

CHAPTER-III

SALT TRADE IN SOUTH WEST BENGAL

Introduction: Salt was the major merchandise next to textile products in the internal markets of South West Bengal. It was man's most essential commodity of daily use.¹ Salt was one of the vital sources of revenue for the government.² Salt manufacturing had its origin in the coastal areas of Midnapore and Orissa since the remote past. During the *Mughal* regime of the medieval age the coinage 'Nimak Mahal' was first mentioned in the *Mughal* ruler Suja's customs settlement/ 'Bandobasta'. At that time all salt oriented trading were managed and maintained by the *zamindars* under the *Nawab*.³ The salt that had been manufactured at Hijli and Tamluk, the coastal areas of South West- Bengal was much more superior in quantity than that of the other places of entire Bengal.⁴ So at that time *Kashmiri, Sikh, Multani, Bhutia* traders would come to entire Bengal as well as South West-Bengal to procure salt⁵. The people who were directly involved in salt production would fulfill the local demands and at the same time they earned their livelihood through salt trading with the merchant from different parts of the country.⁶

Already in some research works, topics like salt trading, fiscal experimentation of the British Company in the salt estate after 1760 and also salt- trafficking had been focused

¹Sudipta Sen, *Empire of Free Trade: The East India Company and the Making of the colonial Marketplace*, Philadelphia, 1998, p.82

² Sayako Konda, 'Environmental Changes, the Emergency of a Fuel Market, and the Working Condition of Salt Makers in Bengal, c. 1780-1845' *International Review of Social History* .55(18),2010, Special Issue:123-151

³ Firminger's *The Fifth Report of the Affairs of the East India Company*, Vol.-II, Calcutta, 1917, p-262

⁴ N. K. Sinha, *Midnapore Salt Paper (1781-1807)*, Calcutta, 1954, p.3.

⁵ William Bolts, *Consideration on India Affairs Present State of Bengal and its Dependencies*, London, J Almon in Piccadilly, P. Elmsly in the stand and Brotherton and Sewell in Cornhill, 1772, p.200

⁶ J. Grant, *Analysis of the Finance of Bengal*, April 1786

the larger perspective of Bengal. South West-Bengal was supposed to be an important zone of salt-trading. So attempts have been made in research works to explore and assess the authority and control of the rulers on salt manufacturing and trading during the pre-British phase in the context of South West Bengal. With the change of political scenario the Company enjoyed the monopoly over salt trading. As a result the activities of the merchants in South West Bengal and the changes in internal trade due to monopoly of the Company come into my research. This discussion also cites the effect of the Company's monopoly on the salt producers and on the whole production –organization identifying the area of developments and stimulating its manufacture.

III.1 Mechanism of Salt Production and Trade in Pre-Colonial period in South West Bengal

It is evident from the pre-*Plassey* period of history that salt production and trading was being regulated and controlled by the *Nawab* and as well as native traders.⁷ Actually the *Nawab* regulates the salt trade as ‘a matter of favour or as a source of revenue’.⁸The *Nawabs* possibly had no inclination of regulating the production of salt which was left to the *zamindars* and lease holders of their *khalaries*.⁹ Like the advance system or *dadni* system prevalent in the field of silk and piece goods, producers of salt would take advance from the traders and remained bound by contract to deliver the produce at a fixed rate.¹⁰ Production merchants kept the system alive by supplying the salt producers with money in advance. The production merchants maneuvered their business networks in co-operation

⁷ M. Haq, *The East India Company's Land Policy and Commerce in Bengal, 1698-1784*, Dacca, Asiatic Press, 1964, pp-233-34.

⁸ Binod Sankar Das, *Changing Profile of South West Bengal*, Kolkata, 2013, p.196

⁹ Ibid

¹⁰ M. Haq, op, cit, 1964, p.234

with the local *zaminders*. Being local administrators, the *zamindars* had the power of maintenance. With the assistance of ‘*mukdamas*’ or village headman (*pradhan*), ‘*sikdar*’ and chief criminal justice, they would co-operate to supply salt to the traders. At that stage there was no exclusive monopoly on salt trading. The *Mughal* administration had direct control over the legal production and distribution of salt. As a rule, the emperors controlled salt trading as a source of revenue. They did approve of the monopoly of the chosen trader or the highest bidder in regard to salt production and distribution. ‘*Faker-Ul-Tejar*’ was the head merchant.¹¹ At the time of Alivardi Khan the *Nawab* of Bengal the head salt merchant was Khwaja Wajid.¹² The *zamindars* were virtually the direct government representative in the arena of salt production. To establish monopoly on the part of a merchant was next to impossible as the salt pans (pots from extracting salt) sprawled over the vast coastal areas of the entire province. Most of the traders were of native origin. Of them the Muslim and the Hindu traders paid tax to the government at the rate of 2.5% and 5% respectively and were entitled to enjoy the benefit of salt trading.¹³

The salt produced in South West Bengal was primarily ‘*pungah*’ or boiled salt. But in certain areas, salt was produced through ‘*karkatch*’ or solar vaporization.¹⁴ The processing of salt continued from the *Bengalee* month ‘*Kartick*’ to ‘*Jaistha*’. In the rainy season, the lands which become flooded with high-tide saline water of the sea produced

¹¹ J. Grant, Appendix to the Fifth Report. from the Select Committee of the House of Commons on the affairs of the East India Company, 1812, p.313

¹² Sudipta Sen, op.cit, 1998, p.82

¹³ P.J. Marshal, *East Indian Fortune: The British in Bengal in the Eighteenth Century*, Oxford, 1976, p.108.

¹⁴ N.K. Sinha, op.cit, 1954, p. 3, There were mainly two kinds of salt: *Pungah* and *Karkatch*. *Pungah* salt was manufactured in the salt tracts (*nimki Khalaries*) by boiling salt water derived from the saline –earth. *Karkatch* salt was produced through solar vaporization. During the rainy season oceanic water was allowed to be silted on the salt tracts and from the winter season usually extraction of salt took place. The process of manufacture of the salt has been dealt with elaborately in the parliamentary Report of 1856.

salt. The areas which were backwashed by high – tide water were known as ‘*char*’. These ‘*chars*’ (Tract of land) were divided into different segments. These segments were called ‘*khalari*’. In ‘*khalari*’ seven workers were engaged who would manufacture two hundred thirty ‘*maunds*’ (one *maunds* is equal to 40 kgs) of salt per year. The persons engaged in salt production in *khalaris* were known as ‘*malangi*’. The reference of *malangis*’ has been found in a *sloka* in an old Sanskrit manuscript of the 15th century, discovered by Haraprasad Shastri. It has been mentioned in the ‘*sloka*’.

“কৌচদামলকে দেশং গায়ন্তি দেশবাসিনঃ ।

লবনানামা করশ্চ যত্র তিষ্ঠন্তি ভূরিশঃ॥

প্রণালী দী একা তত্র সদা বহিত ভূমিপ ।

মালংগনা মনুষ্যানং নিবাসং বহতি কিল ॥¹⁵

[English rendering: In the estate of *Kouchadam*, people are singing in praise of their land. /They are also praising the salt that abounds in this soil/The king is fully aware that two streams have become one here / *Malangis* (people of *Malanga* province) have been living here for so many years.]

In South West- Bengal two types of ‘*malangis*’ have come to be known – (1) ‘*ajoor*’ and (2) ‘*thika*’ (*thika malangis* came to be seen at Hijli in the year 1770) . It was known that in the year 1793, as many as 13,388 *malangis* were engaged in salt production in the salt estate of Hijli and Tamruk. They had been engaged in this particular job for over generations.¹⁶ ‘*Ajoor*’ *malangis* were traditionally salt – labourers’. They had their existence even a century back to the arrival of the British. ‘*Ajoor*’ *malangis* took part in the

¹⁵Sri Sudhir Kumar Mitra, *Hughli Zillar Itihas*, Calcutta, 1948, p. 94

¹⁶ Ibid, Samachar Darpan, 19th September, 1829

process of salt production by generation after generation and they had their dwelling houses and cultivable land, very close to the salt – producing zones. However, in some cases, the producer's home and workplace would be far away. Sometimes five or six members of a family earned their livelihood through salt production. In this case, a *malangi* continued to render service to produce salt for five to ten days and then went back home, following which another member of the same family came to join the ongoing stream of salt production.¹⁷ On 9th October 1790 the 'Governor General of Council' of the Company regime instructed to abolish the system of salt production by *ajoorā malangis*. It was revealed that the *ajoorā malangis* produced salt under the contractor in Hijli.¹⁸

Normally the '*malangis*' filtered saline water of the soil and heated with burning faggots. Then water evaporated and solid salt remained deposited on the pans. All that salt was collected as a whole and stored in the warehouses. Faggots were being collected before the processing of salt. The places where from the faggots were collected were known as *jalpai* (land liable to be under water) lands. The *jalpai* lands in the southern part of the district were crucial suppliers of fire wood to Midnapore salt industry.¹⁹

As wages of the *malangis* the *Nawab* of Bengal fixed up a rate of 22.00 rupees for production of one hundred '*maunds*' (40 Quintals) and made an agreement with the *zamindars*. The *zamindars* did not pay the entire amount of a year. He paid them the wages of only six months and for the rest amount they allowed them to enjoy cultivable agricultural land either free of tax or on some profitable terms. After serving in the salt industry from the Bengalee months '*Kartick*' to '*Jaistha*' the '*malangis*' engaged

¹⁷ N.K. Sinha, op.cit, 1954, p. 174

¹⁸ Ibid. pp.18-19

¹⁹ Rajat Datta, *Society, Economy and the market. Commercialization in rural Bengal c.1760-1800*, Monohor, 2000, p-74

themselves in farming on their own land, known as ‘*chakran*’.²⁰ Thus, side by side with salt production, the ‘*malangis*’ would earn their livelihood through farming.²¹ During the ‘*Nawab* period’, there were more than 4000 ‘*Khalaries*’ in the undivided Midnapore district in modern West Bengal.²² According to the Bolts, salt was sold to the traders of 60/- rupees per one hundred *maunds* (40 quintals).²³ But at the same time the price commodity was supposed to be 150 rupees per hundred *maunds*.²⁴ Maratha expedition was the main reign for this diversity. After remained beyond expenditure was the profit of the *zamindars* and high profile government representatives.²⁵

Three notable features of internal trade were – structurally internal trade was classified in to inter-regional and local trade. Secondly; there was uniqueness among the markets. Thirdly; inspire of this uniqueness these markets were inter-linked by the network of different groups of merchants, by the role of intermediaries and by the function of wholesale markets. This enabled a large flow of commodities, cash, credit and information, despite such divisions

²⁰ J. Grant, *Appendix to the Fifth Report. From the Select Committee of the House of Commons on the affairs of the East India Company*, , p.312

²¹ Rajat Datta, op.cit, 2000, p. 21

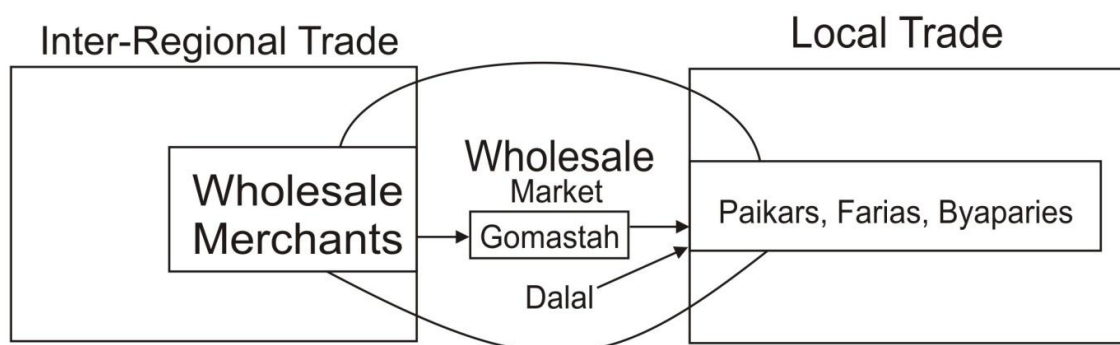
²² J. Grant, *Analysis of the Finance of Bengal* , April 1786, also see Firminger’s *Fifth Report*, 1917, Vol.-2, p-182

²³ William Bolts , *Considerations of Indian Affairs* , 1772, London, p.174

²⁴ K.K. Dutta (Ed) *Letters to and from the Court of Directors: Fort William – India House Correspondence*, Vol.1 , Delhi, 1957, Letter of February, 24, 1747-48

²⁵ Firminger’s *Fifth Report*, Vol.-2, 1917, P-262 also see Yogesh Chandra Basu, *Medinipurer Itihas*, 1416 BC, p.226

Model: III.I



Affluent businessmen exchanged commodities between the urban trade centers and wholesale trade centers under larger perspective. The movement of commodities between the wholesale trade centers and rural trade centers and within local markets by numerous smaller merchants should be categorized as the local trade. Each trade maintained its own structure and together worked as one trading system, inter-linked by wholesale markets.

Prior to 1757, salt trading was open to all. Under such a state it was impossible for any trader to achieve dominance in salt trading. This was because the '*malangis*' would produce salt unconditionally over the vast areas of South West Bengal.²⁶ In alliance with the *zamindars*, one class of production merchants procured salt, produced at cost labor of the '*malangis*', and sold it to another classes of traders like wholesale salt traders, *paikars* and *beoparies*. This second type of traders used to supply salt not only to South West Bengal but also to all over India.

This however does not mean that the second category of traders were all Bengali people. Besides the *Bengalees*, the merchants from the upland of the country came to the

²⁶ M. Haque, op.cit,1964, p. 23

districts of South West-Bengal to collect salt and to sell it to the petty dealers, and shop keepers in their locality. The common customers purchased salt from the petty dealers, shop- keepers from their daily use.²⁷ Under the control and authority of the *Nawab*, traders freely handled their business. In this context William Bolts admitted that the artisans and producers of Bengal would produce goods and sell those independently. The *Nawab* of Bengal made no interfere in it.²⁸

In 1760, Midnapore came to be under the full control of the Company. Subsequently in the year 1765 the Company having attained civil power, Tamluk, Mahishadal and Hijli came under the custody of the Company. In this respect the most profitable trading commodities salt came under the control of the Company. At that time Tamluk and Hijli were not the parts of Midnapore. Hooghly was under '*faujdari*' Hooghly *faujdari* was divided into two sub-divisions-- Tamluk and Hijili. Each sub-division was under the control of the collectors of Salt Districts.²⁹

III. 2: Establishment of Company's Monopoly on Salt Trade

Before the proper establishment of the East India Company in South West Bengal, The Company wanted to dominate the salt trade. After the battle of *Plassey*, the Company claimed the privilege of duty free internal trade on salt on the basis of *farman* (1717).³⁰ But the *Nawab* of Bengal did not approve it, perhaps, which was the main cause of Mir Qasim's downfall of power. After grant of '*Dewany*', the Company formulated 'a more

²⁷W.K. Firminger's *Midnapore Records:1763-1767, Calcutta,1914*, p. 47.

²⁸ William Bolts, *Considerations on Indian Affairs*, London,1772, p.194

²⁹ L.S.S O'Malley, *Bengal District Gazetteers*, Midnapore, Govt. of Bengal, 1995, Calcutta, p.41

³⁰ N.K.Sinha, *Midnapore Salt Papers:Hijli and Tamluk(1781-1807)*, Calcutta, 1954, P.3. Also see Bolts. op.cit, pp. 164-165

equitable and satisfactory plan' for regulating salt trade in their best interest.³¹ But before leaving England for the second time Lord Clive wrote to the 'Court of Directors' for strict prohibition of the Company officials from taking part in salt trading. As per decision of the 'Court of Directors' an autonomous 'Select Committee' was framed under the stewardship of Lord Clive. The Directors gave permission to the officials that they would be entitled to take decisions for their own satisfaction. In this regard Lord Clive instantly devised a plan to promote Intra-trade management, keeping in mind the benefits of the Company officials. In this plan it was suggested that the 'Society of Trade' could be formed with the common consent of all other members (local Company's government members).³²

In August, 1765 Lord Clive and 'Select Committee' instituted a Society of Trade.³³ This Society of Trade exercised control over the sale and production of salt, betel nuts, and tobacco.³⁴ That was a mile – stone in the history of trade and commerce not only in South West Bengal but also in India as a whole.

On August 10, 1765, in the salt monopoly regulation it was stated that salt was the most important item of indigenous trade. The proposed Society of Trade would conduct the entire salt business. In the trading of locally manufactured or imported salt, the direct or indirect participation of the common people were strictly prohibited. This rule was enforced on those who were on good terms with the Company to forbid them to take part

³¹ Harry Verelst , A view of the Rise, Progress and Present State of the English Government in Bengal, London, 1772, Vol.1, pp. 225-226

³² William Bolts, op.cit, London, 1772, pp. 165-166

³³ N.K. Sinha, *The Economic History of Bengal*, Vol-1, Calcutta, 1981, p-82

³⁴ J. E. Colebrook, *A Digest of the Regulations and Laws, Enacted by the Governor General in Council for the civil government of the territories under the presidency of Bengal (Judicial and Revenue Supplement)*, Regulations for Carrying on the Inland trade in Salt, Betel nut and Tobacco, Passed on 10th August, 1765 pp. 375

in that process.³⁵ The *Nawab* was authorized to issue a public notice to this effect. In the public announcement it was stated: “That until the contracts for salt of the said gentlemen are settled, no salt shall be made or got ready in any district; that a *gomastah* be sent to attend on the said gentleman, and having given a bond, he may then proceed to his business and make salt; but till the bond be given to the Governor and gentleman of the committee and council; they should make none. Therefore, this order is written, that you send, without delay, your *gomastah* to the said gentlemen in Calcutta, and give your bond and settle your business; and then proceed to the making of salt. In case ...as a strict order”³⁶

³⁵ Bolts, op.cit, 1772, p- 167

³⁶ Bolts, op.cit, 1772, p. 176

III. 2a: Company's Monopoly on Salt Trade in South West Bengal

It is further stated that salt would be purchased on acceptable terms and as per contract, and salt would be produced on agreeable condition from the districts like Burdwan and Midnapore. The *zamindars* of Hijli, Tamluk and Mahishadal together with the '*Faujdar*' of Hoogly were given mandate for the production of salt. They would supply as per requirement.³⁷

As per the order of the *Nawab* the local *zamindars* gave an undertaking to this effects that they would not dispose of salt to none except the British merchant Society. As an instance, the reference of Jaduram Chowdhury can be mentioned : "I will on no account trade with any person for the salt to be made and without their order I will not otherwise make away with , dispose of a single grain of salt, but whatever salt shall be made within the dependencies of my *zamindari*, I will faithfully deliver it all, without consent of the said committee I will not carry to any other place, nor sell to any other person a single measure of salt if such a thing should be proved against me, I will pay to the *sircar* of the said society a penalty of five rupees per every *maund*".³⁸

The contractors on agreement with the Society of Trade would dispatch salt to Calcutta and such other fixed places at the stipulated rate of 2/-rupees per *maund*. Not more than one hundred *maunds* can be delivered for rupees 200/. The rate fixed up for every one hundred *maunds*, as per contract, would be given as an advance to the *malangis*

³⁷ J.E. Colebrook, *A Digest of the Regulations and Laws, Enacted by the Governor General in Council for the civil government of the territories under the presidency of Bengal (Judicial and Revenue Supplement)*, pp.376-77

³⁸ Bolts, op. cit, 1772, p. 177

under hard, critical and precarious situations. This advance was given by the contractors of the *zamindars* in a scheduled time every year. Generally the Society of Trade gave the advance proportionately. The Society of Trade for salt, betel nuts and tobacco would accumulate salt places where from the local traders took delivery of salt and sold it anywhere to earn profit. They would sell salt in the markets of towns and villages at a fixed rate for every *maund* according to the distance and former custom. If any trader would take a single beyond the fixed rate, his salt would be seized forthwith and in addition to that he would have to pay a penalty of Rs. 100/- per *maunds* of salt. That amount would be disbursed to the informer and the Company.³⁹

A committee was formed to monitor the business management for the Society. “On behalf of the body of proprietors; with authority to correspond with the subordinate factories and to pursue all such measures as might, conformably there to appear to them eligible and proper and the necessary advice and orders were accordingly given to the subordinates, and publications of prohibition were issued throughout the provinces”.⁴⁰

It was on 18th September, 1765, Lord Clive, General Carnac, Sumner, Verelest, Sykes adapted two important resolutions in the meeting of the Select Committee. Firstly, to pay the revenue to the Company and to determine the nature and extent of the shares of the proprietors of the Society⁴¹ as per the resolution of the Select Committee, the Society paid 35% duty to the Company. Rupees 90/- was paid for every one hundred *maund* of salt. The salt collected by the Company was sent to 13th centers all over Bengal. There the European

³⁹ J.E. Colebrook, *A Digest of the Regulations and Laws, enacted by the Governor General in Council*, pp-376-77

⁴⁰ Bolts, *op.cit*, 1772, p-175

⁴¹ Balai Barui, *The Salt Industry of Bengal; 1757-1800*, 1985, p.13

agents of the Company would get 5% commission. They were entrusted with the task of taking responsibility of the Indian merchants in regard to salt selling. They fixed up the price of salt after searching the price index of the past and the new price was 20% lesser than the average rates of the last twenty years.⁴²

Under this backdrop, a lot of information are available that testify the fact that the price of salt showed a steep rise due to the handlings of salt trading by the Company in this manner. Prior to 1765 the price of every one hundred *maund* of salt was rupees 125/- where as in 1766 it reached rupees 247/-. Again in 1767 it came down to rupees 231/- per every hundred *maunds*. Afterwards with the abolition of The Society of Trade, this price came down to Rs 148/- only. For that matter Bolt has criticized the role of the Society. On the other hand, Verlest gave counter arguments: That the Society was far from being detrimental to the interest of the country as the increasing price did not affect the interior part of Bengal.⁴³ Ownership ensured by the Society was of three categories. 56 % shares of the accrued capital were divided into three parts. The Governor had owned 5 shares, second person of the council had 3, and the general had 3, ten councilors had each and two colonels had 2 shares each. Eighteen persons belonged to the second category. They would get 12 shares in total. Twenty eight heads belonged to the third category. They got 9.1/3 shares.⁴⁴

⁴² P. J. Marshall, *East Indian Fortunes*, Oxford , 1976, pp. 132 &133

⁴³ Harry Verelst , *A View of the Rise, Progress and Present State of the English Government in Bengal*, London ,1772, Vol.1, pp. 113-117, also see K.K. Datta, *Survey of India's Social Life and the Economic condition in the Eighteenth century (1707-1813)*, Calcutta, 1961, pp. 97-98.

⁴⁴ N.K. Sinha, *The Economic History of Bengal: From Plassey to the Permanent Settlement*, Vol.-1, Calcutta, 1981, p. 82

The activities and the absolute monopoly of the society, installed by Lord Clive reached the ears of the Court of Directors in Europe and immediate order was issued to curb their absolute right. But the Governor of Calcutta and his council did not pay heed to their repeated orders. Taking serious exception to this attitude, it was strictly ordered that they would have to sell at the rate of rupees 2/- instead of rupees 5/- per mound. The council felt compelled to fix up that price.

In the year 1767 the Select Committee resolved to abolish the Society of Trade. It was clearly stated that the Society of Trade would completely refrain from intra-trade w. e. f September 1, 1767. In a bid to re-instate the activities of the Society, Clive returned to England and tried to convince the 'Count of Justification' that it might prove detrimental if the Society is relegated to the side line in regard to business management. But his efforts became fruitless. On November 20, 1767, the Court of Directors in their ultimatum prohibited the servants of the Company from taking part in salt production and sale.⁴⁵

With the abolition of the Society of Trade, the native traders and *zamindars* got back their former power in regard to the control of salt production. All *zamindars* and land owners who owned salt-producing land or *khalaria* were sanctioned decree in their favor. Even the lease-holders were also entitled to regain their former right. In a single lot all *khalaris* were disposed of to the highest auction bidder. A single lot comprised five *khalaris*. No person was allowed to purchase more than thirty lots of *khalaris*. They will not to dispose of a larger quantity than fifty thousand *maunds* of salt to any single purchaser. They had to keep the details of every lot of transaction and to send the report every week to

⁴⁵ N.K. Sinha, op.cit, 1981, pp..83-84

the collectorate of the district towns like Burdwan and Midnapore. Those reports were to be preserved intact.⁴⁶

For resumption of *khalari*-related activities the freedom of the native traders were approved. From then on the native traders would motivate the *malangis* towards salt – production. Every one of them would employ the *malangi* workers in his job, provided that the *malangis* had not been bound by further contracts. In that case he would engage them spontaneously in his job. Their names and addresses were duly recorded. The *malangis* came under a contract with a trader for a year. If being provoked by any other trader, the *malangis* got misdirected, then after considering the pros and cons of the situation, the provocateur was compelled to pay compensation. All traders must be assured of the lease of contract with the *malangis*. After the lapse of contract period of one year, the *malangis* were not obliged to render further period of one year, the *malangis* were not obliged to render further period of service in response to the call of the traders. But if there had been any huge over payment for the last year, the *malangis* must render service for the current year.⁴⁷

The Europeans were clearly prohibited from trading in salt. As per Court's order: “No Company's merchants, free merchants or any European shall, in any mode or shape whatsoever, either by themselves or agents, directly or indirectly, trade in or be concerned by themselves or agents, directly or indirectly, trade in concerned in carrying on and inland trade. In salt, betel nut, tobacco or any other articles produced and consumed in the

⁴⁶J. E. Colebrook, *A Digest of the Regulations and laws, Enacted by the Governor General in Council...*, Regulations for Carrying on the Salt Trade , Passed on 7th October 1768, p.379

⁴⁷ Ibid, pp. 379-80

country: as such trade is absolutely abolished and put a final end ...”⁴⁸ The British Company initiated the monopoly of salt trade in 1772, was further strengthened and deep-seated through a number of steps for reformations. As such, the Company was highly benefited. Salt was the second largest sum of profit. During the Company rule salt played a vital role and became helpful towards making British India.

It was seen that free and open trade of salt met failure after various implementation. This system was changed on 7th October 1772 and a new system was adopted. But in the new system like Clive, instead allowing monopoly to the Society of Trade, Warren Hastings ensured the absolute right of the Company. Under this system the *khalaris* (Spots for producing salt) were given on lease for five years. It was mentioned in the contract that the lease – owner would deliver salt to the Company, according to the demand of the Company.⁴⁹

During that period the system of lease contract was introduced in the estates of Hijili, Tamruk, Midnapore Jaleswar *chakla*.⁵⁰ As per the contract, the *izaradars* were not entitled to sell salt themselves. They supplied salt to the Company. In case of failure in regard to the supply of salt in consistent with the contract, they were to pay compensation over every one hundred *maunds* of salt.⁵¹ Up to the year 1780 the *zamindars* produced salt after signing a bond and supplied salt at a fixed up rate. In fact, the *zamindars* were the lease – holders of salt. Again the *izaradars* leased out their estates to those sub- leases. Sub-

⁴⁸ Ibid, p.379, also see Cecil Beadon Review Article on “A pamphlet on the salt trade of India, by D.C. Aylwin, London, p.541

⁴⁹ Comptrolling Committee of Revenue(CCR), 7th October, 1772, p. 600

⁵⁰ Binond sankar Das, *Changing Profile of the South West Bengal*, Kolkata, 2013, p.198

⁵¹ CCR, 7th October, 1772, p. 600

leasers were known as '*kutkinadar*'. They were the zamindars by heredity.⁵² In the salt estate of Hijli the successive leaseholders were Kasem Ali Khan (1765-67), Jein Alauddin (1767-1767), Doulat Sing (1769-70), Kamaluddin (1770-1777), Panchanan Dutta (1777-78) and Raja Yadav Roy (1778-1780)⁵³

The British Company would get a commission of 35% over the sale of salt. From 1768 to 1769 A.D the sale price of salt was rupees 148/- every one hundred *maunds*. In the year 1779 the price came down to rupees 87/- .⁵⁴ Consequently the Company's revenue saw a steady fall from rupees 39,012/- to rupees 8427/in 1776-77. Under this perspective the Company felt the need to take steps against the defaulters. Keeping in view the interests of the Company and the salt –manufacturer, Robert Reid was appointed as the first agent in the *Nimak* estate of Midnapore in April of 1773. Thus the agency system was enforced in and around 1770. The Company's five – year-agreement system being abolished, this agency system was implemented. ⁵⁵The amount of revenue received from Hijli division during the five years commencing from 1179 B.S-1183 B.S

⁵² Proceedings of the Committee of Revenue(PCR), 24th March, 1786, pp. 81-84

⁵³ Yogesh Chandra Basu, *Medinipurer Itihas*, pp.229-230

⁵⁴ Board of Trade Commercial(BOT), 2nd December, 1779

⁵⁵ Binod Sankar Das, op.cit, 2013, p. 198.

Table No: III.1

Year	Revenue Received
1179 B.S	S.Rs. 410413,5,5,0
1180 B.S	S.Rs 407239,8,2,9
1181 B.S	S.Rs 368100,11,2,0
1182 B.S	S.Rs 415637,6,11,0
1183 B.S	S.Rs 345756,0,15,0

Source: B.M.Add Mss.29094, Roll No.70, No. 9, see Binond Sankar Das, *Changing Profile of the South West Bengal*, Kolkata, 2013, p.199

From 1780 we all come to know about the implementation of agency system. But it is supposed that prior to this year; this system was experimentally introduced in South West Bengal. In this agency system government appointed a salt agent to control salt trade in every division and also engaged *mohuri*, writer, peon, and guard to regulate the system. At that time the Company invested a large amount of money to pay the salary of those servants who were engaged in this system. It is clear a chart cited below (III.2)

Table No: III.2

Division	Purpose	Salary Per Month	Total
Burdwan	Salary of the Salt agent	300(<i>Sicca</i> Rupees)	773
	Servants salary as per the establishment	334 ,,	
	Four Boards (sic) employed guiding the salt upon the rivers Hoogly, Damodar, and rupnarrain	139	
Midnapore and Jalessore	Salary of the Salt agent	300	669
	Servants salary as per the establishment	369	
Hijli	Salary of the Salt agent	300	422
	Sircars(sic), <i>Mohuris</i> & Writers	80	
	One <i>Femmatdar</i> (sic)	6	
	12 Peons to be employed whatever occasion required	36	
Mysadal & Tamluk	Salary of the Salt agent	300	390
	Sircars(sic), <i>Mohuris</i> & Writers	60	
	One <i>Femmatdar</i> (sic)	6	
	8 Peons to be employed whatever occasion required	24	

Source: Revenue Department Governor General in Council 5th November, 1776, pp. 210-214

Besides this Company employed monthly salaried writer and peon every *ghat* and every *golah* of South West Bengal ⁵⁶

Warren Hastings thought that the Company would enjoy optimum power by introducing agency system in salt production. One agent was there at Hijli and the other was at Tamluk. Sabang and Moinachoura were the important salt- producing areas under Midnapore estate. But those places were under the working orbit of the agent employed at Hijli. Year after year the agent stockpiled salt in the ware houses and disposed of salt at stipulated government rate to the whole sale buyers. ⁵⁷ In the agency system it was found that the authority instructed to sell the salt through the agent produced under the control of *zamindars* in different *parganahs*. For instance the salt agent of Midnapore was instructed to sell that amount of 68.10 *maunds kurkitch* salt under the *Zamindar* of Meergodha which was not included in the possession of the Company. It was also seen that the *naib* Udaynarrian forced the salt contractors of Mohar and Sabang to hand the salt under them over the salt agent of Midnapore.⁵⁸

Going through various types of experiments Warren Hastings finally enforced agency module in Bengal in the year 1780. Depriving the *zamindars* of their authority over salt production the Company started salt production under the management of the British officials. Like that of Hoogly and Chitagong, there were salt agencies at Tamluk and Hijli in South West Bengal and everywhere British official were employed as salt agents.⁵⁹ Apart from controlling the salt business, they discharged duties in regard to criminal suites

⁵⁶ Revenue Department Governor General in Council(RDGGC) 5th November, 1776, pp. 210-215

⁵⁷ Binod Sankar Das, op.cit, 2013, p. 198

⁵⁸ Provincial Council of Revenue Burdwan(PCRB), 25th August, 1774, p.888

⁵⁹ Raghubir Singh, Ed.. Fort William India House Correspondence (Public), 1786 -1788, Vol. X, NAI, Delhi,1959, p.23

and revenue. Thomas Calvert and Archdeacon were the first appointed salt agents of Hijli and Tamluk respectively. It was the time when numerous high profile British officials and qualified native officers were found to assemble there.⁶⁰ It cannot be told that the *zamindars* or *izaradars* as a class disappeared soon after 1781 from the production sector. Gradually by 1788 the excluded *Zamindars* of Hijli and Tamluk were nominally restituted in their estates but the responsibility salt manufacturing remained with the agents.⁶¹ Last of all by the regulations XXIX and XXX in 1793 the agents were given the sole authority not only sell salt but also to control the production of salt. And the landholders were warned not to produce salt in the private *khalaries*.⁶² No doubt the new system met with tremendous success for the Company. In the financial year 1784-85 the revenue collection reached a steady height of Rs 6, 25,747/.⁶³

III.3: Production and Distribution Centers of Salt in South West Bengal

Salt is the most important commercial production for common consumption. It was manufactured in the areas lashed by the high tide water of the sea in the coastal districts. Salt was distributed under an elaborated system which was run firstly by the *Nawabs* and then by the Company.

Hijli, Tamluk and Mahisadal were the major centers of salt production and distribution in South West Bengal.⁶⁴ Tamluk is situated on the western bank of the

⁶⁰ B. Ghosh and S.K. Bose (ed), West Bengal District Records, New Series, Midnapore Correspondence of the Salt Districts, Tamluk Salt Division, Letter received, Calcutta, 1974, Introduction, D

⁶¹ Binod Sankar Das, Changing Profile of South West Bengal, Kolkata, 2013, p.201

⁶² Ibid

⁶³ B. Ghosh and S.K. Bose (ed), West Bengal District Records, New Series, Midnapore Correspondence of the Salt Districts, Tamluk Salt Division, Letter received, Calcutta, 1974, Introduction, D

⁶⁴ Bolts, op. cit, 1772, p.167

Rupnarayan River.⁶⁵ It included two manufacturing districts- Tamluk and Mahishadal. These centers were divided into so many '*hoodas*'. Tamluk was divided into four *hoodas* and Mahishadal, into seven *hoodas*. The most important centers of Tamluk agency were Moyna, Sabang, and Mohar. There were 16867 *bighas* of salt producing land under Tamluk agency. Mahishadal had 29787 *bighas* of '*Jalpai*' or salt producing areas.⁶⁶

Being transported from different centers salt was brought to the Narayanpur *ghat* at Tamluk. Collected salt was kept deposited to the godowns there.⁶⁷ Pratapkhali canal connects the Rupnarayan with Tangrakhali River.⁶⁸ The other important canal was Banka canal which was extended proportionately up to 11 miles to the south east of Pratapkhali canal, as a connecting link between the Haldi and the Rupnarayan River.⁶⁹ Salt produced in the district centers of Goomgarh and Mahishadal was transported through this canal and then through the Rupnarayan river and finally deposited to the godowns of Narayanpur *ghat*. The transportable boat could not reach a number of salt centers. In that case salt was transported by bullock carts.

Hijli was the largest agency in regard to salt production and transportation. And its head office was at Contai. Under this agency there were nine '*aurungs*' like Birkul, Baharimutha, Naruamutha, Iranch, Majnamutha, Bograi, Jalamutha Ourangnagar and Gumghar. First six *aurungs* had divided into 83 *hoodas*.

⁶⁵ N.K Sinha, op.cit,1954, p. 177

⁶⁶ . Balai Barui, op.cit,1985, p-6

⁶⁷ Ibid

⁶⁸ PCR., 11th January, 1782, pp.172-173

⁶⁹ . Ibid, pp.178 - 179

Salt produced on both sides of the rivers like Rosulpur, Pichhaboni, Bagda, Boroj, Surpai were transported from Bogroi to Khejuri.⁷⁰ Many canals and inlets connected with the afore noted rivers. Salt produced in the govt. storehouse were also transported. For the transportation of salt two main routes- Mirzapur and Kunjapur creeks, were followed five *ghats* such as Rosulpur, Kisnanagar, Ramnagar, North- Kalinagar, and Parighata were under govt. control. The community that produced salt was produced salt was *kadal* community.⁷¹

Long before the establishment of the Company's supremacy, salt was collected by local wholesale traders from *khalari* a coastal area of South West Bengal and transported to different parts of India.⁷² Generally boats and bullock carts were pressed into service for transportation of salt from salt –pans to *golahs* and from there to different markets.⁷³

The main goals were stationed at Tamluk and Hijli Division. The *golahs* of Tamluk were Saumpore(3 *golahs*), Seopore, (3*golahs*), Denaun(2 *golahs*), Sussatey(2 *golahs*), Narrainpore(5 *golahs*),⁷⁴

The *golahs* of Mhisadal were at Aurungnagar(1 *Catcherry*), Gumgar(1 *Catcherry*), Sewreah(3 *golahs*), Terrapokea(2 *golahs*), Collacolly(1 *golah*), Paunch colly(2*golahs*), Aujuntullah(1*golah*),⁷⁵

⁷⁰ . Balai Barui, op.cit,1985, p.6

⁷¹ Balai Barui, op.cit, 1985, p. 149.

⁷² M.Haque ,op.cit, pp. 233-234

⁷³ Balai Barui, op.cit, 1985, p.149

⁷⁴ Comptroller of Salt and collector of Salt District Copies of Correspondence statement...Tamluk, Hidgellee, Myshadal 787-1788(CSTHM) ,Vol. -1, lt. No 61, p.55.

⁷⁵ Ibid

The *golahs* of Hidgelle (Hijli) were: Russelpore *ghats* (3 *golahs*), Nara *ghats* (2 *golahs*), Paunchcoly (1 *golah*), Madacolly (1 *golah*), Hoarcotty, (1 *golah*), Hunooah (1 *golah*), Bustum chauk (1 *golah*),⁷⁶

Chakla Jallesore/ Beercol: *Ghat* Balaram pur (2 *golahs*), Mytrapore (2 *golahs*), Neeplpore (1 *golah*), Ramnagar (2*golahs*), Jhalgatcherry (1*golah*), Jallareah (1 *golah*), Naufreyu (2 *golahs*),⁷⁷

Midnapore, *Chakla/* Sabbang, Myna: Gout Arjuntullah, Bomoneah, Kieraneah, Seblepore, Netamytee, sundorah chatty, Bostum Patur, Ramjamah (sic) Bherie, Markenda Chak, Moorooly *chauk*,⁷⁸

⁷⁶ Ibid, Letter No 64, p. 57

⁷⁷ Ibid

⁷⁸ Ibid

A map of the two large salt agencies Tamluk and Hijli of the entire Bengal

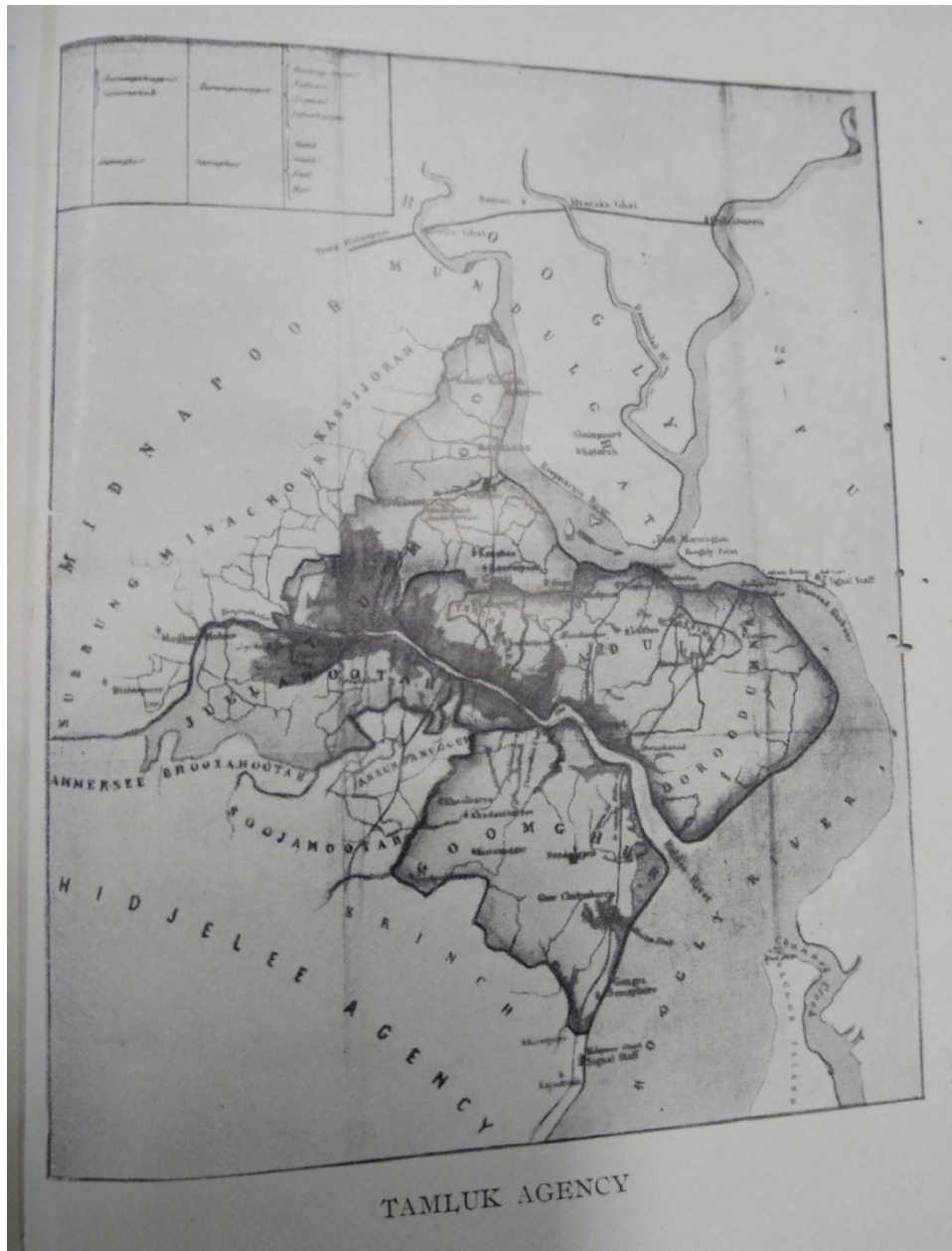
Map No: III.1



Source: N. K. Sinha, *Midnapore Salt Paper*, 1954

A map of Tamluk Salt Agency

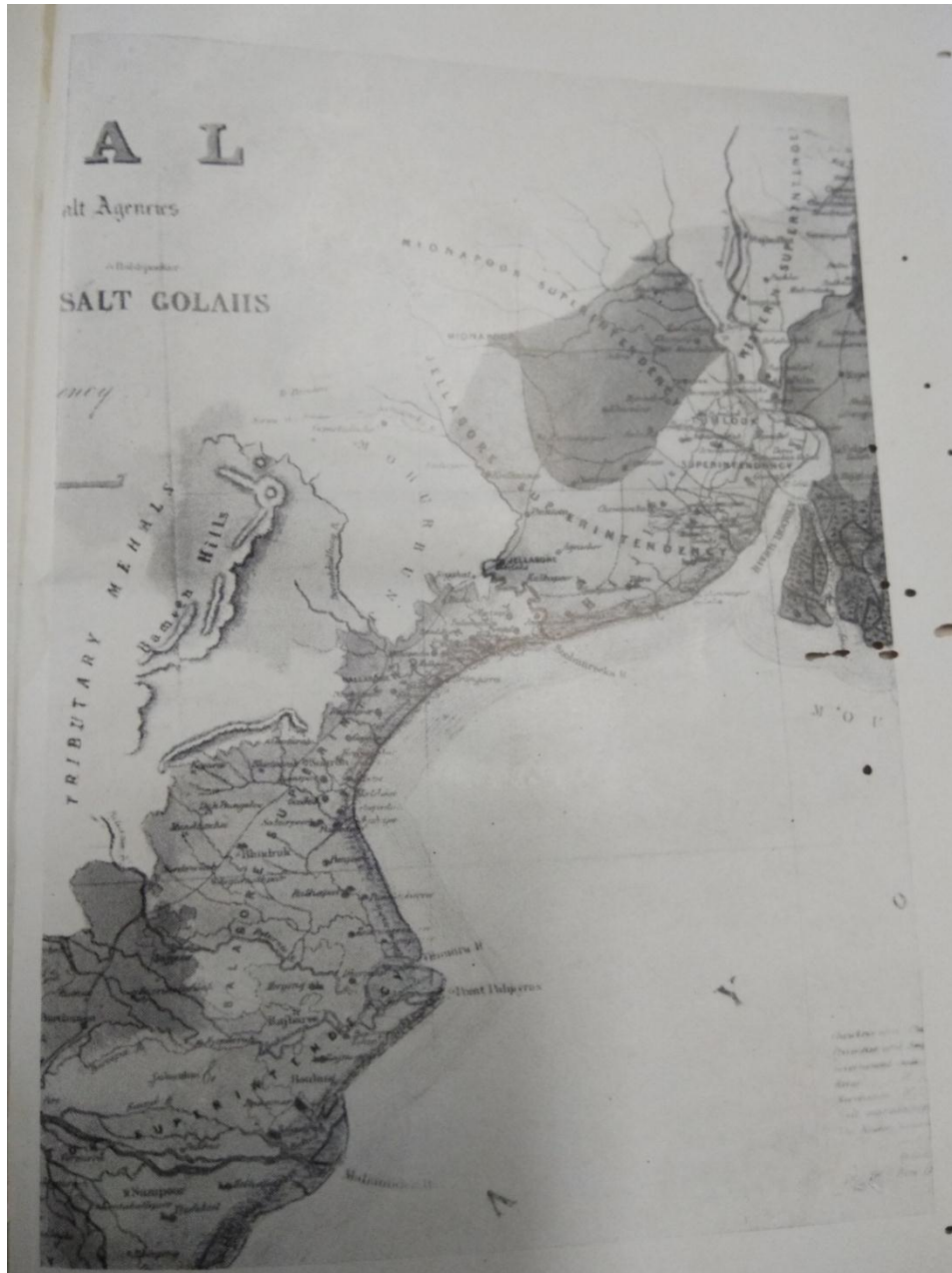
Map No. III.2



Source: N. K. Sinha, *Midnapore Salt Paper*, 1954

A map of Salt *golah* of South West Bengal

Map No. III.3



Source: N. K. Sinha, *Midnapore Salt Paper*, 1954

In this respect, Anandapur was an important centre of salt distribution in South West Bengal. The salt produced at the *parganahs* (cluster of villages) like Moyna Choura, Sabang, Duttamutha was sent to the Company's *golah* at Anandapur. The following statistic report of April, 1781 shows that the importance of Anandapur was kept up in the subsequent period of time after the abolition of the Society of Trade:

Table No: III.3

Name of Station	Name of the Merchants	Number of <i>Rowannah</i>	Destination	Estimated quantity of salt	Number of Bullocks
Beercoll	Modhun Dutta	630	Anandapur	100	50
Beercoll	„	650	„	300	150

Source: N. K. Sinha, *Midnapore Salt Paper*, 1954, p.46

The salt produced in the *parganahs* (cluster of villages) of Beerkul, Balsai, Mirgodha, Kakra Chouro and Lumpree was dispatched to the *golahs* of Calcutta.⁷⁹ Salt was also transported towards Patna from Anandapur.⁸⁰ But subsequently the salt produced from *parganahs* was directly transported to patna with the help of *rowannahs*:

⁷⁹ W.K. Firmingar, *Bengal District Records: Midnapur, Vol.-2, 1768-1770, 1915, pp. 25-26*

⁸⁰ *Ibid*, pp. 13 -14

Table No: III.4

Name of Station	Name of the merchant	Number of <i>Rowannah</i>	Destination	Estimated quantity of salt	Number of Bullocks
Beercool	Noollmohan Ghosh	300	Patna	500	250
Beercoll	„	67 (dastuk)	„	1000	500
„	„	1593	„	100	50

Source: N.K. Sinha, *Midnapore Salt Paper*, 1954, p. 46

Following the survey of Renell, the Company built up *golahs* for preservation of salt at Balichauk which was so important in respect of communication. Salt produced at Hijli and Abasdal was go downed at Hijli and Abasdal was godowned at Balichauk. Huge quantity of salt of Hijli was transported to Midnapore, Hoogly, Nadia and the other lower parts of Bengal.⁸¹

In 1772 the Company ensured their absolute authority and later after 1780, various steps of reformation had its impact on salt trading and salt market not only in South West Bengal but also in entire Bengal. At this juncture, salt producing areas were segmented into six agencies.⁸² Of them Tamluk and Hijli were the two big agencies, which belonged to South West Bengal.

⁸¹ Ibid., pp.25-26

⁸² J. E. Colebrook, op.cit, Scheme for Settlement and Distribution of the Salt Mehal, Agreed to by the Committee of Revenue on 7th October 1772, p. 382

Salt produced under the agencies of South West Bengal diverted to different interior routes. The salt traders would collect and accumulate salt in their own warehouses at the entrepots in the salt districts and dispatched those to the wholesale markets, *bazars* (regular markets) and *haats* (periodic markets) in towns and villages and distant wholesale markets. These salt entrepots played a significant role in salt trade. It adjusted the balance of supply and demand of salt, and controlled prices, which were the notable functions of wholesale markets in general.⁸³

As for example, Ghatal was a great market of salt.⁸⁴ It grew and developed on the bank of Shilabati, a tributary of the river Roopnarayan. It was 30 miles away towards the north from Tamluk, It was an important salt distribution centre. Here the salt collected from Tamluk and Hijli was stored by the merchants in their warehouses. Later on the merchants dispatched salt from Ghatal to different places following land routes.⁸⁵ Another important salt distribution center was Amta. From Amta salt was transported to different places of Burdwan.⁸⁶

Accordingly the salt markets were divided into several regional market zones centering these entry pots. A chain of several regional market zones formed larger inter – regional commercial zones.

⁸³ C.A. Bayly, *Rulers, Townsmen and Bazars, North Indian Society in the Age of British Expansion, 1770-1860*, O.U P, 1992, pp. 411-412.

⁸⁴ PCR B, 25th July, 1774, pp. 550-551 Lt. To Acting chief of Provincial Council- from John Forbes salt agent

⁸⁵ N.K Sinha, *op.cit*, 1954, p. 177

⁸⁶ *Ibid*

Table No: III. 5

Commercial Zone	Major Varieties of salt	Minor Distribution Markets	Business basis of major whole sale Merchants'	Major Castes of Merchants
South West Bengal, upper portion of Bengal & Bihar	Hijli & Tamluk	Ghatal, Anandapur, Amta, Kalna, Katwa Patna	Calcutta (Hat-khola, Chitpur) Kalna, Market places along with Hooghly.	Bengali, Teli, Sodgope, Tambuli, etc. Bihari, Kalwar etc.
Midnapore & Westward	Hijli & Tamluk	Balichauk, Kashi	Kashigunge, Midnapore District	Teli

Source: Sayako Konda Family, Caste and Beyond: The Management Techniques of Bengal Salt Merchants, c.1780-1840, International Economic History Congress 21-25 August, 2006, Helsinki, p.24

III. 4: Private Trade in South West Bengal

In spite of the prohibition imposed on the Europeans in respect of salt trading, they personally took part in this trade anonymously since the period of pre-*Plassey* war and during the post-war phase. The native merchants had to face the increasing rivalry-of the British private traders. The British private traders claimed to be free from all types of taxes as per the order of the '*Badshah*' or Emperor in 1717. However, it was supposed that in reality they had paid up taxes or revenues to the emperor in addition to the tax levied by the Company's government.⁸⁷

The Company did not participate in the salt trade before the *Plassey* war. As a result, the private traders had to suffer a lot in case of their failure to comply with the *Nawab*.⁸⁸ In the destined period of time, the British personnel used to handle business. They did so under the supervision of the Company's' department or the name of the Muslims to derive tax relief.⁸⁹ At that time, the private traders virtually played the role of wholesale traders. They were involved in illegal salt trading. In a bid to stop such illegal trading the *Nawab* felt compelled to check the speed of the Company's trading network by seizing the Company's boats at different spots. In spite of that the private or personal trading could not be stopped.

After the *Plassey* war (1757), a number of facilities were granted by the *Nawab* in favor of the Company and as such normalcy in salt trading was restored. The British private traders were granted special privileges. Consequently, the traditional native traders

⁸⁷ Balai Barui, op.cit, 1985, p.13

⁸⁸ P. J. Marshal, op.cit, 1976, p.111

⁸⁹ Ibid

gradually started going out of the orbit of profitable salt trading. After the war, the political agenda of the Company helped the private traders to restore and re-establish their authority and control. The private traders sought for freedom from government customs and duties and they wanted to regulate the salt- producers in exchange of a huge amount to advance payments.⁹⁰

As per treaty signed and executed by Vansitart and Mir Qasim at Munger in 1763, it was decided that tax would be levied on salt-transportation. As per the proposal, the British private traders would pay taxes at the rate of 9%. But ‘Calcutta Council’ refused to abide by the terms and conditions as laid down in the treaty. In July of 1763, Mir Zafar having come to the helm of administrative power, the British private traders agreed to pay taxes in tune with the tax-rate fixed up for the Muslim traders. In that case, they were permitted to pay taxes at the rate of 2.5%. However the Company officials were successful to bring the transportation of goods under the control of the Company’s departments.⁹¹

In 1765, the attainments of civil power in favor of them the Company’ opened flood-gates of privileges for the private traders towards spreading the network of salt trading. The Company sent new administrative personnel’s to the places which were under the management and control of the civil servants. In that areas the civil servants without wasting time organized personal trading of their own. In that sense, the proliferation of the Company’s administration was synonymous with the expansion of private trade.⁹²

⁹⁰ Ibid ,p.112

⁹¹ Balai Barui, op.cit, 1985, p.13

⁹² P. J. Marshal, op.cit, 1976, p.114

In 1763, the exemption of duties, as initiated by Mir Zafar, enabled the private traders more special facilities to their Indian counterparts. The senior civil servants took resort to large- scale investment in salt trading. They set up factories in different places.

Table No: III.6

<i>Parganah</i>	Number of <i>Khalaries</i>	By whom worked
Moynachoura	137	Mr.Hugh Watts
Dantamuta	15	Talukdars
Birkul	262	Mr.Hugh Watts
„	288	Major Stibbert
„	50	Mr.Lane
Balasi	83.1/4	Mr.Hugh Watts
„	27	Mr.John Stone
„	17	Sam Dutt
Mirgoda	118	Mr.Hugh Watts
Kakrachar	14.3/4	Mr.Hugh Watts
Sabang	137.1/4	Talukdar,Mr. Watts
„	187	Mr.Jhonstone
Total;	1,336.1/4	

Source: J.C. Price, Notes on the History of Midnapore, Calcutta, 1876, Vol.1, p. 179

Besides, the intimidating and unauthorized conduct of the private traders and their *gomastahs* left a far-reaching influence on native salt trading.

Previously independent native traders were associated with the production and distribution of salt and the local *zamindars* had control over it. But they lost their hold bit by bit. The traditional system broke down under the pressure of the changing scenario. In the new system, the private traders, *gomastahs* sold their commodity not only in Calcutta but also in entire Bengal. Salt was transported to the Company's factories or any other places which seemed to be profitable to them. During the tenure of Vansittart many Europeans got involved in salt trading and the extent of their salt transportation had been increasing day by day.

The private traders as well as their *gomastahs* adopted special technique in regard to the management of salt trading. Firstly, they set up factories to take hold of business in their own hand over certain areas. They founded factories on the basis of the commercial activities of adjoining areas. As such, the transportation of salt to neighboring areas of a province proved to be convenient to them. The private traders ultimately refused to pay taxes over salt trading. They misused the power entrusted to them. The *Nawab* made the Governor aware of the attitude of the private traders and *gomastahs*. But there was no remedy to rectify the wrongs ever after the war of *Plassey* (1757).

But with the establishment of Society of Trade in 1765 the status of the Bengali traders underwent a change to some extent. The Society pledged to supply salt to the natives rather at a low price. The Company approved two-type system of salt distribution. Firstly, Calcutta-based traders purchased salt through auction. Outside Calcutta all over Bengal salt was transmitted to Anandapur, Ghatal and Kanchnagar,⁹³ where the European

⁹³ Firminger, Bengal District Records, : Midnapur, 1763-1767, 1914, p 59

agents of the Company were entrusted with the job of selling salt to the naïve traders, as for example, John Graham appointed a *gomostah* named Gadadhar Halder at Anandapur salt – *golah* (centre) for collection and distribution of salt.⁹⁴ The ‘Committee of Trade’ had issued instructions to this effect that Kashinath, Gokul Shah, Kushal Chand, Gobinda Sil, who were ‘*gomostahs*’, would have to maintain the supply line by selling salt from Anandapur *golah*.⁹⁵

The Society fixed up the price of salt at two levels – firstly, when the Society sold salt to the native traders and the native traders sold it to the consumers. Outside Calcutta, the European agents of the Company were authorized to dispose of salt at a rate of 15% less of the average price.⁹⁶ The traders purchased salt at the rate of rupees 200/- per hundred *maunds* and then sold it to the common consumer at the rupees 230/-. If the traders sell the salt collected from the Company at that place, they could earn 15% profit or if they could sell salt distant places, they would earn 17.5 profits.⁹⁷ In the distribution system regulated by the Company, salt was sold at a high rate as a result of which the native traders lost interest in that process. They had to face odd hours. The native merchants sharply reacting to the price fixed up by the Company refrained from procuring salt from Anandapur, even though they would come there from upper areas of the country.⁹⁸

The Company did not restrict its interference only in selling salt at a fixed price. They kept a strict vigil over the sale of salt in open market. If the traders were found selling salt at a single farthing higher than the fixed rate, their salt was not only seized but

⁹⁴ Ibid, p.47

⁹⁵ Ibid, 1767-70, pp. 20

⁹⁶ P.J. Marshal, op.cit, 1976, p 132.

⁹⁷ Select Committee of Revenue Processing’s, Vol. 2, 15th August, 1766, p. 137

⁹⁸ W.K. Firminger, op.cit, 1914, p. 47

they were compelled to pay compensation of rupees. 100/- per one hundred *maunds* of salt. 50% of the compensation would go the pocket of the informer and the rest 50% would go to government fund.⁹⁹

Although the abolition of Society was officially announced in November 1767, its network of service continued up to November 1768. In November, 1768 the Company's government banned the Company's servants, free merchants and all European agents from taking part in salt trading. It was proclaimed that hence forth salt would be produced by Indians and the Indian merchants would sell it. Salt trading was thus declared as an open trade for the native merchants so long the Company's servants were well –placed in different factories and residencies. But in the areas like Midnapore and Burdwan, the Company staff did not intend to give up lucrative salt trading. Their participation still remained uninterrupted under the names of native traders.¹⁰⁰

In and around 1775, low price type of salt having been imported from Orissa and Madras, the Europeans renounced salt trading from 1780 onwards. The ban relating to the participation of the Europeans in salt trading was finally made effective during the years 1772 and 1773.¹⁰¹

III.5: Native Salt Merchants of South West Bengal

Even before 1757 the European private traders were engaged in salt trading. They operated their trade in the name of indigenous merchants. In a word it can be said that at that period of time the monopoly over salt trade was in the clutches of indigenous merchants. The political changes in the 1760s led to the establishment of the East India

⁹⁹ Select Committee of Revenue Proceedings, Vol.2, 3rd September, 1766, p. 204

¹⁰⁰ P.J. Mashall, op.cit,1976, p 142

¹⁰¹ Ibid, p.143

Company's monopoly over salt trade and by phases the capitalist interest of the British Raj developed monopoly over the system of salt production. From 1760 to the beginning of 1770 the private traders and the servants of the East India Company operated salt trade. In that period in spite of losing of their monopoly over salt the local traders operated salt trading with the Europeans. It is cited in the chart below. (III.7)

Table No: III. 7

Year	Name of the Merchants	Quantity purchased	Quantity contracted for	Place of manufacture
1768	Lokenath Nandi	2,00,022	-	Hijli
1768	Anadiram Naik	2,34,415	-	„
1768	Sridhar Saha	90,750	-	„
1772	Kashnath Sen	1,74,820	-	Hijli, Sujanmota Tamluk
1772	Ghanashyam Sarkar	80,572	-	„
1772	Sridhar Saha	1,65,600	-	Hijli, Sujanmute
1773	Sridhar Saha	1,65,600	-	Hijli, Sujanmuta
1773	Loknath Nandi	62,444	-	Sujanmuta Hijli
1773	Arup Narayan & Narrain Chand	62,976	-	Mahisadai
1775	„	126,482	-	„

Sources: [Comptrolling Committee of Revenue Progs, Vol. 2 , 25th April, 1771, P. 130, Progs of the Revenue Board Consisting of the Whole Council, Vol. 8, Part 1, 19th November, 1773, Calcutta Committee of Revenue, Progs , Vol-2, Part 1, 2nd March, 1774 , Progs. Vol-6, Part -3, 22nd May, 1775 Consult No. 3]

The following statistic shows the quantity of salt purchased by the *Bengalee* traders:

Table No: III 8

Year	Amount	Place of Manufacture
1772	1,50,000	Mahisadal
1772	16,02,743	Hijli
1772	1,16,596	Sujamuta
1772	3,18,596	Tamluk
1773	2,54,712	Mahisadal
1773	3,49,650	Hijli
1773	71,344	Tamluk
1775	3,79,430	Mahisadal

Sources: .Progs. of the Revenue Board Consisting of the Whole Council, Vol.2, 6th May 1774, Consultn.no.5, Vol.8, Part1, 19th November, 1773, Progs.Nos. 1A, 2B, 4D; Calcutta Committee of Revenue Progs, Vol..2, Part1, 2nd March, 1774; Progs. Vol.9, Part II, 1776, Appendix; Vol..6 ,part 111, 22nd May, 1775, Consultn.No.3.

As per the system introduced in 1772, salt producing land was given on lease contract to the affluent persons of Calcutta and other big cities, replacing the authority of the *zamindars*. Again, they would give the lands to the *kutkindar* on contractual lease for five years. *Kutkindars* were erstwhile *zamindars*. With the increase of taxes, it became evident in most cases that the lease holders and *kutkindars* had to borrow money at a high rate of interest from a typical class of money lenders to pay the dues of the government. Starting from the *malangis* to the contractual lease holders, were under the grip of the typical money lenders.

Problems cropped up due to the competition among the English private traders and the native traders, in connection with the supply of salt. The fact becomes more evident from the following statistical report:

Table No: III.9

Name of the Merchants	Quantity of Deficit salt	Areas following in deficit
Gokul Ghosal	3,38,349	Hijli Tamluk
Kashinath Sen	24,992	Tamluk, Jalamuta
Shyam Charran Dutta	49233	Mahisadal

Sources: Revenue Board of the Consisting of the Whole Council, Vol-6, 30th July, 1773, Prog. NO 1927, July, 1773, Prog No -16, 3rd August, 1773 Prog No 9

The steward (*dewan*) of Midnapore compelled the salt buyers to buy salt from his stock. As such, Bostom Das Sarkar as a representative of the traders lodged a complaint. Bipra Prasad Roy was the steward of Midnapore. He banned the sale of other person's salt. Mr Arcideckim had the permission of selling salt from Hijili only. Yet he threatened the native traders and transported huge quantities of salt to Moyna for sale.¹⁰²

The giant traders used to supply salt to their subordinate traders and dealers in chain system. There were certain limitations to this chain system. If any trader failed to procure adequate quantities of salt, the entire chain broke down. The failure of supply line created a crisis. All traders, irrespective of the giant and petty traders borrowed money from the creditors at a high rate of interest. Their failure to supply sufficient quantities of

¹⁰² Balai Barui, op.cit, 1985, pp.119-120

salt led to their failure to remit the entire amount to the creditors.¹⁰³ The giant traders always- employed agents and *gomostahs* to control their trade – chain in different zones.

As a remedial measure in regard to the problem of the supply of salt, the traders were asked to advance 1/7th of price to the *Zamindars* of Beercool, Balsai, Mirgoda at the time of signing a contract for dispatching salt to Midnapore, For, in the previous year they could not supply even the 50% of salt which was a breach of contract. So for the current year for getting adequate supply of salt it was made mandatory to give advance payments to the *malangis* through the collectors of the salt agents. It was also formulated that a receipt of agreement was too signed for ensuring the supply of salt from the *malangis*. Salt manufacturing at Moynachoura was under the care and control of a tax collector. He made arrangements for advance payments to the *malangis* and also took a receipt of agreement from them. And that receipt was handed over to the salt agents. The same procedure advance payment was made by the *Zamindars* at Kakarchor. ¹⁰⁴The advance payment made for the current session:

Table No: III. 10

<i>Parganah</i>	Amount
Account of Beercool	<i>Sicca</i> Rupees 478476
Account of Lamprey	11,63128
Account of Balsay	1435,5,6
Account of Meergodha	1339,1,6
To the <i>Zamindar</i> of Caerachour	478,7,2
To the <i>Zamindar</i> Mynachoura	2250

Source: Provincial Council of Burdwan 25th August 1774, p. 887

¹⁰³ Calcutta Committee of Revenue Proceedings, Vol. 14, Part 3, 10th October 1776, Prog. No 24

¹⁰⁴ PCR., 25th August, 1774, pp. 886-87

In 1772, absolute monopoly in salt trading enhanced the revenue of the Company. Main feature of salt trading was high price policy, through which the Company kept up control over salt production. And the entire quantity of manufactured salt was distributed through an auction sale. And it was made possible through a collective effort of the Company and larger section of the salt buyers. A large scale of traders purchased salt by taking part in auction and keeping up the market price as usual. Following this trend, a new merchant class emerged and they came to be known as purchaser cum merchants and purchaser cum speculators. Most of the purchaser cum speculators were Calcutta-based traders. They were well known as gold merchants (*subarna banik*). They had been well established in the field trade and commerce. They were also well acquainted as 'Banking Communities'. Some of them were Brahmins and *Kayasthas* who belonged to the higher strata of the society. They had little interest in interior salt trading.¹⁰⁵

The Company intervened into the matters relating to intra- trading and market price. According to Sudipta Sen the most important thing was 'a permanent settlement of market places'. During the late eighteenth century adopting a number of reformative steps, the Company segregated the hold of the *zamindars* and other benefit-seekers and strengthened its solid hold over the market by giving it the status of public property. This system not only captured the productive areas through the establishment of the middle man's right, but also extended the public marketplaces and activated the traders. In this way the Company proliferated its exclusive control over internal market.¹⁰⁶

¹⁰⁵ Sayako Konda, Merchants, Institution and Market, Changes Salt Trade in Early Colonial Bengal, Discussion Paper08-02, Graduate School of Economics and Osaka School of International Public Policy (OSIPP), Osaka University, Toyonaka, Osaka 560-0043, Japan, p 8

¹⁰⁶ Rajat Dutta, op.cit, 2000, pp 200-206

Quite in keeping with the spirit of the native markets there emerged a new class of traders. In the sphere of salt trading, these burgeoning traders were actually the giant businessmen. These merchants who participated in inter regional market were Hindus and they were 'rages to riches'. In the newly created perspective of the latter half of the 18th century, such traders reaped a huge benefit. But the purchaser cum speculator and purchaser cum merchants were exceptional. They exported salt to the lower rung of society such as *Teli, Tambli, Basak, Saha* (Shuti Particularly to *Teli* and *Saha* people).¹⁰⁷ However, the two types of purchasers of salt were different in respect of their social existence.

The traders exported salt in the zone of interior trading, thus they exerted their aristocratic influence on the local markets. Of the most influentials, mention may be made of the Pal and *Chowdhury* whose business network spread all over entire Bengal crossing the boundary of South West Bengal.¹⁰⁸ They had their godowns in different places such as Dhaka, Sirajgunj including Tamluk and Rosulpur, They dealt in grain, sugar, ghee side by side with salt.¹⁰⁹ Some example Kanta Banbu, Gokul Ghosal Joynarayan Ghosal and many others¹¹⁰ whose business network spread all over entire Bengal crossing the boundary of South West Bengal. Moreover, the major purchasers who purchased salt through auction

¹⁰⁷ S.C. Nandy, *Life and Times of Contoo Baboo: The banian of Warren Hastings*, Vol.1, Bombay,1978, pp. 23 -24

¹⁰⁸ Sayoko Miki (Kanda), *Merchants, Markets and the Monopoly of the East India Company :The Salt Trade in Bengal, c 1790-1836*, Ph. D thesis, University of London, 2005

¹⁰⁹ Balai Barui, op.cit, 1985, p.133

¹¹⁰ Rahman Mursida Bintey, *Banians in the Bengal Economy: 18th and 19thCentury(Historical Perspective)* M. Phil Thesis, University of Dhaka, 2013, pp-30-31

were Thakur Das Nandi, Ramram Ghosh, Kritichand Sau, Laxmikanta De, Jagannath Pramanik, Sambhunath Pal, Sitaram Behara etc.¹¹¹

In 1780 a new system evolved and it came to be known as Agency System. It was in 1786 periodic auction sale was introduced which brought about a change over the traditional trading system. After 1780, the Company started controlling salt trading directly with its paid agents.¹¹² As such, the traders did not have any inroad to the production area. The Company sold salt to the wholesale traders through auction sale. The way that was followed in the new agency system for salt distribution was very intricate. Various types of traders like *dhuriation* and *bhanga* emerged during this period. As a result, periodic auction sale system invited an unprecedented situation in the salt market of South West Bengal. Both in same rural and urban areas the distribution of salt was at the hands of the agents. A chain system was there in the procedure of salt distribution. The *dhuratia* merchants purchased salt following govt. auction and sold it to the *bhanga* traders. But a part of the *bhanga* traders also participated in the auction sale. Again the *bhanga* traders sold their salt to the '*paikars*' (Wholesale) the '*paikars*' distributed salt in local areas. They delivered salt to the grocers and the shopkeepers from where common people procured it. The *paikars* who obtained salt from the *bhanga* traders were of two categories.¹¹³

The '*paikars*' that belonged to the first category were independent dealers. They purchased salt from the first and second grade *bhanga* traders on cash payments. The '*paikars*' (Wholesale buyers) that belonged to the second category managed their business

¹¹¹ B. Ghosh & S.K Bose , West Bengal District Record new series, Midnapore Correspondence of the Salt Districts Tamluk Salt Division , letter received, Calcutta, 1974, pp. 77-78

¹¹² PCR, 15th October, 1781 No. 29, p.202

¹¹³ B.Ghosh & S.K Bose , West Bengal District Record new series, Midnapore Correspondence of the Salt Districts Tamluk Salt division , letter received, Calcutta, 1974, pp 127-128

by taking salt from the third grade *bhanga* traders on credit. Those *bhanga* traders took delivery of salt on credit from *dhuratia* merchants. Subsequently, the second category of *paikars* and third category of *bhanga* traders reached a state of immense prosperity. The second class *dhuratia* merchants emerged as rivals to the first category of *dhuratia* merchants. Taking advantage of credit facility, the second category of *paikars* exchanged grain, sugar, cotton etc. with the second grade *dhanga* traders.¹¹⁴

Both types of '*paikars*' (Wholesale trader) had some common characteristics. Apart from salt, they dealt in other commodities. They had their own warehouses. From there they sold salt to the grocers or shop-keepers. They had also bullock-carts or boats of their own. They also hired those vehicles whenever they needed. They did not sell salt as retailers. Their sphere of control centered round local levels. They obtained salt from the local *bhanga* traders and stockpiled in their own godowns. There that salt was sold in the local markets or in other neighboring places. They also supplied 'muddies' or '*faries*'. Besides salt they dealt in grain, sugar, cotton and silk.

In the second half of the eighteenth century the *banians*, the speculators and the indigenous merchants faced a crisis in the neo political and economic situation under the Company. Those who dealt in grain and other crops also suffered from it. In this period some new classes of traders operated and their domination over markets continued for subsequent period of time. The physical division was indicative of social differences among the Bengali merchants- customs, languages, appearances, and values as well as castes. The Company's governance, too, was not free from the changes within the indigenous system of monopoly, which the mutual dependency between the Company and

¹¹⁴ Ibid

Calcutta large purchasers were finally dissolved. Towards the end of the eighteenth century a co-ordination took place between the states and the merchants. Importantly, the changes in the indigenous economy influenced the Company's policy

III.6: Smuggling of Salt and its Prevention in South West Bengal

During the period under discussion, for the British supremacy in salt trading, *malangis*, *zamindars*, traders, *paikars* and also consumers collectively got entangled into the smuggling of salt. The *malangis* were induced to hand over salt to the smugglers in a clandestine manner to make up the shortfall of their meager salary. The *zamindars* in their own interest gave safety to the illegal producers of salt. Besides, the *paikars* did not intend to incur any loss. Rather they always anticipated extra income. In the same way, the consumers wanted to get salt at a reduced rate and that could be made possible only through smuggled salt. Corruption of the native officers and their consent created a scope of salt smuggling.

The scarcity and irregular supply of legal salt led to the emergence of unlawful trading of salt. The secret understanding among the *malangis*, *paikars* and the *gomastas* of the *chowki* were the backbone of this salt smuggling. The *darogas* of *chowkies* accepted bribe in cash and kind and helped the smugglers. The *darogas* did not receive the bribe directly; their *chapasishs* did it for their master.¹¹⁵

Before the annexation of Orissa under the British Company in 1803, the salt of Orissa was smuggled extensively through Balasore region and Maratha salt from the

¹¹⁵ B.Ghosh & S.K Bose, op.cit, Calcutta, 1974, p.146

Maratha enclosures within the British territory.¹¹⁶The Maratha district; east of the river Subearna Rekha, Patashpur, Kamarda, Bogri and other part produced a considerable quantity of salt which was known as Maratha Salt.¹¹⁷Patashpur, the largest of the Maratha conclaves within the Company's territory, was on the border of Midnapore proper and twenty miles north east of Danton. ¹¹⁸In land smuggling was mainly carried on in the salt produced at Patashpur . From Janpur to Piply, Maratha salt could easily be carried across the river into the Company's territory and this salt was smuggled through the western jungle.

It has been mentioned earlier that from the Maratha regulated regions, salt was regularly smuggled to Midnapore . It was seen that the Society did not think of selling salt at a low price from Anandapur. But the traders of Patna having delivered salt at a low price at Patna and other adjoining areas, the society seemed to incur financial loss. The traders went to Busta through the jungle routs and collected salt at a low price .Then they reached Patna region where the customers could obtain salt at a cheap rate. In the letter found from the custody of Mr. Marriott, he mentioned that a number of traders came with 2000 bullock- carts to collect salt from Busta in the district of Maratha.¹¹⁹ So the Company faced the challenge of selling salt at a low price to keep parity with the lower rate of the traders. Under this perspective the committee instructed the Resident to keep strict vigil on the traders in order to stop illicit trading of salt at Busta. It was instructed that the traders engaged in illicit salt trading must be charged with tax of a higher slab.¹²⁰Moyna and

¹¹⁶ N.K. Sinha, *op.cit*,1954, p.21

¹¹⁷ Ibid, p.20

¹¹⁸ Ibid, p. 213

¹¹⁹ W. K.Firminger, *Midnapore District Records*, 1763-1767, 1914, pp.49-50

¹²⁰ Ibid, 1767-70,1915, pp. 13-16

Sabong, two *parganahs* of Tamluk were the chief centers of smuggling.¹²¹ Birkul, Sibpur and Kalipur were also important stations for smuggling.¹²²

Various preventive measures were introduced to suppress illicit production and smuggling that was caused and stimulated by the Company began in 1772. As a result, the market was rather converged in Bengal and Bihar; varieties of salt were restricted; and the strict control of supply and the high price of salt created a market for illicit salt, which became an integral part of salt markets.¹²³

After words at the end of May, 1774, Thon Forbes, kept himself stationed together with a peon and *gomostah* in order to stop smuggling of salt over the areas from *Modalghat Parganah* to Ghatal. He stayed at Ghatal for two days. He realized that huge quantities of salt were smuggling via Ghatal. So he instructed his *gomostahs* of *Amta* and Ghatal that if there be any illicit transportation, the entire stock be seized forthwith.¹²⁴ It is evident from the petition submitted by Gouzadar Roy and Raghunath Roy that as many as 14 boats transporting old as well as new salt secretly without paying duty were seized at Tamluk.¹²⁵

The smuggling of salt was an evil of a serious magnitude; the large volume of illicit trade in salt seriously affected the Company's revenue. To prevent illicit manufacture and

¹²¹ N.K.Sniha, op.cit, 1954, p.23.

¹²² Balai Barui, op.cit, 1985, p. 149.

¹²³ Sayako Kanda, '*Energy in Indigenous industries : Re- Considering the decline of the salt Industry in Mid Nineteenth Century Bengal* ', Keio University Market quality research project, Discussion Paper Series DP2006-25 (February 2007)

¹²⁴ Provincial Council of Burdwan 25th July 1774, pp. 550-551, Lt. from John Forbes (Salt Agent) to Acting Chief of Provincial Council of Revenue at Burdwan

¹²⁵ Revenue Department Governor General in Council (RDGGC), 1st September 1775, pp. 34-35.

trade of salt, the government took some legal measures, established *chowkies* and opened retail shops in the manufacturing localities.

To stop smuggling of salt it is enacted that any type of salt transportation either through boats or bullock carts, the transporting vehicles must be numbered and they must bear the names of the owners of salt and must be signed by the Resident or Governor General. Otherwise no salt can be transported.¹²⁶

At the end of December, 1777 Mr. Archid re- sold sun –prepared salt from Rashulghat to Balaram Sarkar and he had been doing so for the last five years. But no one took part in action here. He had sold salt at the Rs.40/- per one hundred *maunds* inclusive of duty charges. Of now he did not waste time for selling salt to the tune of 12000 *maunds* to the waiting buyers but demanded payment of *rowannah*.¹²⁷

The Company's government took initiative against illegal salt production and its trade and set up *chowkies* in South West Bengal as well as entire Bengal.¹²⁸ But smuggling of salt could not be prevented entirely. It has been discussed in the chapter on *sair* regulation .The Assistant Controller instructed the agents on 22th June, 1789 to monitor the smuggling of salt at every *hoodas* under the *chowkies* and to seize the illegal salt .¹²⁹ To stop smuggling of salt, retail shops were established in the large public markets.

¹²⁶ PCR.B., 16th April, 1776, p. 235.

¹²⁷ Provincial Council of Revenue Calcutta , 3rd March, 1777 , p. 549-50

¹²⁸ P.C.R.B, 16th April, 1776, pp.- 232 -37

¹²⁹ N.K Sinha, op.cit,1954, P. 15

Table No: III.11

Salt Preventive Superintendence's in which salt was sold by retail.	Retail Limits	Site of the Retail Shop
Tamluk	The whole superintendence which was Co- extensive within the salt agency of	Dorru , Gumgur, Auruna nagar Jalamutta
Hijili	The whole superintendence which included the Hijili Salt Agency excepting <i>chowkies</i> at Gopiballavpur and Kulbari	Sibpur , Jalesore , Contai , Trika , Gobindapur , Chowmukha , Eranch , Baharimutla

Source: Parliamentary Papers Vol. 26, 1856s, Report from Commissioners, Appendix C, No. 6, P. 507, See Balai Barui, op.cit, p.156

The reformative measures taken by the Company affected the salt trading greatly. The Company had also taken to control the supply of salt under them. They restricted the production of salt in the same district in the coastal areas of the Bay of Bengal. Rather it was classified in to agencies. Among the two main agencies were Tamluk and Hijili in South West Bengal. The tradition of salt import privately was restricted. It also restricted the salt transport in North India. But it was the tradition since the pre- British period.. On

the other hand importing of foreign salt was introduced via Karamondal and coastal areas of Orissa.

In the destined period the owners of the cultivated land and *khalaries* produced salt. They bore the entire expenses of salt production themselves and dealt in salt. But the condition of *malangies* was very miserable – as they had to depend financially on the land holders, salt contractors and also on the salt agency officers. The abolition of the *ajoor* system could not offer them better financial condition. They had to bear the financial burden imposed on them by the land holders. They took the *khalaries* from them on short term lease. They had to arrange the daily and seasonal labourers, buy implements and fuel for salt production. For their own subsistence they had to take debt from the Agency and money lenders.

The annexation of Orissa under the British Company was in 1803. It was a crucial time in the history of production and distribution of salt of South West Bengal. The Company's government succeeded in eliminating the land holders, *zamindars* and also the intermediaries. The salt labourers and *ajoor malangies*, were converted into *thika malangies* in 1794.¹³⁰ They worked in the *khalaries* on daily-wage basis. They took advanced from the agents through the *darogas* in the off-season and they were responsible for the delivery of salt on the basis of contract in the stipulated time. In the trading sector after the conquest of Orissa, a large amount of Orissa salt was imported to Bengal. As a result, the smuggling of salt was temporarily intermitted.

¹³⁰ Binod Sankar Das, *Changing Profile of South West Bengal*, Kolkata, 2013, p.202