Murshidabad probably had caused a growth of the cotton industry). In 1730 and 1731 the English factory at Qasimbazar contracted for 2,681 and 2,000 bales of cottons, as against 544 and 200 at Dacca in the same years. "Kasimbazar was the most important source of supply among the subordinate factories in Bengal. The total sum advanced to the merchants at Kasimbazar in 1739 amounted to Rs. 791,750, while the advance made at Dacca in the same year¹ was for Rs. 122,526."

Although the European merchants, particularly the English East India Company and private merchants² dominated the markets in the District for commodities like silk, piece-goods and goods imported from Europe, the Indian merchants and seths sometimes controlled the wholesale trade in several commodities.

There was a large market in Murshidabad both for

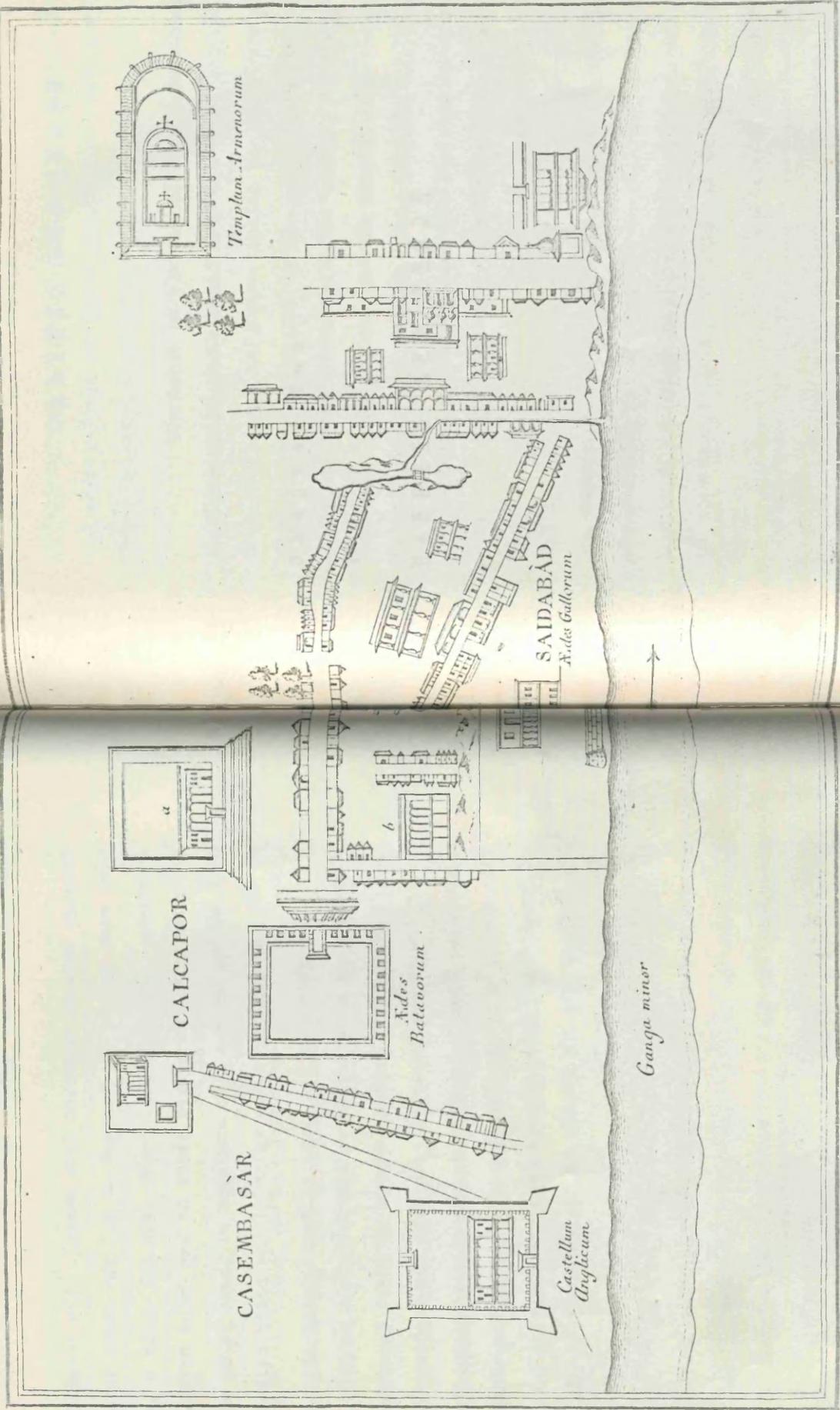
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1. Bhattacharya: op. cit., p. 164.
 2. Bengal Board of Revenue Miscellaneous Proceedings, R.98, vols. 15, 18, 20 and 22 (from 1773 to 1778). About seventy European merchants including several influential servants of the English Company appeared to have purchased goods in Murshidabad.

food-stuffs and ordinary consumer goods provided by the Nawab's court, the great households of the nobles, and by the large number of clerks employed in administration and by the armed forces maintained at the capital. There was also a corresponding market for luxuries. The demand for ivory works, jewellery and brass works was considerable among the court aristocrats and other wealthy people who crowded the capital city. The most prominent of the Indian merchants usually confined themselves to the trade of silk and cloths, while many others combined the trade of grocers and stationers.

The transfer of the capital of the province to Murshidabad and the consequent administrative and commercial activities of the city led to the increase of the wealth of Murshidabad with its flow of land and other revenues to the darbar and the city also became the headquarters of the financial institutions of Bengal. The bankers and other trader-financiers opened their head offices in the city. These banking houses, especially the house of the Jagat Seth, performed the most important financial transactions of the Government of Bengal. The zamindars and farmers paid their land revenue to the state through these bankers and it was through them that the Nawabs of Bengal remitted the annual revenue to the Mughal Court. They were also the officers of the mint of Murshidabad. By virtue of their control of the mints they also gained control over the purchase of the

foreign bullion imported into Bengal. The Murshidabad mint soon became the largest of all the mints in the province. The English Company sent all their bullion to Murshidabad to be coined there by the Jagat Seths. The mint duties of the city amounted to three lakhs of rupees at two per cent upon the value of the money coined.

This was the state of Murshidabad city and District, an administrative and political centre, and a manufacturing and trading centre of great importance, when in 1757 and more especially in 1765 the English rose to a position first of influence and then of power in Bengal. This thesis will consider the changes in the economic life of Murshidabad which flowed from the relative position of the Company and the Nawabs in the period 1765-93.



EUROPEAN SILK TRADE in and around Murshidabad (as seen by Tielier in 1786)

MARKETS AND TRADE

The trade of the District of Murshidabad was facilitated by its command over the trade routes up and down the Ganges and those linking the chief cities of Bengal. Indeed, thanks to the great river highways of the District, their tributaries and canals, Murshidabad was unusually well placed for both internal and external trade.

Chapter Two

MARKETS AND TRADE

To the north and north-east, the District was bounded by the Ganges, navigable throughout the year by even the largest country boats, of five hundred saunds or more. Through the heart of the District, from north to south, ran the Bhagirathi, the main channel of the Ganges until the eighteenth century, on which all the trade centres of the District but one were situated. The south-eastern border of the District, over a long distance was formed by the Jalangi river, important in the irrigation and drainage as well as navigation of the eastern parts of Murshidabad. During the rainy season the Bhagirathi and Jalangi provided easy navigation for boats even of heavy burden, and many other lesser rivers and canals were then navigable by smaller craft. For several months all parts of the District were accessible by water, and in the movement

1. J.S. Stravorinus: Voyages to the East Indies, vol. 1, pp. 464-65.

M A R K E T S A N D T R A D E

The trade of the District of Murshidabad was facilitated by its command over the trade routes up and down the Ganges and those linking the chief cities of Bengal. Indeed, thanks to the great river highways of the District, their tributaries and canals, Murshidabad was unusually well placed for both internal and external trade. To the north and north-east, the District was bounded by the Ganges, navigable throughout the year by even the largest country boats, of five hundred maunds or more¹. Through the heart of the District, from north to south, ran the Bhagirathi, the main channel of the Ganges until the eighteenth century, on which all the trade centres of the District but one were situated. The south-eastern border of the District, over a long distance was formed by the Jalangi river, important in the irrigation and drainage as well as navigation of the eastern parts of Murshidabad. During the rainy season the Bhagirathi and Jalangi provided easy navigation for boats even of heavy burden, and many other lesser rivers and canals were then navigable by smaller craft. For several months all parts of the District were accessible by water, and in the movement

1. J.S. Stavorinus : Voyages to the East Indies, vol. 1, pp. 464-68.

of the harvest and the exchange of agricultural products and manufactures for local consumption boats provided a cheap and easy means of transport.

During the dry winter months, however, many of the rivers ceased to be navigable. The Bhagirathi had become¹ a stream of minor account in the course of the eighteenth century; even as early as 1666 Bernier when coming from Suti, thirtyfive miles north of Murshidabad up the Bhagirathi, had been forced to pass to Qasimbazar by land¹ because of obstructions in the navigation of the river . In the same way, though there was always water in the² Jalangi it was sometimes unnavigable during the dry months . Both rivers had declined as the Ganges had accommodated herself to the changed circumstances caused by the enlargement of the Jamuna³ . For part of the year, therefore, trade by water yielded to trade by land. This was conducted mainly with pack animals and with carts drawn by oxen or buffaloes. The owners of cattle, when they were not required for agriculture, used them for transport, themselves buying goods at one market and selling at another,⁴ or hiring them out to merchants . For purely local trade,

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1. Murshidabad District Gazetteer, p. 10; Tavernier: Travels in India, vol. 2, p. 78.
 2. W. Hamilton : The East India Gazetteer, vol. 2, p. 243; T.K. Mukherjee : "Pages from Mudave's Diary", Itihasa, vol. 4, part II, 1360 B.S., p. 115.
 3. R.K. Mukherjee : The Changing Face of Bengal, p. 9.
 4. H.T. Colebrooke : Remarks on the Husbandry and Internal Commerce of Bengal, p. 155; F. Buchanan : An Account of the Districts of Bihar and Patna in 1811-12, vol. 2, pp. 706-07.

between the villages and hats, or markets, and between hat and hat, peasants and artisans would carry their wares on their heads or shoulders. Their loads were then about two maunds ~~or~~ rather less than a hundredweight and a half.

The Mughals had maintained certain trunk roads to link the provinces with the capital cities of northern India. These roads had served both military and commercial purposes, and some of these still existed in this period. Thus in 1773 Gilbert Ironside, an English officer at Qasimbazar, in a letter to Robert Orme, described one such road connecting Qasimbazar with Rajmahal, Bhagalpur and Patna, some 285 miles away, from whence it ran north westwards via Patna to Agra and Delhi; another running¹ to Malda, Dinajpur and Rangpur, 153 miles distant; and others which linked Qasimbazar with Dacca, Calcutta, Burdwan and Birbhoom.¹ Many of these old imperial roads were also noted by Rennell² in his Description of the Roads in Bengal and Bihar. The local roads of major commercial importance were those from Murshidabad to Bhagwangola, to Jellengi and thence via Plassey to Burdwan, and to Suti and so to Rajmahal.³ All these roads were fair weather roads, unmetalled and not

1. Orme Mss. (I.O.L.) , vol. 41, pp. 117-134.

2. Pp. 81, 102, 138 and 141 (hereinafter cited as Description of Roads).

3. Rennell : Description of Roads ... pp. 289-90; H. Blochmann : "Contributions to the Geography and History of Bengal", J.A.S.B., vol. xlii, part 1 (1873), pp. 211-241.

fit for traffic throughout the year, certainly not ^{for} wheeled traffic. By the end of the eighteenth century many had almost disappeared as a result of neglect and disuse, or in consequence of changes in the course of the rivers. The growth of Calcutta under the English led initially to an even greater neglect of transport facilities in Murshidabad District and in north-west Bengal, while attention was concentrated on improving road connections between Calcutta, Dacca, Mymensingh and Faridpur so as to direct raw materials and cottons to Calcutta for export.

The consolidation of British power in Bengal, and their assumption of administrative responsibility in a dual government with the Nawab at Murshidabad, together with the opening of trade with the territories of the Nawab-Wazir of Oudh, Shuja-ud-daula after 1772, led however to attempts at a restoration of river communications by the Bhagirathi. In 1778 a contract was signed by the Calcutta Government with Captain John McGowan for the restoration to all the year round navigation of the river's channel, from its source at Suti to its confluence with the Hugli river at Nadia ¹. The channel was to be made fit for boats of upto six hundred maunds ~~of~~ burden, and in return McGowan was empowered to collect a toll on all boats using the river between 20 November and 20 June, the period

1. M.F.R., vol. 15, 16 March 1778.

in which the river had hitherto been unfit for navigation.
 The charges were as follows ¹ :

on <u>bajras</u> (large travelling boats)	..	8 annas per oar
on empty <u>bajras</u>	..	4 ,, ,, ,,
on empty boats	..	4 ,, ,, ,,
on fishing boats	..	1 anna per day.

It seems that McGowan succeeded in keeping the river navigable for some five or six years after 1778.

The main river port at this period, through which much of the import and export trade of Murshidabad was conducted, and its hinterland tapped, was undoubtedly Bhagwangola. Some eighteen miles from the capital, on the Ganges, Bhagwangola controlled a number of waterways and was accessible almost throughout the year to boats coming from most parts of the District. Already in Ali Vardi Khan's day, in the mid century, it was the chief port of Murshidabad, supplying the city and District with provisions and other necessaries from all parts of Bengal. During the eighteenth century Bhagwangola may well have been the most important grain market in India ². Bijoyrama a contemporary Bengali poet in his Tirthamangala described the ~~gr~~ grain market as extending over eight miles ³. The duties on grain alone at Bhagwangola amounted to some three

1. M.F.R., vol. 15, 16 March 1778.

2. J.Z. Holwell : Interesting Historical Events relative to the Provinces of Bengal and the Empire of Indostan, pp 194.

lakhs of rupees,¹ and with duty levied at $2\frac{1}{2}$ per cent ad valorem on rice and wheat which averaged $1\frac{1}{2}$ maunds to the rupee². This indicates a turn over of 18,000,000 maunds of grain a year or about 650,000 tons. The importance of the port further increased towards the end of the eighteenth century on account of the import of cotton into Bengal from the north-western provinces. The cotton market grew to be so significant that Duncan, Collector at Benares could write in 1788, "the market at Mirzapur is chiefly influenced by the selling price at Bhagwangola", where merchants from Dacca, Calcutta and other places came to purchase their cotton³. Bhagwangola was so important to the Nawab of Bengal's Government that the port was defended by a ditch, and in times of trouble a thousand horse and a thousand foot under a military officer of high rank, were posted there to "preserve the communications for supplies open between the Ganges and the city"⁴. In 1743 Bhagwangola was attacked four times by the Marathas - a further sign of its importance to the Nawabs. All the customs and other duties levied at Bhagwangola were placed

3. Bijoyrama was moved at the sight of the grain market, jewellery and other shops at Bhagwangola and he stopped there for two days on his way to Benares.

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1. Holwell : Op.cit., p. 194.
 2. See Chapter on Economic Conditions, p.361.
 3. J.F. Royle : On the Culture and Commerce of Cotton in India, p. 43.
 4. Holwell : Op.cit., p. 195; C. Stewart : The History of Bengal, p. 480.

on the list of revenues under the heading khasmahal, that is, duties which were kept in the Government's hand and not farmed out¹.

While Bhagwangola was famous for grains and cotton, Qasimbazar was the chief centre for Bengal silk. In the late seventeenth century the Dutch had employed more than eight hundred people in their factory at Qasimbazar². An English commercial agent was posted in the town from 1658, and by 1667 the increasing commercial importance of the place had led to the appointment of a member of the Bengal Council as chief at Qasimbazar³. In 1681 out of a total stock of £230,000 invested by the English Company in Bengal, £140,000 was employed at Qasimbazar⁴. Bowrey commented upon the large numbers of rich merchants in the town⁵. In the eighteenth century the city rapidly expanded as the chief market for silk piece-goods⁶. Indeed the popular name for the Bhagirathi at this period was the Qasimbazar river, and the area bounded by the Ganges, the Bhagirathi and the Jalangi came to be known as Qasimbazar Island⁷. The output of raw

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1. Holwell : Op.cit., p. 194.
 2. F. Bernier : Travels in the Mughal Empire, vol.2, p. 184.
 3. J. Long : "The Banks of the Bhagirathi", Calcutta Review, vol. 6, (1846), p. 435.
 4. Ibid.
 5. Thomas Bowrey : A Geographical Account of the Countries Round the Bay of Bengal, pp. 213-15.
 6. Bijoyrama : Tirthamangala, p. 190.
 7. See Rennell : A Bengal Atlas, Map No. XI. A copy has been appended.

silk was set by Grose at 22,000 bales, each of 100 pounds weight, per year¹. Of this unwrought silk between three and four hundred thousand pounds were consumed in the European manufactories². Qasimbazar was also a great weaving centre, great quantities of raw silk and cotton stuffs being manufactured there and exported through all parts of Asia. The city retained its dominant position as the chief market for silk and piece-goods throughout the eighteenth century. Thus the English investment which had been £140,000 in 1681 had risen to Rs. 4,149,521 or some £414,952 by 1777³. It was not until the early nineteenth century that the busy trading mart at Qasimbazar began to decline, partly as a result of the changes in European trade, and partly because⁴ of the change of the course of the Bhagirathi river⁴.

As for the Murshidabad city itself, this had been a small place before it became the capital of Bengal in 1704. There had been a silk trade there in the previous century, witness the visit of the English agents Hughes and Parker in 1620 to buy sample consignments⁵. But it was

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1. T. Grose : A Voyage to the East Indies, vol.2, p. 290.
 2. J. Long : Op.cit., p. 434.
 3. M.F.R., vol. 13, 28 April, 1777.
 4. R. Mukherjee : Op.cit., pp. 149-181.
 5. Murshidabad District Gazetteer, p. 21; W. Foster (Ed) : The English Factories in India, 1618-21, pp. 194 and 253.

from the transfer thither of the provincial capital that its rapid growth in size and importance must be dated. The presence of the court, of the army and provincial administrators, of manufacturers and of merchants, both European and Asian, greatly increased its wealth¹. The city grew on both sides of the Bhagirathi and the river was crowded with shipping waiting to be examined at the custom house².

Three miles up the river from Murshidabad city was Ziaganj, another important trading centre where many Indian merchants dealing in cotton, sugar and grains had their residence. They carried on trade with Patna, Calcutta and the eastern districts of Bengal. Because of her command of the Bhagirathi many inland markets forwarded their exports to Ziaganj. In October 1776, for example, some 8,700 maunds of Murshidabad District wheat and rice were exported through Ziaganj³.

On the other side of Ziaganj was Azimganj which was the seat of the enterprising merchants who dealt in grains and came from southern India. Its monthly export of grains was about 14,286 maunds in 1776⁴. Gradually,

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1. N.K. Sinha : The Economic History of Bengal, vol.2, p. 228.
 2. W. Hamilton : The East India Gazetteer, vol.2, p. 244.
 3. B.O.R.M.P., R. 98, vol. 22 - see Murshidabad Custom House Records for 1776.
 4. Ibid.

however, it became the home of merchants rather than a seat of commerce, the trading activities of the Azimganj merchants being transferred to the other river ports.

To the north of Azimgunj was Jangipur which flourished as a centre of the silk trade and the site of a commercial residency of the English East India Company. Their silk reeling factories were established at Jangipur as early as 1773¹. In 1802, Jangipur was described as the "greatest station of the East India Company" with six hundred furnaces, giving employment to three thousand persons. Each furnace had a man who spun silk from the cocoons, and a boy who reeled the thread and was eventually promoted to a spinner after having acquired sufficient experience, the rest of the employees were woodcutters² and water-carriers.

Saidabad, to the west of Qasimbazar, was the seat of the French factory in Murshidabad. The trade of the French Company, once quite considerable, was disrupted, however, by the Seven Years' War (1756-1763), and was halted again in 1778, after the outbreak of the American War of Independence, when Hastings ordered the seizure of all French possessions in India. Hostilities between the

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1. Viscount Valentia : Voyages and Travels to India, etc., vol. 1, p. 51.
 2. Ibid.
 3. S.P. Sen : The French in India, 1763-1816, p. 219.

English and the French in India ended in 1783, and by the terms of the treaty of peace in Europe all French possessions in India were ordered to be restored, and security and freedom of trade reestablished. News of these articles reached India in March 1784¹, but it was not until the end of that year that the factories were handed over, while the question of trading privileges continued to be disputed in India until 1787. The English Directors in 1783 had ordered their servants in India to allow the French such trade as they had enjoyed before 1778, and this trade ~~as they~~ had been further guaranteed by the Commercial Treaty of 1786. Nevertheless, it was not until the stringent orders of the Directors reached Calcutta in 1788 that local English opposition to the restoration of French trading privileges was finally overcome². The Governor-General thereupon directed Pott, the East Company's Resident at Murshidabad to restore the French at Saidabad to all the rights and privileges which they had previously enjoyed. Their factory never became important again, however, for the vigorous efforts of the Company of Calonne founded in 1785 were soon thrown into confusion by the outbreak of the Revolution in France, a confusion from which they never recovered².

1. S.P. Sen : Op.cit., p. 416.

2. A. Embree : Charles Grant and the British Rule in India, pp. 81-82.

3. S.P. Sen : Op.cit., pp. 421-25.

Besides these major centres of trade, which handled the export-import trade of the District with other parts of the province and ^{of} India, there was also a network of smaller permanent markets and of village hats or bazars, some held weekly, some bi-weekly, some even daily. To such rural markets the cultivators and village artisans brought their wares, and there they purchased their necessities. The markets and hats provided both for the internal trade of the District, the interchange of goods between village and village, and for the collection and distribution of the goods which entered into the larger commerce of the province and beyond. It was thus at such markets that the local merchants gathered grain, raw silk, or the cotton spun by the village women to carry to the cities and bandars to sell to the foreign or leading Indian merchants ¹.

The account of the village market at Chandpara, southwest of Murshidabad, given to an amin in 1776 by Siru Sarkar of Srihuti and Narasing of Pratabpur may serve as an example of the ~~many~~ many rural markets which covered Murshidabad. According to the two informants,

1. W. Martin, Collector at the Murshidabad Custom House prepared a price list of articles brought into Murshidabad from the village markets in 1772. This is found in Bengal Board of Revenue Miscellaneous Proceedings, vol. 15, 1 25 June, 1773.

the Chandpara market, commonly called Rangamati, was the oldest market in the area and was held bi-weekly on Mondays and Fridays. They related from memory¹ the history of the market since the days of the Nawab Shuja-ud-Din (1727-1739). They stated that Alif Khan, the Thanadar of Pratabpur had restored the market after it had been practically ruined about 1726. Since its restoration a dispute had arisen between the Nawab's officers at Beldanga, south of the District, and those at Pratabpur, because the particular days on which the market was held clashed with the market days of Beldanga. The dispute had soon been amicably settled however by changing the hat days. The market, with four small shops supplying local necessities, had continued quietly till 1770. But then, owing to the heavy loss of life in the area caused by the famine of 1769-70, the market was once again ruined. After the famine Ram Kanta Chowdhury, the revenue farmer of Rangamati, had revived and improved the market, which in 1776 had the following shops²: three mudikhana or stalls selling salt, oil, ghee etc.; three kauri shops, providing the kauri shells used as small change; two money changers or sarraf's stalls; a tobacconist's; a

1. Both of them were eighty years old.

2. M.F.R., vol. 11, 15 Feb. 1776.

carpenter's; two shops for the sale of fried rice and other cooked food stuffs run by widows; and a Pasari or grocer's shop selling medicinal herbs, - thirteen shops in all. A certain Brojennath, presumably the landholder on whose ground the market was held, collected a bazar toll at the rate of one pie per thungi, that is ¹one hundred and ninety-second part of a rupee per measure of two to five pounds, on all articles which the merchants and producers brought to the market. In Bharat Chandra's verse we read of sweets, sugar, spices, betel nut, wood and lime being sold at similar villege markets ². At rather larger weekly hats, a wider variety of transactions were made. They were well arranged, with separate stalls or corners for grain, cloth, earthenware, sweetmeats, milk, fish, fruit, cattle and jewellery ³. Finally, there were great annual fairs or melas which attracted people from all parts of the province. Some of these had a religious basis; all of them provided various amusements for the people, with swings, dances, popular songs and toys, to add to their commercial importance. Such melas provided the great show places for the skill and talent of the

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1. M.F.R., vol. 11, 15 Feb. 1776. Representation of twenty merchants and six others to the amin deputed by the Governor-General.
 2. P.C. Mukhpadhaya (ed): Bhārata Chandrer Granthāvalī, p.244.
 3. See R.R. Vasu : Rājā Pratāpāditya Charita, pp. 32-33.

manufacturers, who spent many months in preparing for them. The grain fair at Bhagwangola visited and described by Bishop Heber in 1824 was a typical example of the annual melas held in various parts of the District¹.

Of the pattern and volume of local trade within the District only the vaguest picture can be formed for the eighteenth century, in the absence of any organised official survey and statistics. For a few years, however, the records of the Murshidabad Custom house provide a fairly complete survey of the export and import trade passing through the city, both by land and water. Those for 1778, showing the monthly total of duties levied, is here given in tabular form² :

Months	Import duties (in rupees)		Export duties (in rupees)	
	Land	Water	Land	Water
January	1526	120	588	5000
February	2406	150	857	11,788
March	2386	507	2378	4094
Total :	6318	777	3823	20,882

1. Rev. R. Heber : Narrative of a Journey Through the Upper Provinces of India from Calcutta to Bombay, 1824-25, vol. 1, p. 239.
2. This account is tabulated from the Murshidabad Custom-house records for 1778. They are found in the B.O.R.M.P., R. 98, vols. 23 and 24. Duties on all goods except salt, betel nut and tobacco were $2\frac{1}{2}$ per cent ad valorem.

Months	Import duties (in rupees)		Export duties (in rupees)	
	Land	Water	Land	Water
April	2028	519	579	1206
May	2297	225	602	8651
June	2623	446	783	5703
July	1184	1450	327	15,217
August	1320	1450	132	19,457
September	3980	850	3070	22,095
October	1213	1500	341	15,960
November	1964	250	628	4196
December	1687	501	2443	3375
<u>Total :</u>	18,296	7,191	8,923	91,360
<u>Brought forward:</u>	6,318	777	3,823	20,882
Grand Total:	24,614	7,968	12,746	112,242

Assuming that the duties collected give a fair indication of the value of the exports and imports, several important facts emerge. In the first place, there is the contrast between imports into the city which are mainly by land and the exports which are even more overwhelmingly by water. This would suggest that the imports in the main were of local origin, consisting of raw materials for

manufacture within the city, and of food stuffs from the surrounding countryside. (The rise from Rs. 1526 in January to Rs. 2406 in February in the import column may, for example, indicate the arrival of the aman rice crop harvested in November and December, and the leap to Rs. 3980 in September that of the aus harvest of July and August). The inference that few of the imports were brought from a long distance seems to be supported by the fact that even in the monsoon months from July to October imports by land are half as large again as those by water, ^{for} by long distance traffic might have been expected to make full use of the Ganges and Bhagirathi. Conversely, the export by land are very modest - only half the imports by land, and only about one ninth of the exports by water. This would surely suggest that the exports of Murshidabad city looked for an outlet not to the hats and bazars of the District but to provincial, all-India or European markets, best reached, since these were distant, by the great river routes of the Ganges Valley.

The second striking feature of the table is of course the vastly greater value of exports, however dispatched, than of imports. This would again suggest that the main function of Murshidabad was to work up raw materials into much more valuable manufactured or semi-manufactured articles. The silk and cotton industries,

and the luxury crafts of ivory carving or metal work, already discussed in the chapter on manufactures may be taken to be examples of this process.

The other obvious feature of the table is that the volume of commodities moving into and out of Murshidabad reached its peak in the monsoon months, July, August and September, when river navigation was easiest.

The Custom-house registers of Murshidabad list month by month all goods imported and exported, specifying whether they were moved by land or water. But they also state the name of the owner of each consignment, the articles making up the consignment, their value and the duty paid¹. Unhappily, they do not give any indication of where the goods came from or the place to which they were being despatched. Some goods may thus have been in transit through Murshidabad, rather than originating in or being consigned to the city, and to that extent the total given in Table given on pages 50 incorporate an element of uncertainty. However, the custom-houses of Patna and Dacca for the same period besides the names of merchants also give the destination of their goods. It is thus possible to trace goods passing through these points with

1. B.O.R.M.P., R. 98, vols. 14, 15, 18, 20 and 22 (1773-78)

Murshidabad as their destination. Occasionally, also the Murshidabad register notes that consignments were from Calcutta or Hugli¹. Some picture of the nature of the import trade of Murshidabad, for the years 1770-1777 is, therefore, available though it is incomplete.

The main items of the import trade consisted of food grains, sugar, spices, salt, mustard seed, oil, cheese and ghee, betelnut, rose water, cotton and cotton thread, woolen blankets or wraps, iron and various articles of foreign origin. These were consumed in the city and also distributed all over the District through the hats and the boat stations or ghats. Of this rice and paddy (unhusked rice) were imported from Rajshahi, Rangpur, Dinajpur, Barisal and Dacca, both coarse and in the superior quality for consumption by the Nawab's household and by the Europeans and other foreigners residing in the city. Some food grains are also recorded as being exported from Murshidabad, mainly to Calcutta, through the river ports of Ziaganj and Azimganj. This does not indicate that Murshidabad was a surplus District, but merely that Bhagwangola, Ziaganj and Azimganj were the great grain markets of western Bengal, to which rice and other grains came in for distribution throughout the province. During the famine years of 1769-70, when Murshidabad District was very hard hit, there were very

1. B.O.R.M.P., R. 98, vol. 15, 10 Dec. 1773.

heavy imports of rice. Even so, by June 1770 rice was selling in the city at six or seven seers to the rupee, as against a normal price for coarse rice of about fifty two seers to the rupee, and for days together no grain was available for the common people. In July the worst phase of the crisis was experienced when for thirty miles round the city of Murshidabad rice was sold at three seers per rupee¹.

Such supplies as did reach the city were mainly drawn, the Naib Diwan Muhammad Reza Khan reported, from Dinajpur, Rangpur, Dacca and even Sylhet, - all districts which suffered much less from the calamity². During the famine, the two markets of Bhabaniganj and Gobiganj, in Rangpur district, alone exported some 69,311 maunds of rice to the famine areas. The principal merchants recorded as shipping rice from Rangpur to Murshidabad were the following:³

Sundar Saha ...	...	3,500 maunds
Adhiram Poddar ..	...	3,400 ,,
Sam Poddar ..	...	3,400 ,,
Captain David Mackenzie ⁴ ...	...	3,000 ,,
Dasarath Saha ..	...	2,600 ,,
Krishna Chand ..	...	2,500 ,,
Harilal Kanya ..	...	2,500 ,,
Total :		20,900 maunds

1. See Chapter on Economic Conditions, pp. 298-99.
2. M.F.R., vol. 6, 13 Jan. 1772.
3. Ibid., vol. 6, 28 April, 1772 - Letter from the Supervisor of Rangpur to the Murshidabad Council.
4. He was a partner of John Grose. See N.K. Sinha : The Economic History of Bengal, vol. 1, p. 91.

Harilal Bose	....	2500	maunds
John Grose ¹	....	2000	,,
Laloo Babu	....	1500	,,
Jagannath Seth	....	1500	,,
Bhabani Sing	....	1500	,,
Sanatan Saha	....	1200	,,
Joyram Chowdhury	....	1000	,,
Noor Khan	....	1000	,,

Total: 12,200 maunds

Brought forward 20,900 ,,

Grand Total: 33,100 maunds.

From areas other than Dacca, Rangpur and Dinajpur, there are recorded the following very minor shipments to Murshidabad, Berhampore and Qasimbazar between September 1769 and September 1770² :

Hussain Reza Khan	....	10	maunds
Diwan Ramballah	....	100	,,
T. Mati	....	100	,,
Anis Beg	....	150	,,
Jagat Seth	....	200	,,
Mahan Sing Bhaduri	....	325	,,
Stephenson (4 boats) say,	....	500	,,
Hari Krishna Diwan (3 boats).		350	,,
James Alexander	....	200	,,
S. Droz	....	3689	,,
The Dutch Factory	....	40	,,

Total about 5814 maunds.

1. Supervisor of Cooch Behar - see N.K. Sinha : The Economic History of Bengal, vol. 2, p. 58; then of Rangpur vide Ibid., vol. 1, p. 91.

In view of the accusations made at the time of the famine about the attempts to corner rice for sale at famine prices made by the Company's servants and their leading Indian officials ¹, it is interesting to see that their contribution to these two lists is only about one sixth.

With these figures for the famine years may be contrasted those for three years, 1775 -1777, giving imports of rice and paddy from Dacca : ²

1775	rice	19,605 maunds	paddy	3030 maunds
1776	,,	36,055 ,,	,,	34,666 ,,
1777	,,	23,535 ,,	,,	7,625 ,,

A number of merchants are mentioned as importing from two to five thousand maunds a year : in 1776, however, a year of poor harvests in Murshidabad, a single merchant Balchand was responsible for importing over twentyfive ^{thousand} maunds of rice and paddy ³.

The other foodgrains imported into Murshidabad in considerable quantity were gram and kalai, the main feed in India for horses. The demand for these grains was great presumably because the Nawab and the East India

2. B.P.C., R. 1, vol. 51, 2 March, 1772.

1. See Embree : Op.cit., pp. 38-40.

2. B.O.R.M.P., R. 98, vols. 18, 20 and 22 (1775-1777).

3. Ibid., vol. 20 (1776).

Company used to maintain thousands of horses for the army and police. Much gram was brought in from adjacent districts, but there was also a considerable trade in maskalai by river from Dacca. In 1775 no less than 9,325 maunds (746,000 lbs) were imported from Dacca alone ¹. Balchand, mentioned earlier as importing very large consignments of rice and paddy, was one of the two main figures, with Bazi Raj responsible for two-thirds of the total. Of the nine merchants only one, Jacob Rider, ² with 800 maunds to his name, was European.

Of the luxury food stuffs, imported for the family of the Nawab, the high officials and perhaps the Europeans, cheese and ghee or clarified butter, are the most notable. Cheese came entirely from Dacca, where in the 1770's its price varied from six to eleven rupees per maund ³. In Murshidabad it was sold for twenty rupees a maund ⁴. It is of interest to note that the merchants trading in cheese were all Muslims - Muhammad Ramdhan, who imported ten maunds in 1775; Muhammad Khalil, Sheikh Jamal and Moinuddin, twenty-five maunds in 1776; and Sair Muhammad, Murad and Hedayetullah thirty-two maunds in 1777 ⁵. Was ~~the~~ their supplying of cheese to the

1. B.O.R.M.P., R. 98, vol. 18 (1775).

2. Ibid.,

3. Ibid., vols. 18 and 20 (1775 and 1776)

4. Ibid., vol. 15, 25 June 1773 - see the price list prepared by the Collector of Murshidabad Custom-house.

5. Ibid., vols. 18, 20, and 22 (1775-1778).

Mughal nobles of the Murshidabad court a last link with the dietary habits of the pastoral Turks and Mongols in Central Asia ? Ghee, the other milk product showed no such Muslim monopoly at work. It was imported both from Dacca and from Patna for the use of the rich. One interesting feature for the years 1773 to 1777 is the rapid falling off in the shipments of Dacca and a compensatory rise in those from Patna. There is some evidence of a similar trend in the trade in cotton piece goods. In the absence of any custom-house records for the years before and after 1773-77 it is difficult to make a confident guess about reasons for the growth of the Patna trade. However, it should be noted that March 1773 saw the issue of new regulations by Warren Hastings, reducing the number of custom-houses to five only, and duties to a uniform $2\frac{1}{2}$ per cent. With the abolition of the dastaks, these measures largely restored freedom of trade, and the Nawab of Oudh who had prohibited all trade with Bengal and Bihar, lest his territory should be exposed to the oppression of privileged British traders and their agents, was encouraged to allow free trade between the provinces¹. The growth of trade with Murshidabad from the Patna direction may be the result of these liberalising measures.

1. See P. Moon : Warren Hastings and British India, pp. 107-08.

The other article of diet which was necessarily imported into Murshidabad from outside the District was salt. This salt was manufactured in the coastal districts of Bengal and thence carried inland through Bengal and Bihar. From 1760 the major producing areas had come under the East India Company's control, and a considerable private trade in salt was conducted by its servants. In 1765 the trade, like that in betel-nut and tobacco, was made a monopoly of the Society of Trade formed by Clive, and so remained until 1768 or a little later. In 1772 Hastings again made the trade in salt a monopoly, this time of the East India Company itself. Salt from Madras and the Coromandel coast was subjected to a duty of 30 per cent and from 1781 prohibited, so as to maintain the profits on the manufacture and sale of Bengal salt¹. How valuable such a monopoly could be is seen from the figures for two months' importation of salt into Murshidabad from Calcutta and Hugli, in July and August 1773: 33,325 maunds of Bengal salt from Calcutta, and 5,350 maunds of Madras salt from Hugli². Figures given by Huq suggest that the salt was manufactured for about Rs.60 per hundred maunds, it was sold by the Company to Indian or European merchants at Rs. 150 per hundred maunds³, the merchants

1. See M. Huq : Op. cit., pp. 232-55.

2. B.O.R.M.P., R. 98, vol. 15, 10 Dec. 1773.

3. M.Huq : Op. cit., p. 255.

then paid Rs. 30 in duty on each hundred maunds¹, and put it on the market after taking their own profit.

One other important commodity ought perhaps to be considered as an essential article of diet - betel-nut. This was, and remains, the solace of the Bengali just as tobacco was and is the solace of the European, and the import trade to Murshidabad from the producing areas, Dacca, Comilla and Bakherganj (Barisal) was very considerable indeed. Dacca as a centre of production, and the principal customs centre in Eastern Bengal, was the forwarding point for betel-nut to all north and west Bengal. Many of the bigger Indian merchants - Aga Aratoon, the Armenian, Jagat Seth, Ghulam Nabi, Jagannath Poddar and Fakir Chand - are found engaged in it, as well as various Europeans², though these operated on a smaller scale. The imports from Dacca were as follows³:

1773 (June to December)	.....	10,980 maunds
1774	.....	not available ;..
1775	...	15,600 ,,
1776	...	24,098 ,,
1777	...	18,380 ,,

The price of betel-nut at Dacca in 1773 was three rupees

1. M. Huq : Op.cit., p. 243.

2. They were Michael Duval, Robert Crawford and William Holland, - see B.O.R.M.P., R. 98, vols.15,18,20 and 22 (1773-1777).

3. Ibid.

a maund, and at Murshidabad five or six rupees a maund¹. In the peak year of 1776 nearly two million pounds of the drug thus worth between one and a quarter and one and a half lakhs of rupees entered the Murshidabad custom house, providing perhaps as much as one tenth of the total customs receipts. Of the total import of 69,058 maunds in the three and a half years, Jagat Seth imported 2,997 maunds, Ghulam Nabi 3,543 maunds, Jagannath Poddar 4,225 maunds and Aga Aratoon, the son of the very important Armenian merchant, Aga or Khoja Petrus², 39,496 maunds, worth some two lakhs of rupees³.

The last important item in the imports of Murshidabad was cotton piecegoods. At the beginning of our period the import of cotton piecegoods, muga dhutis and gurrahs from Dacca was considerable, and some of the richest merchants engaged in the trade, including Jagat Seth, Seth Ovai Chand, Seth Golab Chand and Darpa Narain. But with the decline of the Murshidabad Nawabs, the traditional imports of fine cloths for the use of the court, some of which such as jamdanis were reserved⁴ entirely for the use of the Nawabs and the Jagat Seths

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1. B.O.R.M.P., R. 98, vol. 15, 5 May and 25 June, 1773.
 2. For the importance of the Armenians see M.J. Seth : Armenians in India, pp. 325-359; N.K. Sinha : The Economic History of Bengal, vol. 1, Appendix A, pp. 230-237.
 3. B.O.R.M.P., R. 98, vols. 15, 18, 20 and 22 (1773-1778).
 4. A. Karim : "Account of Dacca", J.A.S.P., Dec. 1962, pp. 307-09.

from Dacca declined. By the end of the eighteenth century the Dacca custom house records show no exports at all of maslins and jamdanis to Murshidabad. The place of Dacca, the old Mughal capital of Bengal, was taken by Patna and its surrounding districts, as a source of cotton piece goods for Murshidabad. The movement of chintz¹, koras, tanjibs and gurrahs as recorded in the Patna records for the period 1773 to 1774, far exceeds² that of similar piece goods from Dacca. The most considerable merchants in this trade were Radha Charan Pal, Obai Chand and Golap Chand, and among the English,³ John Hollinbury, Philip Dislile and James Fraser.

To sum up the pattern of imports, as far as it can be traced from the records, Murshidabad received from Dacca betel-nut, rice and paddy in regular and substantial quantities, together with smaller consignments of cheese, ghee, mastard seed, bamboo mats and fine cottons. From Calcutta and Hugli came salt, pepper and other spices, metals such as copper and ~~tuttnage~~ for the metal industries of the city and possibly for coinage, ivory and miscellaneous European and Asian articles such as china-ware,

1. A kind of coarse printed cloths.

2. B.O.R.M.P., R. 98, vols 15, 18 and 20 - see Patna Custom house registers.

3. Ibid.

looking glasses, quick-silver and vermillion, tea and wine. From Dinajpur came mustard seed, ghee, ginger, turmeric, onions, garlic and tobacco¹. From Bhagalpur and eastern Bihar came wheat, barley, pulses, oil, honey, molasses and firewood, and from Patna growing quantities of cotton, cotton thread and cotton piece goods, together with ghee, oil, sugar, turmeric, cummin² seed cardamums, opium, rose water and other minor items². If the figures for 1775 are an indication, the trade from Patna had become very much more important than that from Dacca: the August figures show thirteen merchants bringing Rs. 15,578 worth of goods from Dacca, but twentyeight merchants Rs. 62,626³ worth from Patna.

These last figures well illustrate, as an inspection of any page of the custom house register also establishes, that if trade was in total important, it was nevertheless conducted in very small parcels. There were very few merchants who traded like Khoja Aratoon for lakhs of rupees : most consignments are worth less than a thousand rupees. Trade was in the hands of a very large number of quite small merchants.

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1. F. Buchanan: Geographical, Statistical and Historical Description of District, or Zilla of Dinajpur, pp. 314-29.
 2. F. Buchanan : An Account of the District of Bhagalpur in 1810-11, pp. 622-30.
 3. B.O.R.M.P., R. 98, vol. 18, (1775).

The value of the Murshidabad export trade was considerably greater than that of the import trade. Unfortunately, though the goods which entered into the export trade are known, and their relative importance, it is not possible, even for the years when the Murshidabad custom-house registers exist, to be sure of the destination of all the exports. The most distinctive contributions of Murshidabad to the outside world were undoubtedly its raw silk and its woven silks. Apart from silk, silk piece goods and all sorts of saris, both silk and cotton, the District also exported quantities of wheat, dry ginger, ivory and ivory work, brass and other metal ware, wooden boxes, toys and paper, together with such items as looking glasses which may have merely been re-exports¹.

The export of wheat depended upon the favourableness of the season in Murshidabad and the surrounding districts. Thus in 1775 wheat exports were 22,506 maunds², but in 1776, a year of poor monsoons, only 11,925 maunds³. A little rice was also occasionally exported, though the District was normally a large net importer. Ginger was also exported, and Murshidabad also re-exported such spices as cloves brought up from Calcutta and Hugli.

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1. See Murshidabad Custom house registers in B.O.R.M.P., R. 98, vols. 15, 18, 20 and 22.
 2. Ibid., vol. 18 (1775).
 3. Ibid., vol. 20 (1776).

Of the manufactures of the city there is record of the export of copper vessels, brassware and bell-metal (tutenague) to Bhagalpur¹, of brass vessels, wooden boxes and stone plates and cups to Dinajpur, the last item being an import from western India², and of ivory work and paper both to Dinajpur, Bhagalpur and further west towards Delhi and Aurangabad. Much ~~of~~ the most important items, however, were silk piece goods and raw silk which together constituted some seventy to eighty per cent of the total value of Murshidabad exports³.

The trade in both silks and raw silk formed an important part of the investment of the English East India Company, and the attempt of the Company to improve quality and expand output, particularly of raw silk will be^{the} theme of the next chapter. There was also a considerable trade by the Dutch, more especially in raw silk, until the outbreak of the War of American Independence in 1776 involved them in conflict with the English and led to the closing down of their trade. The volume of this European trade is not, however, recorded in the Custom house registers. But quite apart from the trade by the companies there was a traditional Indian trade in silk piece goods and raw silk to the towns up the Ganges and Jumna as far as Delhi, and even beyond to Lahore and Multan, and further trade by way of Hugli, with

1. F. Buchanan : An Account of the District of Bhagalpur in 1810-11, pp. 622-30.

Gujarat by sea. Again there are no complete series of statistics for this trade, but there are some figures available which may serve to indicate the size and value of the trade and its trend.

For the trade in raw silk there are in the first place figures for total exports by non-Europeans from Qasimbazar provided by W. Aldersey, the chief of the Qasimbazar factory in 1769¹ :

<u>Yearly average</u>	<u>Raw silk in maunds</u>	<u>Value in rupees</u>
1749-53	19,503	5,544,873
1754-58	14,937	4,182,668
1759-63	10,113	2,831,716
1764-68	6,858	1,920,541

From the Patna Custom house registers for 1775-77 it is possible, by adding together the large number of individual consignments coming from Murshidabad and passing to various destinations to the west of Patna, to arrive at further totals of raw silk, from all the silk producing towns and villages of Murshidabad District. They are² :

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2. F. Buchanan : Dinajpur, pp. 314-329.
 3. Some silks were also brought from Malda, Rangpur and Rajshahi districts to be re-exported from Murshidabad. See B.O.R.M.P., R. 98, vol. 22, 20 March 1777.

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1. B.P.C., R. I, vol. 44, 19 June 1769.
 2. Patna Custom house registers for 1775-77; B.O.R.M.P., R. 98, vols. 15, 18, 20 and 22.

<u>Year</u>	<u>Raw silk in maunds</u>	<u>Value in rupees</u> ¹
1775	7142	2,856,800
1776	9867	3,873,600
1777	4315	1,726,000

It will be noted that though quantities are smaller the value of the consignments has risen, a result of the famine of 1769-70.

Finally figures are given of raw silk passing up country from Bengal (not just Murshidabad) through the Manjee Custom house on the confluence of the Ganges and the Gogra, north-west of Patna :²

<u>Year</u>	<u>Raw silk in maunds</u>	<u>Value in rupees</u>
1789	-	1,995,524
1790	-	1,681,076

These figures are not strictly comparable, but the trend which they reveal is clear : a steady and striking fall in the quantities of raw silk exported from Murshidabad, and a no less steady though rather less dramatic fall in the value of the silk exported.

In respect of silk piece goods the story is much the same, as can be seen from Aldersey's figures for the annual averages from 1749 to 1768 and those of the Patna

1. Taking the silk at Rs. 400 per maund or Rs. 10 the seer.
 2. W. Hamilton : The East India Gazetteer, vol. 2, p. 209.

registers for 1775 to 1777 :

<u>Yearly average</u>	<u>Silk goods, pieces</u>	<u>Value in rupees</u>
1749 - 53	105,051	630,307
1754 - 58	71,380	428,275
1759 - 63	81,651	489,907
1764 - 68	71,495	428,968
1775	23,271	162,897
1776	43,106	301,742
1777	56,462 ¹	395,234 ²

The same picture is seen if the trade by sea with Surat in Gujarat is examined. The English Company's chief there examined the figures for Bengal raw silk and piece goods imported through the Company-controlled Custom house. They showed that whereas in the 1730's imports had occasionally reached as high a figure as ten lakhs of rupees in value, they averaged about four lakhs in the 1740's, fell to one lakh in the disturbed 1750's, and then slumped in 1771 to Rs. 42,735 and never reached one lakh again. In 1787 the total silk imports were worth no more than Rs. 5,931. The decline was paralleled in the imports of silk goods and raw silk entering Gujarat through the Nawab of Surat's Custom house³.

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1. These include piece goods, taffetas and cloth lengths.
 2. Taking piece goods at Rs. 7 per length during 1775 to 1777.
 3. See H. Furber : John Company at Work, p. 163, and figures in N.K. Sinha : The Economic History of Bengal, vol. 1, p. 114, and pp. 100-101 for the evidence of the agent of a Gujarati merchant of Qasimbazar, on the declining silk trade with Surat by sea and upcountry from Murshidabad.

Within the total figures of exports of silk goods and raw silk it is not normally possible to distinguish the contribution of individual markets. The Patna figures for 1775-77 do, however, give one brief glimpse of the markets for Murshidabad's major exports, since they record the ultimate destination of goods passing through the Patna Custom house. For the three years combined the totals are as follows ¹:

Raw silk in maunds

<u>Benares</u>	<u>Mirzapur</u>	<u>Agra</u>	<u>Delhi</u>	<u>Lahore</u>	<u>Multan</u>	<u>Aurangabad</u>
511	12,568	598	427	3,851	1,649	1,471

Silk piece goods, pieces (1775-76 only).

505	3,855	1,590	-	3,700	-	7,820
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Taffetas

1,552	8,992	326	2,020	8,437	-	-
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Silk cloths in length

1,937	4,545	866	59,183	13,126	250	4,000
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Two markets emerge as of dominating importance, Mirzapur for raw silk, and Delhi for silk piece goods. The evidence of Sadananda Bandopadhyaya, a silk broker of thirty years experience, recorded in 1789, suggests that the raw silk sent to Mirzapur was for further sale there, not for manufacture ². Mirzapur, the great cotton mart of Uttar Pradesh is thus seen as a distributing centre for Murshidabad

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1. See Patna Custom house registers, B.O.R.M.P., R. 98, vols. 18, 20 and 22.
 2. N.K. Sinha : The Economic History of Bengal, vol. 1, pp. 101-102.

raw silk and silk goods¹. The role of Agra, Delhi and Lahore as centres of consumption of piecegoods is not unexpected as these three were all old Mughal capitals, and still major administrative centres. The very large figure for raw silk despatched to Lahore suggests however that the trade from Lahore to Persia may still have been active.

It is clear, from all the evidence available, that throughout the whole period 1765 to 1793 the trade and industry of Murshidabad was in almost continuous decline. The export trade of the District was unfortunately not diversified, both Indian and European traders concentrated their attention upon the silk goods and raw silk for which Murshidabad was famous. In Europe, however, the market was contracting, especially in England, under the competition of the newly created cotton textile industry. Moreover attempts to improve the quality of Bengal silk and to hold down its cost were both defeated by the famine of 1769-70 which killed the skilled craftsmen and raised prices. It seems probable, too, that at the same period the private trade of the Company's servants was injuring the Company's own trade by further reducing the quality of its investment

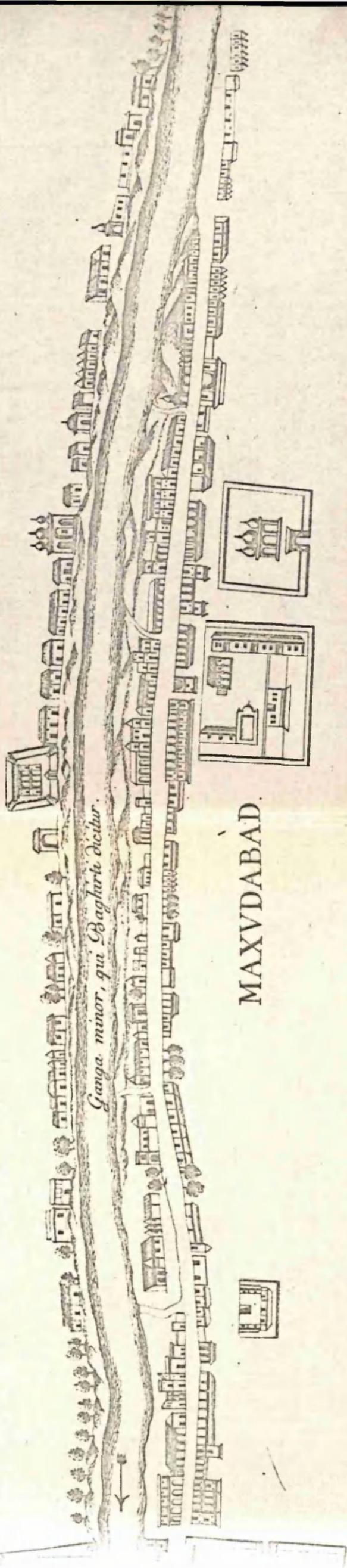
1. In the hey day of the Mughals, Benares appears to have been the principal market for silk and silk goods from Murshidabad. Mirzapur only rose to prominence in the eighteenth century.

and raising prices. The Indian country trade also declined, partly because the Company's agents attempted to drive native competitors from the field, but also because of the growing disorders in the Mughal and Persian empires. The advance of the Marathas and of the Afghans under Ahmad Shah Abdali into the northern provinces of the empire could scarcely fail to affect the luxury trade of Murshidabad very adversely. Though smaller provincial courts arose as the imperial power was reduced, the independent tariff policies of the new rulers, and the unsafe condition of many land routes prevented any revival in Murshidabad's export trade.

The import trade, for its part, acts as a measure, not of the decline in world or in all-Indian markets, but of the decline in Murshidabad as a market. The trade of the District during the late eighteenth century had begun to be affected by the rise of Calcutta as a new commercial centre for West Bengal. With the progressive curtailment of the powers and the income of the Nawabs at Murshidabad, the reduction of the military forces, and impoverishment of their nobles, all of which flowed from the East India Company's emergence as a political power, Murshidabad further declined as a centre of consumption and trade. With the transfer of the revenue administration of Bengal and of the civil and criminal courts from Murshidabad to Calcutta,

and with them the great numbers of officials, clerks, bankers and clients, Murshidabad ceased to be a lucrative market and increasingly assumed the appearance of a small district headquarters town.

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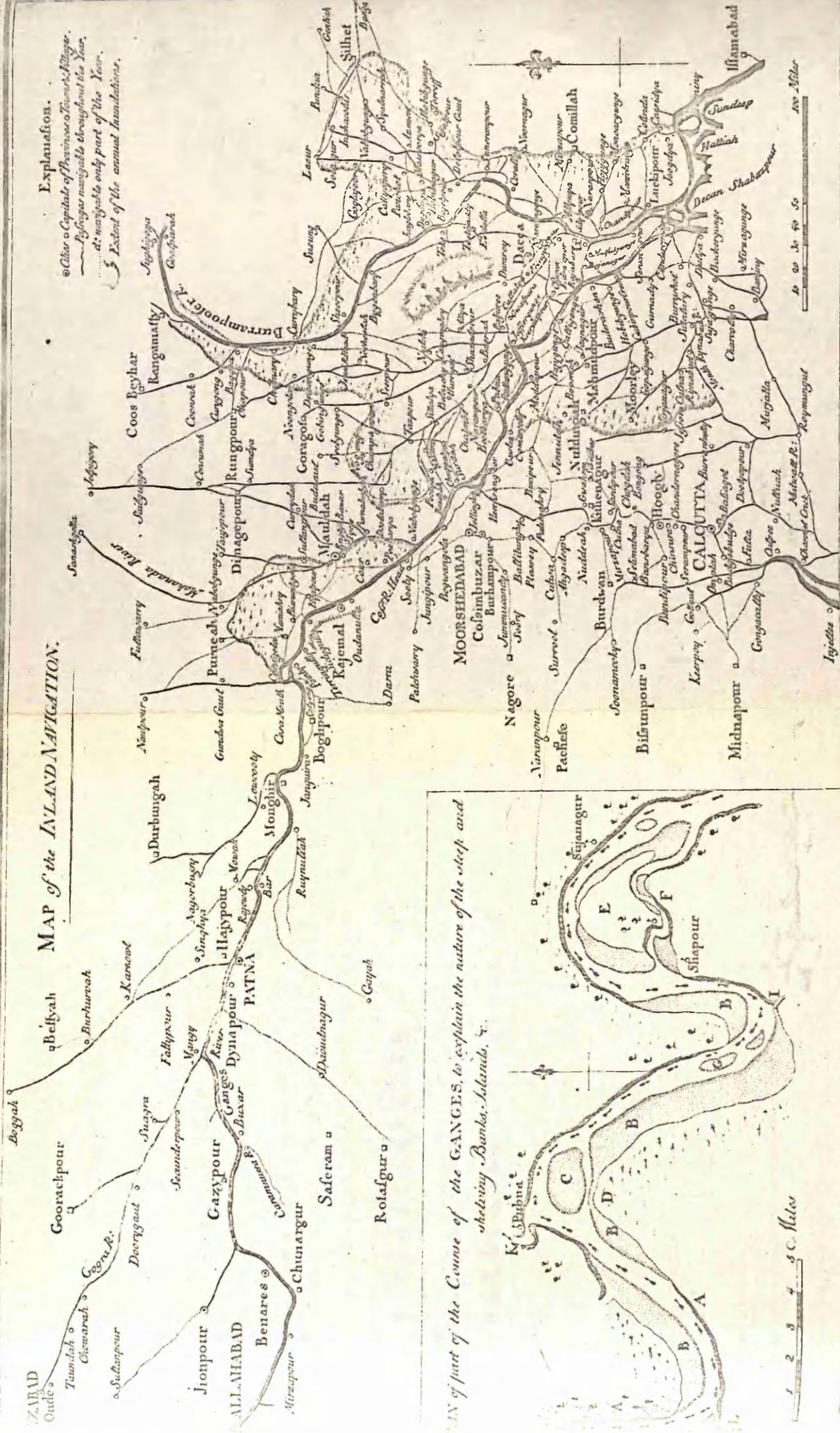
Ganga minor, qui Bagharhi dicitur.

MAXVDABAD.

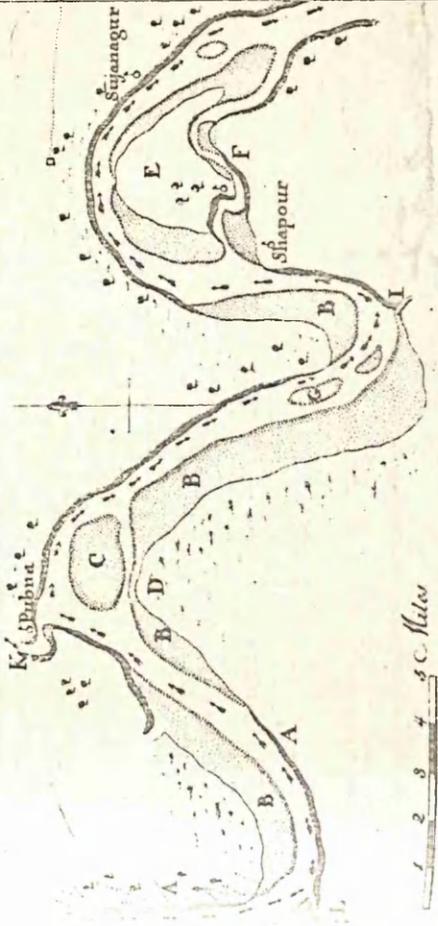
MURSHIDABAD FORT in 1786 (a picture by Tieffenthaler:
Op.cit., vol. I, p. 452)

MAP of the INLAND NAVIGATION.

Explanation.
 ○ City or Capital of Province or Town or Village.
 ————— Regular navigable throughout the Year.
 - - - - - dit: navigable only part of the Year.
 5 Extent of the annual inundations.



PLAN of part of the Course of the GANGES, to explain the nature of the steep and shelving Banks, Islands, &c.



INLAND NAVIGATION - Bengal and North India
 (from Tiefenthaler: Description Historique
 Et Geographique del 'Inde, vol. III, p. 160)

THE MANUFACTURES
OF
MURSHIDABAD

In the eighteenth century the District of Murshidabad was famous all over India for the quality of its varied and extensive manufactures. Foreign

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The development of foreign commerce, chiefly fostered by

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THE MANUFACTURES

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1. T. Grose : Voyage to the East Indies, Vol. II, p. 240.

in hand" . T H E M A N U F A C T U R E S of the
O F
M U R S H I D A B A D

In the eighteenth century the District of Murshidabad was famous all over India for the quality of its varied and extensive manufactures. Foreign travellers observed that the District around Qasimbazar was very fertile and the people remarkably industrious. The development of foreign commerce, chiefly fostered by its handicrafts and industrial products, was thus a significant feature of the industrial growth of the District during the eighteenth century.

The industries of Murshidabad were handicraft industries organised on a domestic basis. Many of them, under the caste system, were the speciality of particular families or classes of people, who drew upon inherited skills. "Artificers confine themselves to one sort of work, so that a goldsmith will not work in silver, nor a silversmith in gold. In the aurangs, or looms, a weaver will only weave one single sort of stuff during his whole life, unless he be compelled to take another

1. T. Grose : Voyage to the East Indies, Vol. II, p. 240.

in hand"¹. But besides the full time work of the industrial artisans there was also considerable production by the agricultural classes who thus utilised their slack periods, such as that between the sowing and harvesting seasons, in home industries. Many cash crops were then taken through the first stages of manufacture in the villages, instead of in the towns as now, - partly, no doubt because it was easier to transport finished or semi-finished goods than the bulky^{raw} materials². Thousands of women, for example, supplemented their family income by their earnings from spinning cotton³.

Doubtless these industries suffered from the usual defects of home production - a lack of uniformity in the finished products, the result of their having been worked up in countless individual homes, and there was also a certain lack of elasticity in output. Nevertheless, the presence of the Nawabs of Murshidabad and the prevalent habit of making gifts to the imperial court at

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1. J.S. Stavorius : Voyages to the East-Indies, Vol. I, p. 411.
 2. Irfan Habib : The Agrarian System of Mughal India, pp. 57-60.
 3. I have heard women working on the spinning-wheel or charka sing : "The spinning-wheel is as dear to me as my husband, son or grandson. It is due to the spinning-wheel that I have an elephant in chains at my door".

Delhi of the choicest local products served to encourage craftsmanship and to sustain and stimulate the development of the regional and local industries¹. "The native princes, and chiefs of various description, the retainers of numerous dependents, afforded a constant employment to a vast number of indigenous manufacturers, who supplied their masters with gold and silver stuffs, curiously flowered, plain muslins, a diversity of beautiful silks and other articles of Asiatic luxury"². The Nawab and his aristocratic officials at Murshidabad, for example, patronised the work of ivory-carvers to decorate the darbar halls and the drawing rooms.

The most important industries of Murshidabad were silk textiles, ivory carving, metal work, manufacture of paper, construction of boats and wood work. In addition to these there was a wide variety of small cottage industries. An attempt has been made in this chapter to show the various industrial resources of the District and the different industrial and commercial uses to which they were put during the late eighteenth century as well

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1. J.N. Sarkar : "Industries of Mughal India", The Modern Review, Vol. XXXI, No. 6 (June, 1922), p. 676. See also
 . Bradley Birt : The Romance of an Eastern Capital, pp. 1-4.
 2. G. Forster : A Journey from Bengal to England, through the Northern Part of India, Kashmir, Afghanistan, etc., Vol. I, pp. 1-4.

as to investigate the causes of their decline. Since the production of silks and silk fabrics has long been the most important industry in the Murshidabad District, the main theme of this chapter will be to examine the various aspects of ^{the} silk industry in Murshidabad. The theme is the more interesting because of the significant changes brought about by the East India Company in the silk industry with the consequent economic effects upon the people dependant upon it.

Murshidabad was the storehouse of Bengal silks, and a fairly large silk industry existed, both in rearing the worms, reeling and throwing the silk and in weaving all manner of silk goods ¹. Qasimbazar was famous during the period for manufactures of taffeta ², hand-knit stockings ³, handkerchiefs and gloves ⁴. "The neighbourhood of Murshidabad is the chief seat of the manufacture of wove silk : tafeta, both plain and flowered, and many other sorts of inland commerce and for exportation, are made

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1. R.C. Rawlley : Report on an Inquiry into the Utilisation of Indian Silk in Great Britain and France, pp. 86-87.
 2. Abbe Raynal : A Philosophical and Political History of the Settlements and Trade of the Europeans in the East and West Indies, Vol.I, p.434.
 3. Mrs. Kandersley : Letters from the East Indies, (September, 1766), No. XVII, p. 87.
 4. G. Viscount Valentia : Voyages and Travels ..., Vol.I, p. 51.

there more abundantly, than at any other place, where silk is wove"¹. A large quantity of raw silk and silk fabrics was exported to various parts of the Mughal Empire and also to Kabul and the neighbouring countries². During Ali Vardi Khan's time (1740-1756) raw silk export to the value of seventy lakhs of rupees was annually registered in the customs-house account at Murshidabad; this was exclusive of European investments which were not entered there, being $\frac{1}{2}$ either duty-free or paying duty at Hugly³.

The silk industry can be divided into two separate parts - the production of the raw silk and its manufacture. Production or sericulture proper was an agricultural home industry. Along with their other agricultural crops, the peasant cultivators grew mulberry trees and reared⁴ silk worms in their houses on the mulberry leaves. There were three seasons in a year,

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1. H.T. Colebrooke and A. Lambert : Remarks on the Husbandry and Internal Commerce of Bengal, p. 170.
 2. R.C. Rawlley : Economics of the Silk Industry, p. 26. It is recorded that about 1577, a merchant of Malda, Sheikh Bhik, set sail for Russia with three ships "laden with silk cloths", and that two of his ships were wrecked near the Persian Gulf. See G.E. Lambourn : Malda District Gazetteer, p. 59.
 3. N.K. Sinha (Ed) : Fort William - India House Correspondence, Vol. 5, p. 19.
 4. The extensive cultivation of mulberry trees was a feature of the rural scenes in Murshidabad and provided occupation to many people, because the peasant who fed his own silk worms gave full employment to his family. It was a common saying in the Murshidabad District that the mulberry is a greater source of wealth and happiness even than one's son. See H.R. Ghosal : Economic Transition in the Bengal Presidency, p. 63, note 126.

locally called bands, for rearing the silk worms. The first season began with the hatching of eggs in November, feeding the worms and collecting the cocoons they spun as adults in December. This band produced the best silk, for the silk worms thrive best in the cool winter season. The next in quality was the March band, while the July band with its adverse conditions of heat, rains and storms, only yielded inferior silk¹. Cocoon rearing was strictly a home industry, the male members of the family working outside in the mulberry cultivation and the women rearing the silk worms indoors. Special houses were needed for the rearing of the silk worms. Geoghegan writing in the nineteenth century, described a suitable building as twenty-four feet long, fifteen feet broad and nine feet high with a raised floor and a thick earthen wall, with two small windows at the top of the wall and a roof of thin compact thatch². Such a house could accommodate two hundred kahans³ or 2,56,000 worms spread out upon dalas or shelves, each about five and a half by four and a half feet in size, plastered with cow dung⁴, and raised upon manchas or platforms.

1. Misc. F.R., Vol. 14, 3 Nov. 1676. See also H.M.S., Vol 47, pp. 125-134 for statement of manufactures in Qasimbazar given by Mathias Vincent, quoted from Strensham Master's Diary.
2. J. Geoghegan : Some Account of Silk in India, p. 15.
3. 1280 worms make 1 kahan or 16 panas.
4. Cow-dung makes the dalas durable, - its odour is also congenial to the worms.

These platforms were supported by bamboo pillars resting on small earthen saucers filled with water to obstruct the passage of insects. Each cultivator in addition needed several spinning mats, a knife to cut and a few baskets to carry mulberry leaves, a few gunny mats on which to spread the cocoons in the sun and a number of kalsis or earthen pots to contain water for the saucers, the whole establishment costing about fifty rupees¹.

The worms were fed twice a day during the first and second stages of rearing, together, lasting for about a week, and every six hours during the final stage. As soon as the worms were ready to spin they "turn from a greenish-cream to a mellow light orange colour, with a transparent streak down the back, passing the emission from tail to head which forms the silk"². When the silk worms showed themselves ready to pupate, they were put on the spinning mats, placed in the open air facing the sun, when not too powerful, and at night were brought under cover. The worms continued spinning for about fifty-six hours. Four or five days later the cocoons were ready for reeling, except during the rains when they took a longer time to dry. The

1. Geoghegan : Op. cit.,, p. 15.

2. Ibid.

cultivators either sold the cocoons immediately, preserved them in perfect condition until the paikars collected them for the use of the Company's factories, or if they had the necessary time and equipment, themselves steamed and reeled them into silk thread.

The spinners wound off the cocoons in the first instance into a thread called "putney" which was an assortment of both fine and coarse threads ¹. Afterwards, the finer threads were rewound on bobbins to preserve their colour and fineness ². Buchanan writing about 1807 gave an elaborate description of working the cocoons ³. A woman would take about five hundred cocoons and boil them in water in a large earthen pot ⁴. After having boiled and cooled them she would wash them in cold water and place them to dry on a layer of ashes for a few hours. The woman then picked out such cocoons as were not fit for immediate winding and spread them in the sun to make them ready for winding. The outer filaments of the cocoons

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1. Geoghegan : Op.cit., pp. 15-16
 2. Reports and Documents connected with the proceedings of the East India Company in regard to the culture and manufacture of silk in India, pp. 15-16.
 3. F. Buchanan : An Account of the District of Bhagalpur in 1810-11, p. 613.
 4. They used dried cow-dung as fuel because it was cheaper and it produced a low heat.

called jhuri were first peeled off. Those would be used as brushes by the potters to clean their vessels. Then another interior filament was extracted which was used for knitting strings. Then the cocoons were reeled¹. Some of the reeled silk was bought by merchants for sale to the manufacturers of Surat, Benares, Delhi, Mirzapur, and some was used by the local weavers in the home weaving of korah,² mashru and other cloths.

These raw silk threads had to undergo an elaborate and delicate process of sorting, twisting and warping before being finally used on the looms by the weavers. While sorting, the skein of raw silk was put loosely round the charka (spinning wheel)³. The end of the thread was attached to another frame called latai - a small bamboo reel with handles on both sides to facilitate easy turning, and a person reeled up the thread on the latai twisting it round and round with ϕ one hand while the thread passed through the fingers of the other. Different latais were used at the same time to gather threads of different thickness. To enable the charka to turn around on its axis while the ~~the~~ thread was worked off on to the latais, it

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1. Buchanan : Op.cit., p. 613. Writing about 1807 Buchanan said that the local winders had almost abandoned the original manner of winding the silk from the cocoons by means of a small reel which was fastened to a spindle that the workman twisted round with his hand; and instead larger reels after the European fashion were employed.
 2. A mixed stuff of silk and cotton.
 3. A picture of this process is endorsed, p 133.

was loosely planted in a hole in the floor. Four persons were usually needed in twisting the threads : one giving it the twist while another man collected the twisted thread on to the latai and two other persons walked up and down the two lines of thread to straighten out any knots and snags that might come up in the process. The silk "being wound from the cocoons, and reeled into skeins after the rude manner immemorially practised by the natives of India"¹ was inferior in quality and was known as "country wound". Bernier stated, "there was in Bengal such a quantity of cotton and silks that the kingdom may be called the common store-house for those two kinds of merchandise, not of Hindustan or the empire of the Great Mughal only, but of all the neighbouring kingdoms, and even of Europe.... The silks are not certainly so fine as those of Persia, Syria, Sayd and Barut, but they are of a much lower price, and I know from indisputable authority that if they were well selected and wrought with care, they might be manufactured into most beautiful stuffs"².

The principal fault in the raw silk was that the threads in the same skein were often a part single, part

1. Reports and Documents Etc., p. iv.

2. F. Bernier : Travels, Vol. I, p. 439.

3. Reports and Documents etc., p. iv.

double and in some cases even more . Unless carefully reeled, the "country wound" silk thread had many defects and impurities¹, such as wastes, i.e., masses of tangled fibres sticking to the thread, bad casts, i.e., abruptly thick places about one-eighth inch or more in length, long knots, corkscrews, i.e., loose filaments wound spirally on the thread, nibs, loops and hairiness, etc., sticking to it. These faults interfered with the preparatory processes of weaving and appeared in the finished fabrics. Nevertheless, there were some raw silks of good quality produced in Murshidabad, tani and punja being the most noted.

Before dyeing, silk threads or fabrics were bleached by boiling for a few minutes usually with the ashes of banana trees and sodium carbonate. In the process of bleaching, silk lost some weight, but again² gained a certain weight when dyed . The weavers used indigenous ingredients such as, fruits, roots, leaves and the bark of trees to dye the silk threads or finished fabrics. For saris, shawls, chadars, scarves and patterned cloths they usually dyed the thread before weaving. The recognised colours for silk were deep blue, grey, red,

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1. C.C. Ghosh : The Bengal Government Silk Conditioning House and marketing of raw silk, Bulletin 76 (1938), pp.2-3.
 2. N.G. Mukherji : "The Silk Industries of Murshidabad", Journal of Indian Art and Industry, Vol. 5 (1899), pp.1-8.

yellow, orange, purple, sonali (golden) and asmani (sky-blue)¹. The threads were first dipped in a vat or dyeing bath containing a mixture of sodium carbonate and other dyes. Lac was used to produce a red colour², though the process was complicated and expensive³. The blue dye was obtained from indigo leaves. The black dye was generally prepared from the boiled bark of kala gab trees. Turmeric and the bark of mango trees produced yellows. Green was prepared from a proportionate combination of indigo and turmeric. Other indigenous ingredients, sometimes with ashes of tamarind wood, were used to make the colours fast. The various manufacturing processes, such as the reeling of silks, bleaching and dyeing and washing of fabrics were undertaken by skilled artisans specialising in each of these processes. But the raiyats and weavers might occasionally undertake some of them themselves. In this context it may be well to remember that the Indian artisans or peasants followed multiple occupations according to the seasons of the year and their own position in the social order.

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1. N.N. Banerjei : Monograph on dyes and Dyeing in Bengal, pp. 13-18.
 2. Mukherji : Op. cit., pp. 1-8.
 3. Despatches to Bengal, 19 May, 1790, Vol. 20.

The next stage after bleaching and dyeing was for the weavers to warp the twisted threads on the loom. According to the quality of the stuff, one thousand or more threads were arranged side by side on the warp. The length of the warp was generally fifty to one hundred yards so that several pieces of cloth of the same pattern could be turned out without disturbing the loom. For saris, dhutis with borders, and striped and checked fabrics, threads were arranged according to the colours required.

The cloths made in the Murshidabad District were dhutis (plain with borders), saris with two long borders, gown pieces ¹, korahs ², alwans (thick wraps worn in winter), chadars (ordinary wraps), rumals ³, jors and scarves. Jors had a considerable sale throughout India as they were required for ceremonial purposes, marriages, pujas and religious festivals. The Murshidabad saris, dhutis and matkas had a great demand in Bengal. Printed fabrics used as door curtains and scarves were also largely made of korah cloth. Embroidered fabrics ornamented with gold and silver threads were used by the rich people.

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1. Used in Bengal for making coats, jackets and shirwanis.
 2. Made out of untwisted silk threads and used as ordinary saris and gown pieces.
 3. In Bengal rumal is the word for a pocket handkerchief. In the Company's trade it was applied to their silk piece goods with handkerchief patterns.

Three kinds of taffetas¹, fine, ordinary and brown, were produced by the weavers of Murshidabad. Fine and long taffetas consisted of 2,100 best quality threads warped up and down and usually thirty yards long and two yards broad. The ordinary taffetas had about 1,400 double threads; the browns had 1,400 single threads and were twenty yards long and two yards broad. Taffetas and rumals were prominent among the exports of the East India Company from Murshidabad. Rumals were also exported from Murshidabad in large quantities to Northern India.

From the evidence available to us, it is clear that the silk industry of Murshidabad described above had existed for a long time. From the middle of the seventeenth century, however, with its establishment in Bengal, the East India Company, with other rival European companies, particularly the Dutch², took an active interest in this industry as purchaser both of raw silk and silk fabrics, and as supervisor of the production of raw silk. Indeed, since the time of Sir Thomas Roe, ambassador at the court of the Emperor Jahangir, it had been aware of the quality and cheapness

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1. Bengal silk fabrics were known to the English by the name of taffeta or "taffatie". This word was current in medieval Europe to imply fine fabrics, usually of a silky or glossy quality.
 2. For the Dutch trade in Bengal raw silk see K. Glamann : Dutch-Asiatic Trade, pp. 123 and 129-131.

of Murshidabad silk. At his suggestion Hughes and Parker were despatched in 1618 from Agra to Patna to explore the middle Ganges markets. They reported enthusiastically that Murshidabad was the district where "silk could be provided in infinite quantities at least 20 per cent cheaper than in any other place of India and is of the choicest stuff; where are also innumerable silk winders, expert workmen and labour cheaper by a third than elsewhere"¹. However, though Hughes and Parker invested five hundred rupees in silk, an effective English trade had to await the clearing from Bengal of the Arakanese and Portuguese pirates by able Mughal governors, and the setting up of the Company's factories in Bengal. The English and the Dutch had begun to tap the supplies of Persian silk in the 1620's². The first consignment of Persian silk - about 500 bales - reached England in 1619³. But between 1622 and 1632 the price of Persian silk in London fell and the profit margin was so short that in 1633 the authorities in England were considering the discontinuation of Persian trade and the return to Indian supply.⁴

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1. W. Foster : The English Factory Records (1618-21), pp. xxiii and 229-30.
 2. K.N. Chaudhuri : The English East India Company, pp. 203-05; Glamann : Op.Cit., pp. 114-15 and 118.
 3. K.N. Chaudhuri : Op.Cit., p. 204.
 4. By 1630 the price fell from 27 shillings to 22 shillings and within the subsequent ten years it further fell down to 18 shillings. In view of the steady fall

By the 1650's private merchants were already sending Bengal silk to England, and in 1658 the English Company established a silk factory at Qasimbazar. The supply of ^{the} cheaper raw silk of Bengal, coupled with a flow of skilled workmen as refugees from Europe into England fostered the growth of a considerable English silk industry ¹. Sir Josiah Child boasted in 1681 that the Company had "of late years found out a way of bringing raw silk of all sorts into this kingdom, cheaper than it can be offered in Turkey, France, Spain, Italy, or any place where it is made" ².

So successful was the new trade that vested interests in England were roused to opposition. The silk weavers of Spitalfields, though they had benefitted from the Company's supply of raw silk, attacked it for having also encouraged a rapid expansion of silk weaving in Bengal. The Company had sent out English throwsters, dyers and pattern drawers to improve the Bengal silks, and had brought prices down. In 1697 a Spitalfields mob attacked

of prices in London, the Company ordered the dissolution of the factories in Persia. See K.N. Chaudhury : Op.cit., pp. 205-60 and 71-72; Glamann : Op.cit., pp. 114-18; Bal Krishna : Commercial Relations Between India and England, pp. 141-147.

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1. For English silk industry see Sir F. Warner : The Silk Industry of the United Kingdom and Gerald B. Hertz : "The English Silk Industry in the Eighteenth Century", The English Historical Review, vol. XXIV (1909), pp. 710-727.
 2. The New Cambridge Modern History, vol. V, p. 398.

the East India House, and in 1700 an Act was passed forbidding the use of "all wrought silks, Bengalls, and stuffs mixed with silk or herba, of the manufacture of Persia, China or East India"¹. Nevertheless the trade continued, some internal^s in defiance of the Act, the most part for re-export. In addition, the continued growth of Dutch and English manufacturing demand made it necessary for the European companies' agents to encourage the production of raw silk in Bengal and to continue their efforts to improve its quality.

In 1751 a letter from Qasimbazar pointed out that "the dearness of raw silk and piece goods for some years past is owing to the Marathas constantly entering Bengal, plundering and burning the people's houses, and destroying the chief aurangs, from whence the workmen fled to distant parts ..."² Once the Company's power had helped to restore order in Bengal, however, it was possible to turn to an active promotion of production. In 1767, Harry Verelst, Governor of the Bengal Council, urged the zamindars, gathered at Murshidabad for the punya ceremony at the conclusion of the revenue year, to give all possible encouragement to the cultivation of mulberry trees and "for clearing of such lands as would

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1. The New Cambridge Modern History, vol. V, p. 401. For a list of prohibited piece goods see Bal Krishna : Op.cit., p. 326.
 2. Quoted in Geoghegan : Op.cit., p. 3.

best serve the purpose". The Court of Directors heartily approved, and directed that the rent of lands brought under mulberry cultivation should be reduced as an encouragement. Accordingly, the cultivators were induced to plant mulberry trees in addition to their existing holdings. It was declared that new or waste lands brought under the mulberry cultivation should be held rent-free for the first two years and at half rate from the third year. In 1768 the Directors wrote, "Prohibition of private purchase of the Company's sortments of raw silk was very commendable. It is in the increase of this article of our investment that we chiefly depend for bringing home our revenues; the importation being a national benefit and the consumption more unlimited than that of manufactured goods"¹. Next year they wrote urging their servants in Bengal again to extend the trade of raw silk: "There is no branch of our trade which we more ardently wish to extend than that of raw silk and in particular we would have you endeavour to induce the manufacturers of wrought silk to quit that branch and take to the winding of raw silk"². To this end they urged the use of both threats and rewards. Since the wages of

1. Despatches to Bengal, vol. 3, 16 March, 1768.
 2. Ibid, vol. 4, 17 March, 1769.

the winders at that time fell short of the amount earned by ordinary labourers in other branches of business, an increase in wages was strongly recommended so as to make them more attractive¹. But when it became apparent that the winders of silk were not ready to work in the factory while they could earn more by combining the winding of silk and rearing of worms in their houses², the Court of Directors recommended the use of force to compel the winders to work in the factories under the direction of the expert supervisors and to work only with those improved tools the Company had introduced in and around Qasimbazar³. They also approved the winding of silk direct from the cocoons into threads of such quality and dimension as might be fit for the Company's requirements and for the European markets⁴.

In 1769-70, however, the silk industry in Murshidabad was grievously affected by the disastrous famine that swept northern and western Bengal in those

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1. Reports and Documents etc., p. viii.
 2. Rawlley : Report etc., pp. 92-93.
 3. Despatches to Bengal, vol. 4, 17 March, 1769 (para 35).
In 1758, an order was obtained from the Nawab of Bengal to compel the winders to work only with reels and to confine the reels to the same dimensions as those in use in the neighbourhood of Qasimbazar. "This regulation did not effectively take place for want of proper authority to enforce it", which the Directors thought, would have the desired effect in 1769.
 4. Ibid.

years. After the famine the Company found it difficult to obtain sufficient quantities of silk at a reasonable price. The Calcutta Council wrote to the Murshidabad Council of Revenue : "Not only the quality of the silk is inferior to what it was in former years and the quantity greatly diminished, but that the chassars ask Rs. 8-8-0 per seer for the July band putney, above 50 per cent beyond the price of the commodity in 1768 ..."¹. In spite of the reduction of the mulberry cultivation by three-fourths, the zamindars in order to fulfil their agreement with the government, demanded the entire revenue they used to collect before so much so that the cultivators were compelled to raise the price of their cocoons. William Aldersay, the chief of Qasimbazar was also asked to raise the price given for cocoons until it was equal to the yield the cocoons would give to the cultivators if they reeled the silk at home - the cultivators would gain, and so would the company which could produce better quality² silk by spinning from the cocoons in its own factories. But the cultivators could not be persuaded by the offer of high prices. "Notwithstanding the very high rate", wrote the chief of Qasimbazar to the Committee of Commerce,

1. M.F.R., vol. 4, 2 Nov., 1771.

2. B.P.C., R.I., vol. 2, 25 May, 1772.

"offered to the chassars as an inducement to part with their silk pods for the encouragement of the new mode of winding they can not be prevailed on to part with the small quantity required for the reelers at present employed at the filatures"¹. Apart from the calamity of the famine, the Calcutta Council sought the reasons for this reluctance of the cultivators, in the introduction of the new mode of winding which was a deviation from the established practice of the country. They also suspected that there must be collusive practices "exist~~ing~~^{ing} amongst the pycars and dassars, or other obstacles which the Chief and Council have not been able to detect"². As a further method of control over supplies, the Fort William Council asked the Murshidabad Council and the Naib Diwan if they could collect the revenue from the mulberry planters and silk worm rearers directly in cocoons and thus secure~~ing~~^{ing} the raw materials required³. This was an emergency measure dictated by the great loss of life occasioned by the famine.

To this suggestion of the Council, however, the Naib Diwan replied that the new measure to collect rent in silk and cocoons would lead to more harm than good.

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1. M.F.R., vol. 4, 2 Nov., 1771 quoted in the letter from the Calcutta Council to the Murshidabad Council dated 28 Oct., 1771.
 2. M.F.R., vol. 4, 2 Nov., 1771.
 3. Ibid.

The cultivators and manufacturers would look upon it as a measure to seize upon the silk production by Government. Moreover, the manufacturers who had survived the famine would be dispirited and ultimately abandon their profession even if a higher price was offered to them for their produce¹. In view of the Naib Diwan's reply the Council did not pursue the plan. The Court of Directors had also called upon their servants in Bengal to encourage the cultivation of mulberry trees again, as well as to put new heart into the winders. They suggested that the lands east of the Padma river would be best suited for planting as they were well protected by the river against Maratha raiding and plundering. However the Bengal Council does not seem to have acted on these instructions² perhaps because the Marathas no longer seemed a danger.

By the later years of the decade, however, improvements in the methods used in winding and preparing raw silk had proved most beneficial, with a useful reduction in costs, and from 1776 to 1791 Bengal drew ahead of its competitors as a major source of supply to the English silk industry :

1. M.F.R., vol.4, 11 Nov., 1771.
 2. Geoghegan : Op.cit., p. 3.

Origin of Silk used in English Industry
Yearly averages (in pounds) [†]

Year	Europe	Bengal	China
1773-75	2,34,331	1,89,402	2,15,804
1776-85	2,82,304	5,60,283	2,09,128
1786-90	2,06,072	2,97,044	2,42,328
1791	3,32,391	3,73,503	2,03,539

Between these years the import of China silk into the English market did not increase. Two factors seem to have influenced the China trade. First, the wars in Europe and in India had considerably reduced the effectiveness of the English East India Company as an instrument of monopoly in the purchase of China silk. Secondly, after 1783 the independence of the United States of America brought this nation into the China trade to buy silk.²

The supplies from Europe showed considerable fluctuations. The import of French and Italian silk into England varied according to demand and supply condition of silk in Europe, which was also largely determined by the

1. H.M.S., vol. 449, p. 51.
2. W.E. Cheong : "Trade and Finance in China, 1784-1834", Business History, vol. VII, No. I (1965), pp. 40-42.

condition of war and peace in the continent. Towards the end of the century an English public opinion grew in favour of Bengal silk. The manufacturers of England expressed their satisfaction at Bengal silk which they thought, could replace the Italian supply. They were also convinced that to patronise Bengal silk was to give "a country which makes part of the British dominions the advantages desirable from the production of a commodity which forms the basis of one of the most important of the national manufactures"¹. This victory for Bengal silk was also in part due, as the Bengal Government had recognised, to the long continued efforts by the Company to improve upon indigenous methods, and to bring the process of production under their direct control.

From ~~the~~^{its} establishment in 1658 the silk factory at Qasimbazar played a most important part in the history of the English silk trade in Murshidabad despite the competition of the Dutch. Although the Dutch were at first the leading company in silk purchases, the English company took a definite lead during the second quarter of the eighteenth century². In 1775, the English factory at

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1. Memorial by the English Manufacturers to the Court of Directors, quoted in F. Warner : The Silk Industry of the United Kingdom, pp. 382-383.
 2. K. Glamann : Dutch Asiatic Trade, 1620-1740 (Copenhagen, 1958, pp. 123 and 129-30.

at Qasimbazar had an enormous establishment consisting of a chief and eight English assistants who had hundreds of Indian workers under their charge¹. It had under its jurisdiction several aurangs to collect silk and piece goods for the company. These silks and cloths were brought to Qasimbazar where they were sorted according to their quality, priced and packed in bales for England². The East India Company also established silk reeling factories at Jangipur where silk from Malda and Rajshahi was~~o~~ collected for winding³. The importance of this factory was so considerable that in 1784, the Board of Trade directed the Governor-General and Council to sanction a military post to protect it from any possible raids⁴.

We have seen that the Company took an active interest in the purchase and production of silk in Murshidabad from the very beginning of their commercial enterprise in Bengal. But they were concerned about the quality of Bengal silk. Before the establishment of the English factories at Qasimbazar and Jangipur in the Murshidabad

1. B.P.C., R.2, vol. 9, 16 January, 1775.

Monthly salary of the servants of the Company at Qasimbazar Factory :

William Aldersay (chief)	.. ..	Rs. 1250-0-0
Jacob Rider (Head Assistant)	.. ..	Rs. 174 plus
		Rs.20-6 as a senior merchant.

Edward Smith, Robert

Tomlinson, John Fydell,

Thomas Pottinger, Lewis

Pictet, Edward Pott, Henry

Latham and Thomas Hosier (writers) Rs. 45-15-6 each.

District, a large number of people worked in the local reeling factories. Silks wound in these factories by "primitive" methods were not suitable for the articles manufactured in England. The silk buyers and weavers of England made strong complaints against the quality of Bengal silk ¹.

From about 1757, therefore, systematic efforts were made to improve the quality of Bengal silk. The Court of Directors were induced by the silk manufacturers of England to send Richard Wilder to Qasimbazar to examine the causes of the faults in Bengal silks and to suggest improvements ². Wilder remained at Qasimbazar for four years till his death in 1761 and rendered valuable services to the silk industry of Murshidabad by improving the method of winding the silk and teaching the art of improved reeling to the local artisans. He also visited the different silk factories of the Company in Bengal. His letter to the Court of Directors contained several useful suggestions on the reeling, knotting and winding of raw silk in the factories ³. The new silk winding machine

2. Despatches to Bengal, vol. 6, 25 January, 1772 and vol. 10, 4 April, 1779.

3. W.W. Hunter : Statistical Account of Bengal, vol.9, p. 82.

4. B.R.C., R. 50, vol. 52, 21 April, 1784. The Governor-General and Council directed the Murshidabad Council of Revenue to furnish an adequate number of soldiers from Murshidabad.

1. J. Long : Selections from Unpublished Records of Government, vol. 1, p. 84, quoted from Court's Letter to Bengal, 25 March, 1757.

which he invented was found very useful by the Qasimbazar factors and it considerably improved their defective winding¹. He also suggested that silk winders should be procured at the Qasimbazar factory on an advance^{of} money to encourage them to produce silk sufficient for the Company's investment². The Company, however, did not act vigorously to implement his suggestions. Wilder's foresight was proved when about 1767 the winders deserted the English factories, being enticed away by the higher wages advanced to them by the Dutch and the French companies³.

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2. J.Long : Op.cit, vol. I, p. 84, quoted from Letter from the Court, 25 March, 1757, paras 140 and 146.
 3. B.P.C., R.I, vol. 32, 14 July, 1760.

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1. Letter to Court, 29 December, 1759, quoted in A.F.M. Ali: "The Silk industry in Bengal", Bengal Past and Present, vol. XXIX (1925), p. 35.
 2. B.P.C., R.I, vol. 32, 14 July, 1760. In 1760 the Company employed about 2300 winders at Qasimbazar but they required about 4,000 of them to complete the Company's order. See also vol. 32, 3 March, 1760. Wilder apprehended that the price of raw silk in England would be affected on account of the loss of two ships which were carrying silk from China and the prohibition on the export of raw silk from that country. See B.P.C., R.I, vol. 32, 18 Feb., 1760. An Indian ship the "Muxudabad" arrived from Canton with a letter from the Company's servant dated 30 Dec., 1759 advising the notification of the Chinese Emperor having prohibited the export of silk.
 3. B.P.C., R.I, vol. 41, 5 March, 1767.

After Richard Wilder's death another expert was employed, a certain Joseph Pouchon, who devoted himself "to improve the growth of Bengal silk worm and thereby to increase the quantity of raw silk"¹. Pouchon seems to have greatly improved the quality of silk. According to the European sales in September 1770, silk produced after Pouchon's method earned $6\frac{3}{4}$ per cent more profit to the Company than other silk. There was also improved supervision by the European members of the factory for the selection and purchase of cocoons.

In 1769 the Court of Directors, still bent upon technical improvement, decided "to introduce into Bengal the exact mode of winding practised" in the silk factories in the continent of Europe, and accordingly James Wise, P. Robinson and William Aubert were sent as superintendents of the Bengal factories³. A number of winders, reelers

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1. Letter from Joseph Pouchon to Henry Vansittart, the President and Governor of the Bengal Council, dated 10 Nov., 1763, quoted in Long : Op.cit., p. 337. A further attempt to improve the breed of silk worms was made in 1771, when worms were brought from China to Jangipur, but carelessness and mismanagement ruined the experiment. See Geoghegan : Op.cit., p. 1.
 2. B.F.C., R. 2, vol. I, 25 May, 1772.
 3. Despatches to Bengal, vol. 4, 17 March, 1769. Each of them was allowed an annual salary of £400 for full time service, plus £20 a month as diet. The cost of their journey was borne by the Company. Their salary was later increased by £200 annually. See Despatches to Bengal, vol. 6, 25 March, 1772.

and mechanics were also sent out to Bengal, who were supplied with tools, models and other implements as used at Novi (Italy). Wise and Robinson arrived in Bengal in 1770 and were employed at Qasimbazar¹. Their method of winding was found to differ from Pouchon's in that they wound off two threads upon the same reel, which crossed each other, giving the silk a roundness hitherto lacking under Pouchon's and the "country" methods. To improve the silk filatures at Qasimbazar, Wise suggested the use of a great quantity of clear water in a reservoir to give a rich gloss and brilliancy to the colour of silk, and provision of a large quantity of dry wood to enable the spinner to diminish and increase the fire according to need or circumstance. He advised that damaged cocoons should be taken out from the good ones as soon as they were brought to the factory because they marked the good cocoons, fouled the water in the pan and gave a bad colour to the silk. He also recommended the killing of the worms in the cocoons by oven heat which strengthened the gum, instead of by exposure to the sun which burned and weakened the thread. He also advised the reelers to stop the reel when a thread broke and to place the thread under

1. Aubert died on the way.

the same skein and not to join it by a knot¹. Officers were appointed to supervise the spinners so that they maintained the specified quality of the silk. Their duties² were to see that the silk threads were made from the exact number of cocoons prescribed, and to avoid the thread being entangled, that there were not too many cocoons at a time in the pan.

The superintendents soon expressed their confidence that the local spinners could be trained to the Italian method of winding³. In 1771, Robinson reported that a boy of sixteen, after a short training had proved himself to be an expert in winding on the filature⁴. He realised that the defects in the silk were mainly due to bad cocoons and suggested that only good ones should be bought for the filature which, he thought, the cuttanees and buyers of putney would oppose as it would deprive many of their subsistence⁵. The first silk prepared under the supervision of Wise and his assistants was sent to England in 1772 and was reported to have been a satisfactory improvement⁶.

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1. Reports and Documents etc., p. 17.
 2. Despatches to Bengal, vol. 10, (14 April, 1779). In Italy there were two overseers to watch the spinners in a filature of forty furnaces.
 3. B.P.C., R. 1, vol. 48, 4th March, 1771 and R.2, vol. I, 25 May, 1772.
 4. Ibid.
 5. Ibid., R.2, vol. I, 25 May, 1772.
 6. It was reported that "Mr. Wiss (Wise) had succeeded to admiration in drawing a tolerable silk from the most

In the seventeenth and early eighteenth centuries both raw silk and silk fabrics had figured in the purchases of the Company at Murshidabad. By the end of the latter century however, woven silks had almost been eliminated. The Act of 1700 against woven silks first reduced English demand, and war, notably from 1756 to 1763 and 1773 to 1776, followed by the French Revolution in 1789 hit the European markets for Bengal silks. In India the acquisition of political power by the English after Plassey enabled them to curb the trade of rival European and Indian merchants. The weavers were forbidden to work for other foreign or local merchants until English orders had been completed¹, and they were thus deprived of a free, competitive markets for their goods². At the same time Maratha activities in Northern and Western India limited traditional outlets there. The English chief at Surat reported that whereas in 1765, one hundred and ninety-five bales of piece goods and raw silk, valued at Rs. 2,57,650 had been imported from Bengal into Surat, in 1789 the number was down to five bales valued at only

ungrateful cocoons that the sickliest worms under the most unfavourable seasons could produce".

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1. Raynal : Op.cit., vol. I, p. 468.
 2. M.F.R., vol. 4, 11 Nov., 1771.

Rs. 3,200¹. For this great reduction the Bengal famine was largely responsible, for the weaving community was particularly vulnerable, and their skills once lost were not quickly replaced. But the deliberate effort by the English Company to turn the silk districts from manufacturing silk cloth to producing raw silk for English industry must also have played a part. The Directors in March 1768 declared that it was in raw silk that their revenues must be brought home - "the importation being of national benefit and the consumption more unlimited than that of manufactured goods", and in 1769 the Directors urged their servants to "induce the manufacturers of wrought silk to quit that branch and to take to the winding of raw silk", for the supplying of English manufacturers had become a "great national object"².

So far nothing has been said of the way in which the Company made its purchases of raw and worked silk. But as the Company came increasingly to dominate the political and commercial life of Bengal, the importance to ^{the} Murshidabad silk industry, of the Company's methods of investment likewise grew. The description which follows covers a wider area than Murshidabad, but all of it applies to Murshidabad.

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1. N.K. Sinha ^{The} Economic History of Bengal, vol. I, p. 114 quoted from Eur. Mss. D. 281.
 2. Ibid., pp. 18-19.

The most significant feature of the Company's trading, from its earliest days, was that, it was conducted through a system of advances, known as 'dadān'¹ or in the Company's terminology 'investment'. Such a system, whether operated through intermediaries or not, was necessary because of the poverty of the peasants and artisans. Both lacked working capital and their poverty prevented them from buying raw materials and the instruments of their crafts without taking advances. The taking of advances in turn prevented them from selling their finished products to the highest bidder upon the open market, and so perpetuated their poverty. The European merchants for their part found it useful to work through advances since they could not procure sufficient quantities for exports in the market. By employing the Company's capital in advances to large number of local workmen they were also able to secure a more direct control of the various industries, and so influence prices and quality, and secure a more regular production.

Owing to their ignorance of the language of the country and the complex system of weights, measures, and

1. Dadan is practised even today in rural Bengal. The village merchants lend money to the cultivators for the purchase of jute and molasses at a price far below the market rate and collect goods during the harvest season. Sometimes the merchants take surety from the village headman who on behalf of the cultivator stands guarantee for the goods pledged.

currency and market customs, European merchants early came to depend upon local merchants, or banians¹, as their purchasing agents. The account given by Walter Clavel, Mathew Vincent and Samuel Harvey, the factory chiefs of Hughly, Qasimbazar and Dacca of their trading methods in the 1670's, show that their investments were made either by merchants, on the basis of contracts, or by banians, acting as commission agents in purchasing goods on the Company's account². At Qasimbazar the silk purchases were made on the former system,

In the first half of the eighteenth century contract became the regular system in Bengal. By it, the Company made contracts for silks with Indian merchants - the dadni merchants - for specified quantities of goods. The dadni merchant was an independent local trader, working on the Company's advances and taking all risk of profit or loss upon himself. The Company had no direct contact with the producers at all.

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1. When the Europeans were mainly mercantile bodies in India and were unacquainted with the country, they used the service of a section of local people called banians. He is by his office the steward of the household of an English servant of the Company and had the care, management and ordering of his servants and purchased what was necessary for his employer. He was often a merchant or sometimes a broker in mercantile goods. Having been authorised by his English employer a banian went into the districts to procure goods for his master, and took advantages of the Company's name and power while dealing with the peasants and manufacturers. See Keith : Speeches and documents, pp. 137-40.
 2. Streynsham Master's Diary, vol. II, pp. 9-14.

The process of completing an investment began in London when the Court of Directors decided on their requirements and specified the quantity they wanted from Bengal. The Bengal Council could revise the total value of goods required in the light of the local circumstances and their available means and then they allocated funds to the factory chiefs¹. The chief and other assistants at Qasimbazar then began the actual work of procuring exports for England. They called the merchants, discussed the quality, quantity and price of goods and other terms of contract and concluded an agreement with the latter. They also took security from the merchants². The merchants travelled through the surrounding countryside, first giving advances to the weavers and other workmen, then later returning to collect the finished products, according to the contract, which were deposited either in the local warehouses in the aurangs³ or in the chief factory. When a sufficient quantity had been brought into the factory it was opened before the senior officials who examined

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1. A. Embree : Charles Grant and British Rule in India, pp. 68-69.
 2. Qasimbazar Factory Records, vol. 6 (1741).
 3. Aurangs were the places where the weavers sold their manufactures but later on they came to be used by the Company for their go-downs or warehouses and offices for the purchase of goods.

some items from the whole lot and compared them with the samples upon which they had made agreements with the merchants. The goods were then either accepted, rejected or taken with an adjustment on their price.

A fresh contract was generally made with the merchants after they had completed the previous one or supplied the major part of it, and when the officers were free after despatching the silk to England, that is generally by February and March. In this way the merchants were kept engaged all the year round. It was emphasised that the collection of goods should be complete a reasonable time before the shipping, though ^{it} balances were still due in March, they might be allowed to complete their contracts in the following year ¹. In distributing the advances for 1740-41 for raw silk among the merchants of Qasimbazar the Company proportioned the share of new contracts according to the quality of the silks the merchants had previously supplied ².

About 1750, complaints became rampant that the dadni merchants were furnishing goods of inferior quality and at high prices ³. Accordingly in 1753, this system

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1. See R.N. Banerji : The East India Company in Madras, 1707-44, University of London M.A. Thesis, 1955, p. 354.
 2. Qasimbazar Factory Records, vol. 6, (1741).
 3. Letter to Court, 20 August, 1751, See also letter from Charles Grant to Cornwallis dated 31 Oct., 1786, quoted in Embree : Op.cit, p. 71.

was abandoned and the Company took^{to} the agency system for obtaining goods. Under this system the chiefs of the factories and their servants in the aurangs acted as the purchasing agents for the Company. Formed into supervising committees they undertook to estimate the producing capacity and prospects of the area, and through their gumastas, sent out into the countryside from the aurangs, to advance money to the workmen and to collect the finished goods. From the aurangs these were then despatched to the chief factory where they were sorted, graded, ~~graded~~ and priced, packed in bales, labelled according to the quality of the silk, 'head', 'belly' or 'foot', and so shipped off to Calcutta¹ .

The agency system worked either directly through the gumastas, or in some cases through additional middlemen called dalals and paikars. The services of these intermediaries, lesser men than the dadni merchants were not free of disadvantages to the Company, since it was difficult to recover advances from these brokers if they failed to supply the goods² . More important the direct dealings with the weavers were open to serious abuses as the gumastas

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1. Despatches to Bengal, vol. 6, 25 January, 1772 and vol. 10, 4 April, 1779; see also Glamann : Op.cit, p. 124.
 2. Diary of Streyntsham Master, vol. II, pp. 9-14.

backed by the increasing power and influence of the Company were in a position to impose arbitrary prices and compel the weavers to accept advances against their will and thereafter "established a monopoly both upon the workers and their work. The assent of the weavers was not deemed necessary, for the gomastas when employed on the Company's investment frequently make them sign what they please, it has been known they have had it tied in their girdles"¹. The workers had no legal protection against fraud and violence by these agents². In such malpractices they were^{often} supported by the Residents and junior servants of the Company who were usually deeply engaged in private trade³. The Resident, responsible for an investment of say £50,000, was in any case able to influence the market in his own interest. Armed with political authority he was able to use the gumastas to enforce his own as well as the Company's near monopoly. "If any country merchant,

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1. Ramsay Muir : The Making of British India, pp. 91-92
quoted in G.Unwin : "Indian Factories in the 18th Century",
Manchester Statistical Society, 9 January, 1924.
 2. Embree : Op. cit., p. 70.
 3. Ibid., p. 74.

Armenian or others attempted to purchase, there was an immediate cry that it interfered with the Company's investment. This plea has been made use (of) in all quarters for private emolument to the stagnation of trade, and the oppression of the chassars, manufacturers, etc., these latter finding not free vent for their commodities, and discouraged from producing them, and it is certain that the quantity of putney produced in the districts hereabout decreases annually : and it is certain that ϕ if the present monopolizing (sic) system continues, even the Company's investment will be reduced very low, altho' all other considerations should continue to give way to it"¹.

Since the agency system proved so little successful, and seemed indeed particularly open to corrupt and offensive practices, a return to ~~the~~ contract was considered. Within a few months of the acquisition of the Diwani, the Bengal Council wrote to the Directors suggesting the use of dadni merchants again and pointing out that as the Company was now sovereign there could be no difficulty in enforcing the contracts². In December, 1767, the Select Committee issued regulations to the zamindars and Government officers designed to prevent oppression by

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1. W.K. Firminger (Ed) : The Letter Copy Books of the Resident at the Durbar at Murshidabad, 1769-1770, Letter from Richard Becher to Harry Verelst, 7 May, 1769 (Appendix IV), pp. IX and X, cited hereafter as The Letter Copy Books.
 2. Letter to Court, 31 January, 1766.

the Company's gumastas¹. These regulations forbade the gumastas to reside without the governor's permission in the aurangs or to buy or sell articles not specified in his letter of authority, or to use force upon the producers in the prosecution of their business. However, it soon became apparent that the oppression by gumastas could not be dealt with by mere regulation since it was a consequence of the private trade of their English masters. In 1769 therefore Richard Becher, Resident at Murshidabad again urged a return to a free and open trade which would encourage the raiyyat and manufacturer. "I well remember this country", he wrote, "when trade was free, and the flourishing state it was then in : with concern I now see its present condition which I am convinced is greatly owing to the Monopoly that has been made of late years, in the Company's name, of almost all the manufacturers in the country. Let the trade be made free, and this fine country will soon recover itself the revenues increase and the Company procure as large an investment as they can spare money to purchase, and these purchases will prove a benefit to the country"². He advocated the provision of

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1. Muhammad Reza Khan's letter embodied in the Select Committee Proceedings of February 1766, throws sufficient light on the tyrannous activities of the gumastas -quoted in N.Chatterji : "Clive and the Comapany's Gumastas", Indian Historical Quarterly , vol. 28 (Calcutta 1952), pp. 290-291. See also H.M.S., vol. 92, pp. 373-376.
 2. W.K. Firminger : The Letter Copy Books, p. X.

investment through merchants working on contracts. "It will be the only mode that can be adopted", Becher continued, "to prevent an undue influence being used under the Company's name, and will be the means of re-establishing merchants in the country, of which you are sensible there is a great want, and that having many creditable merchants and shroffs will be general benefit"¹.

Though in other fields the agency system continued the Calcutta Council agreed, on Becher's plea, to reintroduce the contract system for silk purchases at Qasimbazar and from 1769 money was advanced to a group of² local merchants for the provision of silk and piece goods.

The return to the contract system did not work very smoothly. The dadni merchants in 1769 had demanded various privileges to help them fulfil their contracts, including the immediate discharge of the winders and weavers working at the Qasimbazar factory³. After the fearful famine of 1769-70, which caused heavy mortality among those who cultivated the mulberry trees and reared⁴ silk worms they put forward several further demands. They

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1. W.K. Firminger : The Letter Copy Books, p.X.
 2. The principal merchants were Krishna ~~Sarma~~ Sarma, Nandalal Sarma, Krishna Chand, Baidhya Nath, Ram Krishna, Radha Madhab, Onup Chand, Indra Narayan Datta, Ram Krishna Das, Jagat Kundu, Krishna Kanta, Bijoyram, Nityananda, Jagannath Das, Gour Choudhury. See B.P.C., 14 August, 1769, R. I, vol. 44.
 3. B.P.C., R. I, vol. 44, 14 August, 1769.
 4. Ibid, R. I, vol. 48, 31 January, 1771.

asked that three-fourths of the total value of the contract should be paid to them at its commencement in January, and the rest on the first day of May. They claimed a guarantee against arbitrary pricing by the Company, and a bonus of four annas per seer of silk if they supplied a better quality than stipulated, and agreed to a proportionate abatement for inferior qualities. They insisted on the return to them of rejected goods. They also demanded the withdrawal of all gumastas employed by the Company. Finally they submitted a list of prices for silk and piece goods which in every item showed a considerable advance upon previous years :

Articles	Prices in 1768 (in Rs.)	Prices in 1769 (in Rs.)	Prices demanded	Quantity
Silk	7-8	10-0	11-8 to 12-0	per seer
Taffetas (plain)	10-12	13-5	15-0	per piece
Taffetas (coloured)	10-12	15-0	15-4	" "
Bandana (ordinary)	5-10	7-0	7-8	" "
Bandana (fine)	6-0	7-8	8-0	" "
Rumals	9-12	12-13	13-12	" "
Lungi	9-12	12-8	14-4	" "
Chintz	7-8	10-0	12-12	" "

1. B.P.C., R. I, vol. 44, 14 August, 1769 and vol. 48, 31 January, 1771.

These multiple demands and proposals were rejected by the Calcutta Council, and for the moment the contract was again abandoned. In 1771 gumāstas and paikars¹ were again at work .

Meanwhile, the Court of Directors, alarmed by the rise in prices and fall in quality of the Bengal investment, had decided that it was the agency system which was at fault, and in April 1771 they sent orders to revert to the investment by contract² . Acting on this instruction the Bengal Government in early 1773 adopted certain resolutions whereby the contract system was partially resumed throughout the province and the artisans and the manufacturers were given freedom to deal with the purchasers³ . It was expected that the Government policy and its regulations would encourage Indian merchants to regain their position in the internal trade of Bengal.

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1. The names of several paikars are given in the Murshidabad Factory Records, vol. 4, 25 November, 1771 : Dansuk Poddar, Panchu Goldar, Radhanath Poddar and Khosal Chand, who supplied cocoons for the Qasimbazar factory.
 2. Letter from Court, 10 April, 1771.
 3. Extracts from Bengal Regulations, 12 April, 1773 : "That we will receive proposals from all native merchants, who may be willing to contract with the Company for any quantity of goods (not amounting to less than 20,000 rupees) of the proper assortments for their investment, and to give satisfactory security for the performance of their engagements". See J.E. Colebrook : Digest of Bengal Regulations (Supplement), p. 453.

Next year, a Board of Trade consisting of eleven members, including the chiefs of the subordinate factories, was constituted to deal with the executive function of investment¹.

But the Directors' hope that the Indian merchants would regain their former position was not realised, for the Board of Trade frequently gave the contracts to the Commercial Residents, who in many cases were members of the Board, or to their favourite banians. The impact of unequal competition and of official pressure used for the private ends continued to be felt, for the contract system so operated had all the disadvantages of the agency system. As a result, in 1776 the Directors observed that there were hardly any "country" merchants of substance who could supply goods to the Company². The situation remained unchanged until 1787 when Cornwallis wrote indignantly to Dundas, "I have every reason to believe that at present all the collectors are under the name of some relation or friend deeply engaged in commerce and by their influence as collectors and judges of Adwalat (Adalat) they became the most dangerous enemies to the

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1. Letter from Court, 3 March, 1775 quoted in N.K. Sinha : Economic History of Bengal, vol. I, p. 16.
 2. Letter from Court, 24 December, 1776

Company's interest and the greatest oppressor of the manufacturers"¹. In 1787, therefore, prompted by Charles Grant, Cornwallis decided to revert fully to the agency system².

One other brief experiment in the silk trade deserves mention, that of throwing it open to the free merchants. In the late 1770's and early 1780's the Company was subject to great financial strain by extensive warlike operations in India, so that its funds for the investment in silk were greatly reduced. When strained relations between England and France seemed likely to add a conflict with European powers in Europe and India, for which the Bengal revenues would have to be employed, the Bengal Council decided that they would be unable to provide the regular supply of raw silk required by the English industry. In 1783, therefore, the Calcutta authorities³ threw the trade open to private individuals. Every effort was made to maintain the capacity of the Company's factories and to prevent trained workers from leaving them, by allowing private traders to use the Company's buildings and equipment in their filatures and factories.

1. Quoted in N.K. Sinha : Op.cit., vol. I, p. 27.

2. Embree : Op. cit., pp. 99-101.

3. B.P.C., R.2, vol. 61, 19 May, 1783. See also R.C. Rawlley: Op.cit., p. 93.

The Company reserved their right to resume an exclusive trade in silk when the emergency was over, and in 1785 they did so. The Directors, however, limited the annual Bengal silk investment to £540,000 which they regarded as sufficient to meet home consumption¹. The Company² continued its silk operations in Bengal until 1835² when under the Charter Act of 1833 its commercial monopoly expired and its direct connection with the Bengal silk industry³ ceased.

Though the Company continued to trade in the Qasimbazar silk until/1830's, it was upon a very reduced scale. A marked decline had in fact set in in the last decade of the eighteenth century - a decline in which the whole commercial life of the Murshidabad District was in fact involved. This was recognised when in 1787 Cornwallis reduced the status of the Qasimbazar factory from a chief-ship⁴ to a residency.

To that decline a number of factors had contributed. The reasons for the decline of the trade in manufactured silks have already been touched upon. But the

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1. Reports and Documents Etc., p. XVI. In 1777, Philip Francis advocated a moderate sum of Rs. 90,00,000 for the Company's annual investment. See Francis Minute in B.P.C., R.2, vol. 2, 29 December, 1777.
 2. According to Sir William Hunter 1833.
 3. See A.F.M. Ali : Op.cit., p. 39.
 4. B.P.C., 23 February, 1787 quoted in A.F.M. Abdul Ali : Op.cit., p. 33.

decline in the production and purchase of raw silk to the improvement of which the Company had devoted considerable efforts, requires further consideration.

After the battle of Plassey, and still more after Buxar, the Company was always able to apply administrative pressure to its commercial operations. Whether the investment was made through gumastas and other agents, or through a system of contracts which fell into the hands of English servants or those of their banians, the normal pattern of trade was distorted by the exercise of political power. Gumastas, "under the sanctions of the Company's name" and "under the pretence of securing an investment for the Company" practised the "most unbounded tyranny and extortion on all manufacturers and weavers of silk" for their own selfish ends.¹ In June 1769 Verelst pointed out that the output of Qasimbazar silk had fallen from between twelve and twenty three thousand maunds a year between 1750 and 1757 to less than seven thousand maunds since 1765.² Becher at Murshidabad confirmed Verelst's account of the fall in output and attributed it to the oppressive gumasta system. "Since the Hon'ble Company have been in possession of the Dewanee, the influence that has been used in providing their investment, and under

1. Quoted in A.F.M. Ali : Op.cit., p. 36.
 2. B.P.C., 19 June, 1769, quoted in A.F.M. Ali : Op.cit., p. 37.

their name, goods on private account, has proved such a monopoly that the chassars (cultivators), manufacturers, etc., have been obliged to sell their commodities at any price/^{to} those employed to purchase for the English thought proper to give them"¹. A first advance having been unscrupulously made so as to create a balance at the end of the year in favour of the dalals and paikars, interest was allowed to accumulate until the manufacturers were unable to escape from the obligations except by flight² from the profession .

Their bonds were made tighter because the manufacturers lacked a free, competitive market for their goods. The decline of the Bengal Nawabs, and of the Imperial court at Delhi meant an end to one valuable source of patronage. The Company's successful efforts to oust their European competitors ended another alternative outlet. We have already said that weavers were forbidden to work for their foreign merchants until English orders had been completed. In 1775 the Resident at Baulia (in Rajshahi district) suggested that the Murshidabad Council

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1. Firminger : The Letter Copy Books, pp. IX and X.
 2. M.F.R., vol. 4, 11 Nov. 1771; J.C. Sinha : Economic Annals of Bengal, p. 88; R.C. Rawlley : Op.cit., pp. 92-93; R.C. Rawlley : Economics of the Silk Industry, pp. 26-27; R.C. Dutt : Economic History of India, p. 45.
 3. Raynal : Op.cit., vol. I, p. 468; B. Chowdhury : Growth of Commercial Agriculture in Bengal (1757-1900), vol. I, pp. 75 and 83.

should not allow the kataniyas or spinners to work without a valid licence from the Government, and that the issue of such a licence should be subject to their obedience to regulations laid down by the Company's Government.¹ Embree has shown how stubbornly the Company's servants resisted even strongest orders from the Directors to allow the French to trade freely in their old establishments, such as that at Saidabad, near Murshidabad.² Again, Holden Furber has pointed out that with the growth of a trade to China from Bombay and Madras there was an influx of Chinese silk which narrowed the market in those presidencies for Murshidabad silk.³

To these difficulties was then added a great natural calamity, the famine of 1769-70. There was an incredible mortality among the cultivators who formerly engaged themselves in rearing silk worms. The Naib Diwan, Muhammad Reza Khan, reported that as a result of the famine many artisans had died for want of food, many had deserted, and those who survived were incapable of working.⁴ The silk industry, after this catastrophe, could never be organised again on its former extensive scale.⁵

1. M.F.R., vol. 10, 4 December, 1775.

2. Embree : Op.cit., pp. 80-82.

3. Holden Furber : The John Company at Work, pp. 162-163, 169, 181.

4. M.F.R., vol. I, 26 November, 1770.

5. B.P.C., R. 2, vol. I, 25 May, 1772; Proceedings of the Committee of Circuit, 25 August, 1772.

Industrial pursuits became less remunerative than agriculture and a large number of skilled workers were compelled to seek sustenance from the land¹.

At the end of the period yet another factor was added to the many causes of the decline in the Murshidabad silk industry, the Industrial Revolution in England, Hand spinning and hand weaving proved unable to compete with power driven machinery and factory organisation. The prices of raw silk and finished silks had been driven up shortly in Bengal by the famine and by malpractices just when cheap and fine machine-made thread and cloth were coming in the market in England. As early as 1719 the English silk weavers had complained that cotton was competing with silk : "Again our women kind us'd to line their English and Dutch Callicoes with slight silks called Persians and Sarsnets; which silks employed many Hundreds of Looms : whereas at present there are not half of them employ'd because of late our Women line their Callicoes with some of the same kind"². With the growth of an English Cotton industry such threats grew, and by the end of our period had already become dangerous³. In 1794 the Court

1. Bal Krishna : The Industrial Decline in India, p. 85.

2. The Weavers' True Case, 1719, quoted in L.C.A. Knowles : The Industrial and Commercial Revolutions in Great Britain during the Nineteenth Century, p. 44.

3. Average annual imports of raw cotton into England had increased from some 2 million pounds in 1716-20 to 11 million pounds in 1781-85 and to 25 million pounds in

of Directors reported that the silk trade, already declining for some years in consequence of the rapid progress of the cotton manufactures, had been so much reduced that thousands of English silk weavers had been thrown out of employment, while the demand for raw silk had fallen so greatly that the price had come down from twenty one to sixteen shillings a pound, inflicting a heavy loss on the Company¹. The continued growth of the English cotton industry, producing finer goods more and more cheaply, was to invade the markets for Bengal and English silks first in Europe and the Levant and finally in India itself.

Apart from silk, the Murshidabad industry best known outside Bengal during the period was ivory carving. The origin of this industry may be traced back to the time when the Nawabs of Bengal exercised full power at the Court of Murshidabad. It is said that once the Nawab^s of Murshidabad asked for an ear-scratcher, and when one made from grass was brought to him, he refused it, as not befitting the dignity of a Nawab, and demanded an ivory pick². An ivory carver was then imported from Delhi to

1786-1790. They doubled again in the next ten years. Figures quoted in L.C.A. Knowles : Op.cit., p. 47.

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1. Despatches to Bengal, vol. 26, 2 July, 1794.
 2. G.C. Dutt : A Monograph on Ivory-carving in Bengal, pp. 3 and 8.

make an ear-pick for the Nawab. While he was at work, a Hindu bhaskar or carver of stone and wood images, spied on him through a hole in the wall, learnt the art and taught it to his son Tulsi. Tulsi Khatumber excelled his father in the art and was later retained in the Nawab's pay¹. During the Nawabi period, Murshidabad ivory-carving was perhaps better known than any other Indian ivory-work for its minuteness, finish and vivid representation. Murshidabad carving was also imitated at Delhi and Benares². The art retained its glory as long as it received encouragement.

The articles generally made were figures of animals such as elephants, camels, horses and oxen, model boats, palanquins and bullock carts, figures of Hindu gods and goddesses, marriage processions and hunting scenes, caskets, chessmen, combs, walking sticks, small toys, model buildings, handles for knives, ink stands, pen holders and looking glass frames³. Ivory works such as inkstands, combs etc., formed part of Murshidabad's exports during the years from 1773 to 1779⁴. An ivory chair and a small

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1. L.S.S. O'Malley : Murshidabad District Gazetteer, (Calcutta 1914), p. 140. He received fifteen rupees per month from the Nawab as a retaining fee exclusive of the price of articles he supplied to the Nawab's family - statement of Girish Chandra Bhaskar, a descendant of Tulsi to G.C. Dutt : Op.cit., p. 3.
 2. L.M. Stubbs : "Ivory-Carving in North-west Provinces and Oudh", Journal of Indian Art and Industry, vol. I, p. 43.
 3. Birdwood : Industrial Art of India, vol. II, p. 52.
 4. See Export registers of the Murshidabad Custom-house in Beng. Board of Rev., Misc. Pcds., vols. 15, 18, 20 and 21 (1773-1778).

table which Munni Begum¹, the widow of Nawab Mir Jafar, presented to the wife of Warren Hastings, were the most attractive and valuable pieces of furniture². Even as late as 1851, a few Murshidabad ivory exhibits were sent to London for the Great Exhibition, and were highly admired³.

The first markets for the products of the ivory carvers were the courts of the Nawabs of Bengal and the Bengal aristocracy, and several specimens of ivory work are preserved in the palaces of the Nawabs of Murshidabad and the Maharaja of Qasimbazar. When the Nawab's court declined, the industry for a while was sustained by the European merchants of the factories and the aurangs of the district. "During the palmy days of Kasimbazar, when many Europeans belonging to the cotton and silk factories of the Old East India Company lived there, the ivory-carvers carried on a brisk business, both in the district and out of it. Even in 1811, when the place was fast⁴ sinking into obscurity ... it was still noted for silk ... and inimitable ivory work". However, with the collapse

1. For the life and career of Munni Begum see A.F.M. Abdul Ali : "Munni Begum, the 'Mother of the Company'", Bengal Past and Present, vol. XXIX, April-June, 1925, pp. 148-154.

2. Ibid., p. 149.

3. L.S.S. O'Malley : Op.cit., p. 140, quoting Prof. Royle: Lectures on the Arts and Manufactures of India, (1852).

4. G.C. Dutt : Op. cit., p. 7.

of the silk and cotton industries and withdrawal of the European agents, ivory carving also declined, becoming a secondary means of livelihood to workers who lost much of their skilled technique.

The materials for the industry was drawn in part from Sylhet and Chittagong, where elephants were still hunted, and partly from Calcutta to which African ivory came, after transshipment at Bombay¹.

Jewellery was also an important manufacture of the district. Among the items of jewellery produced in Murshidabad, various ornaments made of gold and silver with inset pearls, diamonds and precious stones deserve special mention. Looking glasses, wooden boxes, toys and stationery ~~articles~~ were also manufactured in large quantities. The Murshidabad Customs-house registered these articles among its exports to the neighbouring districts during the period from 1773 to 1778².

During the eighteenth century, there was a considerable trade in hand-made paper in the district of Murshidabad³. Provincial capitals, big towns and commercial

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1. Beng. Board of Rev., Misc. Pcds., R. 98, vol. 15, 1773.
Twentyfive maunds of tusks were brought to Murshidabad from Calcutta in 1773.
 2. Beng. Board of Rev., Misc. Pcds., vols. 15, 18, 20 and 22, 1773-1778; see also Buchanan : An Account of the District of Bhagalpur, pp. 622-630 and An Account of the District of Dinajpur, pp. 314-329.
 3. J.H.T. Walsh : A History of Murshidabad District, p. 98.

centres drew their regular supply of paper generally from the suburban hamlet of the paper-makers (kagazis), which was called Kagazipara¹. These papers were widely used to record the administrative proceedings of the Nawabi Court as well as to keep the zamindari and Mahajani accounts.

The paper, being coarse, was durable and perhaps resistant to the ravages of insects. Big merchants, visualising the large transactions of the year, also advanced money to the paper manufacturers who could supply the required quantity². Unless specially ordered, each sheet of paper was usually twenty four inches long by sixteen inches and folded twice. The ingredients they used for the manufacture of these papers were grasses, straws, saw dust, cotton rags and jute-cuttings.

Boats for various commercial uses were constructed in the District. The construction of boats formed the major occupation of the carpenters on the eve of the rainy season. These boats were of various kinds and named according to the uses to which they were put³. Cargo boats might carry a load of from one hundred to one

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1. J.N. Sarkar : "Industries of Mughal India", The Modern Review, vol. XXXI. (No.6, June 1922), p. 679.
 2. Buchanan : Roongpur, vol. II, Mss.Eur. D75.
 3. Bajra (travelling boats), mayur pankhi (front pointed like a peacock), palwar (narrow boats fit to move in shallow water) and seringas (a kind of fishing boat). See Bijoyrama : Tirthamangala, p. 9; Stavorinus : Op.cit., vol. I, pp. 465-66.

thousand maunds¹. A carpenter took about two months to build a boat of one hundred maunds and the cost was estimated by Buchanan as follows²:

	<u>prices in rupess</u>	
	Ra.	As.
4 timbers 8 yards long by 3 yards	12	0
Sawing ¹	4	8
Iron ($1\frac{1}{2}$ maunds)	8	0
Blacksmith (to make clamps)..	4	0
One carpenter (2 months)	8	0
2 labourers (2 months)	8	0
Rope and bamboos	2	8
Provisions and a present to the carpenter	3	8

Total : Rs. 50-8-0.

Murshidabad was also known for its metal work³. Brass and copper articles manufactured in the District had a fair sale in and outside Bengal⁴. The main articles were water vessels, such as lotas and kalsis, drinking cups, dishes or thalas, trays, rich cauldrons or degchis, boxes for betel nuts and pan leaves, the bowls for hookas, and inkstands. The hookah bowls were usually made of brass or occasionally of cocconut shell mounted in brass. The

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1. The record of the cargoes of goods entered in the several customs house registers also shows that boats varied in burthen from about 100 to 1000 maunds. B.B. of Rev., Misc. Pcds, vols. 15 and 18 (1773 and 1775).
 2. Buchanan : Roongpur, vol. II, Mss. Eur. D. 75.
 3. Birdwood : Op.cit., vol. I, pp. 154-159;
 4. J.H.T. Walsh : Op.cit., p. 98; T.N. Mukherji : Art Manufacture of India, p. 157.

custom of presenting a bride on her wedding with a set of metal kitchen utensils perhaps gave the craftsmanship an added importance. Numerous small brass articles were also used in Hindu worship, such as spoons, sacrificial lamps and temple bells.

The prosperity of these manufactures, particularly ivory works and other luxury goods depended largely on the support of the court nobles, big merchants and rich people of the District. At the turn of the eighteenth century the power and influence of the Nawabs of Murshidabad diminished and the sources of wealth of the old aristocracy dried up. Consequently, the artisans lost the ready and flourishing market which early eighteenth century Murshidabad had offered for their manufactures.

4. B.B. of Rev., Misc. Pcds., vols. 15, 18 and 20 (1773 and 1777); Buchanan : Bhagalpur, pp. 622-30; Dinajpur, pp. 314-329, and Patna-Gaya Report, vol. II, p. 676.



PLATE : A female spinner at work on her charka
(Indian spinning wheel)

C h a p t e r F o u r

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I N L A N D C U S T O M S

I N L A N D _ C U S T O M S

The great bulk of the revenues of the Government of Bengal, both under the independent Nawabs and under the East India Company, were drawn from land; nevertheless the revenue from inland customs and duties on goods in transit or at their place of sale was always a considerable additional item. Thus whereas the average land revenue collected by the Murshidabad Council of Revenue between 1770 and 1780 was Rs. 43,60,314 a year¹, the receipts from the pachotra or principal custom-house of Murshidabad in the same period averaged Rs. 1, 71,421 a year². The inland customs duties of Murshidabad thus contributed about four per cent of the total revenues of the District. Half a century earlier, when the land revenue receipts were smaller, the sair revenues, mainly customs duties, were as much as Rs. 3,11,603³, forming perhaps as much as eight⁴

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1. B.M. Add. Mss., No. 29086, vol. I, (Ameen Account).
 2. Ibid., see also B.O.R.M.P., R. 98, vol. 15, 21 April, 1773.
 3. Sair consists in all the uncertain and variable revenues from customs on exports and imports, internal duties collected from goods in transit or sold in markets, professional taxes, rents of lakes, ferries and various fees levied upon property. See Ibid., and A.M. Serajuddin : The Revenue Administration of Chittagong from 1761 to 1785, unpublished Ph.D. thesis, University of London, 1964, p. 247.
 4. P.C. Majumdar : The Musnud of Murshidabad, p. 8.

or ten per cent of the revenues of Murshidabad. Customs duties were thus of sufficient importance to the Bengal Government to make their due collection a matter of political concern.

In the early years of the East India Company's trade with Bihar, Bengal and Orissa, the English secured from the Governor Shah Shuja the privilege of trading duty free with Bengal on payment of an annual lump sum of three thousand rupees. This privilege was confirmed by the Emperor Aurangzeb, and after considerable payments to Murshid Quli Khan, and handsome presents to the Emperor, was confirmed by Farrukhsiyar in 1717. By hasb-ul-hukum of Farrukhsiyar's wazir, issued at the same time as the imperial farman, it was also laid down that the Mughal officials of Bengal should accept the dastaks or certificates issued by the chiefs of the English factories to cover goods in transit which formed part of the Company's import and export trade with Bengal¹. These certificates would ensure that the goods passed without payment through Government customs houses, toll-stations and ganjes, as well as through those established by revenue farmers or zamindars.

1. Abdul Karim : Murshid Quli Khan and His Times, pp. 166-70.

Until about the middle of the eighteenth century the privilege of duty free trade under cover of dastaks was little abused, for both the Court of Directors and the Council at Calcutta wished to avoid conflict with the Nawab's Government. However, after Plassey had made the Company the power behind the throne in Bengal, the privilege was improperly extended from the import-export trade to cover the inland trade also, in such common articles of consumption as salt, betel nut tobacco, rice and other grains. At the same time the servants of the Company began to use the dastaks to cover their private trade, that of their agents or gumastas, and others to whom they sold ¹ under the cover of the English name. Since other ² merchants continued to pay duty at a variety of rates, while the English and their partners traded duty free, the Indian merchants were gradually undercut and driven from the inland trade. The Nawab's Government thus not only saw the growing import-export trade of the Company escape with the annual payment of a paltry three thousand rupees, but also found itself defrauded of great sums due

1. J.C. Sinha: Economic Annals of Bengal, p. 10, "Various were the terms of this illicit compact; sometimes the Company's servant was entitled to 1/8th, 1/4th or 1/2 of the profits of the trade so covered; at other times, the Company's Dastak was sold at prices ranging from 25 rupees to 200 rupees each".

2. The English East India Company paid Rs. 3,000 a year instead of established duties; the Dutch, French and Danes 2.5 per cent on their own invoices; the Armenians 3.5 per cent on the current price of goods; the Jagat

upon the internal trade. At times, indeed, the authority of the Nawab's officials was openly defied by merchants using the English flag, who refused even to show their dastaks when demanded¹.

These abuses were frequently brought to the notice of the Calcutta Council, which in 1758 appointed a number of dastak peons to accompany the goods and see that the dastaks were returned to the issuing authority for cancellation.² Four years later in 1762 when Mir Qasim insisted that the Company should check the growing evils arising out of the indiscriminate issues of dastaks, the Company specified those chiefs of factories, six in all, who were empowered to issue valid dastaks³. But these measures also proved ineffective. Mir Qasim, finding his repeated remonstrances on the \forall abuse of the Company's dastaks unattended to, declared thereupon his resolution

Seths 5 per cent on their invoices and their goods were exempted from inspection at the custom-house; the Muslims 2.5 per cent on a fixed price of goods and the Hindus 5 per cent. See B.O.R.M.P., R. 98, vol. 14, 21 April 1773 and H.M.S., vol. 217, pp. 94-95.

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1. K.K. Datta: Studies in the History of the Bengal Subah, p. 308, note 137.
 2. Letter to Court, 10 Jan. 1758; B.P.C., R.1, vol. 33, 26 Jan. 1761. To meet the additional charges of these peons Rs. 5 were charged for a dastak.
 3. C.P.C., vol. 1, p. 173. They were Babson of Qasimbazar, John Cartier of Dacca, Biller of Lakhipur, H. Verelst of Chittagong, Ellis of Patna and George Gray of Malda factories.

to annul all duties on trade setting it free to Indian merchants and foreigners alike. The Calcutta Council, however were scandalised by this threat to their private interests, declared the measure contrary to the privilege granted to the Company by the Mughal emperors, and demanded that duties be levied on all other merchants as before. The question of inland customs duties eventually became one of the major issues in a conflict between Mir Qasim and the Company which ended in war, defeat and expulsion of the Nawab, and after a clash with the Emperor, in the grant of the Diwani of Bihar, Bengal and Orissa to the Company in 1765.

Once the Company, by that grant had itself become the collector of sair revenues, it acquired a direct interest in ^{the suppression of} the abuse of dastaks. In February 1766 therefore the first serious step was taken to control them when it was decided that dastaks would be granted only to the purchaser of goods imported by the Company, and to the Company servants upon a written application specifying the goods to be covered by the documents¹. To obtain such a dastak the applicant had to take an oath to the effect that it would be used only for his own goods

1. H.M.S., vol. 92, pp. 41-42.

and merchandise and that it would not be used directly or indirectly to cover fully or in part the goods of other merchants or people¹. But so far had indiscipline spread and so far did private interests override those of the Company that, in spite of this measure the abuse of dastaks in the inland trade continued. In 1768 the Court of Directors wrote : "We take notice in the register of Dustucks of the names of many who are not the Company's servants. This requires an explanation for we do not mean to vest in our servants abroad a power to confer such privileges on any person whatever not entitled thereto by being a covenanted servant. We further observe in the import Dustucks many articles that are not for exportation such as bamboos, tobacco, etc., and consequently are an encroachment on the rights of the natives and a deviation² from the spirit of our orders" .

Meanwhile the general confusion which was occasioned by the widespread abuse of dastaks frequently led to the disregard of valid ones. The Murshidabad Council wrote to the Supervisor of Purnea that the chaukidar at Karagola had ignored the dastak issued from

1. B.P.C., R.1, vol. 39, 12 Feb. 1766.

2. Letter from Court, 11 Nov. 1768, para 90; K.K. Datta : Survey of India's Social Life and Economic Condition in the Eighteenth Century, pp. 53-54.

the Murshidabad custom-house and had detained boats in order to exact duties¹. By the beginning of the seventies, even those who were not authorised by the Company began to issue dastaks on their own account². These dastaks were of wide circulation and the merchants regarded them as valuable and effective. At least one dastak of which details have been recorded, and which was issued by Munni Begum, Mir Jafar's widow, to her private merchant trading in grain, ghee and oil from Dacca to Murshidabad, was permanent in form, specifying neither the goods to be carried nor the period of its validity³. The Court of Directors in the end were compelled to deal with abuse by ending all privileges. Early in 1771 they ordered the total withdrawal of the privilege of dastaks. They wrote, "From a conviction that the most effectual means to restore and invigorate the trade of Bengal, will be the opening [of] every proper channel for its extension and giving it that general freedom which is so necessary to encourage the industry and attract the attention of the natives, we can no longer permit our servants of any rank or station whatever to enjoy the exclusive privilege of Dustucks. And here when we speak of Dustucks you are to understand not only Dustucks but rowannahs, perwannahs, orders, letters

1. M.F.R., vol. 3, 8 July 1771.

2. Ibid., vol. 1, 31 Dec. 1770. The Supervisor of Rajshahi gave in his letter to the Murshidabad Council, several

or any other powers or favours which may be conferred and which can in any way yield an influence or superiority in favour of one more than another and this without the least distinction to nation or complexion"¹. In 1773 the Council at Calcutta accordingly issued a regulation abolishing dastaks entirely.

Once the revenues of the province came to the Company instead of to the Nawab, the former had been quick to end the injury to the revenues caused by the abuse of dastaks. In the same way, once the Company as a territorial power came to have an interest in the prosperity of the whole province and not merely in the condition of its own trade, it was forced to attempt a reform of the system of inland customs so as to end corruption and^{to} free trade. Within Murshidabad District, as in the other districts of Bengal, duties were levied on every type of article, both in transit and when brought to market. Some of these duties were collected by Government, as at the Pachotra,²

instances of illegal issue of dastaks by the darogas of the inland chaukis.

3. M.F.R., vol. 1, 31 December, 1770.

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1. Letter from Court, 10 April 1771, para. 25; Fort William - India House Correspondence, vol. 6, p. 82.
 2. No historical material is available for the years 1765-1770 to give any accurate picture of how the Government customs were accounted for or what the receipts were.

others at lakhiraj ganjes whose owners had been given this right in reward or as endowment for charities, others again at recognised zamindari toll-posts and markets which were allowed by the Government as part of their revenue settlement, while still others were exacted at markets and toll-posts without sanction by those who had the power to compel payment by traders and merchants. It will be convenient to consider each of these types of custom-houses in turn and to examine the Calcutta Government's regulations of them.

The chaukis and ganjes of Murshidabad District which were treated as khas were either managed by Government through darogas and other officers, or were farmed out annually in consideration of a lump sum to the highest bidder. These khas ganjes were under the collector of the Pachotra of Murshidabad. The Government also owned several ghats¹ on the bank of the rivers for the collection of tolls and duties on passengers crossing the ferries and on the goods carried by them, for example, Sadarghat which in 1787 was farmed out to Lal Manji for Rs. 3,500, and in

1. Ghat means a landing place or a ferry station. Technically it is a toll-station on the river bank where duties are levied on goods and passengers crossing the ferries had to pay a toll, the payment being meant for the services rendered to the public.

the like manner Bhatpara, Beraldah and Mansurganj ghats which were farmed to Nanda Kumar, Madan Mahan and Durga Charan Khan respectively ¹.

The first notice taken by the Court of Directors of the administration of inland customs was in their general letter to Bengal dated 10 April 1771. In this they pressed for a revival of the trade of Bengal, to be secured by freeing it of unnecessary restrictions. They wrote, "It is therefore our desire that all dustucks be immediately withdrawn and that native merchants as well as Europeans under our protection may have ^{every} excitement to extend their views to the increase of that commerce which we have reason to fear has been long languishing under those discouragements with [which?] the privileges of our servants have enabled them to lay on the general circulation of trade". ² On receipt of this letter the Controlling Committee of Revenue at Calcutta reviewed the whole pattern of inland customs and by circular to

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1. B.O.R.P., R. 70, vol. 31, 17 July 1787 - Letter from the Collector of the Murshidabad Custom-house to the Board of Revenue dated 23 June 1787.
 2. Letter from Court, 10 April, 1771, para 26.

the district collectors ordered the suppression of all private toll-posts except "such as immediately depend on the Government under the PENCHUTTERA, BUCKSHBUNDER and SHAHBUNDER, subject to such regulations as shall be hereafter established".¹

In 1773 the Government of Warren Hastings followed up these instructions by the issue of detailed regulations to reorganise the inland customs.² By these regulations five Government custom-houses were established at Calcutta, Murshidabad, Hugli, ~~and~~ Patna and Dacca. Besides these posts on the great river highways of trade, four others were established to collect duties on goods exported to Western India through the passes of the hills covering Midnapur, Bishnupur, Patchet [Raniganj] and Birbhoom and also on the exports from Malda to Upper India. The regulations fixed an equal rate of duty of two and a half per cent on all goods, except salt, betelnut and tobacco, whether belonging to the Company's servants, foreigners

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1. Proceedings of the Controlling Committee of Revenue, R. 67, vol. 54, 14 May 1772; The Sixth Report of the Committee of Secrecy, Parliamentary Branch Collection, No. 7, p. 310. PENCHUTTERA or correctly PACHOTRA means a duty of five per cent. The word came to be identified with a custom-house for inland transit duties and was used for the chief custom-house at Murshidabad. The term BAKSH is Persian and means 'division' - Bakshbandar was the Government customs-station in Hugli. Shah-bandar means a royal port or harbour. In the sair revenue accounts of the Nawabs of Bengal it designated the Dacca customs-house.
 2. B.R.C., R. 49, vol. 38, 23 March 1773.

or Indian merchants¹. It was also decided to keep at every custom-house for public inspection, a list of standard prices of all goods brought for sale in the city and ganj markets. The collectors of the custom-houses were authorised to issue rawanas, certificate of payment of duties, under which goods could thenceforward pass throughout the province without the payment of any further duty². Each rawana, to be complete and authentic, was to be sealed by the officers of the custom-house, i.e., the collector, daroga, accountant and cashier. A rawana issued from any one custom-house would remain valid for one year throughout the province and goods covered by it were entitled to pass through every other custom-house and toll-stations without further imposition or unnecessary interruption³. The custom-house was to be opened every weekdays from 9 a.m. to 2 p.m. to transact business.

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1. In early 1665 the Emperor Aurangzeb issued an order fixing 2.5 per cent customs duty for the Muslims and five per cent for the Hindus (J.N. Sarkar : History of Aurangzeb, vol. 5, p. 318). In 1770 the Murshidabad Council of Revenue fixed a duty of three per cent upon the Hindu and two and half per cent upon the Muslim merchants (M.F.R., vol. 1, 27 Dec. 1770). The Naib Diwan Muhammad Reza Khan having represented that an equal rate of duties upon the two communities would be an innovation in the revenue collection and might be a source of discontentment among the Muslims, a fixation of an equal rate of duty was therefore delayed till March 1773.
 2. While a dastak was based on the privilege of duty-free trade granted to the Company by the Mughal Emperor, a rawana was issued by the Company, as Diwan, to all merchants on payment of a prescribed duty.
 3. On June 1773, it was decided that the period of the validity of a rawana could be extended for the second year

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A Board of Customs, consisting of a member of the Calcutta Council and four senior servants, was constituted to supervise and control the business of the customs for the whole province². The regulation and management of the five custom-houses was entrusted to the collectors of the districts in which they were established, each collector receiveing an additional allowance of one hundred and fifty rupees a month for the performance of these duties. The collectors thus appointed in 1773 were John Holmes at Calcutta, William Hosea at Hugli, W.B. Martin at Murshidabad, J.G. Haliberton at Dacca and Henry Revell at Patna³. Each custom-house had working under the collector an establishment consisting of a daroga, a mushrif or accountant, a tahvildar or cashier, and a mukim or appraiser, together with the staff of clerks and peons⁴ necessary to transact the daily business of collections.

if a merchant wished to hold his goods for a better market.

1. The Board's first members were John Graham (President), Charles Stuart, Robert Palk, Charles Llygd and Edward Baber -members. B.R.C., R. 49, vol. 39, 30 March 1773; B.O.R.M.P., R. 98, vol. 14, 14 April, 1773.
2. There is no evidence that the Board of Customs ever sat after 1774. Three of its members were shortly given important postings, and it may be that Government thought it unnecessary to replace them. From March 1775 until the middle of 1781, supervision of inland customs was exercised by the Calcutta Council of Revenue upon reports made by the Secretary to the Board of Customs. See H.M.S., vol. 216, p. 74.
3. B.R.C., R. 49, vol. 39, 30 March, 1773.
4. Each custom-house comprised of an office building, a go-down, a sepoy house and a chauki house.

The appointment of these local officers were to be ratified by the Board of Customs. The accounts of the custom-houses were kept in English, Bengali and Persian, and were transmitted every month to the Controllers at Calcutta, and for this purpose a register of accounts was ordered to be maintained at the custom-house. The following form¹ for the register of accounts was approved :

Names of merchants	Sorts of merchandise	Whence imported	When entered	Valuation	Amount of duty
1	2	3	4	5	6

When cleared	Serial number of <u>rawana</u>
7	8

The regulations finally prescribed the penalty of confiscation of goods for any attempt to defraud customs or to smuggle goods, and the officers of the custom-houses were also warned against illegal and unauthorised exactions from the merchants.

On 14 April 1773, these regulations were transmitted by the Board of Customs to the Collector of Customs at Murshidabad with instructions to furnish the Board with a list of servants employed at the custom-house.

1. B.O.R.M.P., R. 98, vol. 14, 14 April 1773.

In May 1773, the Board of Customs agreed to the following establishment of ~~the~~ officers and servants to conduct the business of the Pachotra or Government custom-house at Murshidabad with an Indian daroga as the head of sixty¹ other servants :

	<u>Number of officers</u>		<u>Monthly allowance</u> (in rupees and annas)
1	Collector	...	150
<u>Daroga's office</u>			
1	<u>Daroga</u>	...	150
1	<u>Peshkar</u>	...	40
1	Persian <u>Munshi</u>	...	40
1	Persian copyist	...	40
2	Persian <u>Muharrirs</u>	...	30 or 15 each
1	Bengali <u>Munshi</u>	...	15
2	Bengali <u>Muharrirs</u>	...	16 or 8 each
<u>Tahvildar's office</u>			
1	<u>Tahvildar</u>	...	100
1	<u>Muharrir</u>	...	10
<u>Mushrif's office</u>			
1	<u>Mushrif</u>	...	75
1	<u>Muharrir</u>	...	10
<u>Mukim's office</u>			
1	<u>Mukim</u>	...	50
1	<u>Muharrir</u>	...	10

1. B.O.R.M.P., R. 98, vol. 14, 12 May 1773.

1	Portuguese writer	....	80
1	<u>Jamadar</u>	....	12
1	<u>Naib Jamadar</u>	....	7 - 8
10	Peons	....	40 or 4 each
2	<u>daftaris</u>	....	6 - 8 or 3 - 4 each

Stamp office

1	<u>Muharrir</u>	....	7 - 8
1	Peon	....	3 - 0
1	<u>Chaukidar</u>	....	2 - 8
27	guards	....	116 or 4 - 5 each
	Boat	....	15 - 4
1	Peon for the boat	....	3 - 0
1	Sweeper	....	1 - 0

Total Rs. 1030 - 4 - 0.

It was also declared that the salaries granted to the superior officers were in lieu of all rusums or customary duties and perquisites which were thenceforth totally abolished. The Calcutta Council appointed Ram Tanu Roy, the daroga, Roy Dulal Chand, the Mushrif and Mukim, and the Jagat Seth, the tahvildar of the Murshidabad custom-house¹. The Collector, daroga, mushrif and tahvildar were each provided with a seal bearing the title of the custom-house^{and} of their office.²

1. B.O.R.M.P., R. 98, vol. 14, 26 May 1773.

2. Ibid., 12 May 1773.

After the establishment of the five custom-houses, the Governor and Council forbade any collections to be made under the head of rahdari, that is, road tolls levied at chaukis lying between the place of purchase and of sale. They did however permit market or ganj duties to be collected by the farmers who had rented the various ganjes and whole-sale markets from Government. This led to complaint however that while the permission to the farmers to levy market dues was intended only to apply to goods sold there, it had been extended to all goods brought to the ganj, whether sold or not¹. In March 1774, therefore, the Murshidabad Council wrote to the Collector of Customs instructing him that the duty on grain was to be levied only on imported grain actually sold in the market, for if a merchant brought in grain which he then carried to another market he should do so without paying duty, since he would be subject to the established duty at the place of ultimate sale².

In April 1774 as a further measure of control, the Murshidabad Council decided to place all the khas ganjes of the city in ~~charge~~³ charge of the Collector of Government customs at Murshidabad. This decision was

1. B.R.C., R. 49, vol. 44, 1 March 1774; B.O.R.M.P., R. 98, vol. 16, 23 Feb. 1774.

2. Ibid.

3. B.R.C., R. 49, vol. 45, 26 July 1774.

prompted by the grant early in 1774 by the farmer of the khas ganjes to the head maulvi of the Faujdari of the right to collect the duties on the sale of country arrack. This had led to harassment of the merchants engaged in the arrack trade by the Faujdari police. To prevent such oppression the Company took control of all the city ganjes of Murshidabad. These were twenty in all ¹: Nasirganj, Asudganj, Sharifganj, Amanuganj, Haibatganj, Haiderganj, Chak Madhavi, Sabji Mahal, Muradbag Mahal and Ziaganj in the pargana of Asudganj; Azimganj dahpara and Aurangabad in the Bandardaha pargana, and Khurrambagh, Mansurganj, Muzaffarganj, Aliganj, Shahmatganj, Nizafatganj, Khosbag and Farrahbagh in Nawabganj pargana.

Despite these measures in June 1774 merchants importing grain from Dinajpur, Mymensing and Akbarnagar complained to the Murshidabad Council that their trade was being made unprofitable by the duty of 5 per cent levied on them at the custom-house : 2.5 per cent ganj duty and 2.5 per cent rahdari, taken in lieu of the duties formerly paid

1. See B.R.C., R. 49, vols. 45 and 46, 26 April 1774 and 12 July 1774.

at the zamindari chaukis¹. The merchants accepted the $2\frac{1}{2}$ per cent duty levied at Pachotra, but not the further $2\frac{1}{2}$ per cent, claiming that they had never paid anything at the chaukis except by way of charity. The Murshidabad Council also made representations to the same effect. Nicholas Grueber, president of the Board of Customs, replied stating that the complaints^{an} were misinformed. The Government duty was $2\frac{1}{2}$ per cent, no rahdari was collected, but only a further market due of $2\frac{1}{2}$ per cent when the goods were sold². Grueber argued that in any case the combined duties were very much less than the exactions which used to be forcibly made at the various zamindari chaukis with great additional delay.

In August 1774 another complaint, more serious in its nature was made to the Board of Customs against Gopi Sarkar of the Murshidabad custom-house by Gadadhar Sarma

1. M.F.R., vol. 8, 20 June 1774. The merchants submitted a list of duty which they paid on their cargoes at the zamindari chaukis situated between Dinajpur and Murshidabad. The rate was as follows:

<u>Chaukis</u>	Duties paid			
	on large boats upto 500 maunds		on small boats	
	Rs.	as	Rs.	as
Mahiba (Rakanpur)	0	- 13	0	- 9
Begoda (Rajshahi)	0	- 2	0	- 2
Bahmangola (Qasimpur)	0	- 14	0	- 12
Aurangabad (Murshidabad)	0	- 9	0	- 9
From Bhagwangola to Murshidabad city	1	- 10	1	- 10
Total:	4	- 0	3	- 8

2. M.F.R., vol. 8, 25 July 1774.

an agent for the Sanyasi¹ and Surati merchants. The merchants accused Gopi Sarkar of taking, besides the legal custom duty, one per cent as rusum², one rupee³ on granting each rawana and other fees for the examiners of the custom-house. The following list of exactions, submitted to the Board of Customs by Gadadhar Sarma, show the nature

1. Sanyasis are those who renounce the world and live by mendicancy. The disorderly state of Bengal during the second half of the eighteenth century induced various bands of sanyasis to plunder the villages and exact contributions from the people. Besides these sanyasis bandits there were also resident sanyasis in port towns, who engaged themselves in trade. See N. Majumdar : Justice and Police in Bengal, 1765-1793, pp. 79 and 104. For details of their raids and other activities see J.M. Ghosh : Sannyasi and Fakir Raiders in Bengal.
2. It was a custom among the merchants to contribute to the charities dependent upon the custom-house; there were also certain fees which the daroga, mushrif and tahvildar claimed on rawanas as perquisites. These fees were recognised by the Nawabs and agreed to by the merchants who sometimes voluntarily added to the customary donations. These duties or rusum as they were collectively called, were abolished by the Governor and Council in 1773.
3. B.O.R.M.P., R. 98, vol. 16, 8 Aug. 1774, and 26 Aug. 1774.

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of impositions at the Pachotra of Murshidabad :

Merchants	Value of merchandise (in rupees)	Customs duty (in rupees)	Impositions (in rupees)		
			Rusum	Fees to examiners	Fees on rawanas
Davi Das	63,000	1,575	545	15-0	10-0
Khosal Ghuri Sanyasi	31,320	783	313	7-0	4-0
Dayal Ghuri Sanyasi	19,490	487	187	4-0	1-0
Dhan Bharati	16,914	422	127	7-0	3-0
Gopari Halder	6,912	172	52	2-0	1-0
Bholanath	4,303	179 [102]	47	1-0	1-0
Banamali Das	4,062	101	25	-	2-0
Dilip Das	3,302	88	20	1-0	1-0
Bhari Saha	1,395	35	14	1-0	1-0
Bishnu Ghuri	106	2-8	1-0	0-8	1-0

1. B.O.R.M.P., R. 98, vol. 16, 8 August 1774 and 26 August 1774.

The Board of Customs summoned Gopi Sarkar and the merchants to Calcutta to be examined by them¹. Gopi Sarkar, during his cross-examination by Dada bhai and Manikji, the leaders of the Surati merchants, and by Davi Das and Gadadhar, retorted : "You gave me the money without a demand now you want to take it back by force"². The Board found Gopi Sarkar guilty of impropriety in suffering his peshkar to accept money from the merchants and ordered him fully to indemnify the complainants and to pay a fine of five hundred rupees to the Secretary of the Board. In the course of the trial of Gopi Sarkar, the Board also found Premanand, peshkar of the Murshidabad custom-house, to be the instrument in these exactions and directed the Collector of Murshidabad custom-house to dismiss him³.

These orders were followed up in March 1775 by a letter from the Calcutta Council of Revenue with the instructions "you will apply your utmost care and attention to encourage and promote a free trade through your respective districts... you will give your utmost care to keep the public markets free and open, and to prevent forestalling and that no monopolies whatsoever be exercised by any

1. B.O.R.M.P., R. 98, vol. 16, 29 Sept. 1774.

2. Ibid.

3. Ibid.

individual, whether natives or Europeans, nor any rates, duties or impositions whatsoever levied on the several commodities or merchandise brought to market or introduced for sale by foreign merchants excepting the known and fixed customs authorised by the Government"¹ .

The "known and fixed customs" had been worked out in the previous year. Originally the main custom-houses seem to have worked out their own methods of assessing duty. Thus in Murshidabad the duty on salt sold in the market was fixed at one rupee per hundred maunds and on salt which was re-exported at ten annas per hundred maunds² . The $2\frac{1}{2}$ per cent of Government duty and $2\frac{1}{2}$ per cent of market dues on grain - which yielded a very considerable sum - were likewise taken on a fixed price per hundred maunds. In Patna, however, the duty was levied as a percentage on the value of the grain at current market rates, and so was a fluctuating sum³ . In August 1774 the Calcutta Council decided that there should be one uniform mode of assessing duty on grain throughout the province. The Board of Customs, to whom the matter was referred, argued for a fixed rate, the common practice in Europe, and one which by its certainty

1. M.F.R., vol. 9, 20 March 1775 and B.R.C., 14 March 1775
 2. B.O.R.M.P., R. 98, vol. 16, 23 Feb. 1774.
 3. B.R.C., R. 49, vol. 45, 12 April 1774.

facilitated collection and prevented conflict between the merchants and custom officers about what the market price was. The Board therefore worked out the average prices of all sorts of grain for the three years - 1771 to 1773 - at the up country custom-houses¹. The three year averages for Dacca, Murshidabad and Patna combined, together with a ten per cent allowance in favour of the merchants, was made the standard for the whole province. On 13 August 1774 the Board of Customs issued Samuel Middleton with this standardised table of grain prices on which the $2\frac{1}{2}$ per cent duty was thenceforth collected at Murshidabad. The table was as follows:²

<u>Articles</u>	Average of three years' prices at Dacca, Murshidabad and Patna (per rupee)		Standard price to collect duties (per rupee)	
	<u>maund</u>	<u>seer</u>	<u>maund</u>	<u>seer</u>
Horse grain	1	20	1	26
Green gram	1	5	1	10
<u>Kalai boot</u> (peas)	1	6	1	10
Patna peas	1	35	2	0
Barley	2	14	2	30
<u>Khesari dal</u> (chickling)	2	0	2	10
<u>Musur</u> (lentil)	1	38	2	10
<u>Auror</u> (coarse lentil)	1	13	1	20
Wheat	1	6	1	10

1. B.R.C., R. 49, vol. 47, 9 Aug. 1774.
2. M.F.R., vol. 8, 18 Aug. 1774.

Rice (first sort)	1 - 4	1 - 10
Rice (Second sort)	1 - 9	1 - 20
Rice (Third sort)	1 - 17	1 - 30
Paddy	2 - 4	2 - 30

In 1781, in a further effort to simplify the inland customs system, ~~to~~ impose uniformity, and to free trade further regulations were issued¹. These regulations removed all distinctions and indulgences in favour of particular persons to pass their goods under the heads of presents, private necessaries and articles for religious uses, duty free. It was provided that goods would not be allowed to pass without a rawana from the Collector of the custom-house or special orders from the Governor-General and that every attempt to transport goods without rawanas would bring the penalty of a double duty. The rates of duty were continued on the existing footing at thirty rupees per hundred maunds on betelnut and tobacco and two and a half per cent on all other goods, to be levied on a fair appraisement of every article at the aurang prices entered in the book of rates.

At the same time the administrative structure was remodelled. Three covenanted servants were appointed as

1. B.R.C., R. 50, vol. 32, 25 May 1781.

Commissioners of Customs to take general charge of the whole system, paid by a ten percent commission on all net monthly collections, equally divided among them¹. They were also charged with recommending persons for appointment as collectors of Government customs at the five custom-houses. For the Murshidabad Pachotra they selected Sir John D'oyly. He was to receive one rupee for each consignment of 250 maunds or valued at Rs. 250 plus eight annas on every pawana, and ten per cent on the revenue of the khas ganjes². (The total allowance was thus estimated at about 600 rupees a month). In return for these allowances the Collector had to take an oath : "... I will not directly or indirectly by myself or others be concerned in my collections but such as are brought to the credit of the Government nor accept any present, gratuity, fee or advantage whatever in my office of Collector of the Government Customs at ... except such as are now or may be hereafter authorised by the Governor-Genral and Council"³. Under the Collector worked a staff of sixty servants of various grades, whose total wages came to Rs. 951 a month. It was expected that the regulations would offer two great advantages in the total suppression of illegal exactions and the universal introduction of equal and certain rates

1. B.R.C., R. 50, vol. 32, 25 May 1781.

2. Ibid., 22 May, 1781; H.M.S., vol. 216, pp. 93-94.

3. B.R.C., R. 50, vol. 32, 25 May 1781.

of duty. The Collectors were directed therefore to protect merchants and artisans from the demands of people pretending to have been given special powers by the Company. It was expected that with an eye to their ten per cent commission they would be active in suppressing all petty illegal toll-stations in their districts, and in preventing evasion of Government duty by the merchants.

All abuses did not cease, however, after 1781. The subordinate, ill paid officials of the custom-houses and ganjes had much power in their hands, and they did not fail to use it. Restrictions and exactions upon the movements of goods secretly continued throughout the period, despite occasional exposures. C.E. Trevelyan, in his Report upon the Inland Customs and Town duties of the Bengal Presidency, in 1835, explained the nature of the power customs officials had and the misuse they could so readily make of it: "No legal limit exists to the power of search vested in the chauki officers. If they thought proper they might oblige merchants to turn out the contents of their boats or carts, to enable them to count, measure or examine, and there is no restriction to prevent them from requiring even boxes to be broken open, to enable them to satisfy themselves regarding their contents By such obstructions, the market or the season of shipment may be lost; damage

may occur from bad weather, which might otherwise have been escaped; contracts may become forfeited; rivers and canals may become closed"¹. The abuse of his power in such ways by Ram Tanu Roy, daroga of the Murshidabad custom-house was the subject for a series of complaints between 1787 and 1788². The grain merchants of Murshidabad District headed by Bazi Raj complained that Ram Tanu Roy, in contravention to the orders of the Government, had exacted perquisites at the rate of two annas for every atrafi rawana, or a pass for the transit of goods beyond the limit of the custom-house, nine annas under the heading of kharcha or expense and four gandas in the rupee for each chor-chitti or delivery permit, besides establishing various chaukis in order to exact unauthorised duties³.

The final step towards freeing and encouraging trade was therefore taken by the Government of Cornwallis in June 1788 when all Government custom-houses were abolished and the customs establishments at Calcutta, Hugli

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1. C.E. Trevelyan : Report upon the Inland Customs and Town duties of the Bengal Presidency, p. 33.
 2. B.O.R.P., R. 70, vol. 35, 27 Nov. 1787.
 3. Ibid., vol. 45, 29 Aug. 1788.

Chittagong, Dacca, Murshidabad and Patna were withdrawn¹.

While the Government customs system was being regulated, controlled, simplified and finally abolished, in the interests of trade, a corresponding effort was being made to deal with the wide variety of zamindari and lakhiraj toll-posts which enjoyed some Government sanction. The exactions of duties at these minor posts, duties taken for private not public use, were in total a most harmful instrument of oppression against merchants and rai-yats. The East India Company was powerful enough to disregard their claims, but they were a great discouragement to the free development of the internal trade of the province, and of this the Company became aware once it had itself become the ruler of Bengal.

Private ganjes, chaukis and markets held by the zamindars, farmers and people associated with the Nawabs

1. J.E. Colebrooke : A Supplement to the Digest of the Regulations and Laws enacted by the Governor-General in for the Civil Government of the Territories under the Presidency of Bengal, p. 439 - Regulations for the customs, 20 June 1788. The town ganjes were not however abolished. In Murshidabad charge of the khas ganjes was transferred to the Collector of the District when the customs establishment was withdrawn. See B.O.R.P., R. 70, vol. 45, 1 August, 1788.

were of two kinds : those paying a certain revenue to the Government and those paying no rent to the Government, i.e., lakhiraj or rent-free. The zamindari ganjes and hats¹ or bazars were erected by the zamindars within their respective jurisdiction. In consideration of the revenues paid to Government, the zamindars and farmers were authorised to levy a duty on all goods passing through the ganjes as well as on goods bought and sold in the hats or markets. The market duties were in part a rent for the land allocated for the market place and storage facilities, and in part a tribute to the political power of the zamindar or other authority on whose land the market was held.² These duties were not regulated by Government on any prescribed rates but were settled between the parties, according to the articles sold, and local customary usage. In case of a deficiency in land revenue in times of scarcity, the zamindars sometimes increased the collections in the ganjes by additional imposts and thereby in some measure made up the balance.³ High, medium or low, in cash or in kind,

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1. Hat is often used in the records to cover also ganjes and bazars, though the three are not the same. A hat is a market held on certain days in a week. A ganj is a ~~hat~~ mart where grain and other necessaries of life are principally sold, and generally wholesale. A bazar is also a market, but it is held daily. Hats and bazars are sometimes included in the ganjes.
 2. Serajuddin : Op. cit., pp. 250-51.
 3. H.M.S., vol. 380, April 1790, p. 865.

whatever might have been the rate and mode of collections at the ganjes and markets, these duties were always a burden to the producers and consumers and increased the price of necessities.

The lakhiraj ganjes and hats, on which no revenue was paid to Government, were usually granted in lieu of pensions to the people of noble birth or for charitable purposes, and were thus the equivalent of inam, madad-i-maash or waqf grants of revenue from land. A list of the lakhiraj ganjes existing in the Murshidabad District about 1790 will illustrate the manner of the growth of the institution and the sort of person favoured under it :

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1. B.O.R.P. (Sayer), R. 89, vol. 21, 14 Feb. 1794. Letter from the Collector of Murshidabad to the Board of Revenue dated 15 May 1793. There were doubtless other small lakhiraj or private chaukis in the mufassal which escaped mention. Thus in an estimate of private ganjes in the District made by the Collector in 1787 we hear of ganjes not mentioned in the 1790 list : Kishanganj which belonged to Ganga Govinda Sing, Beldanga to Jagat Seth, Amipara to Padma Lochan, Madanganj to Rajballav, Gulzarganj to Nawab Mubarak-ud-daula and Azinganj, Khandganj, Rajaganj situated around the city of Murshidabad belonging to Rani Bhavani of Rajshahi. See B.O.R.P., R. 70, vol. 33, 7 Sept. 1787.

<u>Ganj</u>	For how many years and by whom established.	By whom possessed and how many years	Estimated revenue in rupees	Net receipts in 1789
Bairanganj	21 - Muhammad Reza Khan	Muhammad Reza Khan - 21	2,409	1,008
Mirza Idris Khan Bazar	30 - Shuja Khan	Lutfun-nesa-30	107	-
Jafarganj	85 - Jafar Khan	Babbu Begum-42	2,611	478
Babuganj	23 - Nazm-ud-daula	Munni Begum-22	373	-
Mudafatganj	Munni Begum	Munni Begum	275	73
Achaganj	,,	,,	2,584	1,217
Amruganj	,,	,,	623	193
Umedganj	,,	,,	686	-
Husainganj	16-Husain Khan	Husain Khan-16	292	-
Mukarranganj	85-Qasim Ali Khan	Babbu Begum	1,342	697
Babarganj	Mubarak-ud-daula	,,	1,354	214
Mubarakganj	Jafar Ali Khan	,,	907	72
Hat Sripur	-	Kanta Babu	1,517	1,067

Hariganj	Nurullah Beg Khan	Harising	171	43
Diwanganj Bazar	41- Krishna Nanda	Seth Aga	118	-
Husain- ullah Khan	120-Husain ullah Khan	Osifun- nesa Begum	60	21
Maulvi Bazar	100- Zahir Khan	Muhammad Ali	31	-
Mirzapur	300 -	Murjan	42	3
Amritganj	20- Raja Amrat Sing	Widow of the Raja	216	79
Mahtabganj	36 - Jagat Seth	Seth Harak Chand	264	-
Chauk Haziganj	130 - Em- peror Aura- ngzeb	Mirza Mannu	116	-
Shaista- ganj	-	Shaista Begum	11	-
Ballavganj	42-Maharaja Mahindra	Raja Raj- ballav	886	35
Noapara	28-Kanta Babu	Qasim- bazar Raj	1,125	942
Jhelamhat	55-Jafar Ali Khan	Satyajit Chaudhuri	36	33
Malikbagha	Emperor Jahangir	Abdullah and Hayatun- nesa	156	141

It will be noted that the oldest lakhiraj ganjes, such as Mirzapur Bazar, Maulvi Bazar, Chauk Haziganj or Malik Bagha, all over a century old, yielded very insignificant revenues as compared with those established in the last twenty or thirty years. Changes in the course of the rivers, which left old market sites stranded, probably explain a number of these, and loss of authority in the family of the grantee may also be an explanation. It will be noted that the numbers of new lakhiraj grants had been made subsequent to the Company's acquisition of the Diwani, by leading members of the Nawab's court and household. There is no record of any lakhiraj ganjes being created by the Company after 1765. One such ganj had indeed been created as late as 1788 by Nawab Mubarak-ud-daula - Babarganj. For one lakhiraj ganj we possess a detailed history, provided by Thomas Hays, Collector of Murshidabad in 1796¹. This was Bairanganj, the property of Muhammad Reza Khan, which had originally been called Nishatganj or Nishatbagh Bazar and had been established by Nawab Shahamat Jang. He had given the ganj to his sister Rabeya Begum, who later, about 1750, gave it to Muhammad Reza Khan on his marriage with her daughter as a part of the marriage portion. On

1. B.O.R.P.(Sayer), R. 89, vol. 22, 1 Aug. 1796.

the acquisition of the ganj, Reza Khan rebuilt and in 1768 named it Bairamganj after his own son Bairam Jang. All this appeared in the evidence of witnesses brought forward by the Khan's son in 1790 when claiming compensation after the abolition by the Government of lakhiraj ganjes in 1790¹.

Abolition of lakhiraj ganjes formed part of the sair regulations of 11 June 1790, but it was not until August 1793 that the Collector of Murshidabad enforced the regulation and issued a proclamation requiring grantees who had any claim to compensation to produce documentary proof of their right to lakhiraj ganjes or hats. The only persons in the District who did prefer such claims were Reza Khan's son Dilwar Jang, Munni Begum, Babbu Begum and Krishna Kanta Nandi, alias Kanta Babu². Munni Begum declined to prosecute her claims to compensation in the usual manner, holding it to be beneath the dignity of a person of her rank, to apply for sair compensation. She held the issuing of proclamation to the Nizam without her knowledge and in the same manner as to the "body of the people", to be against the long tradition of consulting the

1. See B.O.R.P.(Sayer), R. 89, vol. 22, 1 Aug. 1796. The witnesses were : Anand Chaudhuri (60 years), Bharat Ghosh (80 years), Seikh Mahtab Pares (90 years) - inhabitants of Bairamganj.

2. B.O.R.P., (Sayer), R. 89, vol. 21, 14 Feb. 1794.

Nawab and herself whenever Government issued an order which might affect the Nizam. She wrote indignantly to the Board of Revenue : "I am now desired to prove my right that the sayer of rent-free ganjes may be settled, to this what answer shall I make why should I send my people to claim and prove my right to a trifling quantity of land before the collector like a common zamindar?"¹

One small point is not clear, whether the grants of lakhiraj ganjes were intended to be hereditary. The only evidence bearing on the subject is the history of Bairamganj. Reza Khan received the ganj as a marriage dowry, and later it passed to his son Dilwar Jang, who in 1793 on the abolition of such ganjes was granted Rs. 1008 a year - the amount collected by him from Bairamganj - as compensation.² Whether this was a typical or exceptional case can only be decided, however, when further evidence from other districts is produced.

The lakhiraj ganjes were not important, however, either in number or in value in comparison with the many other ganjes and hats maintained by the zamindars, with

1. B.O.R.P., (Sayer), R. 89, vol. 21, 21 Oct. 1794.
 2. B.O.R.P., (Sayer), R. 89, vol. 22, 1 August 1796.

or without the sanction of Government, within or without the revenue system. In the period after Plassey when authority was divided between the Nawabs and the Company, and control over the zamindars was in consequence relaxed, many new chaukis came into existence, adding greatly to the existing hindrances to trade. The Armenian merchants thus complained to the Calcutta Council of the establishment of twelve new ganjes and chaukis within the twenty years from 1748 to 1768, and of a rapid rise in the rate of duty collected. They listed for the Council the numbers of chaukis between Murshidabad and Calcutta, and the rates in force from the time of Ali Vardi Khan (1740-1756) to that of Nawab Saif-ud-daula (1766-1770). These are as follows:

Customs in rupees per boat

<u>Chauki</u>	<u>1740-56</u>	<u>1756-57</u>	<u>1763</u>	<u>1764</u>	<u>1768</u>
Jagannathpur	-	-	-	0-6	0-6
Kotalia	-	1-0	1-0	1-4	1-6
Surbari	-	-	2-0	2-0	2-14
Daudpur	-	-	0-8	1-0	1-0
Plassey	2-5	4-8	6-0	7-12	7-0
Katwa	1-5	1-12	2-5	3-0	3-0
Bakihat	-	2-12	4-0	4-0	4-0
Nadia	1-12	4-8			
Nadia (<u>Pachotra</u> <u>ghat</u>)	0-13	2-4	12-8	17-8	17-8

1. B.P.C., R. 1, vol. 44, 2 Feb. 1769.

Madai	-	2-2	10-0	17-0	19-0
Khulna	-	2-2	10-0	15-8	17-0
Satgacha	-	3-2	9-0	15-0	15-0
Sandia	-	4-12	11-8	15-2	16-0
Indupur	-	5-10	14-0	15-2	15-0
Seja	-	-	-	-	0-2
Chagdia	3-0	5-9	12-0	15-8	16-0
Bakhshbandar (Hugli)	3-0	3-0	4-12	5-0	5-0
Balaghar	-	-	-	-	4-0
<hr/>					
Total :	12-3	43-1	97-9	135-2	143-10
<hr/>					

In similar manner the merchants of Nawabganj complained to the Murshidabad Council of Revenue that altogether in the districts of Bhaturia, Laskarpur and Dinajpur the zamindars had established as many as forty-nine ghats to collect duties on each boat or bale of goods according to their pleasure¹. Besides these ghats, Bhabani Charan Ghosh, a gumasta of Rani Bhabani had erected a new ganj at Bhangri in November 1770 whither he forced the merchants to resort to in order to exact duties from them². In 1771, Muhammad Reza Khan also reported to the

1. M.F.R., vol. 3, 18 July 1771.

2. Ibid.

Murshidabad Council that owing to the ill management at the Customs chaukis the influential merchants could avoid the payment of duties by obtaining certificates from the customs darogas or from the zamindars while the beparis or small merchants, unable to obtain such exemptions, had been obliged to pay greater impositions.¹

Anxious to restore and reinvigorate the trade of Bengal, the Court of Directors, on 10 April 1771, sent out their instructions to abolish all such bazars, ganjes and chaukis as did not "particularly belong to the Government". They wrote: "Persuaded as we are that the internal traffick of Bengal has received further checks from the duties which are levied and the exactions which are imposed at petty chokees, we positively direct that no such chokees be suffered to continue, on any pretence whatever, to impede the course of commerce from one part of the provinces to another"². The Controlling Committee of Revenue at Calcutta agreeing that the chaukis were "one of the greatest oppressions to the country and the principal obstruction to trade", accordingly in May 1772 passed the resolution that all zaminadari chaukis should be abolished.³ In persuance

1. M.F.R., vol. 3, 30 July 1771.

2. Letter from Court, 10 April 1771, para 27.

3. Proceedings of the Controlling Committee of Revenue, R. 67, vol. 54, 14 May, 1772.

of this resolution, the Committee of Circuit at Qasimbazar on 3 August 1772, in a circular letter to the collectors of all the various districts, ordered the total suppression of all private chaukis and the abolition of all duties hitherto levied at them under the denominations of rahdari or transit duties and ghat-hasil or ferry-tolls¹. The one exception to the order for abolition was that the wholesale markets or ganjes, being closely connected with the public revenues, were spared, pending further instructions from England². The fear was that if the rents and duties from the wholesale markets were unconditionally swept away, the door would be opened to many unreasonable and groundless claims for deductions from existing revenue settlements³.

The order abolishing zamindari toll stations issued in 1772 soon proved to be a dead letter, and in 1774 the Board of Customs wrote to the Murshidabad Council "to publish an immediate abolition of all inland chowkeys whatsoever"⁴. In the same letter the Board continued: "We desire you will be particularly careful between the inland chowkeys and the Gunjes, the latter we mean to continue ...,"

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1. C.C.P., pp. 93-94.
 2. B.R.C., R. 49, vol. 38, 23 March 1773.
 3. Ibid.; B.O.R.M.P., R. 98, vol. 14, 14 April 1773.
 4. B.R.C., R. 49, vol. 45, 12 April 1774.

but the fandis [outstations] dependent on them are to be considered as inland chokeys [sic] and to be abolished"¹. In all cases where the receipts from zamindari chaukis had been subject to assessment to Government revenue, an abatement was allowed in the demand upon the zamindari in whose lands they were situated. Since the two and a half percent duty levied at khas ganjes only amounted on an average to Rs. 7,27,431 while the deduction allowed to the zamindars from their annual revenue payments came to Rs. 9,77,725, the Government sustained a loss of two and a half lakhs a year from its efforts to encourage the internal trade of Bengal. The loss was particularly heavy in the districts under the Murshidabad, Dacca and Hugli customs administrations.²

1. B.R.C., R. 49, vol. 45, 12 April 1774.

2. Ibid., R. 50, vol. 32, 23 April, 1781; H.M.S., vol. 216, [Customs in Bengal, 1781-84] -

Deductions in the districts on the abolition of the zamindari chaukis (1773-1778)

<u>Deductions in</u> <u>rupees.</u>	<u>Average of six years collections</u>	
Patna	59,400	1,69,637
Dacca	3,71,240	77,738
Murshidabad	2,01,079	1,09,590
Hugli	3,40,135	49,729
Chittagong	5,871	4,637
Calcutta	---	3,18,100
Total : Rs. 9,77,725		7,27,431

The intentions of Government were admirable, but their means of enforcement were inadequate. The Calcutta Council from 1774 to 1780 was the scene of conflict between the Governor-General and Clavering, Monson and Francis. There was further conflict between the Council and the Supreme Court. A series of revenue experiments claimed much of the attention of Government, and there were frequent changes in the pattern of administration, now with collectors appointed to the districts, now with English officials recalled to Provincial Councils. As a result the orders for the abolition of private customs posts were largely disobeyed. Thus in 1775 Ramkanta Haldar and other Calcutta merchants complained that Ramnath Mandal, ijaradar of ¹ Magura pargana had forcibly exacted duties from merchants. Ramnarain Mitra complained that he had been detained for a demand of sixteen rupees upon sixty four maunds of cotton at Kasijora, in spite of his having a rawana ². In 1776, Bansaram Baul submitted to the Calcutta custom-house a list of chaukis where the chaukidars had ignored his rawana and taken additional duties ³. Four years after the Calcutta

1. B.O.R.M.P., R. 98, vol. 17, 20 April, 1775.

2. Ibid.

3. M.F.R., vol. 8, 27 May 1776.

List of chaukis submitted to the Calcutta
custom-house

		<u>Additional exactions in rupees.</u>
Panchupara	.....	11-4
Badarpur	.....	6-0
Sibrampur	.....	4-8
Jalangi	.....	7-8

authorities had forbidden unauthorised exactions at local chaukis, one Nimai, ghat daroga at Plassey confined the bullocks of Nathu Bepari, and disregarding a rawana, demanded duties ¹. In 1779, Robert Palk, chief of the Qasimbazar factory reported to the Murshidabad Council that there were still thirteen ghats between Nadia and Suti ² collecting duties on boats using the Qasimbazar river .

In 1781, therefore, fresh orders were issued by the Governor-General in Council : "Notwithstanding the repeated orders of Government for abolishing all chowkies and fandeas for the collection of rhadarry duties in these provinces, yet there are still some zemindars so hardy as to venture at this, [time] disregarding the authority of the purwannahs, and extorting money from the merchants. The Governor-General in Council therefore reasserts these orders once more to the superior authority in each district and informs them that when in future any complaints are made and proved, they are not only empowered to oblige the immediate offender to refund the money so extorted, but also to inflict corporal punishment on him on the spot where his exactions are made, and the zamindar, chowdry, talookdar, or other proprietor of the pergunnah or portion of land

1. B.O.R.M.P., R. 98, vol. 23, 20 Feb. 1779.
 2. M.F.R., vol. 16, 6 Dec. 1779.

where the offence was committed shall be punished by a confiscation of the whole part of his lands by the Governor-General in Council according to the degree of offence"¹.

Even these stringent orders did not succeed completely in achieving the desired object². R.P. Pott, Collector of the Government Customs at Murshidabad represented to the Board of Revenue, on 21 October 1786, the inconveniences suffered by the merchants of the Murshidabad District from the exactions at the chaukis between Murshidabad and Calcutta³. Despite the punishment given to two hundred ghatwalas, he told the Board of Revenue that seven out of every ten were reestablished by the zamindars and protected by them under armed guards; and the merchants travelling with goods - readily submitted to the extortion at the chaukis instead of submitting to unnecessary delay and the risk of the loss of market in

1. B.R.C., R. 50, vol. 32, 6 June 1781.

2. Government's ^{multiple} orders and ~~its~~ ineffective repeation can be paralalled in the legislation of the Emperor Aurangzeb. The Emperor abolished the rahdari duty and asked the zamindars to do the same within their respective jurisdictions, but they continued their exactions in secret defiance of the Emperor's orders. See W.H. Moreland : From Akbar to Aurangzib, p. 290; J.N. Sarkar : History of Aurangzib, vol. 3, pp. 83-91.

3. B.O.R.P., R. 70, vol. 21, 28 Nov. 1786.

obtaining redress and restitution by complaint. Both in 1783 and in 1788 food shortages in Murshidabad and other northern districts occurred which were attributed in part to the reluctance of producers in surplus districts to face the exactions and delays imposed by private chauki officials on the way¹.

However, even if the zamindari chaukis had been effectively suppressed by the orders of 1781, full freedom of internal trade would still not have been secured, for besides the Government ganjes in the city, the Governor-General allowed as many as twenty-five lakhiraj ganjes to survive in the Murshidabad District alone, and permission was also given to zamindars to collect market dues. It was only when Cornwallis abolished all lakhiraj ganjes and collection of market dues in 1793 that the process of legislating for complete freedom of internal trade was completed.

... ** ... ** ...

1. H.M.S., vol. 61, p. 253.

C h a p t e r F i v e

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B A N K I N G A N D C U R R E N C Y

B A N K I N G A N D C U R R E N C Y

Indigenous banking with its credit facilities was highly developed in the Bengal districts during the eighteenth century. The unity which India achieved under the Mughals promoted the movement of pilgrims, travellers and merchants and fostered the growth of industries and commerce. The expanding trade of ~~the~~ eighteenth century Bengal, the diffusion of the mercantile communities over the different parts of the country and the consequent demand for money transactions led to a similar development in the organisation of banking¹. Murshidabad, after it became the seat of the Government of the Nawabs in 1704, developed into a major centre of commercial activities for both Indian and foreign merchants. The time of Murshid Quli Khan, 1704-1727, saw the rapid growth of banking institutions. A significant feature of the organisation of banking in Murshidabad was the part played by the local houses, particularly that of Jagat Seth, which had their branches in all the important trade centres of the province. Through these, merchants could make wide transactions without the risk of loss or robbery on the highways. The purpose of this chapter will therefore be to discuss the principal

1. M.A. Rahim : "Banking in Muslim India", - cyclostyled copies of a paper privately distributed at the Museums Conference, Dacca, 1964, p. 1.

features of these banking houses operating during the eighteenth century, the experiments that were later made to run banking on the local system under Government patronage and the position of these indigenous bankers with the changing circumstances of the time.

The system of banking as we find it in Bengal during the period of the present study was a combination of the system practised in ancient India and that which had prevailed in Baghdad during the days of the expansion of Arab trade under the Abbasids.¹ It may be surmised that the Muslim merchants brought with them the ideas and tradition of banking from Baghdad.

The essential aspects of banking were understood and practised in ancient India though not on a large and well-organised scale. The bankers in those days were generally money-lenders, money-changers, village merchants (mahajans) and shopkeepers.² The Gupta inscriptions describe the way men engaged in trade, used to organise themselves into srenis or guilds which functioned as trade associations and banking institutions.³

1. Quoted in M. Rashid Akhtar Nadvi - "Industry and commerce under the Abbasids" - Journal of the Pakistan Historical Society; vol. 1, part III (1953), pp. 260-61.
2. R.N. Bagchi: Banks and Industrial Finance in India, unpublished Ph.d thesis, University of London, 1964, p. 3.
3. R.K. Mukherji: The Gupta Empire, p. 97; and G.B. Jather and G.S. Beri: Indian Economics, vol. II, p. 416.

During the Muslim period of Indian history the local financiers advanced loans to the ruling dynasties when the latter were in economic difficulties. The trade of the country was also paid for partly by cash and partly by bills through these bankers. The credit instruments which they issued were commonly known as hundis which enabled the drawee to transfer money from one place to another and also facilitated the payment between merchants of distant places. They charged a commission for this kind of transactions.¹

These bankers carried on business with their own capital. There is no evidence that they ever invited deposits from the public. The uncertainty of political conditions in those days did not encourage people to deposit their savings with the bankers, for the bankers were usually the first victims of political disorders. In 1742 when a Maratha horde headed by Mir Habib entered Murshidabad, they invaded the house of the Jagat Seth, the richest and the

1. It is known from a sixteenth century Bengali literature that a Vaishnava, intending to go on a pilgrimage to Dararakanath (in the United Provinces) went to a banker. The banker gives him a hundi for one thousand rupees payable at Dararakanath by his agent on the production of the hundi, and charged a commission of one hundred rupees to transfer the money. Rahim: Op. cit, p. 4; quoted from Sahitya Parishad Patrica (1331 B.S), p. 145. English Factory Records contain many examples of the use of bills of exchange issued by Indian merchants to transfer money from one place to another - see K.N. Chaudhuri: The English East India Company, pp. 121-2.

most influential banker of the time and carried away nearly three crores of rupees.¹ Twenty years or so later, Mir Qasim, the Nawab of Bengal, deeply concerned at the part played by the money and influence of the seths in the political intrigues of the past years, captured two eminent members of the Jagat Seths' family and had them brought to Monghyr where he summarily executed them.² We have also another instance of oppression when, in 1765, the English demanded 1,25,000 rupees from the Seths - "50,000 immediately if they wished to have the business go freely on."³

The extent to which banking had developed during the period under review can best be seen in the context of the use of money in the economy. The collection of land revenue and sair duties in cash meant that even the villages were brought into the orbit of a money economy.⁴

It is, therefore, not surprising that Tavernier^h found in almost every market town a money-changer, locally called sarraaf or shroff⁵ who would offer his services to remit money and issue letters of exchange.⁶

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1. Siyar-ul-Mutakherin, vol. II, pp. 457-58. See also J.N. Sarkar: Fall of the Mughal Empire, vol. I, pp. 81-82
 2. Ibid, p. 455
 3. N.K. Sinha: Economic History of Bangal, vol. I, p. 141
 4. Irfan Habib: "Banking in Mughal India" published in Tapan Raychaudhuri (Ed), Contributions to Indian Economic History, vol. I, p. 2.
 5. The word shroff in Anglo-Indian Terminology is a corruption of the Arabic sarraaf. It comes closest to the Indian

In our period the importance of these sarrafs was considerable and their influence was similarly widespread. About 1776 a village market at Chandpara in Murshidabad had two sarrafs.¹

During the eighteenth century we find that the money transactions in Murshidabad, as also in other northern districts of Bengal, were concentrated in the hands of the seths, sarrafs, mahajans and poddars according to the nature and volume of the transactions. Both seths and sarrafs were bankers as well as money-changers; but after 1715 when the title of seth was conferred upon Manikchand, a well-known banker of Murshidabad, all other bankers came to be known as sarrafs, as distinguished from the seths. The English records often mention sarrafs to identify other bankers who did not belong to the family of the Jagat Seth and were not as influential as these seths. The profession of the sarrafs was pursued within the confines of the Indian Caste system and so was monopolised by the members of a few mercantile castes, skill in and knowledge of the business being handed down from father to son.² This system continued also in British days. It is evident from the activities of the

equivalent of the English 'Banker'. See Irfan Habib: "Banking in Mughal India", p. 2.

6. J.B. Tavernier: Travels in India, Ed. W. Crooke, vol. I, p. 24; and C.N. Cooke: The Rise, Progress and Present Condition of Banking in India, pp. 11 & 13
1. M.F.R., vol. 11, 15 Feb. 1776.
2. J.C. Jain: Indigenous Banking in India, pp. 28-34

sarrafs at the time when the East India Company was extending administrative control over the Bengal coinage that they had been able to organise themselves for joint action and recognised the Jagat Seth as the head of all bankers. When the bankers of Murshidabad, in 1784, demanded the re-establishment of the city's mint they submitted a petition to the Governor-General through Jagat¹ Seth.

Although we lack adequate information about the social organisation of the sarrafs, we are better served with regard to their professional functions which were, to a large degree, determined by the peculiarities of the currency system and commercial organisation of the time.

The coining of money at the Mughal mints was free, i.e., it was open to all to go to the mint and get their bullion converted into specie at a small charge. The value of coins was determined by their metallic content and weight. It was, therefore, necessary for everyone to see that not only a coin received in payment was not a counterfeit but that it had not lost weight through² clipping or wear. Moreover coins were held to diminish

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1. B.P.C., 24 Jan. 1785, R. 3, vol. 9. See also Jagat Seth's letter to the Resident at the Darbar dated 25 Dec. 1784 in the same series.
 2. "The longer time that a rupee of silver has been coined the less is it worth than those coined at the time or which have been coined a short time, because the old ones having often passed by hand, it wears them and

in value with the passing of time.

The primary function of the sarraf appears to have been to test coins. They possessed specialised skill for determining the alloy, weight and the age of coins. The services of the sarraf were, therefore, regarded as a sine qua non when any payment had to be made or received. In fact, the success of the Mughal mint depended on the experience and work of the sarraf as he determined the degree of purity of the coins. He checked and examined the coins and helped to keep the good coins in circulation and bad ones out of the market. Philip Francis, member of the Bengal Council, held that the services or what might be called 'the trade of shroffage' was a partial remedy to currency confusion and in 1775 he recommended the continuation of it until effective means were taken to stop multiplicity of coins.

There is little doubt that the sarraf made a good profit by his business. As Verelst, Governor of Bengal,

they are in consequence lighter." Quoted in J.C. Sinha: Economic Annals of Bengal, p. 65 and pp. 112-113. See also R.N. Banerji: The Commercial Progress and Administrative Development of the East India Company on the Coromandel Coast during the first half of the eighteenth century, unpublished Ph.d thesis, University of London, 1965, pp. 234-236.

1. Irfan Habib: "Banking in Mughal India," p. 3, quoting the Ain-i-Akbani, vol. I, p. 16.
2. M.F.R., vol. 12, 4 Oct. 1776.
3. H.M.S., vol. 125, pp. 429-462 (Francis Minute, 13 March 1775).
4. The usual charge during the Mughal period is stated to

said: "at the expiration of three years, when these sicca rupees, then called sunats [sunwat] pass at 111/116 parts of the original denomination, they are carried to the mint chiefly by the shroffs, who receive them back recoined, and consequently raised in value to 116, the first and highest denomination, deducting the expenses of coinage, amounting to something more than 2 per cent. By this operation the shroffs gain nearly $\frac{3}{116}$ parts upon the value of the coin every third year; an advantage wholly confined to the sicca rupee." ¹ As the intrinsic value of rupees was found constantly to vary it was common for the sarrafs to charge an arbitrary batta; i.e., a discount which they could settle with the party dealing with them. This profit was, so to say, a tax upon the whole people without any control or any corresponding advantage to Government. Philip Francis in his minute on the coinage of Bengal in 1775 refers to this burden: "Rich men do not feel it - skilful men either act for themselves or can discover and prevent impositions. The body of the people who are equally ignorant and necessitous are compelled to submit to a tax having no remedy and may be defrauded to almost any

have been between $\frac{1}{30}$ th and $\frac{1}{16}$ th of the value of the coins he checked. See Irfan Habib: "Banking in Mughal India," p. 4.

1. Harry Verelst: View of the Rise, Progress and Present State of the English Government in Bengal, pp. 94-95

extent in proportion to the skill and rapacity of the shroffs.¹"

Although anyone could get bullion coined at the mint, nevertheless in practice this task was reserved for the sarrafs. The sarrafs brought old and debased coins to the mint to be reminted and they also purchased bullion for the same purpose.² It also became the practice during the eighteenth century to employ some of the influential and wealthy bankers as revenue collectors, money-changers and treasurers to Government. "No royal court was complete without a state banker,³ who was often invested with the powers of a minister." The history of the house of Jagat Seth, hereditary bankers of the Nawabs of Bengal, shows the important part played by these bankers in the politics of the country.⁴

The system of currency and coinage with its large number of mints scattered all over the country which issued metallic coins of various denomination provided the indigenous bankers with the important and lucrative business of money changing. It is, therefore, necessary to discuss

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1. H.M.S., vol. 125, pp. 429-62 (Francis Minute, 13 March 1775).
 2. Irfan Habib: Banking in Mughal India, p. 4, Note 20.
 3. H. Sinha: Early European Banking in India, p. 1.
 4. For the political influence of the Jagat Seths see J.H. Little: "House of Jagat Seth", Bengal, Past and Present, vols. XX and XXII (1920 & 22), and W.W. Hunter: Statistical Account of Bengal, vol. 9, pp. 252-265.

along with the money changing function of these bankers, also the system of coinage and money during the period.

In the beginning of the eighteenth century there were three mints in the eastern provinces, at Dacca, Patna and Rajinahal. After the establishment of the Murshidabad mint by Murshid Quli Khan, about 1705, the Rajinahal mint fell into disuse and was soon discontinued. At the time of ¹ Murshid Quli Khan, money was coined at Dacca, Patna and Murshidabad. About 1757, by a treaty with Nawab Siraj-ud-daula, the English Company secured the privilege of coining money at Calcutta, which had so long been denied to the English by the Bengal Nawabs. The Calcutta mint did not work actively until after the abolition of all the three mints of the province during the years of currency reform between 1773 and 1790.

The coins most used for major transactions were the silver coins known as sicca rupees. The gold coins were mere 'fancy' coins used for presents or paying tribute to the Emperor or higher officials. For small transactions in Bengal districts people generally used Kauris or Cowries. ²

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1. Patna, being put under a separate subahadar was outside the jurisdiction of Murshid Quli Khan. See J.N. Sarkar: History of Bengal, vol. II, p. 407 (note I).
 2. Kauris or Cowries were shells collected mainly from the Maldives. Four Kauris were equal to one ganda, eighty Kauris were equal to a pan and sixty pans or about 5000 Kauris made a rupee. See W. Hamilton: Geographical, Statistical & Historical Description of Hindostan, vol. I pp. 40-41 and W.W. Wilson: Glossary of Indian Terms, p. 271.

Occasionally, however, these shells were used for the payment of government revenue; for example, as late as 1791¹ the revenue of Sylhet district was paid in Kauris.

In Bengal, the use of copper coins was limited and in the eighteenth century they were practically replaced by Kauris. Travellers and contemporary writers refer to the extensive circulation of Kauris in the muffassal. About 1770, Stavorinus, a Dutch traveller observed that ^{the} Kauri, the smallest change used in native transactions, had virtually become the currency of the mass of the people.² Small money-changers or Potdars, as they were locally called, sat in the open air in all the markets with large quantities of Kauris to supply the market-goers with change for their purchases.³ In the morning they sold

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1. The Annual tribute from some feudatory princes was also paid in shells. J.C. Sinha: op. cit., p. 65 (note 30). The reason given in 1769 by the Naib Diwan for collecting the revenues of Sylhet in Kauris was that the district being contiguous to the hills was poor. Consequently there were no local merchants who could import silver coins in large quantities to be used in the district. The local people produced grain for their own consumption and for procuring other basic necessities of life. They sold their grain in the market for Kauris and they had no other alternative but to pay rents in them. (Letter to Court, 30 September 1769, Para. 36). See Fort William - India House Correspondence, vol. V, p. 600. Hunter remarks that "at some treasuries cowries were taken at others they were not. Some collectors accepted payment in gold; others refused it; others again, could not make up their minds either way". W.W. Hunter: Annals of Rural Bengal, p. 294.
 2. J.S. Stavorinus: Voyages to the East Indies, tr. by S.H. Wilcocke, vol. I, p. 462
 3. Ibid, pp. 460-61.

Kauris to individuals for silver and in the evening the vendors and retailers exchanged the Kauris they had received for silver. When the hat or market opened the potdars exchanged about 5760 Kauris for a rupee and when the market closed they exchanged one rupee for about 5920 Kauris, thus making a profit of 160 Kauris or $\frac{1}{36}$ ¹th on each rupee. Ordinary labourers also received their daily remuneration in Kauris.² A big and well-organised hat in in the District had usually one or more Kauri shops permanently established by these potdars, for instance, the Chandpara hat of Murshidabad District had three Kauri shops.³

The value of coins corresponded to their weight in metal and the government tried to maintain the real value of the coin, which made the system complicated. The sicca rupee was not the money of account in Bengal. The money of account was the currentⁿ rupee, an imaginary coin, and all transactions made in silver coins had to be adjusted to the current rupee for book keeping purposes. The position of sicca rupees in relation to the current rupees, as it stood in 1772, was determined in the following manner:⁴ the

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1. W. Hamilton: Description of Hindostan, vol. I, pp.40-41. See also Report of the Bengal Provincial Banking Enquiry Committee, 1929-30, vol. I, p. 184.
 2. W. Hamilton: op. cit., vol. I, pp. 40-41,
 3. M.F.R., vol. II; 15 Feb. 1776.
 4. James Steuart: The Principles of Money Applied to the

sicca rupees of the first year of their coining were considered sixteen per cent better than the current rupee, i.e. one hundred sicca rupees were equal to 116 current rupees. The sicca rupees in the second year were considered thirteen per cent better than the current rupee, i.e. one hundred siccas of the second year were equal to 113 current rupees. The sicca rupees of the third year, which were called sunwat rupees, were eleven per cent better than the current rupee. All other coins struck at Madras, Surat, etc, were ten per cent better than the current rupee, though in weight and fineness they were as good as the sunwat rupees.

The reason for making the current rupee the standard was that it was imaginary. It could not be debased or falsified. It was not possible for the government to remint all old coins every year, and, therefore, a large number of old coins of the previous years were in circulation. These coins were adjusted to the current rupee according to the rate of batta of discount and thus the real value of the coin was maintained.

If only the sicca rupees issued from one mint had been legal tender throughout the province, the

Present State of the Coin of Bengal (1772), p. 16.
A. Karim: Murshid Quli Khan and His Times; p. 94, and
J.C. Sinha: op. cit., pp. 112-113.

situation would have been ~~different and~~ easier to control, but coins from different mints including those issued by the English at Surat and Madras also circulated widely in Bengal.¹ The coins of these different mints were of different standard, weight and fineness and a coin known by a particular and identical name could also have a fluctuating intrinsic value. "There were various mints established by ancient custom, where the regulations both as to the fineness and the weight of the coins are different, though their denomination be the same. From this and from punching out holes, and filling up these holes with base metals, as well as wilfully diminishing the weight of the coin, after coming from the mint, the currencies of rupees of different provinces are of different values."² The sicca rupees of Murshidabad and Patna were found varying in standard, and about 1770 the soldiers

1. Coins available and current in the Murshidabad District in 1776:

	<u>Proportion of total coinage in circulation</u>
Siccas	75 per cent
Old sunwats	8 per cent
Fooley or Spotted sunwats	5 per cent
Patna sunwats	5 per cent
Dacca sunwats	$1\frac{1}{2}$ per cent
French Arcots	$1\frac{1}{2}$ per cent
English Arcots	2 per cent
Various rupees of short weight	2 per cent

M.F.R., vol. 12, 4 October 1776.

2. James Steuart: op. cit., p. 17.

refused to accept siccas coined at Murshidabad instead of the Patna siccas which were above the standard of the ¹ Murshidabad siccas.

The complication of the system and inconvenience to the people, therefore, arose from the diversity of those coins bearing different inscriptions and issued from various mints on different dates. This led to the creation of a class of people or agencies who became coin experts and were ready to accept payment in a variety of coins and to exchange one type of coin for another.

The difference that existed between the actual rupee in circulation and the current rupee gave the sarrafs greater freedom in determining the rate of discount ² between the two currencies. "When a sum of rupees is

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1. H.M.S., vol. 125, pp. 429-461. (Francis Minute, 13 March 1775), also J.C. Sinha: op. cit., p. 112 (note 5). Nawab Mir Jafar also complained in 1764 against the standard of rupees coined at Calcutta, which was below that of the Murshidabad siccas. See B.P.C., 1 Nov. 1764.
2. Rates of batta or discount allowed by the sarrafs of Murshidabad in 1776 on the purchase and sale of rupees; M.F.R., vol. 12, 4 Oct. 1776:

	batta on sale (per hundred)			batta on purchase		
	Rs	a	g	Rs	a	g
Old sunwats	2	4	0	2	2	0
Spotted or Fooley sunwats	1	13	0	1	10	10
Patna sunwats	1	5	0	1	3	0
Dacca sunwats	1	8	0	2	6	0
French Arcots	2	8	0	3	6	0
English Arcots	3	8	0	6	9	0
Various rupees of short weight	4	10	0	4	9	0

brought to a shroff, he examines them piece by piece, ranges them according to their fineness, then by their weight. Then he allows for the different legal battas upon siccas and sunwats; and this done, he values in gross by the rupee current, what the whole quantity is worth.¹

It is true that this system ascertained the full value of every coin, but it proved extremely disadvantageous to the people. As James Steuart puts it, "no person can tell the value of the coin he is possessed of until a shroff be consulted upon the matter."² The government of the Nawabs did not want to control the minting of coins. The Seths acquired the greatest influence over the currency of Bengal during the time of Murshid Quli Khan who allowed them to coin money in the Government mints.³ As a result the Government lost control over the currency. The tacit co-operation of Government with the Seths proved inexpedient for the former, for the latter acquired a unique position of privilege in the country and from their position of

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1. It is not possible to ascertain any average bazar rate for the muffassal. James Steuart: op. cit., p. 17.
 2. James Steuart: op. cit., p. 24.
"The whole of rural population had to receive payment for their crops in coins whose value they did not understand, and then to pay away these coins for rent and taxes according to a calculation which they could not comprehend" See W.W. Hunter: Annals of Rural Bengal, p. 300.
 3. The government obtained two and a half per cent for the use of the mint. According to James Grant the total gain from the Murshidabad mint in 1722 amounted to Rs. 3,04,103. S. Bhattacharya: The East India Company and the Economy of Bengal, p. 107

overwhelming influence in money matters, came to guide administrative and political affairs at the time of Nawab Siraj-ud-daula.¹

The East India Company was fully aware of the influence of these bankers over the currency system and accordingly made very great efforts after the establishment of its authority in Bengal to introduce a stable and uniform currency. In 1765 the Court of Directors ordered that all the different varieties of rupees circulating in Bengal should be made to the sicca standard, by a general recoinage and by stopping the annual discount on sicca rupees.² Alexander Campbell, mintmaster in Calcutta, opposed this scheme. He argued that the sarrafs would defeat the measure by purchasing new siccas and would thus create an artificial scarcity of such coins.³ About eight years later Francis said: "It is well known that there is in Bengal a numerous and powerful body of men united by the strongest ties of mutual interest whose prosperity depends upon the continuance of these very evils which it is now proposed to correct."⁴ He also suggested: "If a combination among the shröffs be too powerful for government to contend with it may perhaps be better not to

1. A. Karim: op. cit., p. 97.

2. J.C. Sinha: op. cit., p. 116.

3. Ibid., p. 117 quoting Campbell's letter to the Select Committee dated 24 Dec. 1767.

4. H.M.S., vol. 125, pp. 429-62.

make the attempt than to incur the disgrace of a defeat."¹
 Muhammad Reza Khan opposed the proposal on the apprehension
 that it would ruin the indigenous bankers. He suggested
 that the siccas of the four mints in the province should be
 made equal in weight and value.²

In spite of the opposition of some of the members
 of the Council, the Court of Directors in early 1771
 repeated their previous orders for the abolition of the
batta on sunwats.³ Accordingly the Fort William Council by
 a regulation proclaimed that sicca rupees would be coined
 at the Company's mint from the twelfth year of Shah Alam's
 reign, i.e. 1771 and would pass at sixteen per cent
 discount. It further declared that the new siccas would
 not make the eleven sun siccas to fall in their value,
 i.e. the siccas struck in 1770 were to continue in the full
 value they had at first, coming from the mint, and that all
 siccas issued in subsequent years would retain their full
 value, by which the gradual abatement formerly established
 upon sicca rupees in their sunwat period could be abolished.⁴
 The object of this regulation was to stabilise the siccas
 and to obtain a uniform standard of sicca rupees.⁵ But in

1. H.M.S., vol. 125, pp. 429-62.

2. M.F.R., vol. 3, 30 May 1771; see also C.P.C., vol. II,
 pp. 172 and 184.

3. Letter to Bengal, 10 April 1771.

4. B.P.C., 26 Aug. 1771. See also Steuart: *op. cit.*, p. 34.

5. In 1774, the Court of Directors stated that: "there is no
 object before us which more immediately claims our
 /attention

those days, it was not easy to keep a fixed standard for coins issued from different mints. Warren Hastings, therefore, closed the mints at Dacca and Patna towards the end of 1773.¹ Meanwhile Sir James Steuart's suggestions embodied in his book was published.² The immediate result of his suggestions was a minute by Francis in March 1775, in which the latter advocated the establishment of a single mint for the whole province.³ As different kinds of rupees circulated in different districts, and even the same rupee could not be used in any one district for all commodities,⁴ the measure to stabilise the sicca rupee could be effected only by means of heavy recoinage. Before the question was finally decided, the Governor-General in Council asked the opinion of the Provincial Councils as to the advantages that could be expected from the universal establishment of the sicca rupees. The Provincial Councils supported the measure as they thought it would benefit the Government and the public in general.⁵

attention than the state of coinage and currency in Bengal." Court's letter, 30 March 1774.

1. J.C. Sinha: op. cit., pp. 122-123 (note 21).
2. Published in 1772, it put forward important suggestions to stabilise currency, to stop drainage of money from Bengal, to obtain equitable circulation of coins in any district and to effect freedom of internal trade; pp. 56-89.
3. H.M.S., vol. 125, pp. 429-462.
4. J.C. Sinha: op. cit., pp. 114-115 and N.K. Sinha: op. cit. vol. I, pp. 123-125.
5. The Dacca Council pointed out that the arcot rupee was the chief currency of their division and the introduction of the sicca rupee would at first "perplex the mind of

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The Government of Hastings, therefore, by a regulation in May 1777, declared that only one mint, i.e. the one at Calcutta would be allowed to coin money for the use of the province.¹ It was also resolved that sicca rupees coined in future would pass without deduction of batta. Orders were accordingly sent to the Provincial Councils and Collectors to transport to Calcutta all rupees from their treasuries, except sicca rupees, to be recoinced; and to encourage people to bring bullion to the mint a duty² of two and a half per cent was established on recoinage.

This was the first systematic attempt to establish a uniform currency in Bengal. But the plan did not succeed; the Government was alarmed by the enormous expense entailed in a total recoinage, while the people, ignorant of the benefits which might have accrued and suspicious of the change, did not bring in the old rupees. D.

Besides a certain percentage that was paid to the mint officers as mint charges, it also involved delay, risk and expense in transporting old coins to Calcutta from

1. vulgar people." They, however, supported the proposal. J.C. Sinha: op. cit., p. 136.

1. Murshidabad mint was discontinued in April 1777. J.C. Sinha: op. cit., pp. 122-123 (note 21).

2. In view of the fall in the supply of bullion about 1772, the mint master of Murshidabad recommended to the Murshidabad Council a reduction of duty by half, i.e. $2\frac{1}{2}$ per cent instead of five per cent, in order to induce the sarrafs to collect and send in more bullion. See M.F.H., vol. 6; 20 March 1772.

remote districts. The result, as one could have expected,¹ was an inadequate supply of sicca rupees for the province and the problem of withdrawing old and debased coins from circulation formed part of Government's policy under Cornwallis. After more than fifteen years of currency experiments the Collectors of the different districts still reported: "almost every district and pergunnah [pargana] throughout the provinces has a separate currency consisting chiefly of the old sicca rupees of the 11, 12 or 15 sun or arcots or sunauts of the various years and denominations, some struck at the public mints formerly established at Patna, Dacca and Moorshedabad and others clandestinely² coined by individuals."

The subsequent attempts at currency reform by Cornwallis were directed at removing the inconveniences arising from the sicca rupees in the districts and to achieve this he ordered the re-opening of the mints at Dacca,³ Patna and Murshidabad.

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1. N.K. Sinha: op. cit., vol. I, pp. 124-127.
 2. Mint Committee Proceedings, 26 June 1792 (pp. 389-514), quoted in J.C. Sinha: op. cit., p. 142 and N.K. Sinha: op. cit., vol. I, pp. 124-127.
 3. The precise date of re-opening these mints cannot be ascertained. It, however, appears that they were re-established about 1792. These mints had a short existence and were again closed by 1797. The Murshidabad mint was closed by a regulation of 1795 and the Patna and Dacca mints were abolished on 31 Dec. 1796 and 31 Jan. 1797 respectively. E. Thurston: 'Note on the history of the East India Company's Coinage from 1753-1835! Journal of the Asiatic Society of Bengal (1893) vol. LXII, No. I, pp. 54, 59 & 60.

During these years of currency confusion the indigenous bankers and sarrafs played a very conspicuous role in the economic life of the Bengal districts. Taking advantage of the complexities of coinage and money they acquired a very considerable control over the circulation of money in the province.

The functions of the sarrafs, which we have discussed so far, were closely connected with the peculiarities of the coinage of the time and have eventually disappeared with the development of a modern currency.¹

Sometimes the money-changers were to a degree specialised, but usually money changing was combined with other financial or banking business. Besides testing and changing money the indigenous bankers also issued and discounted hundis or bills of exchange. Business in hundis was, therefore, the second function of the sarrafs. It served the needs of merchants as well as of the Government,² though their main use was in settling trading accounts.

The use of hundis or banker's drafts and bills of

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1. The sarrafa of to-day is not at all associated with foreign exchange, the real counterpart of medieval money-changing. See L.C. Jain: op. cit., p. 53.
 2. Hundis, still in use to-day, may be considered substitutes for the inland trade bills - some of them were called darsani or sight bills. The rate of discount known as hundiana varied with the state of trade and the standing of the party and also with the pressure on the money market: Report of the Bengal Provincial Banking Enquiry Committee, 1929-30, vol. I, p. 188.

exchange was widespread.¹ The system obviated the need to carry large amount of coins over long distances, which in view of contemporary transport and political conditions would have been both risky and costly.² It is known from the English records that from about 1728 the banking house of Jagat Seth gradually introduced the practice of remitting the Bengal tribute from Murshidabad to Delhi by hundis or bills of exchange.³

The house of Jagat Seth had its establishments in important cities of northern India between Dacca and Delhi and its hundis were in great demand.⁴ It provided bills for any amount to be drawn on its branches. In July 1771, Jagannath Poddar, a merchant of Murshidabad, deposited twenty thousand rupees with the house of Jagat Seth to be paid to him at Rangpur.⁵ In June 1772 a bill was granted to Govinda Prasad Qanangu from the House of Jagat Seth at Rangpur on their house at Murshidabad for 4485 rupees

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1. Irfan Habib: The Agrarian System of Mughal India, p. 69 and p. 70 (note 45). For a discussion of the hundi business for the Mughal period see Irfan Habib: "Banking in Mughal India," an essay in Contributions to Indian Economic History, pp. 8-14; Rahim: op. cit., pp. 1-6; Jain: op. cit., pp. 70-83, and Report of the Bengal Provincial Banking Enquiry Committee, 1929-30, vol. I, pp. 188-89 and vol. 2, part I, pp. 384, 399.
 2. B.O.R.P., 23 June 1786, R.70, vol. 16. Letter from the Collector of Government customs at Murshidabad to the Board of Revenue.
 3. N.K. Sinha: op. cit., p. 222; and B.D.G. (Murshidabad) p.58
 4. Jagat Seths are reported to be able to draw bills amounting to a crore (ten million) of rupees at a time. Sear, vol. II, pp. 457-58; N.K. Sinha: op. cit., vol. I p. 140.

payable to Bhabani Mitra.¹ Through its branches, agents and correspondents this house established an elaborate network of 'courier services'. "Their riches were so great that no such bankers were even seen in Hindostan or Deccan; nor was there any banker or merchant that could stand a comparison with them, all over India. It is even certain, that all the bankers of their time in Bengal were either their factors or some of their family."² In view of the delay in sending the revenues of Dacca and Tippera, The Murshidabad Council asked the Dacca Council to remit the revenues by bills on the house of Jagat Seth at Murshidabad.³ During 1771 and 1772, the supervisors of Purnea, Dinajpur, Rajmahal, etc., sent the revenues to Murshidabad through bills of exchange drawn on the house of Jagat Seth.⁴

The most common form of credit instrument issued by indigenous bankers was the hundi. It has been described as "a written order - usually unconditional - made by one person on another for the payment, on demand or after a specified time, of a certain sum of money to a person named therein."⁵ This definition would seem to be equally

5. M.F.R., vol. 3; July 1771.

1. Ibid, vol. 7; 8 June 1772.

2. Siyar, vol. II, pp. 457-58.

3. M.F.R., 19 April 1771.

4. Proceedings of the Council of Revenue, 1771-1772, Press List, vols. I & II, 1771-1772.

5. L.C. Jain: op. cit., p. 71.

applicable to the hundis of the eighteenth century. It served as an instrument to raise short term credit drawn by a merchant and repayable at another place and was also employed to transmit money from one place to another. In its latter role it performed functions which in modern time devolve upon postal and money orders, cheques and bank drafts. This aspect of the hundi business was perhaps most popular in the eighteenth century. If a person wished to despatch money he went to a banker and deposited his money with him. In return he received a hundi addressed to the agent of the banker at the other place. This hundi was in effect an order signed by the drawer to pay the amount deposited and though, it is reported, it bore no seal or signatures of witness, it was always honoured and the payment accordingly made to the drawee. Hundis were written not

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1. Irfan Habib: "Banking in Mughal India", pp. 8-11.
 2. The most popular hundis operating in our time between the local bankers and their branch firms and also between sarrafs take the following form:

No.
 Drawee
 On demand please pay to or order the sum of Rs
 received from of
 Date.

Report of the Bengal Provincial Banking Enquiry Committee, vol. II, part I, p. 399.
 3. Irfan Habib: "Banking in Mughal India", pp. 8-9 (note 36). The dishouring of a hundi was an event of rare occurrence - C.N. Cooke: op. cit., p. 15. See also Jather and Beri: op. cit., vol. II, p. 417; B. Thakur: Organisation of Indian Banking, p. 44; and Saiyed A.Z. Nadvi: "The Postal system of Medieval Hind-Pakistan", J.P.H.S., vol. II, part II (1954), pp. 209-210.

only in a distinct language of the sarrafs, but had also a distinct character i.e., distinct letters of their own so that chances of forgery or other mal practices were greatly diminished.¹ Sometimes precautions were taken by writing on the bills words which imply that they could only be paid through some respectable traders or bankers,² or by using a specimen signature which was known only to the agent or appropriate correspondent holding a high position in the firm.³

We have no specimen of the form of hundi issued in the eighteenth century but an idea can be obtained from the various forms of Bengali hundis which were generally used in the Bengal districts in the late nineteenth or early twentieth centuries. A recent writer has referred to four kinds of hundis which were used in banking transactions.⁴ These were, darsani hundi, i.e., a bank draft payable at sight; muddat hundi, i.e., payable at a date due after a specified period;⁵ shahjog hundi, i.e., like a currency note and could be sold to other person, if the bearer so desired;

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1. Lecture by Richard Temple published in the Journal of the Institute of Bankers, vol. II, July 1881, p. 413.
 2. B.T. Thakur: op. cit., p. 26.
 3. Some modern firms also use a special code which is only known to the dealing partners, while asking them to pay a certain amount of money to the bearer of a letter.
 4. D. Pant: Commercial Policy of the Mughals; pp. 78-79.
 5. Report of the Bengal Provincial Banking Enquiry Committee 1929-30, vol. I, p. 189.

and lastly Jo-Khami hundi, i.e. a conditional hundi of insurance type. In a Jo-Khami hundi which was drawn against goods despatched, there was usually a condition that if the goods were lost or damaged in transit, the drawer or the holder of the hundi, who bought it with full knowledge of the risk, had to suffer the loss.¹ Some idea of the discount or commission charged by these bankers during the eighteenth century for these hundis can be obtained from the scattered references in the Revenue Proceedings and also from the contemporary accounts. Tavernier gives a list of rates of discount on various bills drawn at various inland towns upon Surat. He says that a merchant requiring money in those towns to buy goods for Surat could obtain it from local bankers by giving them a two months bill on Surat and paying a high rate of interest.² Besides the allowance to cover the risk of non-payment, the discount also included several other charges, for example, the interest on the amount of the hundi for the period allowed for repayment, the charge of insurance on goods against loss or damage. But it can be said in favour of the bankers that the rates,³ considering the times and conditions, were moderate.

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1. L.C. Jain: op. cit., p. 78 and Irfan Habib: "Banking in Mughal India", p. 13.
 2. The charges were 1% at Ahmadabad, 6½% at Lahore, 4¼% at Agra, 7 to 8% at Patna, 10% at Dacca and 6% at Banares. See Irfan Habib: "Banking in Mughal India", pp. 12-13 quoting Tavernier, vol. 1, pp. 25-30.
 3. Irfan Habib: The Agrarian System of Mughal India, p. 70.

In 1773, the rates of exchange which were allowed¹ to the managers of the General Bank for making remittances from the different districts were as follows

Hughly	two days journey from Calcutta	$\frac{1}{4}$ per cent
Nadia	four days journey from Calcutta	$\frac{1}{2}$ per cent
Jessore) Burdwan)	five days journey from Calcutta	per cent
Midnapore	six days journey from Calcutta	$\frac{3}{4}$ per cent
Birbhoom) Bishnupur) Murshidabad)	eight days journey from Calcutta	1 per cent
Dacca	twelve days journey from Calcutta	$1\frac{1}{2}$ per cent
Dinajpur	sixteen days journey from Calcutta	2 per cent
Rangpur	eighteen days journey from Calcutta	$2\frac{1}{4}$ per cent

In 1786, the Collector of the Murshidabad Customs said that the indigenious bankers charged a discount at the rate of half per cent against the Company to send money from² Murshidabad to Calcutta by bills of exchange.

Buchanan, writing in the early nineteenth century said that the house of Jagat Seth granted bills on various parts of the province, while others confined their operations to Calcutta, Patna, Dacca and Murshidabad. The rate of discount on bills for a short term payable at Murshidabad for cash paid at Dinajpur was one half to one

1. B.R.C., 13 April 1773, R.49, vol. 39. See also Francis MSS. Eur. E. 27, p. 129; H.M.S., vol. 766, p. 267 and J.C. Price: Notes on the History of Midnapore, p. 202
 2. B.O.R.P., 23 June 1786, R.70, vol. 16.

per cent, while for those payable at Calcutta it was one to one and a half per cent.¹ It appears that the rate was fixed for a particular place and varied according to distance between the place on which it was drawn and where it was discounted.²

It may be added as an instance of the development of trade and commerce that there existed an organised system of insurance in the country, generally conducted by the indigenous bankers. A.C. Lyall says that an enterprising commercial and banking class conducted exchange operations all over India in the eighteenth century and a tremendous insurance premium was paid "to some petty chief or captain of banditti, who undertook by hook or by crook to cut his way across country and deposit the treasures at its appointed place"³

There is no evidence that insurances on modern forms or methods, i.e. insurances of life and property, existed. Insurances seemed generally to have undertaken in respect of goods in transit and of ships. It is known that

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1. F. Buchanan: Purnea, p. 583; and Buchanan: Dinajpore, p.321
 2. B.R.C., 2. Jan. 1775, R.49, vol. 50. (Letter from the Murshidabad Council to the Governor-General). During the late nineteenth century rates of discount rose or fell at the beginning or end of the busy season. From eight to three per cent was the range for the seasonal fluctuations. See J.M. Keynes: Indian Currency and Finance, pp. 242-243. We have not found examples of such changes in rates with seasonal flow of trade, which doubtless existed.
 3. A.C. Lyall: Asiatic Studies, 1st Series, p. 265.

on account of the insecurity of the way the merchants deposited their goods, baggage and other property with the local bankers who, taking their recompense, conveyed the goods to the owners at the appointed place.¹

There is little mention in the English records of insurance in the late eighteenth century. It is possible that with the changed political conditions at the turn of the century the carriage on the high roads and water ways became more risky and the sarrafs devoted themselves to other source of income rather than to insurance.

Nevertheless a regulation of the Board of Customs in 1773 asking all owners of fleets of boats to obtain a licence from the Board and to enter into a joint security bond with merchants whose goods they would carry, gave the merchants some security for the goods and other merchandise in transit.²

The next function of the indigenous bankers was connected with Government finance. This had various aspects of which the chief were revenue receipt and remittance, revenue collection and loans to governments.

The history of the rise of Fateh chand and the award of the title of the Jagat Seth by the emporor as a reward for services rendered to him and to the Nawab of

1. Irfan Habib: "Banking in Mughal India", p. 15 quoting Khulasat-al-Tawarikh, p. 25.
 2. B.R.C., 19 Oct. 1773, R.49, vol. 41.

Bengal prove beyond doubt the close financial relations of the royal courts with the banking houses. These houses were authorised to receive revenue payments made either by local officials or zamindars and remit them to the headquarters. Even where they were not so directly authorised, exchange business would arise out of the needs of remittance.

The house of Jagat Seth was the receiver and treasurer of government revenues in Bengal. From the time of Murshid Quli Khan, the Jagat Seths gradually became security for most of the rents. The defaulting zamindars received injunctions from the Nawab to transmit their revenues to the Jagat Seths. They received all the revenues and other payments made to the Government of the Nawabs and also the right of examining, sorting and weighing of various kinds of rupees to reduce them to the sicca value. During the punya ceremony (beginning of the new financial year), Jagat Seth stood security on behalf of the zamindars and farmers for the arrears of the previous year and gave a pat to the Nawab, i.e. a written understanding or draft on his house to pay the amount to Government and in return he received from the zamindars about ten per cent patwan or commission. This system had proved advantageous to Government to the extent that the Government did not have to be concerned with the collection of the arrears of revenue.

The large arrears due from the zamindars and farmers of different districts during the years of centralisation of revenue administration, from 1773 to 1783, was a proof of the advantage of the system to Government.¹ The zamindars could also pay the revenue in time as the demand was practically shifted to the bankers. But this system which created a body of powerful intermediaries who stood between the zamindars and the Government made it doubly difficult for the peasant cultivators to get redress of their grievances from the Government.

These banking houses, large and influential enough to undertake any revenue functions, would therefore be expected to make loans to Governments. "These loans would be either 'ways and means' accommodation or long term² financing of military expeditions or other ventures." In their loans to Governments, the banking houses would expect to be compensated by special privileges from the court or to

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1. B.O.R.P., 27 May 1784, R.50, vol. 52; and 11 Jan. 1786, R.50, vol. 63 - statement of the collection of revenue of Rajshahi for eight years from 1777 to 1785.
 2. D.R. Gadgil: Origins of the Modern Indian Business Class; p. 33; Report of the Bengal Provincial Banking Enquiry Committee, 1929-30, vol. I, p. 180: when Sultan Firoz Shah reached Sarsuti in the course of his march "the bankers and merchants of the place assembled and brought several lacs of tankas rupees to the Sultan who accepted the money as loan and promised to repay it after his arrival at Delhi", - quoting Elliot: History of India, vol. III, pp. 282.

obtain assignments of revenue collections in some areas. These privileges covered also certain advantages in trade, for instance, the Jagat Seths paid a duty of five per cent on their invoices and their goods were exempted from inspection at the custom house.¹

In 1773, ^{the} Emperor Shah Alam, in a letter to Mohammad Reza Khan, asked him to persuade the Jagat Seth to re-establish a banking house at Delhi which the emperor promised, would receive all patronage and encouragements from the Court.²

Moreover, these banking houses, as well as traders and other substantial parties who were not normally connected with any aspect of Government finance were sometimes called upon to make loans to Government. In 1789, the Collector of Murshidabad wrote to the Board of Revenue that to make good the revenue for the year 1788 he had borrowed the following amount from the bankers of Murshidabad:³

Gopal Das	17,484 rupees
Jagat Seth	10,000 rupees
Kishore Mahan	4,849 rupees
Jagabandhu Roy	3,996 rupees

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1. B.O.R.M.P., 21 April 1773, R.98, vol. 4. See also H.M.S., vol. 217, pp. 94-95.
 2. B.O.R.P., 12 Feb. to 13 Sept. 1773.
 3. B.R.C., 6 June 1789, R.51, vol. 37; and B.O.R.P., 11 June and 2 Nov. 1789, R.71, vols. 10 and 16.

Bahadur Sing	1,999 rupees
Bijoyram Roy	1,896 rupees
Kashinath	998 rupees
Total	<u>41,192 rupees</u>

According to the English records, the Jagat Seths lent more than fifty lakhs of rupees to Mir Jafar to meet his various expenses including his promises to the English after the battle of Plassey. On a representation from the Jagat Seth about 1766 the Company agreed to pay only twenty one lakhs and suggested that one half, i.e., 10,50,000 rupees, should be paid by the Company while the other half was to be discharged by the Nawab within ten years in annual instalments of one lakh and five thousand rupees.¹ The Company's share was paid off according to agreement; but the Nawab was unable to pay his debts to the Jagat Seth even in fifteen years. In March 1790 Jagat Seth represented to the Governor-General that the Nawab owed him an amount of 5,25,000 rupees, out of the whole debt of 10,50,000 rupees incurred in 1773.²

It is not possible to state accurately what rate of interest these government loans carried; but it can be said that the rate must have been less than what these

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1. Fourth Report from the Committee of Secrecy -Parliamentary Collections, no. 7, pp. 122-123.
 2. B.P.C., 19 March 1790, R.3, vol. 51 - a letter from the Jagat Seth to the Governor-General dated 15 March 1790.

bankers charged the zamindars. In the late eighteenth and early nineteenth centuries they charged the zamindars interest at a rate varying from ten to twelve per cent a year.¹

Apart from their financial transactions with Government, these banking houses also extended loans to private parties. European merchants at most centres in Bengal found it possible and necessary to borrow money from the local banking houses to finance their purchases. The Records of the English merchants in Bengal frequently refer to the bankers of Murshidabad, including of course the Jagat Seths, as a source of funds to carry on their trade.²

As no statistics are available it is not possible to give any accurate figures or detailed information as to the extent of their business throughout the province. It is, however, true that their financial transactions in the upper level, i.e., with the government, zamindars and with the European Companies, were confined to a few banking houses, those of Jagat Seths and later the house of Manohar Das and

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1. F. Buchanan: Dinajpore; p. 321. The Dutch borrowed 4,00,000 rupees at the rate of nine per cent a year (Hill: Bengal, vol. I, p. 32). The most common rate during the eighteenth century for the loans taken by the Peshwa from local bankers appears to have been thirteen to fourteen per cent per annum. D.R. Gadgil: op. cit., p. 33 (note 42), quoting Selections from Peshwas Diaries - Balaji Bajivao, vol. II, pp. 170-180.
 2. J.H. Little: "The house of Jagat Seth"; B.P.P., vol. XXII, pp. 19 & 33, (1921). For the supply to other Europeans

/see

Gopal Das.¹ But at a lower level, there must have been many more bankers who extended their business over the whole area of the province. Buchanan informs us that during the early nineteenth century there were seven rich bankers in Murshidabad called Kuthiwallas² with their agents at important places. These bankers even advanced loans to the rural artisans and consumers either through their agents or village money lenders and mahajans. They carried on a small trade in imports and exports, but their principal business was trade in money.³ It is not possible to give a definite idea regarding the nature and extent of their business and the capital they employed in it. It should be noted, however, that indigenous agencies ^{for} of financing the various parties ranged from the wealthy bankers of the cities to the village money lenders who advanced small sums to the artisans. Although the majority of these money lenders had only a small local business, the aggregate of their transactions

see Hill: Bengal, vol. I, (1756-57), p. 32, and J.H.T. Walsh: History of Murshidabad, p. 255.

1. S.K. Bose & A. Mitra (Ed.): West Bengal District Records (Murshidabad); 27 Sept. 1793, p. 132.
2. Banking houses were also locally known as Kuthis. With the expansion of indigo trade the banking agencies were extended to indigo producing areas and the combined indigo houses and banking houses subsequently came to be known as Nil Kuthis (indigo houses). See D. Pant: Commercial Policy of the Mughals, p. 73.
3. Buchanan: Dinajpore, p. 320-21; and Report of the Bengal Provincial Banking Enquiry Committee, 1929-30, vol. I, p. 183.

could be expected to have been an enormous sum.¹ These financiers enjoyed no caste monopoly over money lending, which was carried on by various persons in different forms.² The bankers can be distinguished from these money lenders (mahajans and merchants) by a separation of their functions, the latter being primarily engaged in the business of money lending.

A difference between the banker and the money lender has been drawn by the Punjab Provincial Banking Enquiry Committee in the following passage: "The indigenous bankers may also combine banking and business, but in his case banking is primary. The indigenous banker finances trade and industry rather than consumption, the urban money lender consumption rather than trade. Both banker and money lender advance partly with, partly without, security but the banker more often with than without, and the money lender probably more often without than with. A further difference is that most of the banker's clients repay punctually, and most of the money lender's have to be pressed."³

It may be noted that with the rise of the modern

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1. Imperial Gazetteer of India, vol. 4, p. 522. The Potdars probably had a very useful and profitable source of investment of their money in market towns. They might have lent small sums to traders and vendors on a market day and received the money with interest back on the next market day.
 2. L.C. Jain: op. cit., p. 28.
 3. Report of the Indian Central Banking Enquiry Committee, 1931, vol. I, p. 73.

banking and commercial organisation the banking functions of the indigenous bankers were reduced but the money lenders continued as before. We lack adequate information about the method of business and system of accounts followed by these money lenders.

Generally speaking, loans were given on mutual trust, sometimes without a document or even a witness. Loans were also granted on mortgages of land, ornaments and other property.

Buchanan writing in the early nineteenth century gave us an idea of the rate of interest. He says that the average rate of interest practised in northern districts - Dinajpur, Purnia, etc., was twelve to eighteen per cent, but in addition they charged other fees as profit.¹

Sometimes the mahajans advanced money to the cultivators before the season for grains, accepted repayment in kind and stored the grain for^a profitable market.² The interest charged by the Jagat Seths in different districts varied from two to four per cent per mensem.³ But the private money lenders charged interest at an exorbitant rate, for example, Captain Mackenzie used to lend money to the zamindars and farmers of Rangpur at the

1. Buchanan: Dinajpore, p. 211.

2. Buchanan: Dinajpore, p. 320; see also W. Hamilton: Description of Hindostan, vol. I, p. 40.

3. M.F.R., vol. 5, 18 Feb. 1772: Evidence of the farmers and zamindars during the trial of Captain Mackenzie.

rate of five per cent per month and also realised a further premium of nine per cent by arbitrary methods.¹

The relation between the village money lender and the agricultural borrower, as noticed in our day, was probably a peculiar mixture of intimacy and evasion according to need and circumstance.² The arbitrary methods practised by the money lenders earned for them a reputation of being exacting and usurious.

The wealthy bankers would devote themselves mainly to financial transactions. However, all of them in origin combined trade and banking. "The largest of them^{at} all times seized opportunities of lucrative trading, and most large traders performed some of the functions of banking houses."³ This was certainly true of most of the bankers of Murshidabad District in the late eighteenth century. Their names also appear in the list of merchants trading at Murshidabad,⁴ and their capital employed in banking could not be distinguished from that employed in trade.⁵

The combination of functions was well suited to the conditions of Bengal districts.⁶ The personal relations

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1. M.F.R., vol. 5, 18 Feb. 1772: Evidence of the farmers and zamindars during the trial of Captain Mackenzie.
 2. Whenever a money lender meets a debtor he does not forget among exchanges of news to mention politely about the possibility of repaying the debt whether time for payment is due or not.
 3. Gadgil: op. cit., p. 34.
 4. B.O.R.P., 1773-1777, R.98, vols. 15, 18, 20 and 22.
 5. B.P.C., 24 Jan. 1785, R.3, vol. 9
 6. Report of the Bengal Provincial Banking Enquiry Committee 1929-30, vol. I, p. 185.

which grew out of trade had largely been responsible for making the function of banking attractive to the trader; conversely the lending of money undertaken by him had the effect of securing an advantage in his trading, for loans made to the producers virtually bound them to the lending trader to sell their produce to the latter. Furthermore, the banking business was of primary importance to the trader in the remittance of funds.

During the eighteenth century we thus find three kinds of indigenous bankers functioning in Murshidabad District: those whose primary business was banking and who were better known as seths and sarrafs; those who were principally traders or merchants but employed some funds in banking; and lastly those who were both bankers and traders and could not be easily classified as being principally bankers or principally traders.

The influence over the currency and government finance which the indigenous bankers gained under the Nawabs of Murshidabad continued throughout the period of currency reform during the early British administration in Bengal. But they could not retain the full power and influence they had exercised during the pre-diwani period. They were still a numerous and useful body in the districts: the people trusted them, their assistance enabled the zamindars to pay their rents to government and they rendered valuable services by providing facilities for easy remittance of

money and by promoting its circulation. But as the century advanced most of these banking houses declined as their sources of income dried up. The reduction of the house of Jagat Seth which had held a unique position in the country and played so important a part in the economic life of the province, to minor importance following the grant of diwani in 1765 may be taken as illustration of the general trend.

The founder of the great house of Jagat Seth (banker of the world) was Manik Chand who came to Dacca from Patna, probably during the early eighteenth century, and established a firm there. When Murshid Quli Khan transferred his capital to Murshidabad, Manik Chand moved with the court to Murshidabad. In Murshidabad, he was a favourite of the Nawab and ultimately became the Nawab's banker and adviser. The Emperor Farrukh Siyar, soon after his accession to the throne in 1712, honoured Manik Chand with the title of Nagar Seth (city banker). Before he died in 1714 the banking house was firmly established and, under his successor Fateh Chand, the house achieved real greatness and with the title of Jagat Seth, conferred by the Emperor Mahmud Shah in 1723 this house acquired a unique position in the country. It became the centre of commercial credit. Contemporary records refer to the East India Company's loans, repayment of loans, sale and purchase of bullion

and other transactions with the house of Jagat Seth.¹ About the house of Jagat Seth, Orme writes: "There was a family of Gentoo [Hindu] merchants at Muxadavad whose head, Juggut Seat, had raised himself from no considerable origin to be the wealthiest banker in the Empire, in most part of which he had agents supplied with money for remittances, from whom he constantly received good intelligence of what was transacting in the governments in which they were settled. In Bengal his influence was equal to that of any officer of the administration; for by answering to the treasury as security for most of the renters farming the lands of the province, he knew better than anyone all the details of the revenue; while the great circulation of wealth which he commanded rendered his assistance necessary in every emergency of expense."² The firm's sources of income were manifold.³ This house was the receiver and treasurer of government revenues. The payment of the zamindars and other collections of the revenue were made into this banking house and also through this house the annual tribute was sent to

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1. Bengal, Past & Present, vols. XX & XXII, 1920 & 1921 pp. 19-20; see also N.K. Sinha: op. cit., vol. I, p. 138. The people of Bengal believe that the rupees of Jagat Seth equally with the sword of the English brought about the downfall of the Muslim power in Bengal; W.W. Hunter: Statistical Account, vol. IX, p. 258.
 2. R. Orme: History of British India, vol. II, pp. 29-30, Madras reprint, 1861.
 3. A Bengali poet compared the sources of income of this house with the supply of water into the ocean, he says "As the Ganges pours its water into the sea by a hundred mouths, so wealth flowed into the treasury of the seths."

Delhi. It appears that they received ten per cent on all these payments and their profit from this source was estimated at forty lakhs of rupees a year.¹ Their connection with the mint at Murshidabad was so profitable to them that they were naturally hostile to the establishment of a mint at Calcutta which would have diminished their wealth. Their power is clear from a letter from William Watts to Roger Drake (President at the Council of Calcutta) dated 18 February 1753:".... it would be impracticable to effect it the establishment of a mint with the Nabub, as an attempt of that kind would be immediately overset by Juggut Set even at the expense of a much larger sum than our Hon'ble Masters allow us to pay; he being the sole purchaser of all the bullion that is imported in this province by which he is annually a very considerable gainer."²

But the greatness of the house began to decline rapidly after 1765. The Jagat Seths withdrew their branches from different places owing to the wars and disorders that followed the decay and disintegration of the Mughal empire.³ The trend of the Seth's downfall began when Mir Qasim put two of the most influential members of their family to death. It may also be true, as the seths believed, that vast

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1. J.H. Little: "House of Jagat Seth", B.P.P., vol. XXII (1921) p. 30.
 2. Ibid., p. 31 quoting J.S. Long: Selections from Unpublished Records of Governemnt, p. 47.
 3. L.C. Jain: op. cit., pp. 19-20; and F. Buchanan: Patna-Gaya Report, vol. 2, p. 698.

treasures of the family had been kept buried underground by Khusal Chand and when he suddenly died, he could not disclose the secret. It was certainly true that their business was affected by the increasing control secured over the country's trade by the English Company during the period.¹ Foreign as well as internal trades no longer required their loans and they ceased to be the channel of revenue payment. "This branch of profit they have (now) lost and are chiefly employed by the landholders in keeping their rents, paying the revenue and in conveying the surplus to such as reside at a distance."²

Probably in recognition of the services of this house in the past the house of Jagat Seth remained for several years the Company's banker. But when the treasury was removed from Murshidabad to Calcutta in 1772, it ceased its function as the banker of the Company. Their trade in money passed into the hands of smaller sarrafs, in league with each other. When the state controlled general bank was established in 1773, its managers were Hazari Mal and Dayal Chand, new people mostly known in Calcutta commercial circles.³ The family still had preferential rates for

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1. N.K. Sinha: op. cit., vol. I, p. 142. See also H.R. Ghosal: Economic Transition in the Bengal Presidency pp. 284-285.
 2. W.Hamilton: op. cit., vol. I, pp. 40-41.
 3. The farmer was a rich merchant of Calcutta, the latter was a banker of Murshidabad, a member of the family of the Jagat Seth; B.R.C., 23 April 1773, R.49, vol. 39.

minting coins at Murshidabad, but their wealth fell so far short of their fathers' that they could not make full use of this privilege.¹ Although Mir Qasim's attempt about 1761 to start a rival banking house at Murshidabad did not succeed, the new firm of Monohar Das and Daraka Das was established in Murshidabad in 1790 for doing transactions with the Government, which was formerly done by the house of Jagat Seth.² No doubt within a narrow limit their banking activities continued and they maintained a monopolistic hold over a large trade in the province. But they were not disposed to set up joint-stock banks through which their resources could have served all the trading interests and so maintained the flow of wealth. Despite growing disorganisation they made no effort to develop a corporate financial structure.³ With the advent of modern business methods the ascendancy of the local bankers declined.

The disorganisation of the local bankers and the gradual expansion of English trade and dominion in India,

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1. A list of charges on coining money in the mint at Murshidabad: B.R.C., 7 Feb. 1775 (Hasting's Minute).
- | | Private merchants | | | | Jagat Seth | | | | Government | | | |
|---|-------------------|----|----|---|------------|----|----|---|------------|----|---|---|
| | Rs | as | g | k | Rs | as | g | k | Rs | as | g | k |
| Debased sunwats
(Murshidabad,
Patna, Dacca) | 1 | 11 | 2 | 1 | 1 | 8 | 13 | 3 | 0 | 11 | 3 | 3 |
| Silver coining
into rupees | 6 | 12 | 19 | 2 | - | - | - | - | 1 | 0 | 7 | 0 |
| All others | 4 | 4 | 19 | 2 | 2 | 4 | 7 | 0 | 1 | 0 | 7 | 0 |
2. N.K. Sinha: op. cit., vol. I, p. 143 and p. 145 (note 3)
3. Report of the Bengal Provincial Banking Enquiry Committee 1929-30, vol. III, part II, p. 88.

encouraged the East India Company to establish banks which would serve the latter's administrative requirements and the purpose of trade. The result was the creation of Government treasuries and the foundation of early banking institutions on western lines and these operated to the further disadvantages of indigenous banking.¹

The Agency Houses of Calcutta and Bombay became the forerunners of joint-stock banks and started banking as well as trading business. The Bank of Hindustan founded in 1770 by one of the Agency Houses in Calcutta was probably the first banking institution in India run on European lines.² The Agency Houses "were chiefly formed of gentlemen who had been in the civil and military services, who, finding their habits better adopted for commercial pursuits obtained permission to resign their situations, and engage in Agency and mercantile business. They had of course a great many friends and acquaintances in their respective services, and from those gentlemen they received their accumulations. They lent them to others, or employed them themselves, for purposes of commerce; they were, in fact, at first the distributors of capital rather than the possessors of it. They made their profits in the usual course of trade and by

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1. L.C. Jain: op. cit., p. 23. See also H. Sinha: op. cit., pp. 163-175.
 2. H. Sinha: op. cit., pp. 3-4 and C.N. Cooke: op. cit., pp. 200-201.

difference of interest in lending and borrowing money, and by commission, In course of time, carrying on successful commerce, many became possessors of large capital and returned to this country, leaving most part of it there and those houses became the usual depository of a great portion of savings and accumulations of the civil and military services in India."¹

A greater blow was given to the indigenous bankers when Warren Hastings started a General Bank under Government patronage.²

The foundation of the General Bank in Bengal and Bihar was the result of a plan of Warren Hastings which was approved by the Board on 13 April 1773.³ The need for such a bank was made plain by the repeated complaints from the northern districts of Bengal of the inability of the farmers to pay their rents on account of a cheapness of grains primarily due to the scarcity of specie in the districts.⁴ The object of the Bank was to preserve the circulation of specie in the districts by remitting the revenues by bills to the Presidency. This procedure would ensure to the

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1. Evidence of Thomas Bracken, a partner of Alexander & Co., before the Select Committee of the House of Commons on the affairs of the East India Company (Part I, Finance), 24 March 1832, p. 151.
 2. For details of the General Bank see J.C. Price: Notes on the History of Midnapore, vol. I, pp. 201-206.
 3. B.R.C., 13 April 1773, R.49, vol. 39. See also H.M.S., vol. 766, pp. 227-240.
 4. Ibid., see also MSS.Eur.E.27, pp. 185-221 (Francis Minute dated 20 Jan. 1775).

Government the full value of the rupees received in payment of rents and obviate the cost of carrying cash to and fro under military escorts and accompanied by peons and agents. The other object of the Bank was to assist the trade of the country by furnishing the merchants with cheap and easy means of remittance to the aurangs through its branches.

A principal bank was therefore set up at Calcutta under the management of two indigenous bankers with branches in the districts through which all remittances could be made to the Presidency.¹ The Collectors were to make over to these bankers or agents all the revenues they received in return for bills on the principal house. The commission in favour of the bank was fixed according to the distance, risk and charge of transport. All private merchants were encouraged to send money to the aurangs at a fixed rate of exchange.² A little later the bank was asked to advance money to respectable farmers to pay their arrears at two per cent per month in the districts and one per cent in Calcutta.³ The public bankers were allowed to coin money⁴ at the Murshidabad mint at the rate paid by the Jagat Seth.

The Bank started functioning soon after the

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1. B.R.C., 4 June 1773, R.49, vol. 40: (list of gumastas for the district branches has been enclosed).
 2. M.F.R., vol. 12, 4 Oct. 1776.
 3. B.R.C., 24 Dec. 1773, R.49, vol. 42.
 4. Ibid. See also MSS.Eur.E.27 (Francis Minute, 20 Jan. 1775) pp. 185-221.

approval of the plan. The profits during the first three or four months amounted to about 30,000 rupees. The Governor-General and Council decided that one half of the profit should be allowed to the managers and the other half carried to government account. But the Court of Directors disapproved of the payment of considerable sums to the managers. They argued that the carrying of the revenues to the headquarters and then reconveying them to the districts for the provision of investment or the payment of the Nawab's stipend or for the maintenance of troops and other establishments for local purposes would entail double expense.¹

The Directors, therefore, refused to confirm the regulations establishing the Bank, but urged the Fort William Council to deliberate upon the effects it had produced. The matter was then fully discussed in the Council. Francis in an elaborate minute, pointed out some of the defects of the Bank and tried to prove that it had "not done the service or provided the benefit expected from it."² Hastings, however, held the opposite view but as he did not command a majority in the Council, it was decided in February 1775 to abolish the Bank.³

The General Bank functioned for about twenty

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1. B.R.C., 13 April 1773, R.49, vol. 39; and MSS.Eur.E.27, pp. 107-170
 2. MSS.Eur.E.27, Francis Minute, 14 Feb. 1775; and B.R.C., 15 Feb. and 29 May 1775, R.49, vol. 53.
 3. Ibid.

months. During this period it earned a net profit of about two lakhs of rupees, one half of which went to the government treasury.¹ The revenue was conveyed to the Presidency at less cost than in previous years,² and it appears from the reports of the Provincial Councils and Collectors that the bank proved beneficial to the merchants and achieved some success in promoting the circulation of trade and reducing interest rates.³ The managers, however, did not appear to have received much encouragement from the Collectors. The managers represented to Government that the Collectors did not pay into the banking houses revenues as they were received, as required by the regulations, but only at the time that bills were required. The Collectors required the agents of the bank to attend in person at the court to draft bills, a practice considered to discredit the bank.⁴ Moreover, in Dinajpur a rival bank had been established. Nevertheless the experiment of 1773, though shortlived, was a significant event in the history of banking in Bengal. It was the first attempt to create in India a modern type of central bank, designed to act as government banker by being the custodian of government revenues, to facilitate trade by

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1. P. Banerjea: Indian Finance in the Days of the Company, p. 69 quoting Bengal Revenue Consultations from 1773-1775.
 2. MSS.Eur.E.27, Hastings's Minute, 7 Feb. 1775, pp. 225-240.
 3. B.R.C., 2 Jan. 1775, R.49, vol. 50 - Letter from the Murshidabad Council to the Governor-General. See also MSS.Eur.E.27 (Hastings's Minute, 7. Feb. 1775).
 4. J.C. Price: op. cit., pp. 203-204.

providing easy means of remittance and to enforce the sicca rupees as the standard coins of the province.

Whatever the plan aimed at, it greatly discouraged the numerous body of local bankers who were already hard-hit, weakened and reduced in number by the scarcity of specie and decay of trade. The creation of a great bank, supported and protected by the governing power, helped to weaken the smaller banking houses. It continued the trade of sarrafs, but instead of having the advantage of a competition between several bankers, it threw the business into the hands of a monopolist.¹

The Provincial Councils in their reply to the questions regarding the effect of the General Bank gave a dismal picture of the state of the local bankers. The Murshidabad Council reported that the number of banking houses in the district had been decreasing and that the bankers of Murshidabad were opposed to the principle of the public bank.² It appears that the government of Warren Hastings ~~were~~ quite aware of the opposition of the local bankers and ~~were~~ ready to use official power to establish the authority of the general bank. Thus the Collector of Dinajpur was ordered in strong terms to suppress a private

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1. MSS.Eur.E.27, Francis' Minute, 20 Jan. 1775, p. 211; see also Reza Khan's statement in MSS.Eur.E.28.
 2. B.R.C., 2 Jan. 1775, R.49, vol. 50. In Rangpur, Dinajpur and Dacca districts, the Bank proved destructive to the local bankers who had opposed it from the beginning.

banking house if it had interfered with the functioning of the public bank: "we have in particular on this head of the complaints from the Bank to require from you an explanation of the circumstance they mention relative to the bankers house established at Dinajpore, at what period it was established and by what authority. It appears to us to have been an attempt of some of the other shroffs of Moorshedabad to oppose and defeat the regulations of government which were calculated to exterminate their oppressive dealings in Batta and usury and which [sic] if it was a new house grounded upon such improper motives ought not to have been suffered by you nor to be now pass'd over with impunity by us." ¹

The abolition of the Murshidabad mint in the process of bringing about the uniformity ^{in the} of currency and the consequent shortage of specie, worsened the condition of the bankers of Murshidabad city and District and their distress grew enormously during the years from 1781 to 1791. During this period all the influential bankers of Murshidabad under the leadership of the Jagat Seth applied for the re-establishment of the mint at the city of Murshidabad, which they represented would restore them to a flourishing

1. Francis MSS.Eur.E.27, p. 165. Letter from the Fort William Council to the Collector of Dinajpur dated 24 Dec. 1773.

condition and benefit the people as a whole.¹ The grievances of the bankers of Murshidabad were supported by the Resident at the Darbar and the Collector of Murshidabad in their letters to the Calcutta Council.² So unfortunate was the condition of these bankers that the Resident at the Darbar wrote to Calcutta in 1784, that even the Nawab of Murshidabad could not borrow from the bankers of the District.³ In 1788, the Board of Revenue asked the Collector of Murshidabad to borrow money from the Bankers of Murshidabad to pay the large arrears due to the troops in the city (120,557 rupees), the salaries of the Faujdari Adalat and also for the advances to the Qasimbazar and Jangipur factories. But inspite of his efforts the Collector could not borrow more than a meagre 41,192 rupees.³

The indigenious bankers who earlier had risen to a position of confidence and influence at the Court of the

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1. B.P.C., 24 Jan. 1785, R.3, vol. 9. Letter from the Jagat Seth to the Resident and the G-G & C. Letter from the Bankers to the Resident dated 25 Dec. 1784.
Names of the Bankers:
Kishore Mahan Seel, Madan Mahan Seel, Raghunandan Saha, Nanda dulal Seel, Shamvu Charan Datta, Parash Ratan Nandi, Gauri Mahan & Nanda Mahan, Tilak ram Seel, Glensamir Das, Gooul Chand, Bholanath, Nanda Ram and Jagannath, Parshad Daha, Gopal Das & Rishi Das, Jagannath & Manik Chand, Samir Chand and Tilak Chand.
 2. Ibid., the Resident to Fort William. See also B.R.C., 21 Jan. 1791, R.52, vol. 26. Letter from the Collector of Murshidabad to the Board of Rev. dated 15 Jan. 1791.
 3. B.P.C., 24 Jan. 1785, R.3, vol. 9.
 4. B.O.R.P., 30 July 1789, R.71, vol. 14; and 2 Nov. 1789, R.71, vol. 16.

Nawabs of Bengal and had controlled the currency and trade of the province, had become much so, reduced in wealth and resources that they could not raise as much as half a lakh for such a borrower as the Company's Government.

C h a p t e r S i x

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H O U S E H O L D

O F

T H E N A W A B

H O U S E H O L D O F T H E N A W A B

In the first years of the eighteenth century the process began which ended in the virtual independence of the three Mughal provinces of Bihar, Bengal and Orissa, with the appointment of Murshid Quli Khan first as diwan of Bengal and Orissa, then as subahdar of Orissa, and in 1704 as diwan of Bihar, in addition to his other posts. Thenceforward, with one brief interval, Murshid Quli Khan remained the most senior imperial officer in the three provinces, formally uniting at times the powers of subahdar and diwan of the three provinces in his own person, and in practice ruling the three with no more dependence upon the emperor than was implied in his regular despatch of revenues to Delhi. From 1727 onwards, when first his son-in-law Shuja, and then his grandson Sarfaraz succeeded him, the provinces formed an independent kingdom. The emperors granted sanads of appointment, but these only served to legalise a previous seizure of power, and the regular payment to Delhi ceased. The subahdar of Bengal, not the emperor, made the appointment of deputies to govern Bihar and Orissa, and of other local officials. In 1751, in the time of Ali Vardi Khan¹, Orissa

1. Ali Vardi Khan had been Governor of Bihar under Sarfaraz Khan, but had overthrown his master and seized the three provinces for himself in 1740.

was lost to the Marathas, but Ali Vardi Khan's grandson, Siraj-ud-daula succeeded, without reference to Delhi, to the position of the Nawab-Nazim of the whole of Bihar and Bengal - a rich and seemingly powerful kingdom.

In the second half of the eighteenth century, from the overthrow of Siraj-ud-daula in 1757 by a combination of Muslim nobles and Hindu bankers with the English, the Nawab-Nazims lost independence and power even more rapidly than they had acquired it in the first half of the century. The decisive loss was that of the Diwani, granted to the English East India Company by the Emperor, together with complete authority, in perpetuity over Burdwan, Midnapur, Chittagong and the Twentyfour Parganas of Calcutta in 1765. The grant not only gave the Company official status, it prevented any reassertion of the Nawab's power by making him dependent upon the Company for the revenues which sustained his administration. With each succession to the masnad the share of the revenues allotted to the Nawab and his military establishment was reduced. At the death of Nawab Saif-ud-daula in 1770, the status of the Nawab was that of pensionary, overshadowed in wealth and importance by many of the great zamindars of Bengal.

To explain the political process by which the fall of the Nawabs was accomplished, it is necessary to revert to the accession of Mir Jafar to the subahdari and Diwani in

1757. By virtue of ^{the} treaty signed on 5 June 1757 the East India Company acknowledged Mir Jafar as ruler of Bihar, Bengal and Orissa, in return for a restoration of their commercial privileges, very ample compensation for the losses incurred when Siraj-ud-daula took Calcutta in 1756, and large payments to the Company's naval and military forces, and to the members of the Calcutta Council. English pressure for prompt payment, and protection of the Hindu ministers who were Mir Jafar's most obvious squeezable source of funds, angered the new Nawab. His inefficiency and suspected encouragement of Dutch intervention against the English angered the Company. In 1760, when Mir Jafar's heir Miran died, there was serious discussion of the possibility of securing the subahdari for the Company. That scheme was dropped, but only in favour of appointing a new Nawab, Mir Qasim. The members of the Council again profited personally from the appointment of a new Nawab, the Company secured an assignment of the revenues of the districts of Burdwan, Midnapur and Chittagong for the upkeep of their troops, but Mir Qasim soon showed himself ambitious for independence. In 1763 war followed between the Nawab and the Company, Mir Qasim was defeated and driven from the province, and Mir Jafar was reappointed as Nawab. By the treaty of 10 July 1763, his power and influence was, however, severely curtailed : he was allowed to maintain only twelve thousand

horse and twelve thousand foot, and he had to pay thirty lakhs of rupees as compensation for the Company's losses and expenses during the war against Mir Qasim¹. He had further to agree to the appointment of an English servant² of the Company as Resident at Murshidabad. On the vexed question of commercial privilege for the inland trade of the Company's servants, to which Mir Qasim had raised strong objection as injurious to the Nawab's revenues and the prosperity of the Indian merchants, Mir Jafar had also to give way, agreeing to levy only $2\frac{1}{2}$ per cent duty on English trade.

Early in 1765 Mir Jafar died and was succeeded by his sixteen year old son Nazm-ud-daula. Legally the subahdars of Bengal held their office at the discretion of the Mughal Emperor, and Nazm-ud-daula hastened to secure an imperial sanad of appointment. The Council insisted, however, upon a second installation of the Nawab, at the hands of the English, which would make public the fact that he owed his position to them and not to the Emperor³.

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1. C.U. Aitchison : A Collection of Treaties, Engagements, and Sunnuds, vol. 1, pp. 50-53.
 2. For details of the functions of the Resident at the Darbar see D.N. Banerjee : "The Resident at the Darbar - His position and functions (1765-1772)", Bengal Past and Present, July-December, 1939, pp. 24-35; Beng. Sec. Cons., R. A., vol. 28, 17 April, 1775.
 3. W. Bolts : Considerations of Indian Affairs, p. 43, p. 312.

They also insisted that his chief minister, Nand Kumar be dismissed, and the man of their choice, Muhammad Reza Khan, accepted as naib-subahdar. By the treaty of 20 February 1765 it was also laid down that Nazm-ud-daula should maintain only such troops as were needed for the support of his civil administration, and that he should pay five lakhs a month, as agreed by his father, for the maintenance of the British troops charged with the defence of the province. The Council, which had chosen to uphold Nazm-ud-daula's right to succeed to the masnad ¹ also made it clear that 'substantial' presents were expected from the new Nawab: "The opportunity of acquiring immense fortunes was too inviting to be neglected and the temptation too powerful to be resisted" ² .

The defeat of Mir Qasim, who had invaded Bihar with the Emperor Shah Alam and the Imperial Wazir Shuja-ud-daula, subahdar of Oudh at Buxar in October 1764, not only encouraged the English to impose their will upon Nazm-ud-daula but also gave them the opportunity to demand of the Emperor their appointment as Diwan of the combined provinces.

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1. Letter to Court, 8 Feb. and 11 March, 1765; Fort William-India House Correspondence, vol. 4; Beng. Sec. Cons., 12 and 14 Feb. 1765.
 2. N. Majumdar : Justice and Police in Bengal, p. 3, quoting Select Committee's Letter to the Court of Directors, dated 30 Sept. 1765. The servants of the Company received Rs. 8,75,000 from the Nawab, Rs. 2,65,000 from Muhammad Reza Khan (paid out of the treasury), and Rs. 50,000 from Jagat Seth. See Ibid., pp. 16 and 18 quoting Sel. Com. Procs., 6 and 21 June, 1765.

This event, which gave to the Company the right to collect and manage the revenues of Bihar, Bengal and Orissa had the greatest effect upon the fortunes of the Company as ^{also upon those of} the Nawab, though in ways which were completely opposite. The Company secured a permanent source of revenue for the upkeep of its forces and purchase of its investment, and the status of a substantive Indian power ¹. The Nawab, for his part, lost all independence. He received an allowance with which to support the dignity and honour of his family and the expenses of the Nizamat, but he controlled neither the army nor the revenues of Bengal, and even in his own role of subahdar had to see real power \neq exercised by his deputy Muhammad Reza Khan. Plassey had given the Company political authority, the grant of the Diwani gave them financial authority : the two combined would soon give them total authority over Bihar, Bengal and Orissa.

The acquisition of the Diwani and the subsequent agreements with the Nawab had endowed the Company with a legal right over the revenues and the civil and military administration of Bengal. But neither the Court of Directors nor their servants in Bengal considered it prudent to assume ² the direct management of civil administration themselves .

1. A momentous transaction was concluded, as Ghulam Husain puts it, "in less time than would have been taken up for the sale of a jack ass, or of a beast of burden, or of a head of a cattle". Siyar, vol. 3, p. 9.

The Directors held that the existing form of Government should be preserved and should continue to be entrusted to the Nawabs of Murshidabad. The assumption of direct responsibility, they feared, would arouse the suspicion of the Indian powers and provide one more proof to rival European Companies of English determination to acquire complete control in Bengal and so lead to further conflict, damaging to their trade and investment. They also thought the practical detailed administration of the country could not be managed successfully by their servants in Bengal while they were still inexperienced and ignorant of local conditions. To leave the administration nominally under the control of the Nawab may also have been seen as a means of conciliating the highly placed Indian officials of the old regime, who would be needed to direct revenue administration and guide the Company's servants. As far as possible therefore administration, including the dispensation of justice, was left in Indian hands while the Company devoted their resources and energy to consolidating their possessions and promoting their trade and investment¹.

2. Letter to Court, 30 Sept. 1765 and 24 Jan. 1767; Letter from Court, 17 May, 1766.

1. "The administration of justice, the appointment to offices, zemindaries, in short, whatever comes under the denomination of civil administration, we understand, is to remain in the hands of the Nabob or his ministers". See Letter from Court, 17 May, 1766, para 14.

This was the beginning of what is known as the double or "masked" Government which lasted till 1772, when the Company decided to take over the entire responsibility for the diwani administration¹. The objects which Clive had in view in obtaining the grant of the Diwani and in introducing a double government are clearly expressed in his letters to the Court. He wrote : "By this acquisition of the Dewanny, your possessions and influence are rendered permanent and secure; since no future Nabob will either have power or riches sufficient to attempt your overthrow by means either of force or corruption. All revolutions must henceforward be at an end, as there will be no fund for secret services, for donations, or for restitutions. The Nabob can not answer the expectations of the venal and mercenary, nor will the Company comply with demands injurious to themselves out of their own revenues"².

As one of the conditions to the grant of the Diwani the Company had agreed to pay the Mughal Emperor twenty six lakhs of rupees annually. Then, after meeting the expenses of the Nizamat the Company could appropriate the residue of the revenues for its own purposes which

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1. Letter from Court, 28 August, 1771, para 21; Fort William-India House Correspondence, vol. 6, p. 123. "It is therefore our determination to stand forth as Duan, and by the agency of the Company's servants to take upon ourselves the entire care and management of the revenues". See also M.F.R., vol. 7, 11 May, 1772.
 2. H. Verelst : A View of the Rise, Progress etc. of the English Government in Bengal, p. 56 quoting Letter to

included the maintenance of the army and the protection of the country. How large the residue would be evidently depended upon the size of the allowance to the Nawab. It was necessary therefore to enter into an agreement with the Nawab about the amount necessary to meet the costs of the Nizamat. The Nizamat had once included the maintenance of provincial armed forces, the appointment of executive officials, faujdars in the districts or sarkars, shiqdars in the parganas, the upkeep of forts and in Bengal of a navy, and the provision of a system of criminal justice. By this time, however, since military defence had become the task of the Company, the expenses of the Nizamat were largely identified with those of the household of the Nawab, including his relations, dependents and officials.

After the Company's acquisition of the Diwani several agreements were made with the successive Nawabs settling the amount of the allowance provided for the support of the Nizamat. By the first of these, Nawab Nazm-ud-daula accepted Rs. 53,86,131 as his annual stipend : "The King having been graciously pleased to grant to the English Company the Diwani of Bengal, Behar and Orissa with the revenues thereof, as a free gift for ever, on certain conditions, whereof one is that there shall be a sufficient

allowance out of the said revenues for supporting the expenses of the Nizamut; be it known to all it may concern, that I do agree to accept the annual sum of sicca rupees 53,86,131 - 9 as an adequate allowance for the support of the Nizamut"¹. This amount was to be regularly paid under two heads:² The sum of Rs. 17,17,854 for household expenses and payment of servants, and the remaining Rs. 36,07,277 for the maintenance of the horses, peons, barkandazes, etc., necessary for the sawari and to support the dignity of the Nawab. It was particularly mentioned that this amount might not be exceeded under any pretence. Furthermore, it was proposed that instead of the 'useless rabble' of native horse and foot, the Nawab should take into his service some fifteen hundred English soldiers. The Nawab gladly agreed to the proposal, which should promote his own ease, the country's peace and the Company's interest. From the Comany's point of view the curtailment of the Nawab's native forces and his employment of English troops served to render their control of the province still more absolute. As Governor Spencer put it, "to prevent revolutions or changes in future we thought we thought it safest for your affairs to let the defence of the provinces lay on ~~us~~ us, and us only, or in fact that there should be no military force but yours"³.

1. Aitchinson : Op. cit., p. 65, 9 Sept. 1765.

2. Before this date no distinction had been made between household and military expenditure.

3. Spencer to Court, 14 March, 1765; See Fort William-India House

Nawab Nazm-ud-daula sought to make no bargain with the Company and he readily accepted what the Company offered him as his stipend. He is said to have remarked : "Thank God ! I shall now have as many dancing girls as I please"¹. Hence the economic dependence of the Nawab of Bengal was made complete and subsequent Nawabs would have neither the power nor the wealth even to attempt to overthrow the Company. The Nawab who had a few months' earlier agreed to pay five lakhs per month for the support of the Company's army, as though the English were still his auxiliaries, thus of his own free will accepted the status of a pensioner of state, a mere titular head. When on 29 April 1766 the punya ceremony to inaugurate the new financial year was held at Murshidabad, Nazm-ud-daula sat on the throne as Nazim but it was Clive beside him as Diwan who really ruled.

Within a fortnight of the punya, on 8 May 1766, Nawab Nazm-ud-daula died. He was succeeded by Saif-ud-daula, a youngster with little more character or training than his brother. As the Select Committee wrote to the Directors, "As he was a prince of mean capacity, bred up in total ignorance of public affair, this event, which formerly might have produced important consequences in the provinces can at

Correspondence, vol. 4, p. 306.

1. Sir J. Malcolm : The Life of Robert, Lord Clive, vol. 3, p. 125.

present have no other effect than that of exhibiting in the eyes of the people a mere change of persons in the Nizam¹at". On the accession of Saif-ud-daula, a fresh article was introduced in the financial agreement to the effect that that portion of the Nawab's stipend which was assigned for payment of troops, was to be diminished to twenty four lakhs, making the total^{Rs} 41,86, 131². Apart from the reduction of the Nizam^{at} allowance from fifty three to forty one lakhs, the accession was marked by little or no change in the Nawab's relation with the Company. Such battles as were fought on behalf of the old order against the encroachments of the English power were conducted by the Nawab's ministers, Reza Khan or Shitab Roy, rather than by the young Nawab himself.

In March 1770 Saif-ud-daula died and yet another brother, Mubarak-ud-daula, then a boy of twelve, succeeded as Nawab. Again the new treaty concluded by him with the Company touched only the financial agreements between them. The Nizam^{at} allowance was reduced by ten lakhs to Rs. 31,81,991³. The allowance only remained at this figure for two and a half years, for the reduction was far from

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1. Letter to Court, 8 Sept. 1766, para 24.
 2. It seemed, as the Directors remarked, only to strike off the pay of an unnecessary number of sepoys of the Nawab and in no way to diminish his dignity. Letter from Court, 16 March 1768.
 3. Aitchison : Op. cit., p. 69.

satisfying to the Court of Directors. The ten lakhs had been cut from the sum allotted to the ,maintenance of the Nawab's forces, the Directors also wished to see the personal and household allowance reduced. They maintained that a total grant of sixteen lakhs would be sufficient for all purposes during the minority of Mubarak-ud-daula - any further sum would be sheer waste on "a herd of parasites and sycophants"¹. The Directors wrote : " We can not but observe with astonishment that an event of so much importance as the death of the Nabob Syful Dowlah and the establishment of a successor in so great a degree of nonage should not have been attended with those advantages to the Company which such a circumstance offered to your view ... When we consider the state of minority of the new Subah [~~sic~~] we know not on what grounds it would have been thought necessary to continue to him the stipend allotted to his adult predecessors ... You are therefore during the nonage of the Nabob to reduce his annual stipend to sixteen laaks of rupees"². As the Court of Directors pointed out, the savings thus effected would provide a fund for military exigencies, and spent upon the defence of the province, would contribute to the future benefit of both Nawab and Company. The effect of this last comment was somewhat

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1. Letter from Court, 10 April, 1771, paras 36-38. See Fort William - India House Correspondence, vol. 6, pp. 84-85.
 2. Ibid.

spoiled, however, by the Directors' admission that the immediate cause for their demand was the financial embarrasment^s to which they were put on account of the arrears to the army, the balance of compensation due to the Europeans of Calcutta, Colonel Munro's claim for two lakhs, and the sum of over ten lakhs due to Jagat Seth as belated, and scaled down repayment of loans to Mir Jafar during the struggle with Mir Qasim. It was to pay off these claimants ~~these claimants~~ that the nobles of the Nawab's household were to be dismissed, Reza Khan's salary cut from nine to five lakhs, and the annuity to Jagat Seth as assistant to to Reza Khan discontinued¹.

On receipt of these orders the stipend of the Nawab was reduced to sixteen lakhs, ostensibly during his minority, but, as it later proved, in reality for ever. Governor Cartier, from Calcutta, wrote to the Nawab : "The sentiments of the Company are, that during your minority the annual sum of Rs. 15, 81, 999-9 is sufficient for every purpose, and will support the dignity of your station. I am therefore, to inform you, that in future you will receive the before mentioned sum for your expenses. When you attain the age of twentyone years, I doubt not that the Company will pay attention to your situation, and will add what

1. Letter from Court, 10 April, 1771, paras 40-41; Fort William - India House Correspondence, vol. 6, p. 85.

they may judge proper to the above sum"¹. This promise and the corresponding assurance given by Warren Hastings to M² Munni Begum, the Nawab's guardian, were never kept.

The Nawab's allowance or the Nizam stipend was meant to defray his household expenses including the servants' pay, the cost of the household troops customarily maintained by Indian princes, to defray a number of pensions to relations and dependents and to afford some provision to those persons who were favourites of the Nawab³. The sudden reduction of the Nizam allowance, if it saved the Company from pecuniary embarrassment, necessarily plunged the Nawab into difficulties, for^{the} obligatory expenses of the Nawab in upholding the princely tradition according to the custom of the country remained the same, while his personal expenses as he came of age naturally increased. Only most careful management of the household could prevent the Nawab from running into debt.

The management of the Nawab's household:

From the moment Nazm-ud-daula had become heir-apparent to the Nizam, Munni Begum, the widow of Mir Jafar

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1. Quoted in Mubarak-ud-daula's petition to the Court of Directors, - see Fort William-India House Correspondence, vol. 9, p. 625 (Appendix IV).
 2. Ibid., p. 616 (Appendix II).
 3. Siyar, vol. 3, p. 45.

had risen to preeminence among the begums and had taken charge of his inner household. From his accession she became responsible for the disbursement of twentythree thousand rupees a month, on such items as the wages of servants, maintenance of the women of the mahal, entertainments of visitors and religious ceremonies and festivals. However the appointment of Reza Khan as Naib-Subah by the English led to a growth in his power in every department and soon the disbursement of the household monies was taken from her, and she was left only with her own allowance of six thousand rupees a month¹. Reza Khan thus had the absolute disposal of the Nawab's allowance.

In 1771 orders came from the Court of Directors to the Calcutta Council "to stand forth as Duan" and place English officials in charge of the revenue administration, thus finally ending the period of masked or double Government inaugurated by Clive. Divided authority thus ceased - "All must belong either to the Company or to the Nabob" - and as the Directors made clear, they intended that all power should in fact go to their servants in Bengal. For this change, of course the minority of the Nawab was a great advantage. At the same time the Directors ordered the dismissal of Muhammad Reza Khan from his position as Naib-Subah. This was a natural corollary to their order to their

1. Letter from Munnî Begum to the Committee of Circuit received on 30 August 1772. C.C.P., 7 Sept. 1772, pp. 210-11.

English servants to stand forth as Diwan, but the Khan was further charged with violence and oppression towards his own people, especially during the famine of 1769-70, and with having caused considerable losses in the Company's revenues by his mangement ¹ .

On receipt of the Directors' orders, the Calcutta Council appointed a committee to go on circuit through the districts and to suggest measures to effect the change to direct Company administration of revenues. In July, August and September, 1772, the Committee of Circuit was at Qasimbazar and Murshidabad. One recommendation was that, the Controlling Council of Revenue at Murshidabad should be abolished, another was that the Khalsa or exchequer ² should be moved to Calcutta, which was done in September 1772 . This was a part of the wider process of breaking the dependence of the Indian officials upon the Nawab, for such dependence must, as the Committee saw, tend to preserve and perpetuate the "rights and prerogatives of the ancient government" and make the people look beyond the Company's present authority to the time when the young Nawab, coming ³ of age, would resume sovereignty .

The Company was determined "to suffer no person to share in the management of the Nawab's domestic affairs, who

1. Letter from Court, 28 Aug. 1771; Fort William-India House Correspondence, vol. 6, pp. 122-23.

2. C.C.P., 28 July, 1772, p. 85.

3. Ibid., 11 July, 1772, pp. 42-43.

from birth, rank, personal consideration, or from actual trust may have it in his power to assist his master with the means or even to inspire him with hopes of future independence"¹. Reza Khan, having been dismissed from his post as Naib-Subah was therefore also removed from his position as comptroller of the Nawab's household. For the moment the position of the guardian of the young Nawab and superintendent of his household was committed to Warren Hastings. In August the Committee met at Qasimbazar to make some more permanent arrangement. They decided that Munni Begum should be appointed guardian and directress of the Nawab's household, and that Raja Gurudas, son of Nand Kumar should act as her diwan,² with Babu Jagat Chand as his peshkar or assistant.³ Their choice was admirably suited to the task of preventing any growth of independence in the Nawab. The Begum as a Muslim lady was restricted in her movements and her influence was confined within the household. She had no children to intrigue for the succession, and it was certain that her position of influence would continue only during the minority of Mubarak-ud-daula. She must therefore look to the favour of the Company, and so was likely to act meanwhile as they desired. The appointment of Raja Gurudas was also well conceived. His father, Nand Kumar

1. C.C.P., 11 July, 1772, pp. 43.

2. Beng. Sec. Cons., R. A, vol. 19, 6 Aug. 1772; C.C.P., 11 Aug. 1772, p. 107.

3. P.J. Marshall : The Impeachment of Warren Hastings, pp. 134-5

was a bitter opponent of Reza Khan, and was to be called to provide evidence against the Naib-Subah . Gurudas, could therefore be relied upon to eradicate any remaining influence of Reza Khan over the Nawab's household¹ . The Committee also took care by their ceremonial investiture of Gurudas as diwan to make public his dependence on them² . They wrote to the Calcutta Council, "... as Raja Goordass has received his appointment through their recommendation, we were of opinion that to give greater weight and authority to the Dewan as well as to confirm him in his dependence on our Government and show to the world that he holds his trust by the influence of the Company, it would be proper to invest him and his peshkar in their new offices in behalf of the Council, and in the name of the Company, with the same forms and the same honours as were bestowed by the Nabob"³ .

It was about this time, late in 1772 that the Nawab's stipend was drastically reduced on the orders of the Court of Directors. Munni Begum, Gurudas and Jagat Chand⁴ , together with Nanda Roy, the naib-daroga and Atawar Ali Khan, the Begum's chief eunuch and steward, the managers of the Nawab's household had therefore to begin a considerable

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1. C.C.P., 11 July 1772, pp. 44-45 and 20 Aug. 1772, p. 126.
 2. Raja Gurudas received one elephant, one horse, one sarpish, one kulgi (both ornaments worn on the head), one dress of four piece cloth and a pearl necklace, and Jagat Chand - a horse, one sarpish, one kulgi, a dress of four piece cloth and a pair of pearl earrings. C.C.P., 20 Aug. 1772, pp. 125-6.
 3. C.C.P., 20 Aug. 1772, p. 126.
 4. Jagat Chand was Nand Kumar's son-in-law. See P.J. Marshall:

reorganisation, dismissing what the Company described as the useless servants of the Court and retrenching the idle parade of elephants and the menageries which loaded the list of Nizam expenditure. Their management continued until the spring of 1775, the Nawab rejecting a proposal that he should be invested with the control of all his affairs, and desiring in view of his inexperience in administration, that Munni Begum should continue in power.¹

Meanwhile circumstances had arisen which led the majority in the Calcutta Council to dismiss Munni Begum from her post as guardian. In October 1774 Nanda Roy, the naib-daroga of the household treasury had been dismissed by the Begum's eunuch Atawar Ali Khan. He retaliated by offering his services to James Grant, the Company's accountant at Murshidabad and presenting to him accounts for the Nawab's household for the years 1766 to 1773 which he said showed that Munni Begum had embezzled over ten lakhs of rupees due either to the Nawab or to the servants of the Nizam.² Grant accompanied Nanda Roy to Calcutta and presented the accounts to the Council. The Council thereupon ordered Grant, Anderson and Maxwell to form a committee to investigate³ investigate the Nawab's accounts. They also deputed Charles

Op. cit., p. 135.

1. This proposal came from Clavering, Monsohn and Francis who were opposed to Hastings' appointment of Munni Begum as the Nawab's guardian and who accused him of having been bribed by the Begum to appoint her. P.J. Marshall : Op.cit. pp. 137-140.

Goring, a supporter of the Council majority headed by Clavering, to go to Murshidabad¹. He had two tasks, one was to seek for evidence that Hastings had corruptly appointed Munni Begum, the other to deliver a letter to the Begum informing her that she had been removed from the guardianship of the Nawab². Gurudas was appointed to take her place.

The enquiries of Goring established that Munni Begum had paid Samuel Middleton, Resident at Murshidabad, one and half lakhs at the time of Reza Khan's arrest in 1772, and the same amount to Hastings, as the customary "entertainments" money when he visited the Nawab. The Enquiry Committee under Grant presented a five volume report in 1776, but could not establish that Munni Begum had embezzled any money, as Nanda Roy had charged³.

In the meantime the Governor-General and Council had tried Muhammad Reza Khan, had found him innocent and had recommended his acquittal to the Directors. In March 1775 the Directors ordered his restoration to the office of Naib-Subah, and in October he was restored by the Calcutta

2. Beng. Sec. Cons., R. 4, vol. 28, 2 May 1775; H.M.S., vol. 584, pp. 307-20.
 3. H.M.S., vol. 119, p. 465.

1. Beng. Sec. Cons., R. 4, vol. 28, 9 May 1775. The Calcutta Council's letter to Charles Goring.
 2. Marshall : Op. Cit., p. 138.
 3. Ibid., p. 139.

Council¹. Warren Hastings, who for some two years had supervised Nizamat² affairs, was very glad to relinquish the extra burden, and the Sadar Nizamat Adalat was re-transferred to Murshidabad and placed under the superintendence of Reza Khan. By the end of the year, therefore, the pattern of administration was again as it had been in 1772, with the Khan as Naib-Subah and manager of the Nawab's Nizamat allowance.

Early in 1778, Mubarak-ud-daula came of age and the Calcutta Council resolved to place the control of his household and of the Nizamat courts in the Nawab's hands³. In spite of this decision of the Government, however, Reza Khan continued to act on his own authority without consulting the Nawab. The Nawab thereupon declared that he wished to transact the affairs of the Nizamat himself and appointed Sadru'l-Huq Khan as naib of his adalat and Gurudas as officiating diwan of the Nizamat. The Nawab desired that the salary of Reza Khan should be divided among his executive officers in the following manner :

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1. Despatches to Bengal, 3 March 1775, vol. 7, pp. 413-26; Beng. Sec.Cons., 30 Oct. 1775. His salary was now fixed at 2,40,00 per annum.
 2. B.B. Misra : The Judicial Administration of the East India Company, p. 296.
 3. Letter to Court, 20 March 1778; C.P.C., vol. 5, p. 93 quoting Beng.Sec.Cons., 5 March, 1778.
 4. Nawab's letter to the Governor-General dated 25 April 1778 Beng.Sec. Cons., 4 and 11 May 1778; C.P.C., vol. 5, p.147. Under the new arrangement the total amount exceeded the annual salary of Reza Khan by Rs. 18,000.

Sadr-ul-Huq Khan	...	Rs. 78,000	per annum.
Raja Gurudas	...	Rs. 72,000	,, ,,
Munni Begum	...	Rs. 72,000	,, ,,
Babbu Begum	...	Rs. 36,000	,, ,,

Total .. Rs. 2,58,000 per annum.

The Calcutta Council agreed to the proposals, but the Nawab soon proved himself an incompetent ruler. The administration of criminal justice broke down under "the baneful influence of intrigues, suspicion and jealousy" of the Nawab's officers¹. The Court of Directors, who had already ordered the restoration of Reza Khan strongly disapproved the plan and directed the Calcutta Council that the salaries granted to Sadr-ul-Huq Khan and Gurudas, and additional allowances to Munni Begum and Babbu Begum should be discontinued. The Directors also ordered that no additional sum should be paid to these people in future nor to any other person who might be employed in the Nawab's household². Accordingly, when Sadr-ul-Huq Khan died in November 1779, Reza Khan was restored to full power³. The Nawab deeply resented this unilateral action in restoring Reza Khan, whom he regarded as a master placed over him - "a person who had not the least right to exercise authority over him"⁴.

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1. C.P.C., vol. 5, pp. 194, 196-98; Hastings' letter to Mubarak-ud-daula and Munni Begum, in Ibid., pp. 214-15.
 2. Bengal Despatches, vol. 10, 4 Feb. 1779, pp. 63-78.
 3. C.P.C., vol. 5, pp. 389-92.
 4. Letter to Court, 14 Jan. 1780; B.P.C., 15 Dec. 1779 (R2, vol 33)

Despite Mubarak-ud-daula's protest, Reza Khan was not removed from the management of the household until 1781¹, so that it was three years after his coming of age^{that} the Nawab at last became his own master, of course within the financial limits imposed upon him by the Company. The Nawab now turned to the management of his finances, and to a struggle, waged from 1783 to 1793, for an increase in his annual allowance.

Having failed to move the Governor-General, the Nawab in 1786 turned to the Court of Directors, representing to them the insufficiency of the allowance to support his dignity and family². The Court, however, did no more than recommend strict economy in the household expenses for the present, while holding out hope of an increase in the allowance in the future. How little they really regarded the Nawabs by this date can be seen from the abolition of^{the} Residency as no longer worthwhile. Relations with the darbar were henceforth left to the local collector of Murshidabad³. Early in 1787 on grounds of economy, but really as a matter of policy, the Bengal Government withdrew⁴ the European soldiers serving as the Nawab's bodyguard. Both measures served to reduce the status of the Nawab.

1. H.M.S., vol. 194, p. 30.

2. In January 1786, Sir John D'oyly, Resident at Murshidabad from 1780 to 1785, resigned his office and returned to England. At Murshidabad he came in close contact with Mubarak-ud-daula and earned the latter's admiration by his sympathy. When D'oyly went to England, the Nawab took

Soon after his arrival in Bengal in September 1786, Lord Cornwallis received reports of bad management of the Nawab's household. Accordingly he sent John Shore to make enquiries in Murshidabad and to suggest measures to secure the regular payment of all salaries and pensions from the Nizamat allowance¹. In March 1787 Cornwallis followed this up with a letter to the Nawab clearly stating that no good would result from the Company's intervention in the affairs of the household unless the Nawab assumed full personal responsibility for them. He also declared himself opposed to any augmentation of the Nawab's income, estimated at about nineteen lakhs a year, maintaining that it was quite adequate for the Nawab's needs and for the support of his dignity.²

In August 1787 Shore reported, stating that Mubarak-ud-daula had neglected his household duties, and had left all his affairs to his diwan, Raja Sundar Sing. A corrupt man, but a master in the art of flattery, the Raja had concealed from the Nawab the real picture of the household,

the opportunity to address the Court of Directors through the former Resident at the darbar. See H.M.S., vol. 584, p. 31, vol. 194, pp. 19-73 for O'Doyly's letter to the Directors.

3. C.P.C., vol. 7, p. 366. The Collector of Rajshahi was directed to pay the Nizamat stipends and execute such occasional business as belonged to the Resident's office.
4. Letter to Court, 9 Feb. 1787; Despatches to Bengal, vol. 18, 28 March 1788; H.M.S., vol. 584, pp. 32-37.

1. C.P.C., vol. 7, p. 289.
 2. H.M.S., vol. 584, p. 39. These nineteen lakhs included the Nawab's stipend and certain fees and taxes which were paid to him as the Nazim.

and Shore argued that to make any reform effective, Sundār Sing must be removed¹. Accordingly he was dismissed, despite the Nawab's effort to retain him. The Nawab was given a free hand, however, in the selection of his new diwan, and he chose his son-in-law, Mirza Khalil².

The new Diwan was given little scope, however, for on the basis of Shore's report, the Governor-General and Council appointed the judge of the Diwani Adalat at Murshidabad to work out a new system for the management of the household affairs. His duties were, firstly to ascertain the total debt of the Nawab; secondly, to propose a reduction of the household expenses while ensuring an adequate support of the family; thirdly, to set aside a suitable allowance for his eldest son; and lastly to suggest measures and regulations to ensure regular payments of allowances and to implement the new management³.

Meanwhile the Nawab had made three requests - for an additional allowance for his eldest son, the regular and timely payment of the Nizam allowance, and for full⁴ administrative control over the city of Murshidabad. To

1. C.P.C., vol. 7, p. 374.

2. Ibid., vol. 7, p. 458; B.P.C., R. 3, vol. 54, 3 Sept. 1790.

3. Ibid., vol. 7, p. 374; B.P.C., R. 3, vol. 54, 3 Sept. 1790.

4. B.P.C., R. 3, vol. 54, 30 Sept. 1790.

these the Council replied by directing that two thousand rupees a month be allotted to the son, but from the Nawab's stipend, and by declaring that any grant of jurisdiction over the city would cause confusion in the police and interfere with the Company's plan for the administration of justice. The Nawab countered, on 15 November 1790, with a long account of the economic distress of his household, and a renewed plea for an increase in the allowance. The splendour of his palace was dimmed, he said, and he could not properly maintain the festivals and other ceremonies. Moreover he had "evaded contracting marriage engagements with the family of Timur and even suspended similar contracts with other men of rank, and sought out such as would involve the least expenses"¹. He also made a futile attempt to recover the former allowances of Rs. 1,40,000 and Rs. 1,00,000 which Munni Begum and her Diwan had received in the years of her guardianship, from 1772 to 1775.²

The plan which Ives, a former judge of the Murshidabad Adalat,³ proposed for the management of the Nawab's household affairs was laid before the Council. Its main

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1. Nawab's letter to the Governor-General dated 15 Nov. 1790; B.P.C., R. 3, vol. 55, 3 Dec. 1790.
 2. H.M.S., vol. 584, pp. 57-59.
 3. Edward Otto Ives joined the Company's service as a junior merchant. In 1782 he was appointed the judge of the Diwani Adalat at Murshidabad and from early 1788 to 1794 he was the Resident at Lucknow. See C.P.C., vol. 7, p. 370, note 2.

feature was that eighteen thousand rupees were to be set aside each month for the repayment of the Nawab's debts and to create a deposit fund for the support of the Nawab's growing family. The bulk of this sum was to found by a reduction of fourteen thousand rupees in salaries and pensions, and the remainder from the Nawab's own allowance. Mubarak-ud-daula would be allowed to disburse Rs. 82,334¹ per month, and would be responsible to Government for the management of this sum. No addition would be made, as Cornwallis again affirmed, in the Nawab's stipend. When the plan was submitted to the Nawab for his approval, he protested against it, fruitlessly referring to the clauses in earlier treaties stipulating that there should be no English interference in the household affairs of the Nizam. But in 1782 he had himself requested the Government to select some able person to bring order into his household affairs and produce a plan for the discharge of his debts. Cornwallis reminded him of this, and insisted that the new arrangement was the result of mature deliberation and meant for the good of the household, whereupon Mubarak-ud-daula² reluctantly accepted Ives' proposals .

In December 1792 a further blow to the Nawab's authority fell, when the Calcutta Government took the district Faujdari courts from the control of the Nizam and

1. Despatches to Bengal, vol. 23, 8 Feb. 1792, pp. 71-72.

2. Ibid; H.M.S., vol. 584, pp. 49-51.

incorporated them in their own judicial system. The Nawab strongly objected to the diminution of his authority and influence and to the placing of the administration of Muslim criminal law in the hands of non-Muslims. He was powerless to resist, however, and wrote resignedly, "What Lord Cornwallis had desired for the benefit of the people would no doubt be best both here and hereafter"¹.

Early in 1793 he renewed his claims for an increased allowance in the most urgent and desperate manner. He also submitted an estimate of the total debt of the English Company to the Nizam, accumulated since 1765 when the stipend was first reduced, amounting to over three crores of rupees². The debt was never recovered, for a few months later, in September 1793, Mubarak-ud-daula died. His eldest son, Nasir-ul-Mulk succeeded him, and the stipend of sixteen lakhs of rupees or £ 160,000 a year was continued to the Nizam.

Of the size, organization and expenditure of the households of the Nawabs in the days of their independence no details survive. All that can be said is that from the land revenue of two crores of rupees or two million pounds which the Company collected as Diwan after 1765 it was

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1. Nawab's letter to the Governor-General dated 2 January, 1793; B.P.C., R. 4, vol. 8, 28 Jan. 1793; H.M.S., vol. 584, p. 52.
 2. B.P.C., R. 4, vol. 18, 28 Jan. 1793, vol. 19, 1 April, 1793.

possible to defray their military charges and the costs of revenue administration, with a surplus for the investment, and also to pay twentysix lakhs of rupees to the Emperor and fiftythree lakhs to the Nawabs. Since the revenues of the province had been rising slowly from one and a half crores of rupees in 1707 to two crores in 1760, it seems unlikely that the Nawabs had ever been disposed of very much more than they received for their Nizam expenses in 1765. From the death of Nazm-ud-daula in 1766 to the third year of Mubarak-ud-daula's Nawabship in 1773, the Nizam allowance was by rapid stages reduced to Rs. 16,00,000, roughly from £550,000 in the former year to £200,000 in the latter if incidental fees and incomes be included¹. Since by the time of Mubarak-ud-daula many functions of Government had been assumed by the Company which in earlier years had been paid for from the Nizam funds, the change had, of course, been a little less drastic than the figures indicate.

How were these quite considerable sums spent?

Again for the earliest years information is lacking. However the enquiries instituted by the Company when the Directors

1. These figures may be compared with those for Great Britain.

In 1760, a crisis year of war, the supplies voted for the year amounted to some ~~Rs.~~ £15,500,000, and the civil list of George III, from which he maintained his court and the civil and diplomatic services of the kingdom, amounted to £800,000. See J. Steven Watson : The Reign of George III, 1760-1815, pp. 19-20.

ordered a curtailment of Mubarak-ud-daula's stipend do
 provide figures for the last years of Nazm-ud-daula,¹ and the
 first two years of Mubarak-ud-daula, before his allowance was
 cut from thirtyone lakhs to sixteen. The main heads of
 expenditure given in the Bengal Public Consultations are

as follows : ¹

<u>Departments</u>	<u>Nazm-ud-daula</u>	<u>Saif-ud-daula</u>	<u>Mubarak-ud-daula</u>
<u>Sawars</u> (Cavalry)	59,854	34,224	43,942
<u>Topkhana</u> (artillery)	33,884	12,246	9,353
Siege guns	1,104	-	-
<u>Shagird Pesha</u> (Household servants)	58,420	69,615	81,859
<u>Diwani</u> offices	3,785	-	-
Guards	14,305	11,024	10,406
<u>Nawara</u> (boats)	3,250	2,300	1,199
Stationary	-	286	324
	<u>1,74,602</u>	<u>1,29,717</u>	<u>1,47,073</u>
<u>Mir Saman</u> (household supplies)	48,553	55,966	47,915
<u>Behila</u> charges (offices and pensions) ..	23,000	16,000	16,000
Presents and charity	6,873	4,926	2,673
<u>Zenana</u>	4,676	14,114	13,301
Jewels, clothes and presents to the Emperor..	97,979	52,481	64,310
Debt payments to Jagat Seths..	-	8,750	8,750
	<u>1,81,081</u>	<u>1,52,237</u>	<u>1,52,949</u>
Monthly total.	3,55,683	2,81,954	3,00,022 ²

1. B.P.C., R. 1, vol. 51, 9 March, 1772.

The most striking feature of these figures is their failure to show any reduction corresponding to the fall in the allowance to the Nawabs from the fiftythree lakhs enjoyed by Nazm-ud-daula at his accession. The sums allotted for the military forces of the Nawabs, cavalry, artillery, and palace guards, do fall from some Rs. 1,08,000 to Rs. 65,000 a month, as limitations were imposed by the Company upon the "useless rabble". There are reductions also in the pension lists, the expenditure on charity, and upon display. But to offset these there is a steady increase in the numbers employed in the Shagird Pesha, and on the ladies of the zenana. The Nawabs are faced with a natural increase in the number of their dependents, it is impossible therefore to reduce consumption in the Mir Saman's department, and unless they refuse to recognise the claims of relatives and dependents, it becomes impossible to keep within the limits of their allowances, or to do so without the most serious inroads upon the ceremonial display associated with the court of a princely ruler.

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2. The figures for the first seven departments are calculated by dividing the totals spent by the Nawabs by the number of months for which the figures apply, for the remainder the figures are given in the Consultations as monthly averages.

The statement of Nizam accounts prepared in 1773 gives the number of officers and servants of each department, from the Mir Saman, a steward down to the Aftabi bardar or umbrella bearers. It appears that the household consisted of nearly six thousand people, all of whom had to be maintained out of the Nawab's allowance. (The annual wages bill came to over eleven lakhs of rupees). In addition, the Nawab was expected to patronise religion and learning by supporting members of the ulema, those learned in religion, and employing them in madrassas as ^{teachers} leaders and in masjids (mosques) as readers of the Qur'an and leaders of the Faithful in prayers. There was also a long list of persons who received pensions, annuities or substantial allowances, and who must be classed apart from the servants of the household. Nearly ten lakhs a year were spent upon this group, which included relatives of those who formed part of the Nawab's/^{own}household. Such persons were barred by their status from seeking a living outside the Nawab's service, and few were in a position to earn a living even if they had sought to do so. At the beginning of Mubarak-ud-daula's reign there were some 987 persons in receipt of such pensions and allowances. Finally there were 2,642 sawar, including pensioners, artillerymen, Turkish and Hindustani cavalry, and 1087 Gardi or infantrymen. In all the establishment in 1773 lists 10,598 persons dependent

upon the Nawab¹.

Besides the payment of pensions and wages, the provision of board and lodging for his family and servants, under the heading of Baburchi khana (kitchen) and Tambul khana (betel nut department) cost the Nawab Rs. 70,032 in 1773². He had also to supply his servants and troops with livery and uniforms. The trumpeters, chobdars, standard bearers, umbrella bearers and palace guards who attended him in the darbar or accompanied him on ceremonial occasions wore costly dresses of diverse colours and materials. By the custom of the country the Nawab was expected to provide dresses of honour to his nobles and chief officials, and to provide the servants and others living in the household with clothes and other gifts on the occasion of such family/ as ^{ceremonies} marriages, the circumcision of sons, birthdays and other festivals. The annual purchase of ordinary clothes in the Murshidabad market amounted to sixty thousand rupees a year, and the expenditure on dresses of honour and jewelled ornaments to no less than Rs. 2,62,693³. Gifts and awards of all kinds consumed considerable sums each year. The cost

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1. State of the Nizamat Accounts of Nawab Mubarak-ud-daula (hereinafter cited as Nizamat Accounts), R. 154, vol. 38, 23 Jan. 1773; Beng. Sec. Cons., R. 4, vol. 21, 25 Jan. 1773.
 2. Nizamat Accounts, R. 154, vol. 38, 23 Jan. 1773.
 3. Ibid.

of a marriage ceremony might be as much as fifty thousand rupees¹, and the Nawab spent thirtyseven thousand rupees on clothes and presents to his mother, principal eunuchs and officials, and his favourites, on the occasion of the circumcision festival of one of his sons². At such festivities poets, musicians and dancing girls could all expect handsome rewards, in addition to their regular pay³. Again, in 1773 the expenditure under the general head of Mir Saman, which included the upkeep of elephants, riding horses, tigers and exotic birds, as well as such household items as lighting, came to Rs. 1,26,965⁴.

Those who were responsible for the supervision of the household during Mubarak-ud-daula's nonage, Munni Begum, Raja Gurudas the diwan, Ali Atawar Khan the Begum's deputy or manager, and such members of the family as Haji Sa'adat Ali Khan, who was Master of Ceremonies⁵, were all members of the old order, deeply concerned with family prestige and dignity. Supervision of expenditure was probably not very close, and they all were aware of the customs and traditions

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1. B.P.C., R. 3, vol. 55, 3 Dec. 1790 (Nawab's letter to the Governor-General, 15 Nov. 1790.)
 2. Siyar, vol. 3, p. 145.
 3. Ibid.
 4. Nizam Accounts, R. 154, vol. 38, 23 Jan. 1773.
 5. Munni Begum was responsible for all Nawab's affairs - education, the palace, servants and so on - and it was she who was ultimately responsible for the use of the Nizam allowance. The diwan Raja Gurudas handled the accounts and the immediate financial transactions of the household departments. Each department, in turn, had its own head, such as the Clerk of the Kitchen, and its accountant.

of the household and anxious to preserve them. It was impossible to expect of such persons the retrenchments and economies called for by the altering financial circumstances of the Nawabs.

The first serious attempt to impose economy was therefore made in 1773 under pressure from the Calcutta Council and after considerable enquiry by its servants. Each of the three main establishments, the Shagird Pasha or domestic servants, the Behila or clerical officers, together with the zenana, and the sawari or military forces, were reviewed in turn. The number of persons employed in each was reduced, the wages and salaries of those retained were pruned and the costs were thus reduced by almost half. The details are as follows :

<u>Head of Account</u>	<u>Numbers employed</u>		<u>Monthly cost(in rupees)</u>	
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
<u>Shagird Pasha</u>	5,752	2,754	96,650	65,390
<u>Behila</u>	1,117	942	17,016	10,288
<u>Sawar</u>	2,642	not given	49,290	11,258
<u>Gardi</u>	1,087	735	8,734	5,654

After the cuts had been made there remained under the head of Shagird Pasha 115 clerical officers, and 2,547 artificers and servants, including four surgeons, four goldsmiths, forty cooks and scullions, fifty domestic servants, fifty night watchmen, one hundred and fourteen messengers and

1. Beng. Sec. Cons., R. A, vol. 21, 25 Jan. 1773; Nizamut Accounts, R. 154, vol. 38, 23 Jan. 1773.

other peons, eleven festival preparers and five hundred labourers. In the Behila account were enrolled the officers of the household, the eunuchs and slaves, the ulema and the domestic servants of the widows of former Nawabs, the persons in charge of the dining table, baths and livestock, and the Arbab Nishat or entertainers such as musicians and dancers. The sawari consisted of Turkish troops, Indian horsemen and the artillery. Of these the Turkish troops were now disbanded and the artillery very greatly reduced.¹

Of the total numbers on these establishments before the reforms of 1773 about one tenth had been pensioners, and these had absorbed a great deal of the funds available. Very large reductions in their numbers were now made. To touch the pension-list was very painful, for the stopping of pensions could not fail to be accompanied with circumstances of real distress. Warren Hastings when conducting his investigations at Murshidabad discovered manifest poverty and want, even in persons of the highest rank.² There was, however, no room for hesitation, for to confine the Nawab's expenditure within the limited sum now granted him, it was necessary to cut down the pension list severely. The opportunity was taken to strike off all persons related to or employed by Reza Khan during the last seven years and

1. See the Nizam Account, R. 154, vol. 38, 23 Jan. 1773.

2. Letter to Court, 10 Nov. 1772, paras. 11 and 12; Fort William & India House Correspondence, vol. 6, p. 447.

some forty new names were added, the most prominent being Mir Sayid, Mir Jafar's grandson and Miron's son, and Babbu Begum and Munni Begum, who received monthly pensions of five, eight and twelve thousand rupees respectively. Other pensioners received sums ranging from fifteen to fifteen hundred rupees a month. But though a few names were added to the list ¹, several hundred members of the old nobility, excluded by the Company's Government from all employment, civil or military, and depending solely on the bounty of the Nawab ², now lost their livelihood. The figures which conceal these individual tragedies are ³ :

<u>Account</u>	<u>Number of pensioners</u>		<u>Monthly allowance(in Rs.)</u>	
	<u>Before</u>	<u>After</u>	<u>Before</u>	<u>After</u>
<u>Shagrid Pesha</u>	523	92	46,570	42,144
<u>Behila</u>	78	27	4,746	1,621
<u>Sawar</u>	not given	386	34,061	7,946

The pension lists were reduced at least thrice more between 1773 and 1793 under pressure from the British officers appointed to bring the Nawab's finances in order. In the same period, the number of servants and officials was also further retrenched, and though the exact size of the household in 1793 is not known, the Governor-General's frequent interference with the household establishment in the

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1. The Behila pensioners included the Nawab's preceptor, tutors for the household slaves, and several relatives of Mubarak-ud-daula on his mother's side.
 2. Letter to Court, 10 Nov. 1773, paras. 11 and 12; Fort William-India House Correspondence, vol. 6, p. 447.
 3. The Nizamat Account, R. 154, vol. 38, 23 Jan. 1773.

in the interest of economy suggests that the reduction in numbers must have been substantial¹.

The cuts imposed in 1773 upon the personnel of the household were matched by reductions in the charges for household supplies and in the wardrobe account. These were reduced from Rs. 3,20,540 to Rs. 2,46,965 and from Rs. 3,03,190 to Rs. 1,87,645 respectively. In addition the personal allowance of Rs. 25,000 to the Nawab was stopped entirely². The combined annual expenditure on wages and salaries, and upon supplies was thus brought down to Rs. 15,45,690, just within the sixteen lakhs of the Nizam allowance.

When the Company came to interfere in the management of the Nawab's household and sought to bring the finances into order, one of the problems they had to deal with was that of debt. The Nawabs were led into short term debt by the Company's habit of paying the Nizam allowance irregularly and often in arrears³. As Reza Khan complained

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1. See C.P.C., vol. 9, pp. 143-144.
 2. The Nizam Account, R. 154, vol. 38, 23 Jan. 1773.
 3. During the enquiry ordered in 1775 by the majority of the Calcutta Council, the Company's accountants found it difficult to present a complete picture of the payments made by the Company to the Nawab. See P.J. Marshall : Op. cit., p. 140.

early in 1772 this meant that the Nawabs had to employ their credit with merchants, palace officers, servants and others¹. It was easy, as the curtailment of the Nizam allowance pressed upon the Nawabs, for such borrowing to be extended. As has been seen in the chapter on Banking, the Nawabs borrowed from the Murshidabad bankers and great merchants, sometimes perhaps offering repayment by grants of special privileges, but also at times upon ordinary commercial terms. There is no evidence, however, to show that interest was ever paid on money borrowed by the Nawabs. Eventually the Nawabs became entangled in complicated debts, so heavy that the Calcutta Government had ~~eventually~~ to interfere to secure their liquidation.

When in 1765 the Company agreed upon the annual allowance for Nawab Nazm-ud-daula, it was understood that they would absolve him both from past military charges and from the payment of debts incurred by him and his predecessors. In 1766 the Jagat Seths claimed more than fifty lakhs of rupees on past loans to the Nawabs. The Company arranged a compromise with them by which liability was accepted for twentyone lakhs. Half of this was to be paid by the Company, the other half by the Nawab by instalments² over the next ten years. The repayment was fixed, however,

1. M.F.R., vol. 6, 27 Feb. 1772, Reza Khan's letter to the Council of Revenue at Murshidabad.

2. B.P.C., 14 April, 1766; Letter from Court, 16 May, 1768, para. 13.

at a time when the Nawab's allowance was fifty three lakhs, so that as that allowance was steadily cut to sixteen lakhs the burden of the Jagat Seth debt repayments grew more and more burdensome. Moreover in the same period other debts were incurred by the Nawabs, of a private as well as of a public nature. Samuel Middleton estimated that the total of these additional debts incurred between August 1765 and January 1772 was Rs. 10,13,071, with a further Rs. 10,11,150¹ in the next eight months. Some of these were contracted with local merchants and traders, for supplies, silks, jewels and the like bought to maintain the ceremonial life of the court. But the large demands for presents at each succession to the throne made by the servants of the Company must also have played a considerable part in the process. Middleton himself acknowledged receipt of a lakh of rupees for Munni Begum in 1772, the Begum "considering that I had rendered her son some service by keeping everybody quiet in the city" besides some further small commission for debt collection in Calcutta.² It is certain also that Hastings received a lakh and a half at the same period, while Nand Kumar alleged that he had received a further two lakhs

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1. Beng. Sec. Cons., R. A, vol. 19, 14 December, 1772; H.M.S., vol. 584, pp. 85-95.
 2. P.J. Marshall : Op. cit., p. 139, note 4.

from Gurudas and the Begum for securing their appointments¹. This last accusation was never proved, but it is not impossible that it was true. Again, when charges of embezzlement against Munni Begum were investigated - and proved unfounded - she laid a counter-claim against the Company for fourteen lakhs². She stated that when ^{the} allowance was reduced to sixteen lakhs, Hastings had agreed to pay the arrears then due to the Nawab's soldiers and household. The Committee of Enquiry of 1775 were unable to ascertain the validity of her claim, but they agreed that at that time there were considerable sums due from the Nawab to the officers and servants of the household, to the extent, as they estimated, of about nine lakhs of rupees³. It seems quite reasonable, therefore, that some such debt liquidation should have been promised when so drastic a reduction in the Nizamat allowance was being agreed, for expenditure had been allowed to continue at the rate of thirty two lakhs per annum for some months after the allowance had been halved. The Begum also complained that the Company had taken no steps to recover the debt due to the Nizamat from Rani Bhabani, the zamindar of Rajshahi. Saif-ud-daula had

1. P.J. Marshall : Op. cit., p. 137.

2. Letter to Court, 20 March, 1776.

3. B.P.C., 3 Aug. 1775. In 1772 when Reza Khan was called to Calcutta, the Nawab's sepoy's pay was eight months in arrears. See M.F.R., vol. 7, 25 May, 1772.

lent Rs. 1,95,000 to her in 1769, when she was in difficulties with her revenue payments; of this sum only eighty thousand were paid¹. As the Company were themselves seeking to recover arrears of revenue from her in 1775, this may explain their indifference to the young Nawab's claims upon her.

When the plan of reorganisation of the household was put into effect in 1773, with the drastic retrenchments already reviewed, no provision was made for debt repayment. In at least one case creditors appealed to the Company for redress : in 1775 Tilak Chand, a jeweller applied to Calcutta Sadar Adalat for recovery of a debt from the Nawab². However there is no evidence to show how debts were repaid during the eight years 1773-81, if any were repaid at all. By 1784 it is known that Mubarak-ud-daula could no longer secure loans from the bankers, merchants and tradesmen of Murshidabad³.

In 1781 according to a plan recommended by Hastings further retrenchments in the household expenditure were made, and the creation of a sinking fund was proposed to be financed from the savings effected. The plan was not adopted

1. See B.R.C., R. 50, vol. 25, 21 July 1780.

2. Mss. Eur. E. 28, Francis Mss. 23 July 1775, quoting letter from Mubarak-ud-daula to the Calcutta Council.

3. B.P.C., R. 3, vol. 9, 24 Jan. 1785.

in its entirety, however, and the debts, calculated at seventeen lakhs in July 1781, continued to mount. D'Oyly, Resident at the darbar from 1781 to 1786 reported in the latter year that on an average the Nawab's expenses exceeded his stipend by nearly three lakhs of rupees a year, despite Mubarak-ud-daula's reduction of his standard of living to a point far below that required by his rank¹. By 1787 the total debt of the Nawab had reached Rs. 22,86,666², and Mubarak-ud-daula wrote despairingly to Lord Cornwallis that³ if one creditor were paid, ten others would remain unpaid.

Lord Cornwallis had claimed, in a letter to the Court of Directors dated 4 March 1787 that many of the Nawab's debts were improperly contracted or fictitious⁴. Nevertheless, it was thought advisable to send two Company officials to Murshidabad to enquire into the situation and suggest active measures for debt redemption. As a result, the Nawab agreed to deposit the savings effected every month into the Company's treasury, so that his creditors could be

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1. Letter of D'Oyly to the Court of Directors dated 12 Feb. 1786 - H.M.S., vol. 194, pp. 19-25.
 2. B.P.C., R. 3, vol. 54, 3 Sept. 1770; AM/S. H.M.S., vol. 584, p. 155.
 3. B.P.C., R. 3, vol. 37, 5 July, 1788.
 4. H.M.S., vol. 584, pp. 89, 155-160.

paid instalments regularly three times a year¹. It was calculated that the whole of the Nawab's debts, under Ives' plan, could be liquidated in eighteen years. The debt due to the Jagat Seth, by now, Rs. 5,25,000, being much the largest item, was the first to be provided for, in monthly instalments of Rs. 8,750²; the remainder of the fund was allotted according to the age of the debts. (Cornwallis had proposed that the Nawab by proclamation should invite persons having claims upon him to register these within six months, but Mubarak-ud-daula refused, apprehending that many obsolete claims would be brought forward). By the Council's arrangement, the whole stipend for the month, Rs. 1,33,333, was divided into two portions : the first, a sum of Rs. 1,15,333 per month, was applied to the use of the household, the other, Rs. 18,000 formed a deposit fund³. At the same time, further retrenchments were proposed, to a total of Rs. 14,449, so as to make the best use possible of the money allotted to the household. The details were as follows :⁴

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1. B.P.C., E. 3, vol. 37, 18 July 1788 and vol. 46, 20 July 1789 - Nawab's letter to the Governor-General dated 5 July 1789.
 2. B.P.C., R. 3, vol. 54, 3 Sept. 1790 & Council's letter to ~~J.E. Harring~~ Harrington, the pay-master of the Nizam stipend.
 3. Ibid.
 4. Ibid.; C.P.C., vol. 9, p. 144. These figures may be compared with those for 1773 already quoted on p.266.

<u>Heads</u>	<u>Previous Disbursement</u>	<u>Cuts proposed</u>
	<u>(In rupees per month)</u>	
Relations .....	... 27,318	1,402
Officers of the household ..	11,686	1,110
Domestic servants ...	16,959	1,570
<u>Behila</u> ...	2,934	205
Variable establishments ...	3,359	32
<u>Mahal sarai</u> ...	7,707	-
Pensioners ...	25,000	-
Privy purse ...	12,000	-
Muharram expenses ...	1,500	-
Repairs ...	1,550	-
<u>Mir Saman</u> ...	9,898	2,005
<u>Tosha Khana</u> ...	27,580	8,125
Total:	Rs. 1,28,591	14,449

In January 1791, J.E. Harrington, the pay-master of the Nizam stipend, reported to the Governor-General that of the total debt, exclusive of that owed to the Jagat Seth, amounting in 1788 to Rs. 20,88,354, the sum of Rs. 9,10,522 had already been paid, and that the remaining Rs. 11,77,831 was expected to be liquidated within the next eleven years¹. The Court of Directors, in a letter of 21 July 1790 had expressed their desire "to provide for the support and dignity of the Nawabs ... even by an immediate

1. B.P.C., R. 4, vol. 11, 2 March 1792.

augmentation of his stipend having a due consideration of the real necessity". In April 1792, however, Cornwallis replied stating that the greatest part of the Nawab's debt was owed to persons of rank who could afford to wait for payment. He also suggested that there was still scope for retrenchment, since the Nawab could still withdraw the pensions of such persons as had other sources of income¹. The one impulse of generosity that the Company had ever displayed towards Nawab Mubarak-ud-daula, stirred by the obvious burden of his debts, was thus checked and repulsed by the Governor-General. The Nawabs, still without any augmentation of their allowance, were left to pay off their debts, bit by bit over the years. Between 1790 and 1796, accordingly, more than one lakh was paid off, as a result of the further savings Cornwallis pressed the Nawab to make, while another Rs. 10,29,280 were paid from the sinking fund² established by the plan of 1790.

By the end of our period, therefore, the great bulk of the debt which the Nawabs had accumulated, had by their own efforts been liquidated³. In the same period, too, the

1. H.M.S., vol. 584, pp. 155-160.

2. Ibid, pp. 60-61.

3. In England, King George III had admitted debts of £500,000 on his civil list in 1777. He, however, had his debts paid by the Parliament and his income raised to £900,000 a year. J.S. Watson : Op.cit., p. 208.

the difficult adjustment to the reduced financial position of the Nizam had been achieved by the Nawab, by a series of most painful cuts and retrenchments. Yet the rigid household economies practised by Mubarak-ud-daula, who by the age of thirtyfive had been reduced to selling his property, curtailing expenses on diet, clothes and festivals, and arranging marriages for his children with an eye to cost rather than to suitability of rank and status, had barely kept expenditure within income. The rapidity with which the Nizam allowance had been reduced, from fifty three to sixteen lakhs in little over seven years, had made adjustment difficult in the extreme. Extravagance and interested corruption had surrounded the young Nawab; there were many sinecures, and the colourful, archaic retinue of the Nawab contained many persons who rendered little useful service to his court. It must be admitted, too, that the distribution of the available money was not always managed with judgement and impartiality. Nevertheless, the Company was neither generous nor imaginative in its treatment of the Nawabs, and its individual servants were not above preying upon the Nawab themselves¹. Little time was given for the

1. P.J. Marshall : Op.cit., p. 139, footnote 6, notes correspondence about a present extracted from the Nawab in 1783 for General Carnac.

drastic changes imposed upon the Nawab to be absorbed, and the promise twice given, of an augmentation of Mubarak-ud-daula's allowance when he came of age was never fulfilled, despite the reports of English officials of the real want and distress to be seen at Murshidabad, and the many pleas of the Nawab. The name of the Nawab was used, while it could serve English interests, but the funds from which the customary dignity of the Nizamat could be upheld were refused, and even such comforting ~~in~~essentials as the right to ride in a palanquin, to keep fighting elephants, to grant titles of nobilities or to exercise administrative authority over his capital city of Murshidabad, for which in 1786 the Nawab appealed, were ¹denied to him. In the Bengal of the Company there was by 1793 no real peace for a Nawab or for the impoverished but distinguished members of the old nobility who were dismissed from his service and removed from his pension-lists.

In 1802 Viscount Valentia visited the Nawab at Murshidabad. When Nasir-ul-Mulk returned the visit, he

1. H.M.S., vol. 194, pp. 60-73, Nawab's letter to the Court of Directors dated 12 February, 1786.

was dressed in white, with a string of emeralds round his neck and a sarpesh or turban ornament to match. The centre stone of the sarpesh was the largest Valentia had ever seen, and the string of pearls which fastened it was also extremely valuable. On his finger the Nawab wore a diamond ring valued at more than a hundred thousand rupees. But Valentia discovered that none of these jewels were the personal property of the Nawab. They had been taken out of pawn for the occasion, and the people who held them in pledge were waiting to claim them on his return to the palace¹.

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1. Valentia : Op. cit., vol. 1, p. 186.

C h a p t e r S e v e n

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The establishment of British rule in India, first implanted in Bengal in 1757, not only introduced a new type of administration, it also ushered in a new age of social and economic change. Bengal was the first province in the subcontinent to come under the British expansion and it was here that the impact of English administration was first profoundly felt. Perhaps for this reason the economic history of Bengal during the eighteenth century has been studied by many historians of our time¹. The subject, however, has been approached not with specific regional problems in mind but through the study of the province as a whole, or even of the Presidency, which then consisted of Bihar, Bengal and Orissa, the charge of the Mughal subahdar or viceroy. The diversity within the Mughal subah is evident, but even within

1. J.C. Sinha : Economic Annals of Bengal; N.K. Sinha: Economic History of Bengal, 2 vols.; K.K. Datta : Survey of India's Social Life and Economic Condition in the Eighteenth Century; H.R. Ghosal : Economic Transition in the Bengal Presidency; S. Bhattacharya : The East India Company and the Economy of Bengal from 1704 to 1740 .

Bengal proper there are marked regional⁰ geographic differences, most notably between the decaying delta to the west, of which Murshidabad forms a part, and the active delta to the East which now lies now¹ in Pakistan. The province also had a diverse political history. Western Bengal came early under Mughal rule, but Chittagong and the Brahmaputra Valley very late. The "attempt to fit all these regions into one general framework must involve the making of ill-founded generalisations² and the imposing of an unreal and patched-up uniformity". What has suffered in consequence is our knowledge of the more exact details of local conditions and their peculiarity.

While it is necessary briefly to survey the economic condition of Bengal as a whole, even at the risk of repeating much of a story already told, there is also a need to consider those factors which had a particular influence in Murshidabad. Broadly speaking, these are the famine of 1769-70 and the scarcity of 1784, which gravely affected the countryside; the changes in the trade patterns in Bengal resulting from the near monopoly established by

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1. See O.H.K. Spate : India and Pakistan - a General and Regional Geography, Chapter XIX (Bengal).
 2. A.M. Serajuddin : The Revenue Administration of Chittagong from 1761 to 1785, unpublished Ph.D. thesis, University of London, 1964, p. 8.

the English East India Company, whose results were felt by both artisans and merchants; and the transfer of the administrative capital to Calcutta and the loss of power by the Nawabs, which affected all these classes, military and civil, for whom the court at Murshidabad had been the source of office and employment. The decline which followed the removal of the administration from Murshidabad to Calcutta also affected merchants, bankers, artisans and cultivators. Since all these changes happened about the same time, their effect upon the economic condition of the people of Murshidabad District during the quarter century here studied was profound.

In the absence of detailed statistical material this type of study must remain incomplete. The size of the population and its distribution between various occupations, for example, are unknown. But from a careful study of the contemporary accounts and reports, it is possible we believe, to form a general picture of the economic life of the District and to trace the impact of the famine of 1769-70 or the establishment of the Company's administration.

Politically, the years 1765-1793 were for Bengal a period of comparative peace after the continuous shifts and uncertainties of the past half century. The province at last was freed from fear of Maratha raids,

which for many years had been almost an annual event (even towns as near the capiatl as Bhagwangola had been repeatedly attacked). How destructive those raids had been Holwell has recorded. The Marathas, he wrote, "committed the most horrid devastation and cruelties : they fed their horses and cattle with mulberry plantations and thereby irreparably injured the silk manufacture On this event, a general face of ruin succeeded. Many of the inhabitants, weavers and husbandmen fled. The Aurangs were in a great degree deserted; the lands untilled The manufactures of the Aurangs received so injurious a blow at this period, that they have ever since lost their original purity and estimation; and probably will never recover them again A scarcity of grain in all parts; the wages of labour greatly enhanced; trade, foreign and inland, labouring under every disadvantage and oppression"¹ . Even the transfer of power from the Nawabs to the East India Company was affected, after 1765, without violence or revolution. Nevertheless, the period was one inwhich which the social and economic structure of Bengal was subject to great pressures. The distortions which ensued were not less than those which violent revolutions or invasion would have caused. No where were they more marked than in the District of Murshidabad.

1. Quoted in Ranajit Guha and A. Mitra : West Bengal District Records (New Series) - Burdwan - Letters issued, 1788-1800, p. LVIII.

This study begins in the year 1765. That year saw one major event for Bengal - the grant to the Company of the Diwani of Bengal, Bihar and Orissa (the combined forces of Mir Qasim, Shuja-ud-daula and the Emperor had already been overthrown by the East India Company). By this grant the Company became responsible for the collection and disbursement of revenues and for the administration of civil justice in the whole province. The political power they possessed by virtue of their armed strength was thus joined with administrative authority from the Emperor.

For many years the Calcutta Government could not and did not try to act as Diwan through its own servants, relying instead upon Indian officials, trained in the old Mughāb system, to act for them. But Nandkumar, Muhammad Reza Khan, Shitab Roy and other officials chosen as agents were not able to restore the system of Ali Vardi Khan's day which, until distorted by Mir Qasim's emergency measures, had worked tolerably well. Clive, both in 1757 and again in 1765, created an expectation in the Company that English power over the Bengal administration could be made directly profitable, and that the surplus from the provincial revenues would pay for the Company's military and civil administration, and for the investment, the cargoes to Europe. Governor and Council, in Clive's day

and after, sought to establish their own reputations with the Directorate by fulfilling these expectations. However, the costs of administration proved greater than expected, and the series of wars in which the Company was soon involved with the Rohillas, the Marathas, Haidar Ali, and even the Nizam, made even greater demands upon the Bengal treasury, which had to aid Madras and Bombay. If these costs were to be met, and the China trade supplied with silver, and Europe with goods, it was necessary to ascertain the revenue paying capacity of the various districts and then to exploit them to the full.

When the revenues of Bengal proved less able to provide for the Company's needs than expected, the reaction of the Calcutta Government was not to recognize that they had been too hopeful, but to blame the men and methods by which the revenues were collected. The Company's servants, aware that they were dependent on their Indian officials, responded with an uneasy distrust. Thus as early as September 1766 the Select Committee was writing to the Court of Directors : "without the greatest care being taken to prevent the zamindars from carrying on long balances and defrauding the Government under various pretences, your collections would soon dwindle ... and the several Rajas and zamindars would assume to themselves an independent power, after they had fleeced the people and

fattened upon the spoils of the public"¹. In like manner the work of the ganungoes, or district record keepers, was distrusted, and allowed to lapse, and before long Hastings was charged by the Home authorities to try Muhammad Reza Khan and Shitab Roy for defrauding them of their hoped-for revenues. Since the old officials and the old system were distrusted, a series of new men and measures were tried out between 1765 and 1793, often with disastrous effect upon the economic and social balance in the countryside². In all these experiments Murshidabad District had its share.

It is not proposed, however, to review the working of the annual, trennial and other settlements, the appointment and withdrawal of supervisors and collectors, or the fixing of the permanent demand upon Murshidabad in 1793. Any detailed review would be difficult because the area of Murshidabad as a revenue district changed greatly in our period. Murshidabad under Murshid Quli Khan and his successors had been one of the thirteen chaklas or financial divisions into which the

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1. Quoted in M. Huq : The East India Company's Land Policy and Commerce in Bengal, 1698-1784, p. 101.
 2. For a detailed examination of the revenue administration see N.K. Sinha : The Economic History of Bengal, vol. 2; B.B. Misra : The Central Administration of the East India Company, chapters 3 and 4; A.M. Serajuddin : Op. cit.,

province had been divided. The district was vastly greater in area and in revenue than the later British district, so that there is no continuity and no possibility of comparison between chakla and district : James Grant, for example in his View, of the Revenues, of Bengal, printed as an appendix to the Fifth Report, lumps Murshidabad proper in the sprawling zamindari of Rajshahi. Moreover, such figures as are available are made more misleading by the fact that the revenues of several parganas, not included in either chakla or district, were nevertheless paid into the treasury at Murshidabad for reasons of administrative convenience. In any case a study of the zamindari of Rajshahi, which formed a major part of the Huzur Zilaha, for this period, is currently being undertaken, and when completed should give a picture of the effect of the Company's measures upon the Murshidabad parganas as well as Rajshahi.

In the first few years of the Diwani, the settlement of revenue demand and arrangement for collections in Bengal was in the hands of the Naib Diwan, Muhammad Reza Khan. Though anxious to support Clive, who had raised him to that eminence, by producing an increased revenue, Reza Khan was determined as far as possible to restore the Mughal system with due regard for the position of the old nobility and the zamindars. His settlement of

the Huzur Zilahs was therefore a moderate one - attacked later by James Grant as fraudulently lenient. However the Resident at Murshidabad, Francis Sykes, was anxious to win the Directors' good opinion, and used his power of superintendence of revenue matters to enhance the settlement made by the Naib Diwan. Sykes was soon writing of the need to exercise pressure "to rouse the zamindars and collectors from their lethargy". When they failed to pay the enhanced demand amils were appointed to collect the revenue, on a temporary basis. Becher, who succeeded Sykes as Resident at Murshidabad early in 1769 commented on their employment : "What a destructive system this is for the poor inhabitants ! The amils have no connection or natural interest in the welfare of the country where they make the collections, nor have they any certainty of holding their places beyond the year; the best recommendation they can have is to pay up their kisbunde^tes (instalment) punctually, to which purpose they fail not to rack the country whenever they find they can't otherwise pay their kists and secure a handsome sum for themselves. Uncertain of their office, and without opportunity of acquiring money after their dismissal, can it be doubted that the future welfare of the country is not an object with them ? nor is it to be expected in human nature"¹. The rai-yats had no redress

1. W.K. Firminger : The Letter Copy Books from the Resident at the Durbar, pp. xi and xii.

against the exactions of the amils, who acted under little restraint from the Naib Diwan or from the Resident. The latter had been charged by the Directors with responsibility for preventing any oppression of the rai-yats, but under the system of double government he lacked means to protect them, had he wished to. Becher commented : "Much these poor wretches will bear rather than quit their habitations to come here to complain, especially when it is to be considered that it must always be attended with loss of time, risk of obtaining redress, and a certainty of being very ill used should the amils' influence be sufficient to prevent the poor man's obtaining justice, or even access to those able to grant it to him"¹.

Upon a rural society which had been disorganised and strained by the exceptional demands of Mir Qasim and the pressure for revenue by the Company and its instruments, there then fell the famine of 1769-70. This was one of the most destructive calamities suffered by India in the eighteenth century, and Murshidabad was one of the districts which suffered most heavily. Murshidabad with its famous silk industry, and the market provided by the capital, was one of the prosperous districts of Bengal. But it was nevertheless defenceless against the vagaries of

1. W.K. Firminger : Op.cit, p. xiii.

the monsoon, depending upon timely rains for the rice crops which constituted the principal means of subsistence of the people¹. The winter rains of 1768 had been poor, so that prices rose in 1769, but it was an eight month failure of the rains in 1769 which heralded the famine proper². By August Becher at Murshidabad was reporting the alarming want of rain in all upper Bengal, and stating: "there is great reason to apprehend that in all the districts of the northward of Nuddea (Nadia) the crops of rice will be very short indeed. Since the season for rain began they have hardly had any, and if God does not soon bless this country with plentiful showers the most fatal consequences will ensue - not only a reduction in the revenues, but a scene of misery and distress that is a constant attendant on famine³". By the end of November when in a normal year the peasants should have been busy in the fields gathering the aman harvest, the Governor and Council were acknowledging to the Court of Directors the danger of an impending calamity. "It is with great concern, Gentlemen", they wrote, "we are to inform you that we have a most melancholy prospect before our eyes of universal distress for want of grain owing to an

1. The eastern half of the District - the fertile region lying between the rivers, grows spring crops mainly aus rice which requires adequate rainfall in April and May. The western portion, the higher and drier part, produces abundant aman or winter rice which again needs frequent rains from July to October. See W.W. Hunter : Statistical Account of Bengal, vol. 9, pp. 100-101; L.S.S. O'Malley: Murshidabad District Gazeteer, p. 2.

uncommon drought that has prevailed over every part of the country - in so much that the oldest inhabitants never remember to have known anything like it and as to threaten a famine"¹. Two months later they had to report that their apprehensions had already come true. By the summer of 1770, after a rainless spring the whole of the northern districts were witnessing all the horrors of a devastating famine.

In the beginning of June the Resident at Murshidabad reported to Calcutta : "the scene of misery that intervened, and still continues, shocks humanity too much to bear description. Certain it is, that in several parts the living have fed on the dead; and the number that has perished in those provinces which have suffered most is calculated to have been within these few months as six is to sixteen of the whole inhabitants"². A month later (12 July) when the distress of the people of Murshidabad reached its climax, he said : "The representation I have hitherto made from hence, of the misery and distress of the inhabitants for want of grain and provisions, were faint in comparison to the miseries endured in, and within

2. N.K. Sinha : Op.cit. ., vol. 2, p. 48.

3. Select Committee Proceedings, 25 Sept., 1769.

1. Letter to Court, 23 Nov., 1769.

2. Becher to the Select Committee dated 2 June, 1770. Sel. Com. Pcds., 9 June, 1770 quoted in Famine in India (Extracts), p. 27.

30 miles of the city. Rice only three seers for a rupee, other grain in proportion; and even at these exorbitant prices, not nearly sufficient for the supply of half the inhabitants; so that in the city of Murshidabad alone, it is calculated that more than five hundred are starved daily; and in the villages and country adjacent the number said to perish exceed belief"¹.

The Calcutta authorities were early informed of the impending disaster and expressed their active sympathy. In November they informed the Directors that as the famine seemed likely to grow in severity and it was certain that six months at least must elapse before the next harvest, they were preparing to stock-pile grain for the Company's troops, and intended to take all possible measures in their power to alleviate the misery of the poor inhabitants. They concluded, however, by saying "we can not flatter ourselves that all our endeavours will prevent very fatal effects being felt or that human means can check its baneful influence"². The disaster continued in the following months to deepen. At the beginning of February 1770, the Resident and Naib Diwan at Murshidabad arranged for the distribution of rice among the citizens from six

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1. Quoted in W.W. Hunter : Statistical Account of Bengal, vol. 9, p. 138.
 2. Letter to Court, 23 Nov., 1769.

places in the city daily at half a seer per person¹. The export of grain from the affected districts was prohibited except for use in Murshidabad, and orders were issued for the purchase of rice in the south-eastern districts of Bengal². In spite of these efforts of the Government, adequate relief for the starving population was not possible. There was simply not enough food to buy even for all the inhabitants of the city. In June the Resident reported that for several days no grain had been available in the markets. Free kitchens supported by private charity were opened by the administration at several places in the city, but the measure was inadequate to the need. Public contributions were not vigorously collected until May, and though the Nawab and his ministers took the lead, the Company's share was initially small. Whereas the Nawab gave Rs. 26,893, Muhammad Reza Khan Rs. 19,507, Raja Mahindra Rs. 6,000 and the Jagat Seth Rs. 6,375, the original order from Calcutta to the Resident was only for Rs. 40,000³. Ultimately the Company provided three times

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1. B.M.Add.Mss. 28973 quoted in N.K. Sinha : The Economic History of Bengal, vol. 2, p. 60.
 2. Famine in India, (Extracts), p. 45 quoting Beng.Pub.Cons., 13 Feb., 1770.
 3. Famine in India (Extracts), pp. 34-36 quoting Bengal Secret Consultations, 1 Feb. 1771.

that amount, but even so the distribution of rice was confined to Murshidabad and a few other large towns¹.

The Company made a much larger effort at relief in Murshidabad than in any other Bengal city. The figures for charity distribution of rice, from 1 March to 4 September 1770 were as follows² :

Murshidabad District	...	Rs. 1,52,443
Hughli	...	Rs. 4,476
Birbhum	...	Rs. 2,940
Purnia	...	Rs. 17,294
Yusufpur	...	Rs. 1,062
Bhagalpur	...	Rs. 5,067

The original expenditure budgetted for in Murshidabad while rice was still selling at eighteen seers for the rupee had been Rs. 87,250. As prices rose, to five or six seers to the rupee, the sum was increased to Rs. 1,52,443, or nearby double the original estimate³. But, with hungry and disease-stricken people streaming into the Nawab's capital from all over the District, even this effort proved quite inadequate. As has been seen, Becher calculated that at the worst of the famine in Murshidabad city alone five

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1. In Patna the Naib Diwan, Sitab Roy set aside ~~set/aside~~ a sum of thirty thousand rupees to provide for the regular supply of food grains to the people. He engaged several boats to bring rice from Benares and sold it in Patna without any profit. See Siyar-ul-Mutakherin, vol.3, p. 56.
 2. Famines in Bengal (Extracts), pp. 34-36.
 3. Bengal Secret Consultations, 1 Feb. 1771 : Naib Diwan's representation regarding the increase of expense in the charity of rice in Murshidabad. See also extracts of a

hundred were dying of starvation each day. Charles Grant, who was in Murshidabad during the famine year, described the horrors in the city in graphic terms. "In Murshidabad, seventy-seven thousand were daily fed for several months ... but these good offices were hardly discernible amidst the general desolation. In the capital ... it became necessary to keep a set of persons constantly employed in removing the dead bodies from the streets and roads and these unfortunates were placed in hundreds on rafts and floated down the river. At length the persons employed in these offices died also ... and for a time dogs, jackals and vultures were the only scavengers. It was impossible to move abroad without breathing an offensive air, without hearing frantic cries There were persons who fed on forbidden and abhorred animals, nay, the child on its dead parents, the mother on her child"¹.

Some rice was purchased in Dinajpur, Rangpur, Dacca and Barisal, and supplies continued to reach Murshidabad until June 1770². But without such modern means of communications as the railway, unaffected by famine

a letter from Becher to the Murshidabad Council dated 24 December 1770. M.F.R., vol. 1, 24 Dec. 1770.

1. Quoted in A.T. Embree : Op.cit., pp. 35-36.
2. M.F.R., vol. 6, 13 Jan. 1772, Reza Khan's Letter to the Council of Revenue.

conditions, the large-scale movement of supplies was nearly impossible. The Bhagirathi and the Jalangi were both made useless for navigation by the drought, while to move the grain from the Ganges ports into the interior of the District became steadily more impossible as bullocks and men succumbed to starvation. Moreover, of the supplies which the Company brought in from Barisal a large proportion was apparently for the Company's servants and troops at Murshidabad, who could not have survived without it¹. It is not clear whether other supplies were for the people or the army, for sale or for free distribution. From the sales accounts it is known that of 55,449 maunds of Barisal rice, 46,147 were sold in Murshidabad to the Company's troops at Berhampore, to their servants and dependents at the Qasimbazar factory and to other people in the city, while another 9,302 maunds were sold at Monghyr. The profit of the Company from these combined sales amounted to Rs. 67,595². This alone covered rather more than half of the expenditure on relief in Murshidabad.

Becher, the Resident at Murshidabad summed up his experience of the famine at the end of 1770 as follows: "During the last year the provinces laboured under the most

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1. Becher to the Murshidabad Council dated 18 June, 1770 - Select Committee Proceedings, 21 June, 1770.
 2. Beng. Sec. Cons., quoted in Famine in India (Extracts), pp. 34-36.

severe calamity that any country was ever afflicted with - a continued drought which produced such a famine and mortality among the inhabitants as I believe history does not furnish us with an instance of"¹. The amount of depopulation after a year of large-scale mortality was frightful. Not only did people die of starvation. Disease and pestilence, particularly small-pox, occurred simultaneously with the last six months of the famine to take away those who had escaped death by starvation. Nawab Saif-ud-dawla and several other noblemen of Murshidabad fell victims to this disease, while the common people of the District died in thousands².

Contemporary accounts testify that in the districts most affected by famine, more than one third of the population died of starvation and pestilence³. Since large numbers also deserted their homes in search of food and migrated to the cities and other less affected areas, the loss of inhabitants may have been almost half the population. Moreover those who did survive were utterly

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1. M.F.R., vol. I, 24 Dec., 1770.
 2. Siyar, vol. 3, pp. 25-26. The association of disease and all kinds of pestilence like small pox, cholera and plague with famine was a regular phenomenon also in the whole of the Mughal period. The lack of food weakened the resistance of those who escaped actual starvation and the failure of water supplies, and the crowding together of refugees in unsanitary conditions exposed them to disease like cholera. For an account of the famines during the period from 1554 to 1707 see Irfan Habib : The Agrarian System of Mughal India, pp. 100-110.
 3. Letter to Court, 9 May 1770 (para 3) and 3 Nov. 1772 (para 3).

incapable of industry for a considerable time. Contemporary reports suggest that in the districts most affected by the famine more than a third of the population died, and since the same reports relate that large numbers of hungry people deserted their homes in search of food, migrating to the cities or less affected areas, and that many of these did not return ¹, the loss in Murshidabad District may even have been a half. There are no general statistics to show the decrease in number, but information collected by the Committee of Circuit in 1772 in neighbouring Rajshahi serves to corroborate the impressions of local observers like Becher. The Committee gave the figures for four villages ² :

1768-69	....	1076 families
1769-70	....	1033 " "
1770-71	....	373 " "
1771-72	....	460 " "

Of the 660 families which disappeared in 1770-71, the Committee reported 153 as having deserted and 507 as having died. Whether in subsequent years more survivors straggled back to their villages is not recorded. What is clear is that nearly half the families are known to have died, and

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1. See N.G. Chaudhuri : "Some of the Results of the Great Bengal and Bihar Famines of 1770", Indian History Congress, 1949, Proceedings of the twelfth session, Cuttack, p.240.
 2. Committee of Circuit Proceedings, vols. 1-3 (in one), p. 177.

that in 1772 the villages were still ^{at} half strength. In many parts of Rajshahi and Murshidabad cultivators had to be brought in from other areas to settle the villages again. But despite the recovery of the District the Murshidabad Council reported that as late as 1776 cultivation had obviously still not fully recovered. From Government enquiries it would seem that handicrafts recovered still more slowly. The silk manufacturers, weavers, industrial artisans, boatmen and other labourers seem to have died in greater numbers than the peasant cultivators. Certainly the silk industry of Murshidabad was greatly affected by the death of the silk winders, cocoon growers and weavers, and both the quantity as well as the quality of the raw silk declined after the famine. Though the price of silk went up by some fifty per cent between 1765 and 1771 little improvement followed; as in the parallel situation in Gujarat in 1630-31, described by Moreland, the loss of skill occasioned by famine, took ¹ years to make good.

Government had provided some relief, late and inadequate though it almost of necessity was, during the famine. It is necessary now to consider how far its measures after the famine aided or retarded recovery. How much could be effected, when a strong lead was given, has been recorded in the report of an Amin or surveyor sent to

1. W.H. Moreland : From Akbar to Aurangzeb, p. 217

Rangamati, a village in the Fatesingh parganah of Murshidabad in 1775¹. It appears from the testimony of several old people who had survived the calamity of 1770 that during the famine the village was utterly desolated, the people disappeared and the whole life of this once prosperous village was shattered. In 1774 however Rangamati was farmed out to Ram Kanta Chaudhuri to improve and restore the village. The statement prepared by the Amin covers a wide range of subjects - the nature and amount of land in cultivation, the number of houses, the occupations of the villagers, the condition of the village market², all of which reveal the impact of the famine and the success of Ram Kanta in restoring economic life to the village. Tagavi loans or advances had been made to the cultivators to enable them to buy oxen, ploughs and other implements³. As a result the 954 bighas under cultivation in 1774 had increased by 1776 to 1263 bighas, with a particular increase in the areas under food grains and mulberry trees. In the same two years the number of houses of the cultivators, silk rearers, weavers, carpenters and other artisans had been more than doubled, from 113 to 256 houses⁴. The hat or market, completely destroyed by the famine had been likewise restored to a flourishing

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1. M.F.R., vol.11, 15 Feb. 1776; B.R.C., R.49, vol.61, 12 April, 1776 (Report of the Murshidabad Council).
 2. See chapter II, p.47.
 3. Sel.Com.Procs., 28 April, 1770.
 4. B.R.C., R. 49, vol.61, 12 April, 1776.

centre for buying and selling the daily necessities of the village. In an individual instance recovery had evidently been quite rapidly achieved.

Over much of famine affected Bengal, Murshidabad included, such recovery was delayed rather than facilitated by the Company's policies. The criticism President Methwold had voiced at Surat in 1634 about Mughal policy could well be applied to the Company policy in Bengal in the 1770's. Methwold wrote, "The villages fill but slowly, yet it betters with them also; and if the excessive tyranny and covetuousness of the governors of all sorts would give the poor people leave but to lift up their heads in one year's vacancy from oppression, they would be enabled to keep cattle about them, and so to advance the plenty which the earth produces"¹ The most striking feature of the Company's land policy is that the Bengal revenues were scarcely allowed to fall in the famine years. Thus whereas the average annual revenue from the Diwani lands between 1765-70 had been Rs. 143,00,000, that of 1770 was Rs. 136, 99, 538, a drop of six lakhs, or little more than four per cent in a year when a third of the population was estimated to have perished.² It should be pointed out, of course, that southern and eastern Bengal - Barisal, Noakhali, Comilla, Dacca or Sylhet were little affected, so

1. W.H. Moreland : From Akbar to Aurangzeb, p. 202.

2. M.F.R., vol. 4, 7 Oct. 1771 - Letter from the Murshidabad

much so that in the Chittagong records no sign of the famine can be discerned¹. Since grain prices were good in these districts, their revenues were paid in full, whereas in previous years almost all areas had shown a balance. Nevertheless the main reason for the buoyancy of collections was that in the stricken areas of Birbhoom, Rajshahi, Jessore, Dinajpur and the Huzur Zilahs round Murshidabad most severe and oppressive measures were enforced. In 1770-71, when the extent of the calamity² was known, only fifteen lakhs of rupees were remitted. Much of this relief probably did not reach the rai-yats but was absorbed by the amils, revenue farmers and other intermediaries. By 1771-72 the collections were already³ as high as they had been before the famine.

The cost in human suffering with which the Company's revenues were maintained, was admitted by Warren Hastings in a letter to the Court : "It was naturally to be expected", he wrote, "that the diminution of the Revenue shou'd have kept an equal pace with the other

Council to the Calcutta Committee of Revenue. See also M. Huq : The East India Company's Land Policy and Commerce in Bengal, 1698-1784, pp. 141-143.

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1. ^{See} A.M. Serajuddin : Op.cit.,
 2. Sel.Com.Pcds., 9 July, 1770 - extracts from the statement of the Revenues of Bengal, 1770-71. See Extracts from Records in the India Office Library relating to Famines in India, 1769-1788, pp. 31-33.
 3. M.Huq : Op.cit., pp. 141-143.

consequences of so great a calamity. That it did not, was owing to its being violently kept up to its former standard. To ascertain all the means by which this was effected will not be easy. ... One tax, however, we will endeavour to describe, as it may serve to account for the Equality which has been preserved in the past collections, and to which it has principally contributed. It is called Najay, the tax not being levied by any fixed rate or standard, fell heaviest upon the wretched survivors of those villages which had suffered the greatest Depopulation, and were of course the most entitled to the leniety of the Government. It had also the additional evil attending it, in common with every other variation from the regular practice, that it afforded an opportunity to the Farmers and Shicdars to levy other contributions on the people under color of it, and even to increase this to whatever magnitude they pleased, since they were in course of the judges of the loss sustained, and of the proportion which the inhabitants were to pay to replace it¹.

The practice to which Hastings referred was that of najai, by which the rai-yats of a village were compelled to make good the deficiencies of their fellows. This practice of holding the resident cultivators of a village

1. Letter to Court, 3 Nov. 1772; see B. Prasad : Fort William - India House Correspondence, vol. 6, p. 419.

jointly responsible for the government dues was an old one,¹ springing from the communal nature of village life . It was a security against desertion and neglect of cultivation, and was presumably not very oppressive in its operation in normal times. But under the conditions of famine and mortality of 1770 the oppression caused by the strict application of the practice must have been shocking. The revenue collected was nearly as large as in a normal year, and extorted from the enfeebled and destitute survivors, must have represented nearly a doubling of their burden. Such severity was only possible because of a "maniacal² drive for maximum revenue by the Company" . One result of the oppression of the rai-yats was that many moved to neighbouring districts to seek their livelihood, while³ others became dacoits, living by plunder .

The Court of Directors deplored the inefficiency of the Bengal Government in failing to enquire into the sufferings of the people or to prevent the heavy loss of⁴ life . They condemned the conduct of many of their English agents who were reported to have aggravated the misery of the people by monopolizing the principal articles of food and then by compelling the cultivators to sell even the

1. M. Huq : Op.cit., p. 132.
2. Ranajit Guha and A. Mitra : West Bengal District Records - Burdwan - Letters issued, 1788-1800, p. lix.
3. See N.G. Chaudhuri : Op.cit., p. 240.
4. Despatches to Bengal, 28 Aug. 1771 and 18 Dec. 1771; C.C.P., 25 July, 1772, pp. 65-66; B.B. Misra : The Judicial Administration of the East India Company, p.152.

seed required for subsequent sowings¹. Becher, Resident at Murshidabad, was one of those specifically accused, and dismissed for his supposed crime. The Company likewise accused the Naib Diwan Muhammad Reza Khan of similar injustice and oppression. They held that he had forced the grain merchants to sell their rice to him at a cheap rate, and that he had resold this to the people at famine prices. This was one of the five charges brought against him, which led to his dismissal, arrest and trial². The experience of the famine did not lead them to relax their demand for revenue, but it did fortify them in their resolution to put an end to the double government and through the agency of their own servants to stand forth as Diwan.

The decision came at an unfortunate moment, for some measure of stability was urgently needed while the country recovered. But in Bengal the famine served, unjustly, to discredit the system of appointing English

1. B.B. Misra : Op.cit., p. 152.

2. Reza Khan was finally acquitted and restored to office in 1775. For his arrest see Letter from Court, 28 August, 1771.

supervisors to the districts, introduced in 1769, and led to a series of measures designed to centralise control of revenue administration in Calcutta. At the same time, in a renewed attempt to ascertain the revenue-paying capacity of the province, it was decided to put up the land revenue to auction on five year farming leases. Contracts went to the zamindars where ~~th~~ they would make sufficiently high bids, to outsiders where they would not. The idea of five year competitive leases was novel, and overassessment was general in the settlement of all districts. Within a short time there was a widespread failure of the settlement. ~~of The~~ breakdown was social as well as financial, for the settlement either set aside or impoverished the zamindars, who should have given aid and leadership to the famine-stricken rai-yats .

Incidentally, the settlement also destroyed what remained of the old police system of Bengal ¹ . The zamindars had been responsible for maintaining order in

1. N.K. Sinha : The Economic History of Bengal, vol. 2, p. 94.

their estates, but the new revenue farmers were not required to maintain local police forces. The problem of dacoity which the famine had aggravated was thus left without a remedy. When the treasury was moved from Murshidabad to Calcutta as part of the policy of centralisation, one argument for the move was that the security of public treasure and records at Murshidabad against plunder was not adequate¹. Even when a partial return to the zamindari system was made after 1777, the old police organisation was not reestablished, though the Government faujdari² system of Warren Hastings had proved ineffective. In the same way the farming system disrupted the arrangements by which the zamindars had maintained the embankments needed for flood control. The old sanads of the Murshidabad zamindars had charged them with the maintenance of embankments, but there was no such clause in the farming leases. The attempt to do the work by government agency was no substitute. Indeed, the contract for Murshidabad given in 1777 by Hastings was so generally regarded as a corrupt bargain that the Directors ordered the contract to be suspended³. It was not until 1784⁴ that the zamindars were again given charge of repairs.

1. C.C.P., 28 July, 1772, p. 85.

2. B.B. Misra : The Judicial Administration of the East India Company, pp. 277-326.

3. N.K. Sinha : The Economic History of Bengal, vol.2, p. 113.

4. Ibid. Misra :

The revenue demand had been kept up during the year of famine. It was also maintained in 1772-73 when an excellent harvest glutted the Murshidabad countryside and forced prices down ¹. Although the collectors of the northern districts of Bengal reported that the peasants could not sell enough grain to pay their revenues because of the death of so many consumers in the towns and of many of the artisans, the demand was unchanged ². The revenue demand, despite poor collections in the later 1770's, continued to be kept up, the assessment in the Murshidabad District in 1793 at the Permanent Settlement was higher than it had ever been ³.

The heavy pressure of the Company's revenue demand alone would have had a depressing effect on the

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1. B.R.C., R. 49, vol. 39, 13 April, 1773; Letter to Court, 10 November and 30 December, 1773; see also Mss. Eur. E. 27, Francis Minute, 20 January, 1775, pp. 182-221; W.W. Hunter : Annals of Rural Bengal, pp. 47-48.
 2. Moreland : Agrarian System of Moslem India, p. 137 quotes from Aurangzeb's farman to Rashik Das Krori, which lists calamities which he must alleviate - they are "drought, frost and low prices". Mughal Government made allowances for gluts.
 3. N.K. Sinha : The Economic History of Bengal, vol. 2, p. 157.

economy of Murshidabad. But historians, both British and Indian, have pointed out that there was a further feature of the demand, the so-called 'drain of wealth', which made the situation worse ¹. This arose, as has been seen, because the Company made a series of payments from the Bengal revenues, outside the province, for which there was no corresponding return in merchandise or treasure. There was thus created an export surplus, an unrequited transfer of goods or gold, silver and precious stones, mainly to London, paid for by the Bengal peasantry. In normal circumstances the presence of an export surplus in the province's external account would probably be termed a favourable balance of trade; but in the case of Bengal, under the domination of a foreign power, the export surplus was in the nature of a political tribute. Since the East India Company's exports, the investment, was now paid out of the public revenues of Bengal, the amount expropriated

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1. The subject has been commented upon by James Steuart : The Principles of Money applied to the Present State of the Coin of Bengal, pp. 57-62; Hamilton : The Trade Relations Between England and India, pp. 132-148; H. Verelst : A View of the Rise, Progress and Present State of the English Government in Bengal, pp. 85-87; J.C. Sinha : Economic Annals of Bengal, pp. ~~304-314~~ 41-54; Holden Furber : John Company at Work, pp. 304-314; K.K. Datta : Social Life and Economic Condition of India, pp. 121-134; N.K. Sinha : The Economic History of Bengal, vol. 1, pp. 210-227; I.D. Parshad : Some Aspects of Indian Foreign Trade, 1757-1893, pp. 49-61.

for this purpose represented an indirect measure of the loss of national income. Clive interpreted the grant of the Diwani as a source of wealth to his nation, not a means of safeguarding the welfare of the inhabitants of Bengal districts. "We were under the necessity", he told the Directors, "of drawing the earliest advantages from our acquisition of the Duanee, our army was to be paid, our investment to be made, and the China market to be supplied"¹. Thenceforth the Bengal investment began to be made out of the territorial revenues, the bulk of the revenue surplus being devoted to this purpose, some £500,000 annually in the early years, and as much as £1,000,000 a year after 1776-77². By 1785 even the Directors began to fear the effect of this unrequited drain of Bengal's revenues : "We conceive that there is a danger, lest by bringing to Europe too large an amount of the revenues of these countries in goods for which no return is made, we should occasion a drain, which our territories may be unable to support"³.

Besides this official transfer of revenues, there was a no less injurious unofficial one, in the remittance of private fortunes to Europe. In the early years after Plassey, when the revolutions were occurring through which the Company asserted its control, and the wars with Mir

1. Clive to the Court of Directors, 29 Sept. 1765 quoted in B.B. Misra : The Judicial Administration of the East India Company in Bengal, 1765-1782, p. 24.

2. M.Huq : Op.cit., p. 219.

3. Despatches to Bengal, 15 Sept. 1785.

Qasim and the Vizer of Oudh which disrupted commerce and for sometime closed the upper Ganges to normal trade, the gifts and compensation secured by the Company's servants were extremely large. An exact estimate is impossible, but some idea of their volume may be obtained from the Report of the Select Committee of the House of Commons, in 1773, which recorded the total of "... such sums as have been proved or acknowledged before the Committee to have been distributed by the princes and other rulers of Bengal from the year 1757 to the year 1766, both inclusive"... at £5, 940,498¹.

In later years the gains were less dramatic, but still considerable, whether derived from gifts, bribes or collusive contracts. The 'moderate' Hastings, in the first four years of his administration of Bengal, remitted £122,000 to Europe². He in his turn denounced the junior servants, especially the supervisors and collectors for their exactions. Graham, who made the settlement of Murshidabad is believed to have been well paid for his decisions in the allotment of revenue farms³. The Court of Directors wrote in 1786 that it had been strongly asserted that the last five year settlement "was absolutely sold by our servants then employed in it"⁴. The bulk of

1. Quoted in I.D. Parshad : Op.cit., p.50.

2. P.J. Marshall : The Impeachment of Warren Hastings, p.145, also pp. 163-79.

3. N.K. Sinha : The Economic History of Bengal, vol.2, pp. 81-82.

these private fortunes were probably remitted in the form of bills on London or Amsterdam, but some went in diamonds, and Huq argues that there is a good evidence for a physical transfer in silver¹.

Another outflow which was certainly in silver was caused by the English trade with China. Until 1757 this was financed by means of bullion sent from England, but after 1757 Bengal supplied the money for purchasing Chinese goods for the English Company, the proceeds of which were realised in England and never returned to Bengal. The Ninth Report from the Select Committee, in 1783 reported : "About one hundred ^{thousand} pounds a year is also remitted from Bengal, on the Company's account, to China; and the whole of the product of that money flows into the direct trade from China to Europe"². In time of war there was also a despatch of funds to Madras and Bombay, neither of which were financially strong enough to stand alone. It has been calculated, for example, that from 1773 to 1782 the remittances from Bengal to Bombay were over £3,500,000,³ and to Madras, from 1779 to 1782 alone, well over £2,000,000. Between 1765 and 1773 there was also the remittance of

4. N.K. Sinha : The Economic History of Bengal, vol.2, p.83.

1. M. Huq : Op.cit., pp. 199-200.

2. Ninth Report from the Select Committee of the House of Commons, 1783, p. 16. See also J. Steuart:Op.cit., p. 56.

3. M.Huq : Op. cit., p. 195.

twenty six lakhs of rupees a year from the revenues of Bengal to the Emperor Shah Alam ¹.

This export of precious metals was not designed to balance the international trading account of Bengal, it was not the case that the export of merchandise and services did not cover the imports of the province, as with the goods of the investment, they were ~~tributed~~ from the conquered province. But whereas the effect of the East India Company's purchase of goods in the internal market out of the land revenue surpluses was indirect and slow, the export of specie by the Company or private individuals produced an immediate depressing effect on the economy through a contraction in the currency in circulation. In 1773, when the raiyats of Murshidabad and other northern districts were reported to be in difficulties in paying their revenues, the collectors gave an actual shortage of coins as one of the ^{reasons} ~~revenues~~ ² for the situation. In 1786 when the outflow of specie to support the war effort of other presidencies was at its height, Charles Grant explaining increased prices for upcountry cotton and silk goods, pointed out that currency had become so scarce that

1. M. Huq : Op. cit., p. 195.

2. B.R.C., R. 49, vol. 39, 13 April 1773.

the Commercial Residents had to be paid in bills on the Company's treasury, on which there was a twenty per cent discount ¹.

The currency difficulties in Bengal were still further aggravated by the stoppage of bullion imports into the province, soon after 1757, by both the English and other European companies ². After that date if bullion was sent to India from London it was nearly always for Bombay or Madras, notably towards the end of the period when Bengal was heavily involved in war ³. The other European companies, instead of bringing bullion to pay for their purchases as heretofore, were provided with rupee funds for their investments by the servants of the Company and other English traders against bills payable in England ⁴. Thus after the acquisition of the Diwani the import of silver into Bengal was reduced, while the export of goods continued as before, or was even enlarged, consequently the craftsmen and artisans had to be paid for from the revenues levied on the countryside. The result was that the annual addition to the income of the province which foreign countries had previously contributed came to an end ⁵. Richard Becher,

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1. Embree : Op. cit., p. 77.
 2. Parshad : Op. cit., p. 55; Verelst : Op. cit., pp. 85-86.
 3. Parshad : Op. cit., p. 34.
 4. Raynal : Op. cit., vol. I, p. 642.
 5. Steuart : Op. cit., p. 56.

observing conditions from Murshidabad, reported to Calcutta in 1769 : "It must give pain to an Englishman to have reason to think that the accession of the Company to the Diwane^e the condition of the people of this country has been worse than it was before; and yet I am afraid the fact is undoubted¹ . The decline he attributed to the mode of providing the Company's investment and to the export of specie from Bengal instead of importing large sums² annually .

In earlier chapters the trade and manufactures of Murshidabad, and the Company's investment have been considered in detail. Nevertheless, Becher's comment about the injurious mode by which the Company made its investment, calls for brief consideration. Before 1765 the trade of the Company with Bengal had been, in Charles Grant's words, "a mere commercial adventure", with the Company competing for goods with other European and Asian rivals according to the need of the market³ . After 1765, it was not commercial profit, but the desire to remit the gains of conquest which dictated the size and nature of the Company's investment : "the profit has been affected by the greater or lesser amount of property to be remitted, and the competition for making remittances, not the demand of Europe ... has regulated the importations into Europe⁴ . There followed

1. Firminger (Ed) : The Letter Copy Books..., (24 May 1769),

p. xi.
2. Ibid

3. Embree : Op.cit., p. 31.

an attempt to force up production, and to monopolise it.

The attempt to increase production necessarily led, so Grant argued, to a lowering of quality. In India handicrafts were in the hands of castes, so that it was not possible rapidly to increase the labour force in manufacturing industry. But when towards the end of the period the Industrial Revolution in England began to affect the European market for Bengal silk and cotton piece-goods, such lowering of their quality had to be compensated for by forcing down prices also. Further alternatives were the forcible exclusion of European competitors, and the application of pressure as in ^{the} silk industry of Murshidabad, to enlarge the provision of raw silks at the expense of woven silks for Asian and European markets. The final effect was to narrow the range of manufacture and market, to destroy competition and to drive out Indian merchants, all with injurious effects upon the Bengali artisans.

Matters were made worse by the fact that the English servants of the Company, either directly or

4. Embree : Op.cit., p. 31.

indirectly through their banians or concealed partners, were themselves concerned in the purchases for the investment. Their authority could be used to impose harsh conditions upon the producers and artisans, and since they had a direct financial interest in the bargains struck, they were only too ready to hold prices to the producers down, even while overcharging the Company, and by raising prices, making the silks of Murshidabad or cottons of Dacca less competitive in European markets. The forced increase in the size of the investment and the method of getting this so ¹ both were injurious. Murshidabad, as a great manufacturing District, and as a main centre for procuring investment, must have suffered in the process.

Murshidabad, like any other district of Bengal had been exposed to the unhappy effects of the East India Company's revenue and commercial policies. It had likewise shared with other north-western districts in the harsh

1. See N.K. Sinha : The Economic History of Bengal, vol. 1, Chapter II; Embree : Op.cit., Chapters II and IV.

experience of the famine of 1770. But it suffered in a very particular way from the centralising policy introduced by Warren Hastings as Governor of Bengal, and from the decline in the power and importance of the Nawab's Government. It is to this that attention must now be turned.

The main object of the Company in deciding in 1771 "to stand forth as Dewan" was to bring the revenue and judicial administration of the province under the direct management of the Company's servants. Hastings, while implementing the Directors' orders, was also concerned to centralise control at Calcutta. In accordance with the orders of the Directors, their servants at Fort William directed the Murshidabad Council to take over charge of the Diwani administration from Reza Khan and on 11 May 1772, the Company's decision was publicly announced at Calcutta and Murshidabad¹. Two days later, the Governor in Council adopted several regulations for the settlement of revenue. It appointed a committee of five to go on

1. M.F.R., vol. 2.

circuit through the province and make revenue settlement of each district in turn¹. The Committee of Circuit first visited Krishnagarh, the chief town of Nadia in June and then Qasimbazar, where they stayed the long period from 7 July to 17 September 1772, carrying out the settlement of the Huzur Zilahs. The Committee next proceeded, in August, to discuss the revenue administration as a whole and to recommend the abolition of the Councils of Revenue at Murshidabad and Patna, who stood between the collectors in the districts and the central government, and the transfer of the Khalsa or treasury from Murshidabad to Calcutta. At the same time the Supreme Council at Calcutta should form a Board of Revenue, with final and supervisory authority². The necessary regulations to effect these changes were adopted on 29 August, 1772, and in September the khalsa was transferred to Calcutta. In 1773, on the Directors' orders, the collectors were recalled from the districts, and a Provincial Council of Revenue was re-established at Murshidabad, as a temporary measure. In

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1. Warren Hastings (President), Philip Milner Dacrel, James Laurel, John Graham and Samuel Middleton (members). While the settlement of revenue was the primary concern of the Committee of Circuit, it brought within its jurisdiction all other important administrative affairs of Bengal including the administration of justice. A summary list of the various aspects of administration covered by the Committee in the course of its circuits, investigation and settlement, is given in an introduction to its proceedings at Krishnagarh and Qasimbazar, vols. 1-3 (in one) p. v.
 2. B.B. Misra : The Central Administration of the East India Company, 1773-1834, p. 115.

1781, this was again abolished, and the chief at Murshidabad was given charge of the district¹. Thenceforth the only revenue authority posted in Murshidabad District was the chief or collector².

It was not only the Khalsa which was transferred to Calcutta by the Committee of Circuit in 1772 - with the revenue department there went also the two Supreme Courts of Civil and Criminal Justice. Hitherto the Nawabs, as Nazims and Diwans of the province, had personally or through their naibs acted as chief judge in criminal and civil cases, in their Faujdari and Diwani courts³. The chief Qazi, who dealt with cases of Muslim Law, also had his court in Murshidabad, with subordinate qazis in the districts and parganahs. Sykes, as Resident at Murshidabad, had apparently also instituted a court of small causes (of less than 500 rupees in value), with appellate jurisdiction, consisting of twelve persons of high character in the city⁴. This was still in existence when Becher was appointed Resident in 1769. Now the Committee of Circuit transferred the Faujdari and Diwani Adalats to Calcutta, the court of small causes was apparently moribund. Only the Qazi's

1. B.B. Misra : The Central Administration .. , p. 120.

2. Ibid., p. 127.

3. B.B. Misra : The Judicial Administration ..., p. 69.

4. Ibid., p. 74.

court, the kotwal or city police chief and the ganungô ~~is~~ in charge of land records, and therefore sometimes called upon to settle disputes about land, remained in the city.

The transfer of the khalsa and the courts to Calcutta dealt an irretrievable blow to the position of Murshidabad as the chief city of the province. "By these arrangements", Warren Hastings wrote, "the whole power and government of the province will centre in Calcutta which may now be considered as the capital of Bengal"¹. The removal of the Diwani establishment and the superior courts of justice meant the shifting of the biggest and the most important departments from Murshidabad, reducing the city to a quite subordinate position.

It is true that Murshidabad continued to be the residence of the Nawab of Bengal, and in 1775 the Nizamat Faujdari Adalat, the chief criminal court was returned to the city, and placed in charge of Muhammad Reza Khan, on his restoration as Naib Subah. There was also ~~is~~ still an English Resident at Murshidabad, the Company's factory and the custom house, with its establishment, though these were all controlled from Calcutta. But the shifting of the

1. G.W. Forrest : Selections from the State Papers, vol. 1, p. x, quoting Gleig : Memoirs of Warren Hastings, vol. 1, p. 263.

Diwani secretariat, the Roy Royan, his mutasudis, ^{the} accountant, with his seristadars and clerks, the treasurer, and his clerks, the seristadar of the office of inspection and the seristadars of the registry office with their clerical staff, and the nazir in charge of issuing khalsa processes, and the peons for executing them together with a variety of office-keepers, farashes or carpet-spreaders and other menials, coupled with the transfer of the two courts with all their offices, attendants¹ and servants was a heavy blow, not only to the dignity but also to the economic life of Murshidabad.

The Committee was well aware of the likely consequences of the change, for they wrote : "The numerous officers and retainers of the Calsa (khalsa) and of the new courts of judicature, with all their families, domities [sic] and dependants will increase the demand for the necessities and conveniences of life, and of course require a number of tradesmen, artisans. Thus a vast influx of people will be drawn to Calcutta and with it a great increase of wealth. The consequence of the Presidency will be much improved with its population, as it will lessen that of Murshadabad,

1. B.B. Misra : The Central Administration ..., pp. 117-18. B.B. Misra in his Judicial Administration, pp. 298-99, gives a list of the servants of the District criminal court of Murshidabad. They numbered two hundred and three persons. The numbers affected by the transfer of the two provincial supreme courts in 1772 can only be guessed at - but it is clear they must have been many hundreds.

which will no longer remain the capital of the province, having nothing to support it but the presence of the Nawab, and a few families of consideration who possessing valuable property on the spot will (...) chuse (sic) to continue there"¹. Calcutta would gain in an expansion of the town, its buildings and population. It was hoped, indeed, that the move would have important cultural consequences.

Warren Hastings wished to make an enlarged Calcutta an advance post for the diffusion of British cultural and social influence in the country. "Their manners by a constant and (sic) intercourse will by degrees assimilate with ours and breed a kind of new relation and attachment to us. This too will open a new source (sic) of trade advantageous to the mother country, by the consumption of its most valuable manufactures"².

Nor was the loss to Murshidabad only the direct one of employment in administrative or judicial offices. The transfer of the headquarters obviously diverted members of the landed and trading interests from Murshidabad. Those people who used to come to the Nawab's court either to secure privileges or to safeguard their existing interests had no occasion to come to Murshidabad except for visits to their friends and relatives. The eyes of the people would

1. C.C.P., p. 84.

2. C.C.P., pp. 84-85.

be turned to Calcutta as the seat of government and to the Company as their sovereign¹. So long as the wealth of the province centred in the capital city of Murshidabad there had been an active circulation of money in the northern and north western districts of Bengal, and considerable markets had grown up in close proximity of the city, to which merchants brought their merchandise. But after 1772 the markets declined as Murshidabad city became less and less important, and with them the districts from which they had drawn their supplies. Thus, when Murshidabad was the seat of government, it had attracted supplies of food grains and other provisions from Dinajpur district. After Calcutta became the headquarters of the government, Burdwan grew in importance for the same reason, as the supplier of the capital, but Dinajpur declined².

The events of 1772, following hard upon the famine of 1770 when a large number of the inhabitants of Murshidabad had lost their lives, led to a steady fall in the city's population. Apart from those who were asked to follow the Diwani departments, many people who were in some way or other connected with the department left for Calcutta to regain their former position in the new place, others followed them to seek new appointments. This exodus of population, mostly job hunters, from the District became

1. C.C.P., p. 84.

2. Letter from the Collector of Burdwan to Philip Francis, - see Mss. Eur. F4, Francis Minute, 8 Feb. 1777, p. 44.

a regular feature after the transfer of the capital. To this another factor also greatly contributed, the decline in the position of the Nawab of Bengal. Ever since the English had acquired political power in Bengal, they had sought to curb the authority of the Nawabs in various ways. At the beginning the Company had sought to do this by restricting the number of the Nawab's troops, and the government at Calcutta had asked the Nawab to cut down the size of his military forces, offering instead the assistance of English soldiers whenever required. This reduction they achieved by means of treaties with the successive Nawabs of Bengal. After they acquired the possession of the Diwani, the Company also objected to the unwieldy establishment of the revenue department and its heavy expenditure. Sykes, as Resident at Murshidabad, therefore began the process of dismissing many of the ^{revenue} Indian/officers and servants, who were thought unnecessary for the service of government. A further retrenchment was also imposed as a measure of economy after the 1770 famine. The policy of the Company thus created an acute problem of unemployment among the classes which had provided the old military and civil services of the Nawab's government. Doubtless the expanding services of the Company absorbed some of those who were displaced, though in what proportion is unknown, but for many there can have been no alternative employment.

As for the army, Mir Jafar himself disbanded eighty thousand soldiers who thus became unemployed. The remaining soldiers of the Nawab other than those needed for ceremonial purposes were disbanded in 1765. Only a small fraction of them were absorbed in the Company's army¹. Thus the reduction of the military establishment hit a large section of people hard. Again many zamindars throughout the Bengal districts were dispossessed of their lands owing to their failure to satisfy the revenue demands of the Company. As a result they had to dismiss their lathials or armed sepoys (retainers) and a host of other people serving in the zamindari. We have also seen in the previous chapter that some thousands of people were maintained directly or indirectly by the Nawab and paid out of the revenues of Bengal. When the Company reduced the Nawab's stipend, many people of all ranks were deprived of their regular source of subsistence. Where did these disbanded soldiers, the zamindar's people and the Nawab's pensioner's and employees go? How did they live? It is difficult to give an entirely satisfactory answer to these questions.

It seems that many people who had come to Bengal from upper India and beyond the western frontiers and found employment at the Nawab's court left Murshidabad for their

1. J.C. Sinha : Op. cit., pp. 95-96.

homes as the sources of the Nawab's income dried up and the splendour of his court diminished¹ - others remained to share the fate of the District itself. Of the clerical staff, some reconciled themselves to the changed administration and remained in government service, but probably the greater portion left for other places, particularly Calcutta, to procure a job. It is also likely that some people from the manufacturing class took to agriculture for their sustenance, as after the famine there was more land available in the District than there were men to cultivate it, and the government as well as zamindars and farmers of revenue encouraged people to take up cultivation by liberal offers of lower rents and of loans. No other profession appeared to them so profitable as trade and commerce declined under the monopoly of the favourites and servants of the English. The extent to which the exclusion of the Indians from the trade of the province and dismissal of local officers had been carried, and the extent of the consequent unemployment, may be gathered from the writings of a contemporary historian, Saiyed Ghulam Hussain, who observes : "Now matters go otherwise; service for troopers and cavalry, there is none at all; and of the various branches of trade, heretofore open to all, none is left

1. W.W. Hunter : Statistical Account of Bengal, vol. 9, p. 60. Khondkar Fuzli Rubbee holds a different view. In his "Origin of the Musalmans of Bengal", pp. 29-32 and 46-54, he argues that the Muslim families who came to Bengal during the Muslim rule did not return to Delhi or

free. They are all engrossed by the Company themselves, or by the English in general; as these, whether they enjoy the Company's service, and of course have power and influence, or chance to be otherwise circumstanced, very seldom are without concerns in trade. But if, with all that, it happens that most of the superior military officers, whilst shewing a shyness for trade, are really merchants invested with high powers and authority, how can poor subjects pretend to derive a subsistence from merchandising? Would they dare it? On the other hand, thousands of artificers cannot earn enough to support their families ... because their arts and callings are of no use to the English; nor can it be expected that the nobility of this land, reduced as it is to that distress ... should afford to take the works of these people off their hands, and to give them employment, as they used to do in former times, by keeping them always busy, sometimes in their own houses¹".

It is also on contemporary records that lawlessness and robbery became a daily feature in rural Bengal during and after the famine and increased to a disproportionate scale with the growing unemployment throughout the northern districts of Bengal². From every quarter of the

Persia and that the present Muslims of the province are certainly the offspring of those foreign Muslim adventurers who served the former Muslim rulers of Bengal for several centuries.

1. Siyar, vol. III, pp. 203-204.

2. For an account of the atrocities and plunder of dacoits

province the news of atrocious crimes came to headquarters. Villages were daily plundered and "travellers were frequently robbed and murdered"¹. It is no wonder that a large section of the disbanded soldiers and armed retainers, encouraged by the general collapse of civil and criminal administration, went to swell the number of robbers². There are also instances where the zamindars encouraged organised plunder. The early British administration of Bengal had "left it on record, that a gang robbery never occurred without a landed proprietor being at the bottom of it"³.

With this general background of famine, death, desertion, declining trade and industry, change of government and its headquarters, unemployment and lawlessness, it is natural to wonder how the economic life of the particular District of Murshidabad fared during the period under review. In certain instances, specific figures have been given, but it must be admitted that the study of its economic conditions is seriously handicapped by the absence of any population figures, official or conjectural, and of

in the districts of Bengal, see Rangpur District Records; J. Westland : A Report on the District of Jessore; H.E. Busteed : Echoes from Old Calcutta and J.C. Sinha : Economic Annals of Bengal, pp. 98-99.

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1. Press List of Ancient Documents, series II, vol. II, p. 9.
 2. "There was no such thing as justice or law or adequate protection to person or property anywhere in Bengal, Bahar and Orissa except in Calcutta. The ancient courts had lost their influence and the native magistrates were destitute

any statistics of occupation and income. On population, however, it seems clear, that it can be said that there was very marked decline in the period. During the 1760's Murshidabad was the most populous city in Bengal, and also the richest. A contemporary observer declared : "This city is as extensive, populous and rich as the city of London, with this difference that there are individuals in the first possessing infinitely greater property than in the last city"¹ At that time the city proper extended about eighty miles along both sides of the river Bhagirathi to the depth of about two miles from its banks, while the suburbs covered a much larger area. The city was also encircled by trade centres and commercial ports such as Bhagwangola, Ziagunj, Qasimbazar and Saidabad. Considering the trade and industrial activities of these areas it may safely be said that a very large number of people were settled in and around these places. Then soon after the beginning of our period, the great famine of 1769-70 reduced the population of the District by almost half. About 1772

of authority". See J.C. Sinha : Op.cit., pp. 99-100 quoting gleig : Memoir of Warren Hastings, vol. I, p.147.
 3. W.W. Hunter : Annals of Rural Bengal, pp. 69-70.

1. Quoted in W.W. Hunter : Statistical Account of Bengal, vol. 9, p. 64. London in the 1760's had a population of about 750,000. See J.Steven Watson : The Reign of George III, 1760-1815, p. 13.

the removal of the administrative headquarters of the province must have inflicted a further blow to the population of the city. Since there is no evidence to suggest any exceptional increase in the population, other than by natural growth, and no cause for such growth is known, it must be assumed that the loss was not made good. At the beginning of the nineteenth century, when the process of decline was already complete, we have several estimates of the population of the District. In 1801 the population was estimated at over ten lakhs, and in 1829, at eight and a half lakhs¹. These figures would seem evidently to be very much lower than those which must have existed in the mid eighteenth century when the District was at the height of its prosperity. No accurate statistics of the population are available, however, before the census of 1872.

If accurate statistics about the population of Murshidabad are lacking, we are more fortunate in possessing some reliable data about the income of certain sections of the people, and about prices of foods and other necessities. It is possible therefore to attempt an assessment of the standard of life of certain classes in the District. This cannot, even so, lead to precise conclusions for any rigid division of the people into classes, by occupation or income is likely to be misleading. Many people combined one

1. See W.W. Hunter : Statistical Account of Bengal, vol. 9, p. 35.

occupation with another, so that it is not possible to assess their income from one source alone, nor is it possible to classify them under any particular profession. Equally, where salaries are concerned, it is not possible to say how far perquisites of various kinds added to their incomes, though these are known sometimes to have been large. Traders and businessmen in our period were also bankers and financiers. Manufacturers or artisans were often also petty traders. There were many cultivators who reared silk worms or did household weaving. Moreover in the two and half decades after 1765 the economy was unsettled and the change of government was followed by upheavals in the occupational pattern in the District. Traders and gumastas became revenue farmers or purchased lands and became zamindars¹; weavers took to cultivation; many became unemployed. In spite of these difficulties of analysis, however, we shall attempt, on the basis of the information available, to conduct a discussion of the living standard of the people of Murshidabad District according to

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1. Krishna Kanto Nandi of Qasimbazar, commonly known as Kanta Babu, is a prominent example of a banian becoming a zamindar under the patronage of the Company. He was a banian of Warren Hastings about 1756 when the latter was a Commercial Resident of the English Company at Qasimbazar. In appreciation of the service rendered to him, Warren Hastings, in 1772, when Governor of Bengal, employed Kanta Babu as his diwan or deputy. In this capacity he acquired a great influence with the new administration and was directly or indirectly connected with the management of a number of parganas. Upon his death he left a vast zamindari in several districts of Bengal and his successors were known as the Maharajas of Qasimbazar. See J.H.T. Walsh :A

several clearly recognisable class categories : the relatives and dependants of the Nawab and the officers and servants of his Household; officers and their assistants in Government departments; traders and financiers; zamindars, taluqdars, revenue farmers and those who lived on incomes from land; manufacturers and other artisans, and finally the labourers or daily wage-earners.

We have already seen how the income of the Nawab of Bengal was successively reduced from ^{Rs.} 53,00,000 in 1765 to Rs. 42,00,000 in 1766, to Rs. 32,00,000 in 1770 and, at the Directors' orders, to Rs. 16,00,000 in 1772, at which figure it remained, even after Mubarak-ud-daula came of age, for the rest of our period. Though some recourse was ^{had} to loans, part of which were never paid back in his lifetime despite the economies practised by Mubarak-ud-daula, the lowering of the standard of living of the Nawab and his household was clearly both rapid and drastic. Many relatives and dependents were deprived of the pensions which they had obtained from the Nawabs and a number of officers and servants of the Nawab's household, which was some five hundred strong in 1773, were dismissed between 1773 and 1790. Those who remained in the household services, moreover, did not receive their salaries regularly. During the last ~~few~~ years of

History of Murshidabad District, p. 207; L. Ghose : The Modern History of the Indian Chiefs, Rajas and Zamindars, etc., (Part II), pp. 335-36.

Mubarak-ud-daula's life, when he was demanding the promised increase in his allowance from the Company, it was difficult for him to escape the complaints of his servants for a single day. Even so many of his old servants chose to spend the rest of their lives in the palace of the Nawabs, since suitable alternative employment was scarcely to be found in Bengal under the Company.

An approximate idea of the incomes of the pensioners, officers and other professional persons employed in the household can be obtained from the Nizamat account prepared in 1773. The privy purse of the Nawab had been Rs. 25,000 a month, but from 1773 this was reduced to Rs. 12,000, the same sum as that allotted to Munnî Begum, the young Nawab's manageress. Babu Begum received Rs. 8,000, Mir Sayeed, grandson of Mir Jafar received Rs. 5,000 and other pensioners from Rs. 1,500 to Rs. 15 a month¹. This might be compared with the Rs. 5,277 a month received by the young Jonathan Duncan in 1784², or the maintenance allowance of the Rani of Rajshahi when her zamindari was farmed out to a renter which came to over Rs. 20,000 a month, or the Rs. 16,000 a month similarly granted to the Raja of Nadia³. The Nawab and the leading members of his

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1. See the chapter on the Nawab's Household, p.
 2. V.A. Narain : Jonathan Duncan and Varanasi, p. 23.
 3. N.K. Sinha : The Economic History of Bengal, vol. 2, p. 84.

family in 1773 were already very much poorer than many of the zamindars who recognized the Nawab as Subahdar of Bengal, Bihar and Orissa.

For the lower grades of officials in the household we have the figure of Rs. 65,390 a month which was shared in 1773 between 2,754 persons : 92 pensioners, 115 clerical officers, 2547 artificers, servants and labourers. Though individual payments are not recorded it is possible to list the average payment of the various grades, since the total disbursement for each branch of the department is given and the numbers included in each. The rates work out as follows ¹ :

<u>Clerical Officers</u>			<u>Monthly salary in rupees</u>
People in charge of mosques	..	..	45
Munshis or clerks for the Persian language	..	..	42
Mushrif Fil Khana, accountant in the elephant department	..	..	20
Ahli-Qalam or clerks	..	..	15
Qariul Qur'an or readers of the Qur'an	..	..	10
Teachers for the household slaves	..	..	8

1. State of the Nizamat Accounts of Nabob Mobarak ul Dowlah, 1773, R. 154, vol. 38.

<u>Craftsmen</u>		<u>Monthly salary in rupees.</u>
Surgeon ..	..	44
Seal cutters ..	..	40
Armenian artificers ..	..	23
Goldsmiths ..	..	13
Craftsmen ..	..	9
 <u>Ceremonial attendants</u>		
Bearerers of the golden staff ..	..	35
Musicians ..	..	17
Trumpeters ..	..	10
<u>Chobdars</u> or usherers ..	..	6 $\frac{1}{2}$
Umbrella bearers ..	..	5
Lance bearers ..	..	4 $\frac{3}{4}$
Standard bearers ..	..	4 $\frac{1}{4}$
 <u>Domestic servants</u>		
Eunuchs ..	..	36
Naqibs or messengers ..	..	11
Domestic servants ..	..	10
Negro slaves ..	..	10
<u>Harkaras</u> or running footmen ..	..	6
Night guards ..	..	5 $\frac{1}{2}$
 <u>Menials</u>		
Servants in charge of camp equipment ..	..	10 $\frac{1}{2}$
Servants in charge of the kitchen ..	..	9 $\frac{1}{2}$
Servants in the stables ..	..	6

Servants in charge of palace furniture ..	5
Servants in charge of lighting ..	$3\frac{1}{2}$
Time keepers ..	$3\frac{1}{2}$
Office keepers ..	$3\frac{1}{2}$
Labourers ..	$3\frac{1}{4}$
Sweepers ..	3
Gardeners ..	$2\frac{1}{4}$

It is possible to distinguish three rough groups of persons in the list. There is a middle class of professional men, the Imam or leader in the mosque who must have been acquainted with Arabic, Persian and theology so as to be able to impart religious education, to preach and to interpret the verses of the Qur'an and the Sunnah, the Munshis, accountants and teachers, all of whom would know Persian, and men like the surgeons and the seal cutters. Below them came the craftsmen and musicians and the ceremonial attendants, and then in the third group, earning between Rs. 6 and Rs. $2\frac{1}{4}$ the great mass of ordinary domestics, guards and labourers. The bearers of the golden staff, with Rs. 35 a month were presumably men of some distinction, chosen because of the honour and prestige attached to the office. What is of interest is that even the most highly qualified group did not earn more than Rs. 45 a month.

1	<u>Tavildar</u> (cashier)	..	..	25
1	<u>Mushrif</u> (treasury inspector)	..	..	40
1	<u>Bakshi</u> (paymaster)	..	..	50
1	<u>Nazir</u> (officer of the court in charge of serving the process)	..	..	30
4	Naibs	..	..	15 each
25	peons or orderlies	..	..	4 each
10	<u>Harkaras</u> or messengers	..	..	5 each
4	<u>Daftaris</u> (office keepers)	..	..	4 each
3	Time keepers	..	..	3 each
4	<u>Vistis</u> (water-carriers)	5 each
1	<u>Amin</u> or surveyor	50
10	Additional Muharrirs	20 each.

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Officers and servants of the Murshidabad Collectorate
established in 1773¹:

				<u>Monthly salary in rupees</u>
1	Naib	..	..	100
1	<u>Peshkar</u> (Head assistant)	..	..	50
1	<u>Seristadar</u> (office superintendent)	..	..	25
5	<u>Muharrirs</u> (clerks)	..	..	10 each
1	<u>Khazanchi</u> (cash-keeper)	..	..	25
2	<u>Muharrirs</u> (under the <u>Khazanchi</u>)	..	..	10 each
2	<u>Munshis</u> (Writers or draftsmen)	..	..	10 each
2	<u>Poddars</u> (persons weighing money)	..	..	5 each
1	<u>Wakil</u> (pleader)	..	..	30
1	<u>Jamadar</u>	..	..	10
1	<u>Naib Jamadar</u>	..	..	7
10	Peons or orderlies	..	..	4 each

1. B.R.C., R. 49, vol. 44, 27 Dec. 1773.

2 Daftaris 3 $\frac{1}{2}$ each

30

Officers and servants in the Murshidabad District Treasury in 1775¹ :

1 <u>Mushrif</u> (accountant)	.. ..	100
1 <u>Naib</u>	.. ..	60
2 Persian <u>Muharrirs</u>	.. ..	25 each
3 Bengali <u>Muharrirs</u>	.. ..	16 $\frac{1}{2}$ each
4 <u>sarrafs</u> to examine and rate rupees	.. ..	10 each
2 assistants for the <u>sarraf</u>	5 each
4 labourers to load and unload bags	5 each
1 <u>daftari</u>	5
2 peons	4 each

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Establishment of the Diwani Adalat (Murshidabad Division) in 1778² :

1 <u>Peshkar</u>	150
4 Persian <u>Muharrirs</u>	... ..	25 each
2 Bengali <u>Muharrirs</u>	... ..	20 each
1 Treasurer	... ..	25
1 Treasurer's clerk	... ..	15
1 Jailer	... ..	100
1 <u>Jamadar</u>	... ..	15
10 orderlies under the <u>Jamadar</u>	.....	5 each

1. M.F.R., vol. 10, 11 Sept. 1775.

2. Ibid., vol. 15, 1 June, 1778.

10	<u>Mirdas</u> (head peons)	..	..	8 each
30	<u>Chaprasis</u> or orderlies	..	..	5 each
1	Portuguese writer	..	..	100
1	<u>Munshi</u>	25
1	<u>Mulla</u> to expound the Muslim law	7
1	Brahmin to expound the Hindu law	6

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District Diwani Adalat in 1778):

1	<u>Peshkar</u>	50
4	Persian <u>Muharrirs</u>	15 each
2	Bengali Muharrirs	15 each
1	<u>Munshi</u>	..	..	..	15
1	Treasurer	..	..	..	15
1	Clerk to the treasurer	..	..	..	8
1	Jailer	..	..	..	30
10	peons for the jail	..	..	..	5 each
1	<u>daftari</u>	..	..	..	5
1	<u>farash</u> (sweeper)	..	..	..	4
1	<u>Jamadar</u>	..	..	..	15
10	orderlies under <u>the Jamadar</u>	8 each
20	<u>chaerasis</u>	5 each
20	<u>Munsifs</u> (civil judges)	40 each
1	<u>Mulla</u>	7
1	Brahmin	6

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(Four hundred peons who were found superfluous¹ were omitted from the new establishments for the two courts).

After the reinstatement of Muhammad Reza Khan in 1775 and the decision by Hastings to restore charge of

1. M.F.R., vol. 15, 1 June, 1778.

criminal justice to the Nawab's government, some twenty three criminal courts were established in the province. That at Murshidabad which had appellate as well as original jurisdiction, had a larger establishment than the others. This consisted of the following persons ¹ :

<u>Designation</u>	<u>Monthly salary in rupees</u>
1 <u>Daroga</u> ..	400
1 <u>Naib</u> ..	50
1 <u>Qazi</u> (judge) ..	200
4 <u>Naibs</u> ..	60 each
1 <u>Mufti</u> (a Muslim law officer) ..	75
1 <u>Maulvi</u> (to expound the Muslim law) ..	150
1 <u>Munshi</u> (draftsman) ..	40
4 <u>Peshkars</u> and <u>Muharrirs</u> ..	85 each
1 <u>Wakil</u> ..	30
1 <u>Tubbab</u> (jail doctor) ..	12
1 <u>Mulla Qur'ani</u> ² ..	10
1 <u>Guri walah</u> (time keeper ?) ..	4
180 <u>Mirda</u> , <u>Naibs</u> and peons ..	752
1 <u>Daftari</u> ..	5
1 <u>Farash</u> (sweeper?) ..	4
1 Whip holder ..	5
1 Grave digger ..	8
1 <u>Jullad</u> or executioner ..	8

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1. See B.B. Misra : The Judicial Administration . . . , pp.298-299.
2. A Muslim officer employed at the court to administer oaths to the Muslim witnesses on the Qur'an.

Officers and servants of the Murshidabad Customs House
established in 1773¹ :

<u>Designation</u>			<u>Monthly pay in rupees.</u>
1 Collector	..	..	150
1 <u>Peshkar</u>	..	..	40
1 Persian <u>Munshi</u>	..	..	40
1 Bengali <u>Munshi</u>	..	..	15
1 Persian copyist	..	..	20
2 Persian <u>Muharrirs</u>	..	..	15 each
1 Bengali <u>Muharrir</u>	..	..	8
1 <u>Tahsildar</u>	..	..	100
1 <u>Mushrif</u>	..	..	75
1 <u>Mukim</u> (appraiser)	..	..	50
3 Assistants, 1 each to the <u>Tahsildar</u> , the <u>Mushrif</u> and the <u>Mukim</u>	..	..	10 each
1 Portuguese writer	..	..	80
1 <u>Jamadar</u>	..	..	12
1 <u>Naib</u>	..	..	7 $\frac{1}{2}$
10 Orderlies	..	..	4 each
2 <u>daftaris</u>	..	..	3 $\frac{1}{4}$ each
<u>Stamp department</u>			
1 Clerk	..	..	7-8
1 peon	..	..	3
1 <u>chaukidar</u>	..	..	2-8

1. B.R.M.P., R. 98, vol. 14, 12 May, 1773.

From the above figures several features emerge. First may be noted the way in which the Europeans have taken over the position of the Mughal officials as the only group drawing really handsome salaries, other than the Diwan, his deputy and his head assistant. Apart from these three no one else draws over a hundred a month. The middle range of clerical staff, those educated in Persian as well as in Bengali, and trained in the technical procedures of administration, receive salaries comparable to the munsifs, mushrifs and clerks in the Nawab's household, if perhaps a little higher on average, with extra pay only for such a specialist as the Portuguese writer of the Custom house and the Civil Court. (It is an interesting commentary upon the vigour of Portuguese that it should have survived in these two cases, both connected with commerce, until so late in the eighteenth century). Again it is notable, as the Nawab's staff of teachers, that a Mulla and a Brahmin could be secured for so small a salary as six or seven rupees a month. Finally, there are the peons and chaprasis, labourers and weighmen whose income varies from five to as little as three rupees. The impression here, as in modern India and Pakistan, is of vast numbers of poorly paid and probably untrained and illiterate messengers and orderlies. Of the two hundred and three persons employed in the Faujdari Adalat, no less than one hundred and eighty fall into this category. Presumably just as the servants of the Nawab could expect a

present on such ceremonial occasions as marriages and religious festivals, so the lower ranks in the government offices could expect tips and bribes from people coming to them on business. Even so the income of this class must have been very small. It is not possible to say how far the old servants of the Nawab's government found employment in the Company's offices. Bernard Colin, writing about Benares in the early nineteenth century makes the point that when British officials were posted to new stations, they often moved with five or six picked Indian subordinates, diwans, mutasaddis or seriatadars . It seems possible that this habit existed in our period, in which case a number of posts at Murshidabad may have been filled by outsiders. Equally it is not possible to say whether the Indians in the Company's service were Muslim or Hindu, except in the case of Qazi, Mulla and Brahmin, but it is probable that the more junior posts were largely filled by Persian-knowing Hindus.

For the income of the bankers, merchants and traders very little information is available. The references of contemporary foreign travellers about the houses of the Murshidabad merchants bear testimony to their rich style of living. But apart from the exceptional Jagat Seth family, which had been able to lend fifty lakhs to Mir Jafar, and whose fortune, even after being plundered by Mir Qasim, was

set by Bolts at seven crores of rupees "as his countrymen calculate"¹, the scale of operations of the larger merchants is hard to estimate. The command of the capital of the merchant and financier classes, who often acted as officers of the Murshidabad mint, is evidenced by their ability to pay the instalments of revenue of the zamindars when due, collecting from them later, a practice which continued till the end of our period. Collectively they were also able to offer considerable loans to the Nawabs and to such major zamindars as the Rani Bhawani of Rajshahi, and they were in the early years influential in the administration of the country. But there is little sign in the records of the Murshidabad, Dacca and Patna custom house registers of any large scale trading, for consignments of as much as six or seven thousand rupees worth of goods rarely appear. Ghulam Husain wrote of the Seths, after Mir Qasim's murder of Jagat Seth Mahtab Chand and Maharaj Swarup Chand, " ...their sons in consequence of the superiority acquired by the English in all branches of trade over Bengal fell rather short of the wealth of their fathers"². As N.K. Sinha points out, when Hastings established a bank to make Company remittances in 1773, with main branches at Murshidabad and Calcutta, its managers were Calcutta, not

1. N.K. Sinha : The Economic History Of Bengal, vol. 1, p.142.
2. Ibid.

Murshidabad merchants¹. The Company by transferring the khalsa to Calcutta, and by ceasing to use the Indian merchant bankers for the remittance of revenues certainly reduced the income and importance of the Murshidabad merchant community. Considerable profits must still have been made in inter-district and inter-provincial trade, and by money-changing, but they were on a lesser scale and shared by lesser merchants and sarrafs. The smaller traders, the dalals and paikars engaged in local trade must have had only modest incomes judging by the value of the numerous small shipments recorded at the Murshidabad custom house.²

Two avenues to considerable profit probably remained - the manipulation of the market in years of scarcity, and speculation as revenue farmers or in the purchase of land sold for default. On several occasions during our period the grain merchants of Murshidabad are to be seen taking advantage of the unfavourable seasons to combine to hold back grain from the market and to push up prices. In earlier chapters, two examples have been given of the considerable illicit gains made by revenue farmers - though also losses incurred. As outlets for capital in trade became less attractive, there was also a

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1. N.K. Sinha : The Economic History of Bengal, vol. 1, pp. 142-43.
 2. For the incomes of the paikars and dalals in Dacca see A. Karim : Dacca, the Mughal Capital, pp. 102-03.

growing tendency among those linked with the Company's administration to purchase zamindari lands. The most notable family was that of Kanta Babu, founder of the Qasimbazar raj¹.

The zamindari income usually consisted of the actual collections from the rai-yats after the payment of the revenue to the Government from which again they had to meet the essential expenses of collection. They had to ~~pay~~ pay the salaries of the naibs, wakils, armed retainers, messengers peons and other servants required for the purpose. The collection decreased in abnormal years, when drought, flood and other natural calamities interfered with cultivation, but during such emergencies government demand was also reduced to give relief to the cultivators. We have no information which would enable us to determine the actual incomes of the zamindars, nor can we ascertain their real wealth. The allowances granted to the Rajshahi, Nadia and Dinajpur zamindars when they were dispossessed in favour of farmers were $2\frac{1}{2}$, 2 and $1\frac{1}{2}$ lakhs respectively². These presumably were less than their normal income from balance between rai-yats' payment and Government revenue, mathauts, etc. plus judicial fines in their courts and collections at their custom chaukis.

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1. A new landed aristocracy grew up in Bengal towards the end of the eighteenth century from amongst those merchants and traders who adopted themselves into the new administration see N.Karim: Changing Society in India and Pakistan, p.93.
 2. B.R.C., R.49, vol.40, 4 June, 1773; N.K.Sinha : The Economic History of Bengal, vol. 2, p. 84.

But the maintenance of a large family with a high standard of living¹ and the zamindari establishment suggest that the incomes of these people were high even if demands upon them were extensive. It may be assumed that the salaries of their officers and servants were almost equal to those of the officers and servants in the Government service, though naturally varied according to the size and income of the zamindars.

Taluqdars were outside zamindari jurisdiction. N.K. Sinha points out that the huzuri taluqdars in the neighbourhood of Murshidabad were rich and prominent individuals². But later, when sales of land began for default of revenue, we have on record a few examples of such sales in Murshidabad District³, which indicate poverty in this class.

The income of the weavers and other textile workers cannot be determined with any sense of certainty due to the lack of material. In the case of the weavers, the whole family might be engaged in the various processes of manufacture of silk and cotton fabrics. From the

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1. The family of the Raja of Birbhoom consisted of 163 members including some relatives. The Board of Revenue estimated his expenses at Rs. 2,37,880 a year. See Appendix p.384.
 2. N.K. Sinha : The Economic History of Bengal, vol.2, pp. 125-26.
 3. B.O.R.P., R. 70, vol. 21, 20 Feb. 1789; B.R.C., R. 51, vol. 32, 4 Feb. 1789; N.K. Sinha : The Economic History of Bengal, vol. 2, Appendix B, p.11.

scattered references to the silk industry and trade it can be deduced that the weavers as a manufacturing class were economically in a better position than the ordinary cultivators. The English Company employed about three thousand persons at their silk factory at Jangipur in Murshidabad District and they paid four rupees and eight annas to an adult spinner and three rupees to a boy who assisted the spinner. The wages of the menial staff such as wood cutters water carriers and messengers varied, but from other evidence we may say that they were between two and three rupees a month. The European traveller Valentia who visited the Jangipur factory in 1802, was satisfied with the environment and the economic condition ~~and the economic condition~~ of the people employed there. He reported that the workers were healthy and that even boys of under age could be employed there to earn a living for the family ¹.

The income of the artisans, skilled workers and ordinary labourers can be obtained from Government records as the services of these people were required by Government for the construction of buildings and embankments. Though the monthly remuneration ~~in the~~ in the mufassal areas was slightly lower than that in the cities, the following rates

1. Valentia : Travels ..., vol. 1, pp. 51-53.

may be accepted as the usual pay of these workers ¹ :

	One month's salary in rupees	
	Rs.	As.
Carpenter	4	- 5
Smith	4	- 0
Sawyer	3	- 14
Bricklayer	4	- 0
Coolie	2	- 8 to 3 - 8
<u>Bildar</u> (digger)	2	- 12 to 3 - 0
<u>Chaukidar</u>	3	- 4
Basketmaker	2	- 8
<u>Gharamis</u> (thatchers)	2	- 4

The ordinary town labourer was usually paid two annas and in addition one seer of rice per day, and sometimes the coolies, basket-makers and bildars were also paid in kind ². A cultivator who employed a servant, paid him eight annas to one rupee a month, besides food. The labourers who were occasionally hired for weeding or harvesting were generally paid in grain and their daily income was only two to three seers of rice ³.

1. These rates are taken from Bengal Revenue Consultations, 23 August, 1782 and Murshidabad Factory Records, vol. 15, 6 April, 1778. This pay list may be compared with that of 1739 given in the Qasimbazar Factory Records, vol. 5, quoted in S.K. Bhattacharya : Op.cit., p. 205 :

Bricklayers ..	Rs. 3 - 0.	Peons ..	Rs. 2 - 8 as
Carpenter ..	Rs. 2 - 15 as.	Gatekeeper..	Rs. 2 - 8 ,
Coolie(male) ..	Rs. 2 - 0	Barber ..	Rs. 3 - 0
Coolie(female).	Rs. 1 - 0	Washerman ..	Rs. 1 - 0
Boat manji(rower)	Rs. 3 - 0	Mashalchi	
		or link boy.	Rs. 2 - 0

2. M.F.R., vol. 15, 6 April, 1778.
3. Colebrooke : Remarks...., p. 92.

Having reviewed, as far as the unsatisfactory nature of the evidence allows, the wages and incomes of various classes, what total picture of Murshidabad District emerges ? There can be no doubt that the Nawab, his family, ^{high} his/officials, the zamindars and great merchant bankers had a high standard of living, declining though it was throughout our period. Such luxuries as were then available, palaces¹ and comfortable town houses, elaborate ornament and dress, a lavish diet, elephants, horses, palanquins and luxury boats, they enjoyed. Their prestige and comfort were also upheld by large number of slaves and other servants. The profusion and variety of servants employed in the Calcutta² households of the Europeans has been frequently described : the households of the upper class Indians in Murshidabad³ were supplied with servants on an even more lavish scale . Amongst the leading Mughals at least there was also due provision for culture, in the employment of Imams and readers of the Qur'an, of teachers, men of letters and musicians. In what way the leading Hindus - the Jagat Seths or the Raja of Qasimbazar - differed in the pattern of their expenditure is not known, but of their magnificence there can be no doubt.

1. See Bhattacharya : Op.cit., p. 208.

2. Spear : The Nabobs, pp. 52-53.

3. Ahmad Ali Khan, the Daroga of the Diwankhana from the time of Mir Jafar, left behind him, a family and dependants of more than two hundred people including about 125 slaves and other servants. See M.F.R., vol. 14, 6 Nov. 1777.

Very little is known about the size or manner of living of the middle class in the eighteenth century. If, however, we take a "positional view" of the middle class, i.e., that which occupies an intermediate category, then it comprised a large group of government functionaries, professional men, and those of the writer class¹. The heads of government departments and their assistants, the faujdars, kotwals and qanungoes, the darogas, tahsildars, amils and accountants, the gumastas, muharrirs and munshis formed the official members of the middle class. There were also the religious leaders, the jurists, qazis and other judicial officers, and in the Company's service expounders of Hindu law, and such persons were to be found both in the cities and in the towns of the countryside. There was also a body of substantial merchants and sarrafs, active in Murshidabad and its surrounding commercial centres. Finally there were small number of physicians, men of letters and possibly other professional men. ~~The~~ The incomes of this middle class might be thought to range between Rs. 100 and Rs. 25 a month.

Finally, forming the bulk of the population of the District, there were the artisans and better off rai-yats

1. A.H.M. Nooruzzaman : Rise of the Muslim Middle Class as Political Factor in India and Pakistan (1858-1947), Unpublished Ph.D. thesis, University of London, 1964, p. 13.

with rather more than five rupees a month, and the servants, coolies and agricultural wage labourers whose income ranged from five rupees downward to three rupees or less.

In attempting to assess how well the middle and working classes lived, it is necessary to see what were the prices of the necessities of life, foodstuffs, cloths, salt, and the like. Lists of prices of grains and other foodstuffs are available for 1774, supplied by the Collector of Customs and the zamindars and revenue farmers, while figures for other goods imported into the Murshidabad Custom house in 1772, extend the range to cloth, spices and a variety of other articles¹. The more important in estimating standards of living are as follows :

Prices of various grains in Murshidabad in 1774 (per rupee)

	Murshidabad		Calcutta		Dacca		Patna	
	Mds.-	sr.	Mds.-	sr.	Mds.-	sr.	Mds.-	sr.
Rice (fine)	1	- 3	-	29	1	- 9	-	38
Rice (medium)	1	- 8	-	34	1	-18	1	- 0
Rice (coarse)	1	- 12	1	- 0	1	-23	1	- 7
Paddy	2	- 3	1	- 24	2	-11	1	- 35
Wheat	1	- 8	-	30	1	- 0	1	- 9
Barley	2	- 3	-	38	2	-26	2	- 12
Peas	2	- 5	-	25	-	32	2	- 27
Kalai (Horsegram)	1	- 14	-	30	1	-18	1	- 26
Mung (green gram)	-	35	-	17	1	- 5	1	- 2
^B Boot kalai (coarse gram)	1	- 8	-	33	-	32	1	- 15

1. B.O.R.M.P., R. 98, vol. 16, 8 and 13 August, 1774; B.R.C., R. 49, vol. 47, 9 August, 1774 (Letter from the Board of Customs to the Murshidabad Council); see also M.F.R., vol. 10, 11 Sept. 1775.

	<u>Murshidabad</u>		<u>Calcutta</u>		<u>Dacca</u>		<u>Patna</u>	
	Mds	- sr.	Mds	- sr.	Mds	- sr.	Mds	- sr.
Khesari (chickling)	2	- 15	-	32	2	- 12	1	- 12
Musuri (lentil)	1	- 26	-	38	2	- 0	2	- 7
Auror (coarse lentil lentil)	1	- 4	1	- 0	1	- 0	1	- 33
Mustard seed	-	36	-	-	-	36	-	36
Til (seasamum)	-	27	-	-	-	27	-	27

Price of goods imported into the Murshidabad Custom House
(in 1772):

	<u>Market price in rupées and annas</u>		
	Rs.	- As.	
Almonds ..	2	- 2	per seer.
Atar (perfume) ..	5	- 0	per tola ($\frac{1}{80}$ th of a seer)
Betelnut ..	0	- $2\frac{1}{2}$	per seer.
Bamboo mats ..	5	- 8	per 100
Woolen broad cloth (fine)	5	- 0	per yard.
,, ,, ,, (medium)	4	- 0	,, ,,
,, ,, ,, (ordinary)	3	- 0	,, ,,
Cloves ..	8	- 4	per seer
Cummin seed ..	1	- 14	,, ,,
Cardamums ..	7	- 8	,, ,,
Cinamon ..	14	- 0	,, ,,
Cheese ..	0	- 8	
Cocuanuts ..	3	- 0	per hundred
<u>Cotton piece goods:</u>			
Baftas ¹ (fine) ..	3	- 8	per piece
,, (ordinary) ..	2	- 0	,, ,,

1. Cotton cloths dyed red, blue or black.

			Rs.	-	As.	
<u>Kossas</u> ¹	(fine)	...	20	-	0	per piece.
	(ordinary)	...	15	-	0	,, ,,
<u>Gurrah</u> ²	(fine)	...	5	-	0	to Rs. 2 per piece
	(ordinary)	...	3	-	1 $\frac{1}{2}$	per piece
<u>Malmal</u>	(fine)	...	40	-	0	,, ,,
	(medium)y)	...	25	-	0	,, ,,
	(ordinary)	...	10	-	0	to Rs. 20 per piece
<u>Tanjib</u> ⁴	(fine)	...	40	-	0	per piece
	(medium)	...	25	-	0	,, ,,
	(ordinary)	...	8	-	0	to Rs. 18 per piece

Dry ginger	....	0	-	4 $\frac{1}{2}$	per seer.
Honey	....	0	-	8	,, ,,
<u>Hukkas</u> (hubble-bubble) ..		1	-	4	per one hundred
<u>Kismis</u> (sulatanas) ...		1	-	14	per seer .
Mustard oil	....	5	-	8	per maund
Mollasses	....	4	-	0	,, ,,
Opium	....	9	-	0	,, seer
Onions	....	0	-	12	,, maund
Pepper	....	0	-	9	,, seer
Rose water	....	2	-	8	,, ,,
Sandal wood	....	3	-	0	,, ,,
Soap	....	0	-	6 $\frac{1}{2}$,, ,,
Sweet leaf (betel leaf)	....	0	-	2	,, ,,
Sugar	....	11	-	0	,, maund
Salt	....	2	-	8	,, ,,
Turmeric	....	0	-	1 $\frac{1}{2}$	,, seer
Tobacco	....	5	-	0	,, maund

1. White calicoes.

2. Coarse calicoes - unbleached fabrics which go under different names in different countries.

3. A kind of thin plain maslin.

4. Tanjib means 'body adorning'. A kind of fine maslin.

<u>Silk piece goods</u>	Rs.	As.	
Taffeta (fine) ...	.. 12	- 0	per piece
,, (ordinary)...	.. 10	- 0	,, ,,
<u>Kora sari</u> (silk fabrics made of unbleached and untwisted thread) ...	.. 3	- 4	,, ,,
Other ordinary silk saris	.. 1	- 10	,, ,,

If we assume that the cultivators and labourers, the bulk of the population of the District, were satisfied with two full meals a day, plus a piece of cloth for their lungi, dhoti or sari, the question remains whether they could procure these minimum necessities from their earnings.

Taking the price of the coarse rice which was one rupee for one maund and twelve seers, or about one hundred and four pounds, then a man earning three rupees a month could purchase some four maunds or three hundred and twelve pounds of rice with his wages. It may be assumed that a working adult has a daily rice consumption of about one seer or two pounds of rice. (This may appear a large amount in the light of modern nutritional reports, but it is based on the author's first hand experience of the Bengal countryside). Assuming again that the labourer had to maintain a family of five, a wife and four children, then his wages would provide the three maunds or two hundred and forty pounds of rice required per month, and leave eleven annas a month for their other necessities. These would include salt, spices, a piece or two of cloth, firewood, cooking pots and a hut of

mud and straw, if not also some betel nut or tobacco for the husband. Clearly, unless the head of the family could look to additions to his income from the earnings of his wife and older children, there was little margin to spare. The agricultural wage labourer on one seer of rice and one and a half annas per day must have been very hard put to it to maintain a family, unless he could count on extra earnings, and sickness and old age must have been great hazards.

There was some attempt at relief of the poor and infirm on the part of the administration. It was the policy of the Government to extend agricultural loans to the cultivators in years of scarcity to enable them to buy seed and other things necessary for continuing with the cultivation. The Nawabi administration also opened a charity house at Murshidabad to feed about three hundred destitute people, the cost of which, and of a madrassa for poor scholars at Motijheel, was met from a fund created by the Nawab¹. The effort made by the Nawab, by Muhammad Reza Khan and by leading nobles and merchants during the 1770 famine has also been noted.

1. About 1750 Nawab Ali Vardi Khan set up the madrassa and the poor house to feed the lame, blind and old people and allotted 150 rupees a month for the purpose. This allowance was discontinued by an order of the Governor-General. But the Collector of Murshidabad paid the amount out of his own income for five years, Upon a representation from the Collector in 1789 the Governor-General in Council agreed to pay the amount from the Nizamat stipend. B.O.R.P., R. 170, vol. 16, 7 June 1786; B.P.C., 31 Dec. 1789.

For the raiyat, however, it was the revenue policy of the Government, and the effectiveness of the administration which was important in securing to him a tolerable standard of living. The pressure of the Company's demand, the partial breakdown of the old systems of rural police and flood control under the farming system must, it seems, have adversely affected him. In the cities and towns, however, the impact of the Company's administration may have been more favourable, for efforts were made both to control the markets and the price of food grains.

Under the Mughal Government, it had been the practice to appoint a muhtasib, or superintendent to control the town markets, detecting false weights and measures, appointing suitable places for slaughter houses, preventing affrays, drunkenness and the sale of intoxicating drugs. The muhtasib also fixed a standard price for the food grains and other commodities brought to the market for sale¹. During the period of ~~the~~ mismanagement in the civil administration that followed the change of Government this office became corrupt and inefficient; as a result in the hats and markets in the Murshidabad District, the practice of price fixing was virtually ignored and left arbitrarily² to the will of the importers, vendors and shopkeepers.

1. Siyar, vol. 3, p. 172.

2. B.R.C., R. 51, vol. 23, 3 Sept. 1788; Siyar, vol. 3, pp. 172-73.

The weights and measures also varied from shop to shop. In order to remove all these irregularities from the markets the Murshidabad Council appointed an English officer who replaced the Indian daroga, or clerk to the Murshidabad markets. The Calcutta Council approved the appointment of William Amherst to the new office, but the supercession of the Indian by an English official was opposed by the local shop keepers and vendors, who refused to cooperate with the new administration, ¹ Several important duties were assigned to the ^{clerk to the} markets. Firstly, he was required to establish a standard weight for the markets in the District and affix his seal to it. Shop keepers and vendors using weights which had not received his approval should be fined five rupees on first detection and that sum progressively doubled for further offences. Secondly, on the first day of the month he was to ~~fix~~ the price of various articles for the month in consultation with the shopkeepers and vendors. Those who demanded a higher price from their customers should be punished by stripes, or forfeiture of goods, or by both, according to the nature of the offence. The price-list for articles drawn up at the beginning of each month was to be presented to the Murshidabad Council. The intention of the Government was ϕ to bring the management of the markets under the direct control of their servants, to prevent false and unauthorised weights which deceived the common people and finally to regulate the

price of necessities. This office, having been proved¹ ineffective against a combination of merchants in 1788 was, however, abolished and its functions were taken over² by the Collector of the Murshidabad District .

Of even wider importance were the measures taken to prevent any general scarcity of food grains by creating Government buffer stocks. The famine of 1769-70 had been a grim and terrible warning to the British administration, both of their powerlessness to prevent a catastrophe after famine had started, and of ^{the} danger that any crisis was likely to be increased by the monopolising of the supply of grain to hold for a rise in prices. To forestall such manipulation of the market and to provide against crop failures, the Government proposed to erect public granaries in the districts from which the poorest people could be supplied at reasonable prices in years of scarcity.

The idea of storing grains for future provision was not new, for when the Governement became sure of the danger of a famine in 1769, they stored grains for their soldiers at Berhampore. After the famine the need for some wider system was evident. The establishment of granaries in the important districts of Bengal was suggested by Sir

1. Letter from the Collector of the Government Custom house to the Board of Revenue, dated 25 Feb. 1788 - B.O.R.P., R. 70, vol. 40, 1 April, 1788.

2. B.R.C., R. 51, vol. 23, 3 Sept. 1788.

James Steuart in 1772 in his "Principles of Money applied to the Present State of the Coin of Bengal"¹. Encouraged by the advice of the economic expert Steuart, Hastings began experiments in 1773 with the storage of grains in brick built godowns. Early in that year he deposited twenty maunds of paddy in such a store house, and rather more than two years later they were recovered in good condition. In 1777 Hastings began a more extended test, storing the same amount of paddy in a special golah. When it was opened, after five years, the paddy was found to be in perfect condition². On the successful outcome of his personal experiments, Hastings strongly recommended that buildings of solid masonry should be constructed to serve the purpose of public granaries. The Committee of Grain was authorised to build granaries at important places in the country³. Fifty thousand maunds were estimated to be sufficient to provide for 13,000 people for two months and the proposed granary at Bhagwangola having in store two lakhs of maunds would supply rice to 52,000 of Murshidabad for two months⁴. The golah at Patna

1. Pp. 73-74.

2. B.R.C., R. 50, vol. 68, Hastings' minute, 20 Nov. 1783. Warren Hastings served the rice of this paddy at a dinner which was attended by the members of his Council who testified it to have been the best of table rice.

3. Ibid:

Amount of rice(in maunds) to
be stored in each golah

Bhagwangola	...	2,00,000	
Bhagalpur	...	1,00,000	Patna .. 3,00,000
Calcutta	...	2,00,000	mds.
Dacca	...	1,00,000	
Dinajpur	...	1,00,000	

was certainly built, and the great beehive of masonry, with spiral staircases to the top where the grain was poured in, is a landmark in the city. But it seems that when the 1783 crisis subsided the construction of granaries in Murshidabad and other districts was deferred.

The plan for storing reserves of grain was never executed in full, but the Government of Warren Hastings did take other active measures to hold down prices in years of scarcity. In 1774 an attempt was made to impose a limit on the quantity of grain which merchants could buy individually so as to prevent them from creating an artificial scarcity by monopolizing or hoarding it¹. This measure did not prove fruitful. In 1775, taking advantage of a poor monsoon, the merchants detained their grain boats in the Jalangi river to raise the price of rice. They succeeded in their plan. The Murshidabad Council of Revenue reported to Calcutta that the price of grains in Murshidabad and neighbouring districts had risen beyond the capacity of the poor to purchase them². They therefore asked the Collector of Customs at Murshidabad to capture all the grain boats that were detained in the river between

4. B.R.C., R. 50, vol. 68, Hastings' minute, 20 Nov. 1783.

1. M.F.R., vol. 8, 1 Sept. 1774.

2. Ibid., vol. 10, 27 July, 1775.

Bhagwangola and Jalangi, and by this action the Government was able to bring a grave situation under control¹. In 1783, the price of food grains again rose to famine levels. Bearing in mind the misery of the former famine, and influenced no doubt by the instructions received from the Directors on that occasion, the administration interfered more vigorously with the trade in food stuffs than in 1770. A Committee of Grain was appointed with extensive powers to regulate all dealings in grains and to supervise the price, distribution and sale of rice throughout the province, the members of the Committee having been put under a sacred oath to derive no advantage from their office². It was also proclaimed by beat of drum that in case any holder of grain should conceal it or refuse to bring it to the market and sell it at a reasonable price, he would not only be punished himself in the most exemplary manner, but his grain would be seized, and distributed among the poor³. These timely measures served to reduce the apprehension of a famine, though they did not altogether remove the scarcity conditions.

Government had twice intervened with some success to maintain supplies and to keep prices down by pressure upon the merchants. In 1787-88, when there was an acute

1. M.F.R., vol. 10, 27 July, 1775.

2. B.P.C., R. 2, vol. 65, 8 Dec. 1783: Thomas Graham (President) and George Cumming, Thomas Law and George Templer (members).

3. George Campbell : The Famines which affected Bengal in the last century - Famine in India (extracts) - Further Report on the Famine in Bengal and Orissa. 1866. p. 33.

shortage of food in both Murshidabad and Calcutta, the merchants were able to combine more successfully in challenging the Government. This time no grain could be imported from the eastern districts as a continued succession of excessive rains, floods and storms had caused heavy damage to the crops in that area also. As a result the supply to Murshidabad and Calcutta largely depended on imports from Bihar, and other north-western districts. The grain dealers did not miss this opportunity to keep large quantities of rice away from the market and to drive up prices. The price of rice rose to 20 seers per rupee - more than double its normal price and there was a tendency towards a further rise ¹. Nawab Mubarak-ud-daula asked Bazi Raj, the head grain merchant at Murshidabad to cooperate with the Government to bring the grain market back to its normal level. Bazi Raj defended his fellow merchants, explaining that due to ^{the} food crisis in Dacca and Calcutta the merchants from these places had purchased most of the rice that was being brought to Murshidabad. He therefore demanded the withdrawal of Government restrictions upon the grain trade ². At the same time Sir John Shore was interviewing leading merchants at Calcutta, who, after explaining to him the position in the districts, made the same demand that the trade in grain should be open to all,

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1. B.R.C., R. 51, vol. 16, 1 Feb. 1788 - Letters from the Collector of Customs to the Board of Revenue dated 22 January 1788 and from the Nawab to the Governor-General dated 30 January, 1788.
 2. Ibid.

and that all merchants should be allowed to buy and sell food stuffs without any restriction¹. In view of the dearness of grain at Dacca, Calcutta and Murshidabad, the Government was compelled to compromise. The Governor-General and Council suspended the levying of duties upon grain at the custom-houses of these cities, and ordered all Government officers "to take care that no gunje or any other tolls whatever on the importation or sale of grain at any of the markets or gunjes within the limits of the cities above named, be exacted or taken; and they are directed to punish all farmers and darogahs of such gunjes, or the officers in them in every instance in ten times the amount exacted"². The merchants were given full liberty to transport and sell their grain as they thought best. Those of Murshidabad were also assured by Government that troops would be available to them to guard their boats from exactions or interference on the way. In return for these concessions, and the grant of valuable presents from the authorities to the four leading grain merchants of Murshidabad, Bazi Raj, Santosh Saha, Gokul Kundu and Odai Poddar, the merchants of Murshidabad agreed to

1. B.R.C., R. 51, vol. 16, 1 Feb. 1788,

2. Ibid.

cooperate with the authorities and to supply the markets with grain at moderate prices ¹. How far this cooperation with the merchants, or the construction late in 1794 of sixteen Government golahs ₂ in Murshidabad District to store 80,000 maunds of rice, served to ensure relief to the common people cannot however be ascertained.

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1. B.R.C., R. 52, vol. 37, 23 Nov. 1791.
 2. B.R.C.(Grain), R. 89, vols. 27 and 28, 19 Dec. 1794 and 2 Jan. 1795.

C O N C L U S I O N

In the seventeenth century the chakla of Murshidabad was one of the most prosperous parts of Bengal, with a flourishing silk industry and splendid river communications by way of the Ganges and the still active Bhagirathi and Jalangi rivers. Its importance and prosperity were still further enhanced when in 1704 Murshid Quli Khan chose the city of Murshidabad as the new centre of Diwani administration of Bengal. As his authority grew, by the addition of the powers of Nazim and the Diwan of Bihar, Bengal and Orissa, so did the importance of the city as an administrative headquarters. By the mid-eighteenth century Murshidabad was a city of perhaps one million inhabitants, the seat of the Nawabs and their household, of military, revenue and judicial administration, of a mint, and of the factories of the Dutch, English and French East India Companies. The manufactures of the District, together with its raw silk, found a market up country as far as Lahore, and by sea in Gujarat and in Europe, while its merchant-bankers, most notably the Jagat Seths, were among the richest and most powerful in India.

Then in 1757 came the skirmish of Plassey, and the entry of the East India Company into Bengal politics. At the time it might seem that Plassey had led to nothing more than the substitution of a weak, compliant Nawab in place of the militant and hostile Siraj-ud-daula. The only outward change was the appearance of a British resident at the Nawab's court, and of some Company forces in up country cantonments. The system and the personnel of Mughal administration in the subah was otherwise unchanged. In the next eight years, however, Bengal suffered from an enhancement of the revenues to meet English demands for compensation and bribes, from the invasion of the internal trade by the Company's servants and gumastas, and from the weakening of governmental authority which permitted dacoity and lawlessness to spread over the countryside. In these years Murshidabad District suffered as all the other districts of the province from division in, and misuse of authority. It suffered more than most, however, as a trading and manufacturing area from the growth of illegal customs posts and chaukis on the rivers, from the abuse of dastaks by the English and their agents, from the reduction of the Nawab's influence as seen in the curtailment of his

armed forces. And it felt with particular weight the struggle of Mir Qasim to resist the Company's encroachments : Mir Qasim first removed his capital from Murshidabad to a safer point up river, and then when defeated in battle carried off a vast treasure and murdered the Jagat Seths. Mir Jafar at his restoration had to pay further large sums from the deflated treasury and legitimise the unfair trading advantages enjoyed by the Company, its servants and gumastas.

After the Battle of Buxur and the Company's acquisition of the Diwani in 1765 there were again a few years in which the old order, to outward appearances, was reestablished. Nazm-ud-daula succeeded his father Mir Jafar as Nawab, Indian ministers continued to manage the province's administration. But in reality, while Muhammad Reza Khan directed revenue collection, it was the resident, Sykes, who decided the level of demand, and it was the Company which enjoyed the surplus. Nazm-ud-daula retained the authority of Nazim, but it was the Company, limiting the Nawab's forces still further, whose sepoy armies were really masters of the country. The political power of the Company was used to curb the trade of their European

rivals, whose factories had all been seized during the Seven Years' War, and to reduce that of their Armenian and Indian competitors. While the peons and gumastas of the Company ensured that English goods passed duty-free, Indian merchants found themselves liable to duty not merely at the recognised Government custom-houses, but also at the host of zamindari toll posts which sprang up while Government authority was weakened. Again the Company's Commercial residents and gumastas were able to use their military and Diwani authority, as well as their bargaining power as a great trading concern, to tie artisans and producers to them, and deny a free market to their rivals. This use of political influence to reduce competition naturally told heavily upon the manufacturers and merchants of Murshidabad.

After the decision of the Company in 1772 to assume direct responsibility for the revenue administration of Bengal, and to curb the pursuit of private interests by its servants, some reforms were introduced. As has been seen, the reduction of customs duties, the sweeping away of all but five main customs houses, the attempt to abolish by stages all private toll stations did serve to free trade

and to encourage its extension to the whole Ganges Valley. Unfortunately these measures followed the disastrous famine of 1769-70 which had disrupted commercial production and swept away large number of skilled artisans, and they were accompanied by other measures which directly injured Murshidabad's industry and commerce. One such measure was the vigorous attempt to switch the Murshidabad silk industry from the manufacture of silk cloth to the production of raw silk for English industry. The hostility of English textile producers and the growth of machine industry in England alike reduced the market for Indian cottons and silks in Europe, unhappily at a time when other traditional outlets for Murshidabad silks in Gujarat and the Mughal imperial courts were already declining. The decline in manufactures was for a while offset by an increase in exports of raw silk. But though the Company by bringing in European specialists had sought to improve the quality of Murshidabad raw silk, and so to improve its competitiveness in Europe, their success was shortlived. The great Bengal famine both reduced the quality and pushed up the price of Murshidabad silk after 1770, for Murshidabad was one of the districts most seriously affected by the famine.

And the very effort of the Company to push up output so as to enlarge the investment for Europe - the only means of providing funds in London to meet the home charges and to pay Government its rake-off of £400,000 a year - tended to lower quality and competitiveness still further, as Charles Grant pointed out. By the end of our period therefore the principal industry of Murshidabad was already in full decline.

The assumption of administrative responsibility by the Company and WarrenHastings' policy of centralisation at Calcutta had repercussions throughout Bengal, but again it was in Murshidabad District that these changes were most deeply felt. The transfer of the Diwani offices and the Khalsa to Calcutta in 1772 was a blow to the whole Mughal system, but to Murshidabad it meant more particularly the loss to Calcutta of thousands of official posts, from the most senior to those of the humblest office-peons. Hence zamindars henceforth would station their vakils at Calcutta, and suitors for favour would transfer their attention from the court of the Nawab to the Council at Calcutta, the change thus struck a heavy blow at the commercial prosperity of Murshidabad city - as indeed it was intended to. The

transfer of the mint to Calcutta as part of the plan to reform Bengal's currency, and the ending of the system whereby the great banking houses of Murshidabad had been responsible for the handling of the revenue collections still further reduced the importance of Murshidabad as a commercial centre. By 1793 changes in the pattern of trade and administration had combined to undermine the financial strength of the house of Jagat Seth and other bankers of Murshidabad. The founding of the General Bank at Calcutta symbolised the transformation which had taken place.

The transfer of revenue administrative headquarters to Calcutta by Hastings was accompanied by the establishment of the Sadar Diwani Adalat at Calcutta. This change flowed naturally from the Company's acquisition of the Diwani. The Nawab, through his deputy Muhammad Reza Khan retained responsibility, however, for the administration of criminal law. Since this law was Muslim law, retention of control was intimately bound up with the status of the Nawabs as Muslim rulers. Hastings only briefly experimented with Company supervision of criminal justice, but Cornwallis first proceeded to interfere with decisions in criminal cases and then to transfer this branch too from the Nawab

at Murshidabad to Calcutta.

This was but the last stage in the process by which the Nawabs of Bengal and their Mughal officials had been successively deprived of authority and influence. In the period covered by this study four Nawabs occupied the masnad at Murshidabad. Each had been compelled to accept a reduction in his armed forces, in his authority over provincial administration, in his household and income. The transfer of power from Mughal to British hands was felt throughout Bengal, but once again nowhere so intensely as in Murshidabad. The merchants of the District who had shipped gram for the cavalry contingents of the Nawab, the saddlers, grooms, farriers, gun and swordsmiths of the city, all disappeared with the retrenched cavalry and infantrymen of the Nawab's sawari. The officials and servants of the Pachotra, the qanungoes, khazanchis, sarishtadars and muharrirs of the Diwani offices, the qazis and mullas of the Nizamat Adalat, the mint masters and assayers, and the bullion brokers of the Mint in turn disappeared. The musicians and festival preparers, the chobdars and peons, the keepers of the wardrobe, the body of pensioners at the court, these too were either dismissed or had their

A P P E N D I X A

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Estimate of the Annual Expense of the Raja of Birbhoom

The Raja's private purse	..	Rs. 60,000
<u>Khan Samani</u> (Household expenses, store houses, beggars etc.)		Rs. 30,000
<u>Tosah Khana</u> (Wardrobe)	..	Rs. 24,000
Contributions to the religious places	..	Rs. 14,000
<u>Imarat Khana</u> (Buildings and repairs)	..	Rs. 12,000
<u>Wakil</u> or pleader's fees	..	Rs. 12,000
<u>Khas Jelab sawar</u> (Messengers, peons and attendants)	..	Rs. 5,760
<u>Khas Bardar</u> (Armed guards and retainers)	..	Rs. 4,800
<u>Munshis</u> (Clerks and draftsmen)	..	Rs. 3,600
<u>Abdar Khana</u> (drinks) and <u>Tambul Khana</u> (betel nut establishment)	..	Rs. 3,600
Entertainments	..	Rs. 2,000
<u>Astana Khorak</u> (Religious customs ?)	..	Rs. 1,800
Feasts on holidays and religious festivals	..	Rs. 1,400
<u>Golab bag</u> (gardens)	..	Rs. 1,200
<u>Salgirah Khorak</u> (celebration of birthdays)	..	Rs. 1,000
<u>Faujdari Chaukis</u>		Rs. 720
<u>Walidah</u> (mother) and other dependants	..	Rs. 60,000
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Total	..	Rs. 2,37,880
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1. B.R.C., R. 49, vol. 40, 4 June, 1773.

G L O S S A R Y

- Adalat : A court of justice.
- Aman : Winter rice.
- Amil : A collector of revenue employed by the Government or by a revenue-farmer.
- Amin : A revenue officer appointed for the purpose of local investigation; a surveyor.
- Anna : The sixteenth part of a rupee.
- Aurang : A place where goods are manufactured; a depot for such goods; the term was also applied to the Company's factories for the purchase of piece-goods.
- Aus : Autumn rice.
- Bakhshi : Pay-master.
- Bandar : A port; harbour.
- Banian : A Hindu trader; term commonly applied to mean an Indian cashier or man of business in the service of an European officer or trader.
- Batta : Discount.
- Bazar : A daily market; a market place or a shopping centre.
- Bigha : A measure of land varying in extent in different parts of India. In Bengal the standard bigha contained 1600 square yards or a little less than one-third of an acre.
- Bildar : A spade-wielder or a ^{heavy} (digging labourer).
- Chakla : An administrative division of a Mughal province, normally consisting of many parganas.

- Chapراسى : A messenger or courier who wears a badge (chapراس) of office.
- Chauki : A seat; technically, a toll, customs, guard or watching station. A place where an officer is stationed to receive tolls and customs. Chaukidar : a village watchman.
- Chobdar : A mace-bearer; an attendant on a man of rank to announce the approach of visitors. He waits with a long staff plated with silver, and runs before his master, proclaiming aloud his titles; an usherer.
- Dadni : Paying in advance to manufacturers. Hence dadni-merchant; an Indian trader with whom the East India Company had a contract for the supply of goods for investment against a sum of money paid in advance.
- Daftari : A record or office keeper.
- Dalal : A broker.
- Darbar : A court; a royal court.
- Daroga : A superintendent, especially of a police or customs station; the daroga of a police in Bengal has a limited local jurisdiction and has under him an establishment of armed men to maintain law and order in the area.
- Dastak : A permit or a document authorising the free transit of certain goods, and their exemption from customs.
- Diwan : The chief officer in charge of the revenue department under the Mughal system of administration; hence Diwani : the right of collecting and receiving the revenues.
- Diwani Adalat : A court of civil justice.

- Fandi, Phandi : A thana or police ^{out} station (subordinate to principal one in the area).
- Farman : An imperial decree; a royal grant.
- Faujdar : Fauj means an army; dar - one who keeps; chief of a body of troops; an officer in charge of the police; he combined both civil and military functions.
- Faujdari Adalat : A criminal court.
- Ganda : A money of account equivalent in reckoning to four kauris or the twentieth part of an anna.
- Ganj : A mart, wholesale market, principally for grain.
- Ghat : A ferry station; a landing place where tolls and inland transit duties were usually collected.
- Ghee : Clarified butter.
- Golah : A granary; store house for grain.
- Gumasta : An agent or representative employed by merchants (to carry on their affairs in other places than where they reside); an Indian agent under the Company or its servants to purchase goods from the producers.
- Harkara : A messenger.
- Hat : A market held only on certain stated days in the week.
- Hundi : A bill of exchange; a letter of credit against the money deposited.
- Jamadar : An officer of police or customs, second to the daroga.
- Katchari : A landlord's office; an office where any public business is transacted.
- Kauri : Shells used as coins in small transactions. Four kauris are equal to one ganda and eighty make an anna.

- Khalsa : An office of government in which the business of the revenue department was transacted; the exchequer or treasury.
- Khas : Estates managed directly by the Government or lands from which the officers of Government collected the revenue without the aid of any intermediate agency like that of the zamindar.
- Khilat : A robe of honour presented by a superior to an inferior as a mark of distinction.
- Kist : An instalment of revenue or rent due from a zamindar or raiyyat.
- Lakh : One hundred thousand.
- Lakhiraj : Rent-free; hence lakhiraj ganjes.
- Madrassa : A Muslim college.
- Mahajan : A money-lender.
- Mahal : A source of revenue; an estate ^{consisting} of a group of lands regarded as a unit for the assessment of land revenue.
- Maslin : An extremely fine white cloth, sometimes of a plain texture, but most often worked with flowers of cotton, silver or gold thread. This was the most famous of Indian textiles and marvellous stories are told by foreign travellers about the delicacy, thinness and transparency of the best maslins. Their centres of production were Dacca and Qasimbazar.
- Masnad : A place of sitting; a throne or chair of state. chair.
- Mathaut : An extra or occasional cess or tax for some special purpose, or under some incidental charges, ^{levied} either by the state or by the zamindars, for example, the presentation of khilat or the repairing of bridges.
- Maund : A measure of weight, about 84 lbs.

- Mirdha : The head peon or messenger.
- Mufti : A Muslim law officer whose duty was to expound the law (which the gazi was to accept and execute).
- Muharrir : A writer or a clerk in an office.
- Munsif : An Indian civil judge.
- Munshi : A draftsman or a clerk ^{usually writing} for the Persian language.
- Mutasaddi : A clerk.
- Naib : A deputy.
- Nazim : A viceroy; a governor; the title of the Nawabs of Bengal. Nizam : the office of the Nazim.
- Nazir : An officer of the court who was in charge of serving summons or making enquiries.
- Pachotra : The chief custom-house at Murshidabad.
- Paikar : An intermediate dealer or agent; also one who goes around with goods for sale.
- Pan : A betel leaf.
- Pargana : A small revenue district usually comprising several villages.
- Peshkar : A personal assistant or a secretary of an official.
- Poddar, Potdar : A cash-keeper; a money changer; a treasury clerk for weighing money and bullion, and examining and valuing coins.
- Punya : A ceremony held in the first month of the Bengali year which was attended by the zamindars or their agents for the settlement of revenue payable in the current year.
- Qanungo : A district record keeper who was to keep a record of all circumstances and documents relating to landed property and the collection of revenue.

- Qazi : A Muslim judge under the Mughal system of administration.
- Rahdari : Transit duties collected by the Government or zamindars at inland stations upon grains or other articles.
- Raiyat : A cultivator, a peasant.
- Rawana : A pass or certificate from an official authorising goods to pass without payment of further duty.
- Rusum : Customary fees, perquisites or commission.
- Sair : Miscellaneous sources of revenue.
- Sarkar : A sub-division of a province consisting of several parganas.
- Sarraf : An Indian banker or money changer.
- Sawari : Horsemen.
- Seer : A measure of weight, usually one fortieth of a maund, about two English pounds.
- Serishtadar : A head of a department; a superintendent of an office.
- Seth : A banker; hence Jagat Seth - the banker of the world.
- Sicca : A newly coined rupee which was the standard money and in terms of which the revenue settlement took place. When the new coins were out in circulation, a batta was charged on the old ones. One hundred sicca rupees were equal to one hundred and sixteen current rupees which were the money of account.
- Subah : A province; the largest sub-division of the Mughal dominions. Hence Subahdar - the Governor of a province.
- Tahsildar : An Indian officer in charge of the collection of land revenue from a specified area.

- Tahvildar : A cashier; a treasurer.
- Taqavi : An advance of money from the Government to the cultivators to assist ^{or encourage} cultivation. ~~In times of natural calamities.~~
- Taluqdar : A holder of a talug (sub-division) of a district; a landholder who, in Bengal, is regarded as inferior to a zamindar, but not necessarily dependant on the latter.
- Wakil, Vakil : A person invested with authority to act for another, an attorney, a court pleader.
- Zila : A territorial sub-division; a district under the British administration. Huzur Zilas in our period were those fiscal divisions which paid their rents directly to the general Katchari at Murshidabad.

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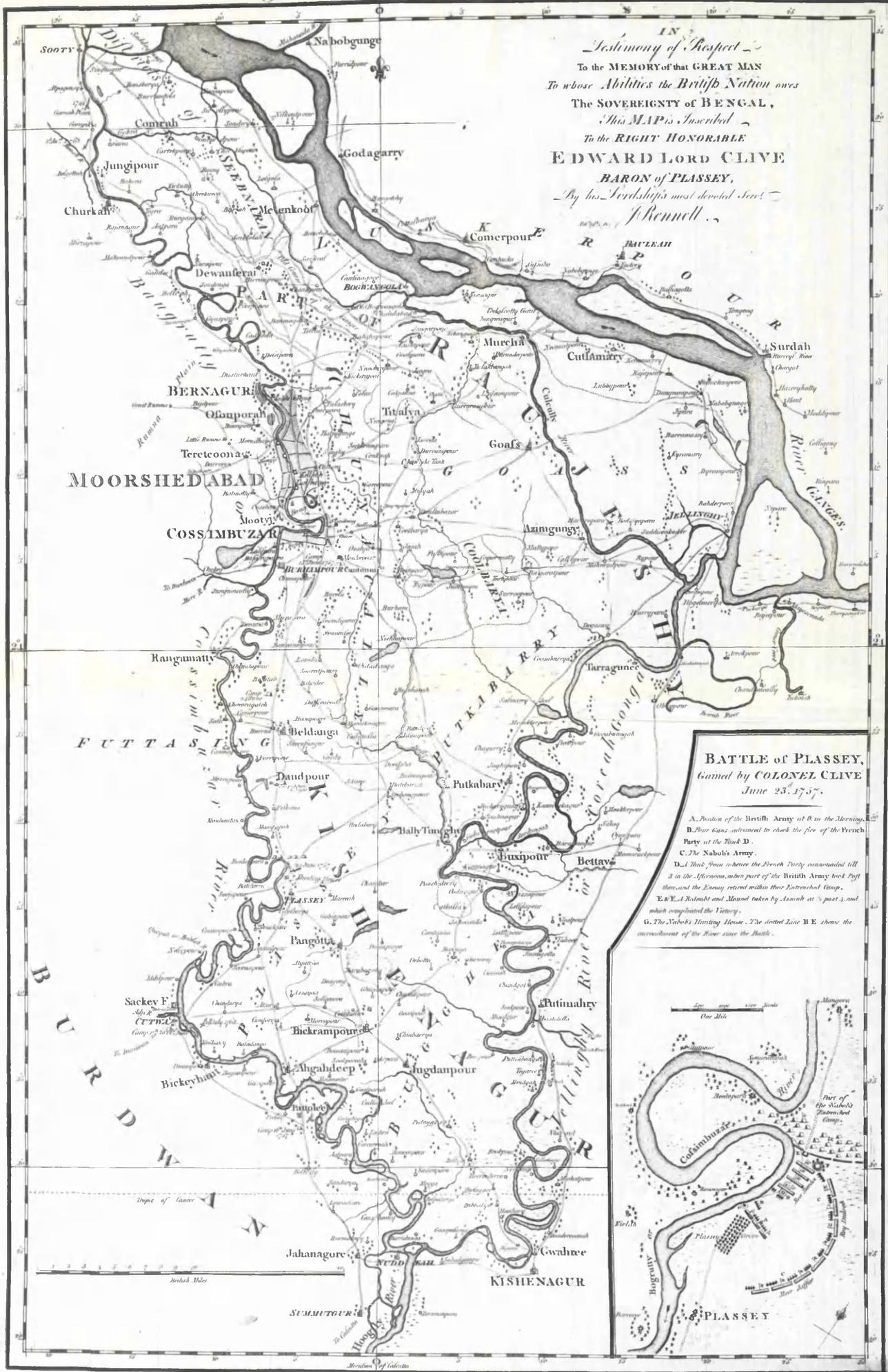
MURSHIDABAD DISTRICT



— PRESENT BOUNDARY
- - - PAST BOUNDARY.



IN
Testimony of Respect
 To the MEMORY of that GREAT MAN
 To whose Abilities the British Nation owes
 The SOVEREIGNTY of BENGAL,
 This MAP is Inscribed
 To the RIGHT HONORABLE
EDWARD LORD CLIVE
 BARON of PLASSEY,
By his Lordship's most devoted Servant
J. Rennell.



BATTLE of PLASSEY,
 Gained by COLONEL CLIVE
 June 23. 1757.

A. Position of the British Army at 8 in the Morning.
 B. Four Guns advanced to check the fire of the French Party at the Point D.
 C. The Nabob's Army.
 D. A Bank from whence the French Party retreated till 3 in the Afternoon, when part of the British Army took Post there, and the Enemy retired within their Entrenched Camp.
 E. & F. A Bombard and Cannon taken by the British at 12 past 3, and which completed the Victory.
 G. The Nabob's Hunting House. The dotted Line W E shows the movement of the River since the Battle.

