

INTRODUCTION

Trade and trading centres had an important role in the fiscal administration of a state. Financial approach of the state was mainly to develop government treasury in pre-colonial and colonial period. Its vastness was determined by the ideology and character of a state. In commercialization, the fiscal administration inspired the revenue sector. In fiscal administration the policies were taken for the benefit of general trade where the state and merchants appeared differently.

Modern research emphasizes on trading centres/markets and trade. It highlights patronised attitude and culture speciality which defined market and its social relation. The markets were not “abstract state-run jurisdiction” or anonymous or generic, but sites whose prominence and reputation of those fields depended of patronization of the ruling families.¹ It can also be said that trading centres / markets had important connection with its social origin.

South West Bengal the so called entire Bengal was favourable in trade. In addition to the favourable trading environment, there were many large and small markets and organised commercial infrastructure.² In the second half of the eighteenth century active participation of the European Companies influenced the trade, trading centres and mercantile structure of the entire Bengal. Among the European Companies the English East India Company stabilized the political power as a corporate body.³

¹ Sudipta Sen “*Conquest Market; Exchange, Authority and Conflict in Early Colonial North India*’ Ph.D. thesis, University of Chicago, 1994, pp, 57,58,62

² P.J.Marshall, *East India Fortunes ; The British in Bengal in the Eighteenth Century*, Oxford, 1976, p. 106

³ Kumkum Banerjee, Grain Traders and the East India Company; Patna and its hinterland in the late Eighteenth and early Nineteenth Centuries, *The Indian Economic and Social History review*, 23, 4 (1986), p. 403

During the *Mughal* period and afterward, there were two types of trades, known as internal trade and external trade. Again, internal trade refers to two types— firstly local trade which means the trade among the villages; and between the villages and the cities/towns. The second one was the regional trade which was conducted among different regions. Regional trade was conducted within the country by waterways or land routes.⁴ Regional trade was developed through transportation in different regions in upper strata. The intention of local trade was to draw goods and commodities from the production areas and to despatch those to further urban centres. In some cases the local trading network created a small world among themselves and everyone was a part of its own structure.⁵

Based on the description of the contemporaries, it comes to know that throughout the whole eighteenth century a large number of traders came to entire Bengal for their trading from various provinces of India. Among the non *Bengalees*, at that time, *Afgan*, *Kasmiri*, *Multani*, *Pageeya* (The turban traders of north India) *Bhutiya*, *Sannasi* etc. were very notable traders.⁶ Some *Sannanshi* and *Fakirs* brought vegetables, sandal wood, garland of seeds, *ayurvedic* medicine and some plants to Bengal from the Himalayas.⁷ Holwell wrote that the traders of Delhi and Agra came to Burdwan for trading. They also took lead, copper, tin, shellac and various cloths from there. The merchants of this region dealt with not only in cash but also collected some commodities by exchanging drugs,

⁴ Tapan RayChaudhury, 'Inland Trade', Eds. Tapan Raychaudhuri and Irfan Habib, *The Cambridge Economic History of India, c. 1200-c1750*, Vol. I New Delhi: Orient Longman. 1982, (Reprint Edition 2004) pp. 325-328

⁵ Kumkum Banerjee, *op.cit*, *The Indian Economic and Social History review*, 23, 4 (1986), p.403

⁶ William Bolts, *Consideration on India Affairs: Present State of Bengal and its Dependencies*, London, 1772, p. 200

⁷ *Ibid*, also see Bankim Chandra Chatterjee, *Anandamath*, Calcutta, Biswabharati, 1961

saltpetre, horses etc⁸. The European traders (private traders) who came to Bengal moved South West Bengal for trading. They involved in the trading of South West Bengal as well as entire Bengal before the battle of *Plassey* (1757). The traders usually participated into the intermediate regional and Asian trading through the brokers and the *gomastahs*. The European traders got 20 or 25 percent from the total profit. Many of them had built some individual trading organizations and afforded some labours for leading their business.⁹

The special qualities of merchants and artificers were that they would carry charity and God's gift with them through labour of exchange and great travel. The invading of the merchants and traders to any where was immensely important. The *Mughals* and later the *Nawabs* had realized it very well. The roads, high ways, pilgrim routs, ports and river traffic of the traders would be safe in the realm of the ruler¹⁰ which simultaneously helped to flourish the trade.

Geographical advantages of South West Bengal, so called entire Bengal enabled her to develop widespread commercial relations in earlier. Her fertile plains – owing to excessive humidity, the soil of the entire Bengal has much 'power of sprouting' and most of the lands grew three crops in a year.¹¹ Bengal thus had an added advantage because of the fecundity of its soil and the ease of communication. This set it apart from any

⁸ James Rennell, *The Journals*, Calcutta, 1910, pp. 101-108

⁹ N.K. Sinha , *The Economic History of Bengal: Plassey to Permanent Settlement* , Volume- I. Calcutta:1981, pp. 75-80

¹⁰ Sudipta Sen, *Empire of Free Trade; The East India Company and the Making of the Colonial Marketplace*, Philadelphia, University of Pennsylvania Press, 1998, p. 22

¹¹ Ghulam Hussion, Salim '*Riyaz-us- Salatin*', Eng Trans. Abdus Salam.rp. Delhi; Idarah – i - Adabiyat-i-Delho, 1975, p. 20

contemporary regional economy in Indian subcontinent, prompting the author of '*Riyaz us-Salatin*' to call the region '*jannat –ul- bilad*' or paradise of province.¹²

During the pre-modern period, trade and commerce played an important role in socio economic life of South West Bengal. The economy of South West Bengal as well as Bengal was largely dependent on agriculture. A large number of *ryots* also engaged themselves in various local industries during their leisure time. The industries were set up in the interior part of the all over country, developed in a domestic manner.

South West Bengal

Geographical position of South West Bengal was crucial, in one side it was surrounded by sea and on other sides there were borders with the provinces of Bihar and Orissa and present Jharkhand. As a result, a special effect of military invention was present in entire Bengal. It can be seen in the socio- cultural and economic fields of South West Bengal. Through this region, East India Company entered in to Bengal.

The early history of the Company's trade and settlements in Bengal belonged to the period between 1630 A.D. and 1650 A.D. On the whole it can be said with certainty that the Company came to Bengal from the Coromandal coast by the way of Balasore of the Orissa Coast.¹³ In later period for some time the Company's administrative centre was established in South West Bengal especially in Hijli. In the month of October in 1686 A. D. a warship started its journey towards Hooghly from England due to various disputes the *Nawab* authority and the East India Company. For this action the *Fauzdar* of Hoogly warned the Company. A conflict arose between them. After six months of the strife Job Charnak arrived at Sutanati which was 25 miles down from Hooghly and it was on the east

¹² Ibid, p.3

¹³ W. Foster ed. td. *English Factories in India 1630 to 1633*, Oxford :Clarendon Press, 1910, p. 230

bank of the river. He started negotiations with the *Nawab* to establish peace there. Although the negotiations were not particularly fruitful, he after destructing Balsore captured Hijli with the help of navy coming from England. The Company set up their head quarter at Hijli.¹⁴ The incidents reached to Aurangzeb when he was fighting against Bijapur and Golkunda. Then he ordered to investigate the incidents. The ruler of Bengal was worried as there was no such instruction of expedition from *Badsah*. However, Hijli was blocked by the forces of *Nawab*. According to the treaty on 2nd June, 1687 Hijli gradually unblocked with the initiative of the *Nawab*. After that Job Charnak moved to Ulberria.¹⁵ In the later period Calcutta become the main centre of administration of the Company. From there, the Company's trade began to be managed throughout South West Bengal as well as entire Bengal.

On October 15, 1760 Mir Qasim as *Nawab* of Bengal issued a *sanad* by which he granted the *chakla* of Midnapore, *parganah* Burdwan and Chitagong to the Company for the maintenance of the troops, both European and Indian, to protect the royal dominions.¹⁶ As an area of discussion in my research the district of Midnapore was divided into three divisions -- *faujdari* of Hijli, *chakla* Midnapore and *chakla* Jaleswar. The *faujdari* of Hijli consisted of *sarkar* Maljheeta, four salt *mahals* of *sarkar* jaleswar and the larger *zamindari* of Tamluk in *sarkar* Goalpara. *Chakla* Midnapore was comprised of the rest of *sarkar* Goalpara, subsequently a few *mahals* of this *sarkar*, like Raipur, Barabhum, Ghatsila and a part *jungle mahal* in the northern part of South West Bengal which were detached from Midnapore and included to the Bankura District of present West Bengal and to the districts

¹⁴ Colonel Henry Yule, *The Diary of William Hedges*, Vol. III, London, 1889, p. 159

¹⁵ Ibid, Vol. II, London, 1888, P.7 & Lxvi, Also see Yogesh Chandra Basu, *Medinipurer Itihas*, Annapurna Prokasani, Calcutta, 1416 B.C, p. 118,

¹⁶ Monmohan Charoborty, *A Summary of the Changes in the Jurisdiction of Districts in Bengal, 1757-1916*, Calcutta, 1917, p. 3

of Manbhum and Singbhum of present Purulia, Jharkhand respectively. *Chakla* Jaleswar included the rest of *sarkar* Jaleswar, northern part of the river Suvarnarekha, some *parganahs* of which like Bhograi and others, later on included in the Balasore District of Orissa. Hijli and Tamluk did not come under the Company's administration until the grant of the '*Diwany*' in 1765. From 1765 to 1774 they were administered as a part of Hooghly District. At the time of the 'permanent settlement' the *faujdari* of Hijli, Mahisadal and Tamluk were under the supervision of a salt agent of the Company.¹⁷ The course of my discussion is *chakla* Midnapore and *chakla* Jaleswar of South West Bengal. Besides salt agency of Hijli and Tamluk and the more prosperous and fertile regions lay to the North – East of the region, including the *parganah* of Brahmanbhm, Chitwa, Bagri and Jahanabad, Chandrakona, Barda and extending beyond that into what was earlier the sarkar of Mandaran.¹⁸ More over Mandal *ghat*, Kharija Mandal *ghat*, Bhursut were once upon a time were included in Burdwan *chakla*.¹⁹ It is also subject matter of discussion.

Historiography

The East India Company entered Bengal through South West Bengal by following the footsteps of different indigenous and foreign invaders from the remote past. The East India Company as a commercial organisation became the full-phase state by acquiring power gradually in entire Bengal in the second half of the 18th century. They gained different forms of power in different periods to control and regulate the affairs of certain areas. In that period the Company intended to dominate its supremacy through

¹⁷Ibid, p.34 and also See L.S.S O'Malley, *Bengal District Gazetteers Midnapore*, 1995, p 33

¹⁸ Monmohan Chakroborty, A Summary, Map- "*Subah- Bangalah, According to Ain-i Akbari 1582AD*", p. 543, James Rennell, *Atlas of Bengal Bihar ain VIII parts . Published according Act of Parliament*, (Henceforth Atlas) London, 1781, Maps No. I, "The delta of the Ganges with the adjacent Countries on the East, Comprehending the Southern Inland Navigation, December 1st 1779", & VII.

¹⁹ Board of Revenue Sayer(BRS), 12th July, 1790

reforms. It affected the society, economy and politics of the then Bengal. In my research work, it has pointed out how it affected trade and trading centres in South- West Bengal and also on the change of rural agrarian economy of South-West Bengal in the context of the state. These changes took place due to the combined effects of some important factors. Firstly, in South West Bengal as well as the entire Bengal the newly revenue administration was formed in 1765. Although in the greater part of South West Bengal – the domain of my discussion Mir Qasim had handed over *chakla* Medinipur, *chakla* Burdwan and Chittagung to the Company by issuing a *sanad* earlier on the 15th October, 1760. Secondly, the modification of the relation between the rulers and the markets was done based on the political change in the entire Bengal. Thirdly, there was gradual increasing demand of food in South West Bengal. Fourthly, the crisis of food which started since the Famine of 1770 continued to even after 30 years in the history of agrarian economy. Sometimes the famine-like situation appeared. Sometimes the fear of famine came to people like that of 1775. As a result the production in agriculture reduced in 1777 and 1779. All these factors reflected the image of politics and economy which formed the economy of South West Bengal as well as entire Bengal. In this co-ordination (context) the successful trading of this region has been discussed.

There was a strong relation between the rulers and the economy everywhere. In South West Bengal as well as entire Bengal the inclusion of the state in the economic domain was a matter of long term discussion. There are a lot of writings in this respect. The researchers have flashed light on the structure of economy and its reforms. If we follow these regularly, we can understand that we have a primary tendency towards commercialization and it was a natural phenomenon run by state. This effort has been illustrated by Irfan Habib in his '*The Society and Colonial Economy of Medieval India*'. According to him the main aim of the pre-colonial India was to increase the tendency of

centralization of the state and to increase the allocation of money in cash in the markets. In the medieval period the state collected money through revenue collection. It created a scope of commercialization. In this way there were so many aspects which led the way towards cash transaction.²⁰ Habib's thesis admits the fact that political permanence helped in commercialization and the financial stability and there was hindrance was under the will of the state. Moreover, the capital of business was quite dependent in India during the *Mughal* period as it was extensively dependent on the demand of the state.²¹

Sabyasachi Bhattacharya's discussion as an analysis of the structure of trading system is rich in his '*Study of Marketing Structure and Internal Trade in Eastern India*'. His analysis inspired the structure of internal trade. But his discussion was limited within the autonomy of trade. It was neither associated with the agrarian goods with the discussion regarding the effect of import – export. The traders faced some difficulties while operating their trading and how they overcame those was not highlighted in his discussion.²²

It also has been mentioned that in the second part of the 18th century the Company introduced the contract system to collect the trading goods and it indicated the removal of the agents from the field of trade. Besides this, the other activities of the Company led the mediators and the local traders to way of resistance. The Company established the connection with the producers of goods and the weavers. In the same way Om Prakash has cited that the Company's administration allowed imposing conditions forcefully on the

²⁰ Irfan Habib, "*Process of Accumulation in pre- Colonial and Colonial India*" *Indian Historical Review*, Vol. XI, nos. 1-2, July- January (1983-85)

²¹ Irfan Habib, *Potentialities of Capitalistic Development in the Economy of Mughal India*" *Enquiry*, New Series, Winter, 1971

²² Sabyasachi. Bhattacharya "Regional Economy: 1757-1857", in Dharma Kumar and Meghnad Desai. Eds, '*The Cambridge Economic History Of India*', 1757-1970. Vol. II, Cambridge, 1983, pp. 270-95

weavers from the lower level in the market. He also mentioned in the counter-comparison that the first half of the 18th century was more prosperous and later it began to downfall.²³

Sushil Chaudhury wrote that in the 2nd half of the 18th century the economy of Bengal retarded by the effect of the agency system in the regime of the Company. The weavers, the spinners, the silk winders and the others produced goods without any hindrance. But in the 2nd half of the 18th century their position got affected badly in the regime of the Company.²⁴

1st Chapter discusses that the East India Company came to India with an intention of trading. Cotton & silk textile, raw silk were the main trading commodities of the East India Company. In the second half of the 18th century the trade of such commodities were managed by a specific system. An admirable commercial network was set up depending on this Company's business in South West Bengal.

Cotton and textile productions and trade became an important subject of study to understand the changed agrarian relations in South West Bengal especially in the coastal area and the midland plains of the frontier Bengal. The classical literature as well as foreign accounts reveals a flourishing state of the village level industries of cotton and silk in South West Bengal.

The conflict between the *Nawab* of Bengal and the *Bhosle* Maratha oppressed as a hindrance to manufacture and trading of South West Bengal. The question of 'duty free trade' affected the traders badly. Due to anarchy raw cotton and silk manufacturing decreased. The political condition became favourable all over South West Bengal since 1765. The Company inspired manufacturer in the production of raw silk, textile and

²³ Om Prakash , Trade and Politics in Eighteenth Century Bengal' In L..Blusse and F. Gaastra. Eds. '*On the Eighteenth Century as a Category of Asian History*', Van Leur in Retrospect., 1998, pp. 237-60

²⁴ Sushil Chaudhury, *From Prosperity to Decline , Eighteenth Century Bengal* . Delhi, Monohar, 1995, p. 9

cotton. They set factories and *aurungs* around the handloom villages. The producers fled away from their places and came to Midnapore, Bankura, Birbhum due to the pressure of high customs and oppression by the rulers. At that time cotton was imported from Mirzapur and Nagpur and the neighbouring black soil cotton belt in Maratha as there was high demand of cotton in that area.²⁵

During the second half of 18th century the production of raw silk and cloth made of silk and cotton were increased. The expansion of business was seen in this time in South West Bengal and frontier area. This was made possible by the expanding market facilities and *Laissez faire* policy followed by the government and the participation of private entrepreneurs in the field.

In the last two decades of the 18th century the volume of investment in cotton and silk textile production increased. After the death of John Cheap the production of cotton cloth started to decrease, though the increasing trend in silk industries were traced till the third decades of nineteenth century. But that did not bring about any organisational change, change in the mechanical process, changes in the reeling machine brought from Italy or in the mode of cocoon rearing could not bring any revolution in the production relations. The weaving community worked as labourers in the cultivated land in their spare time. But their financial condition remained the same. The weavers had to manage the rise of daily expenditure, financial burden in collecting raw materials, high price of the daily necessity goods, and increased financial exactions of landed proprietors, usurers and *mahajans* dealing with the supply of wage goods and raw materials. More over they had to face the lower amount of production due to adverse weather. They could not manage to increase the price of their production in spite of their protestation and petitions. In a word it can be said

²⁵ Nightingale. P, *Trade and Empire In Western India: 1784-1806*, Cambridge, 1970, pp. 23-52

their financial condition did not uplift due to the oppression of the government officials, *darogahs* and different categories of distinguished private traders in spite of the manifold protection offered by the East India Company's government to the weavers and producers.

Since 1760, in spite of the public works of South West Bengal undertaken by the Company the handicrafts of the countryside gradually disappeared from their former splendour. Emergency of the commercialisation of some agrarian commodities like opium and indigo, enhancement of other cash crop cultivation and introduction of the capitalist mode of production in different urban centres in the midland plains of the frontier Bengal accelerated the rise in prices of daily necessities of life. The price of salt, rice and textile products would reveal a steady rise. Besides this the price of the essential commodities also rose. But no appreciable rise in wages of daily labourers could be found.

The historians like N.K. Sinha and B.B. Chowdhury have expressed their opinion from the opposite point of view. According to them all the agrarian goods (opium, indigo) which were related to the international markets should be commercialized.²⁶ Later Kumkum Chatterjee and Rajat Datta have discussed on the local economy. They have cited the continuous ups and downs of economy. Rajat Datta has mentioned the integrated markets in the rule of the Company and also on the trading economy that developed gradually. Besides it, Rajat Datta and Kumkum Chatterjee have emphasized on the commercialization of crops as a part of rice producing small peasant economy.

In the second chapter discussion was made that grain was one of the primary goods of trade. Grain trade was operated by the indigenous merchants without any interference by the officials of the Company. The business of the Company comprised of textile, indigo,

²⁶ B.B. Chaudhury, "Agrarian Economy and Agrarian Relations in Bengal, 1859-1885" in N.K Sinha Ed., 'The History of Bengal: 1757-1905', Calcutta, 1967

opium. But they did not prefer grain as trading goods.²⁷ It was given the relative degree of autonomy, the petty trade was freely carried by the local/regional traders in various localities of South West Bengal and, therefore, its implications deserve to be analysed in depth. A deep bond was established among the urban and *mufassal* areas.

Datta mentioned that the Company's government could not access and establish direct contacts with the sections of the peasantry, and were frustrated in their attempts by various commercial groups²⁸ and regulations introduced by the Company at the time of scarcity. The example of 1774 shows the increasing price of grain due to the delayed rainfall. It created a favourable situation for the grain traders and they supplied crops to the deficit areas. At that time the Company did not provide any hindrance in buying grain to the traders.²⁹

The Company's government took initiative to setup public granaries. The government instructed the district officials to collect grains from the market in cash and also to preserve those there for their special need besides their own consumption. Basically, these granaries had usually a platform of timbers of various dimensions, resting on low bricks support which was over spread with mats in places, where these were obtainable and the sides were composed of small timbers, bamboos and mats and the roofs thatched. If there was a succession of favourable agricultural cycle, stocks were to be maintained by disposing of part of the stored grain during the season. The grains were collected when the price of those grains was low but those were sold out when the price of the grains rose higher. In this way, the grain was to be kept without damage and according

²⁷ W.W. Hunter, *The Annals of Rural Bengal*, London, Smith Elder and Co, 1868, p. 420

²⁸ Rajat Datta, *Society, Economy and the Market: Commercialization in Rural Bengal C. 1760-1800*. Delhi: Manohar, 2000, p.213

²⁹ Ibid

to the functionaries of the state; the profit from the sale would be adequate for meeting the expenses of collection.³⁰

In the 3rd chapter that salt as important goods of trade has been given importance on the context of South West Bengal has been discussed. P.J. Marshall in his writings has discussed earlier that the Company's servants took part in the trade of salt and the different policies of the Company in this respect. N.K.Sinha in his '*Midnapore Salt Paper*' has mentioned the salt production and its allocation in the coastal areas of South West Bengal. Balai Barui in his '*The Salt Industry of Bengal*' has reflected the salt production, allocation, establishing the monopoly of the Company's servants in the salt trade, its subsequent change. But the trading of salt was very important in the internal trading in South West Bengal. The indigenous merchants of South West Bengal fulfilled the need of salt in their own local areas as well as the surrounding provinces. Company's monopolistic control affected the salt trade in South West Bengal. This was important in my research.

To evaluate the relations between the rulers and the salt tracks of Midnapore and Orissa, it was seen that the *Nawab* of Bengal had no direct control over the production of salt and its trade. The *zamindars* bore the responsibilities of its productions. The headman of salt trade known as '*Faker- ul – Tejar*' had the monopoly of salt production. At the early state of the Company's rule it was seen that the senior servants of the Company formed an 'Exclusive Society' to enjoy monopoly over salt trade.³¹

The Society was abolished in 1767 and two distinct processes of development in this region could be noticeable after 1772. From 1772 two different sets of control began to

³⁰ Tilottama Mukherjee, *Political Culture and Economy In Eighteenth –Century Bengal: Networks of Exchange, Consumption and communication*, Orient Blackswan, 2013, p. 258

³¹ Binod Sankar Das, *Changing Profile of the South Wes Bengal: A Comprehensive History of Midnapur and Jungale Mahals from the Prehistoric Period to Modern times*, Kolkata, 2013, p. 23

spread over the sphere of salt production; firstly, there was no control over salt production in the pre British period. Secondly, a system of control was already in existence in 1765 in the field of trade. In the production fields in the 70's of the eighteenth century farming system in South West Bengal also entire Bengal led to the unprecedented economic dislocation and the intermediaries like *zamindars* and below them *kutkinadars* was compelled to come under the clutches of the speculative money lender of the towns. Salt tract under *izaradars* became objects of mortgage and sale for areas of rent. The play of British capital got an increase momentum with the introduction of agency system in early 70's and not in the 80's of the century as it has been stressed by the authorities in the field of the economic history.³²

Under these phenomena, there marked two distinct impacts were seen in South West Bengal of salt Industry (salt tract). Gradually the landlords, *fmamdars* and other mediators disappeared from the salt industry. Similarly, the agents as supervisory authority under the Board of Trade took all the responsibilities. On the other hand it led to gradual worsening of the economic condition of the *malungis* or salt labourers leading them to their fast pauperisation following the Company's administrative experiment upon them. It would be tempting to conclude that the latter was the consequence of the former tendency.

The hike of salt intensified the activities like smuggling of salt. The officers who were in charge of protecting such criminal activities, themselves indulged in wrong doing and smuggling. The government of the Company took legal steps to prevent illegal production of salt and its trade. They set up *chowkies* in South West Bengal as well as the entire Bengal. *Chowkies* were established to prevent smuggling and the assessment of revenue.

³² Ibid

Sudipta Sen has discussed the rules of market places in Bengal presidency in his '*Empire of Free Trade*'. In his discussion he has mentioned the activities of the customs houses and the various types of regulations to control those. Jitendra G. Borpujari in his article named '*The Impact of the Transit Duty System in British India*' has flashed light on the duty system. How the petty *chowkies* had obstructed the internal trade and the Company's effort to control them and how much it was implemented in the cases of internal sectors are the subject matter of my discussion and these will enrich the study of customs system which has been discussed in the 4th chapter in this research work.

The state's outlook or vision reflects on the traders and their companions' social classes which were always important by the following rules especially in the new state policy. It was not easy to maintain the activities of *zamindars* and *talukdars*. The main reason behind it was their protest against any kind of state interference and the right of their ancestral. There was a haphazard of complexity for the interference of the state. The market system was considered as a pure economical institution which was totally different from the agrarian economy. It was established as the field of the income of the *zamindars*, *the talukdars* and those families closely related to the ruler.

The domain of *sair* was a contested area between the Company and the *Nizamat* even before *Plassey*. The main area of confrontation was with regard to customs duties levied through the *chowkies* which the Company considered to be an exaction and infringement of the privilege that they enjoyed by virtue of the *farman* of 1717 added to it was the numerous dues collected on moving goods by the *zamindars*. Recognition of the fact that a problems existed in this sphere predated acquisition of authority. Warren Hastings addressed the problems first when he attempted to free the channels of movement of commodities and currency in different regions. The revenue authorities also took up the question of free flow of necessity goods. Further it was felt that the duties levied on

internal trade ought to be the prerogative of the government and not that of the farmers or revenue of landholders, and that it would be as a separate assessment.

However within two decades of the administration of the East India Company the complexities of internal trade administration were sought to be dealt under one structure of administration that was now sought to be dealt under one umbrella of administration that was separated from land –revenue. This included the problems of local and regional trade, markets in rural areas, rights and privileges of members of ruling family of the earlier regime over local markets and trade. This necessitated the reordering to the existing agencies in internal trade administration and its regulations.

Various steps were taken to control the landholders in 1790. This matter was debated in the Board of Revenue. The state noticed that there was a difference between the types of ownership of markets and the structure of taxes and duties (*sair-i-jihat*). It was decided that one would be retained and the other would be abolished. The Board of Revenue separated rent and tax from the market. The rents were collected from the use of the lands, the shops and others buildings which were owned by landholders. On the other hand tax was collected from the goods and its transportation goods. The rent collection was the right of the land owner and it was his personal property but the Company did not interfere in it. On the other hand, the Company as a state had the rights of tax collection.

Markets of South West Bengal have been discussed in the 5th chapter in this research. From one place to another of South West Bengal, various types of *gunjs* (permanent local grain market), *haats* (periodic small rural markets), *bazars* (permanent markets) large quantities of goods were transported in various places trough the waterways and land routes by boat, bullock carts and horse carts etc. *mahajans*, *paikars*, brokers and petty traders all were involved in the business.

The markets were established depending on the local locations where buyers and sellers came. According to Davis, the markets were the places where the forces of supply and the buyers converged.³³ Some scholars discussed the structure of the local internal economy and the market structure in their studies. While Kumkum Chatterjee points out the disruption in the socio- politico - economic sphere of Bihar to a very early stage of the Company's rule, she also highlights the elements of continuity.³⁴

Rajat Datta has discussed the limited impacts of the neo Company regime in his research largely credits the revenue mechanism for the commercialisation of the region.³⁵ The central purpose of the work is to suggest that Bengal underwent a number of structural changes in its economy. After 1765 special changes could be seen in the agriculture department especially in rural society due to the established revenue regime. He noted the changing configuration of the connection between the Company's state and the market, which in turn reflected the changes in the political arena. The growing demand for food and occurrence of dearth and famines characterised in this phase.³⁶ Consequently, Bengal underwent one of its most intense phases of commercialisation, the uniqueness of which was the commercialisation of its rice producing small-peasant economy.³⁷ The influence of the town-demand and rising trends in prices affected the local trade.

The internal markets of South West Bengal were two types; the local markets and the import – export markets. The goods exported from the country side were mainly cotton

³³ Davis, James, *The Representation Regulation and Behaviour of Petty Traders in Late Medieval England* Ph. D thesis, University of Cambridge, 2001, p.1

³⁴ Kumkum Chatterjee, *Merchants, Politics and Society in Early Modern India, Bihar; 1733-1820*. Leiden: E. J. Brill. 1996

³⁵ Rajat. Datta., *Rural Bengal: Social Structure and Agrarian Economy in Late Eighteenth Century*. Ph.D. University of London, 1990

³⁶ Ibid, pp.14-15

³⁷ Ibid

textile, silk textile and raw silk, opium, saltpetre, indigo etc. Some of the notable import and export markets located in South West Bengal were at Radhanagore, Kirpoy, Chandrokona, Chitua, Sonamukhi,³⁸ Bishnupur, Tamluk, Ghatal. Similarly, a separate market was established for the domestic consumers like rice, pulse, oil, ghee, salt, chilli tobacco lime etc. Such as the different local markets of Midnapore *parganah* were Bara *bazar*, Choto *bazar*, Patna *bazar*, and Sujagunj etc.³⁹ except these many *haats* were established in the interior areas of South Bengal. The commodities were exported from the production centres to the densely populated areas and the towns.

Some historians have discussed the commercialization and administration of the Company. Sometimes they were trapped in course of enquiry or there were contradictory information. It confuses us to form the ideas of that period. Where there were indigenous merchants and markets, there would be a tendency of forceful intrusion in it. In spite of the ups and downs in the eighteenth century the financial condition of South West Bengal as well as the entire Bengal was stable till 1800 A.D. The neo political system was behind it. It was quite different from the former system. Besides it, there was change of favourable atmosphere and demand in the outer world. According to Bradelian sense, it flourished without following the specific ways of competition.

The administration of the Company was quite different from the former administration. It was much more intrusive, extractive and interventionist political entity and tried at various levels to regulate the flow of commodities, commercial network. They gained partial success in it. As a dominant trader cum political power the Company influenced the internal trade greatly.

³⁸ Tarasankar Panigrahi, *The British Rule and the Economy of Rural Bengal; A Study of Mallabhum from 1757 to 1833*, New Delhi, 1982, p. 89

³⁹ Revenue Department Governor General in Council, 23rd April, 1788

The British writers like J.C. Price and W.W. Hunter, mainly on the basis of their access to Midnapore Collectorate Records as well as Revenue and Judicial Records of the State Archives, some of which were published by W. K. Firminger, have drawn a very dismal picture of the struggle between the local elements and the early conquistadors in this formative phase of the British rule in the entire Bengal. The authors of the district Gazetteers and Census Reports of 1951 and some Indian writers like Yoges Chandra Basu and Sudhir Mitra have more or less followed their beaten tracks.

These learned treatises, along with the dispatches and reports in the form of manuscripts records of Revenue Department form the nucleus of the present studies on the economic life of the people. But the historians were dependent on the archival materials. On the basis of the archival sources and the earlier writers it has been pointed out that the economy of South West Bengal changed agrarian economy in the same way on the extent of the state. How the Company's rule affected the traditional trade of South West Bengal and what it changed in the second half of the eighteenth century has been discussed in this research.