CHAPTER IV

MUGHAL SYSTEM OF TAXATION AND THE ENGLISH TRADE

The importance of levying various taxes lies in its impact on the rate and direction of economic development of a country. It determines the quantum of trade and the rate of growth of economic forces in the country. At present, to trace the history of the development of trade and commerce in India during the seventeenth century it could be worthwhile to study the system of taxation on trade under the Mughals.

Apart from the land, a great amount of state revenue came from port-customs, mints, tolls and other duties levied by the Mughal government. In 1571, the custom revenue of twenty-two ports in Gujarat was above Rs. 34,00,000. Abul Fazl notes that the revenue

1 Mirat, p. 14. Abul Fazl says that during the reign of Akbar the Subah of Gujarat remitted the port-customs amounting to 1,62,028 mahunia (Rs. 64,811.5) from its thirteen ports (Ain, II, (tr.), p. 237. M.N. Pearson is doubtful of Ain’s figures for Abul Fazl, according to him, was little interested in these figures, (M.N. Pearson, Merchants and Rulers in Gujarat, Delhi, 1976, p. 24). The port-customs, infact, went on increa-
derived from transit duties "... equalled the revenue of a whole country." 2 Manucci, who visited India during the second half of the seventeenth century, also informs us that "... the sea-portes also yield him (the Mughal emperor) a large revenue; among them are those Sindi, Bharoch, Surat, and Kambaya, Surat alone brings him in usually thirty lacs, besides the eleven lacs derived from the profit on new coins struck there..." 3

It is in the context of the significance of port-customs etc. that this chapter seeks to study the nature and incidence of various taxes and tolls levied on trade by the Mughal rulers, and their impact on trade.

1 Rates of Custom Duty on Imports and Exports:

One of the important features of the revenue policy of the Mughals was the uniform and moderate rates of custom duty. During the reign of Akbar the port-custom never exceeded 2.50 per cent. 4 Though the duty on goods increased during the seventeenth century, it was still levied at moderate rates. Finch, a traveller, says that in 1609 at the port of Surat the custom duty was charged at the

Cont'd... See No. 1

In 1571-72, as Pearson argues, the custom-revenue of Gujarat was Rs. 40,00,000 (duty at the rate of 5 per cent) while in 1644, the Surat port alone yielded Rs. 2,95,000 (duty at the rate of 2.5 per cent) i.e., equal to one-tenth the value of all Gujarati sea-trade. (Pearson, op.cita, p. 29).


3 N. Manucci, Storia de Mogor, II, p. 417.

rates of 2.5 per cent on goods, 3 per cent on provision and 2 per cent on money. The central administration of the Mughals, no doubt, had favourable attitude towards the foreign merchants throughout the seventeenth century. Sometimes the English merchants did manage to get firmans for free trade in the Empire. The imperial order, however, had little impact on those appointed to carry it out. The local officers from the governor down to the derawar of the chawki in the province regarded the firmans of their masters with supreme indifference and operated all mechanisms in a manner which never failed to yield them some or the other advantage.

In the light of the above, this section seeks to study the fluctuating rates of custom and transit duties and their impact on the developing English trade in Gujarat and Bengal during the seventeenth century. We propose to study the present problem in two parts—first, dealing with the port-custom while the second part deals with sandari (transit dues) and other taxes.

It is evident from the contemporary records that during the seventeenth century the Mughals had adopted a policy of farming out the custom revenue of sea-ports to the governor of the port-town. Sometimes it was also assigned to them for revenue collection, though

5 Finch, Early Travel in India (1583-1619), ed., W. Foster, London, 1921, p. 171.

6 Derca Diaries, p. 98; Master's Diary, II, pp. 21, 23; Hodgson's Diary, I, p. 100.
the duty was to be fixed only by the imperial firman. At the close of Akbar's reign the revenue of Surat port was given out to the brothers of Quli Khan as jama. In the same year the port of Cambay yielding about one lakh of rupees annually, was given as jama to Prince Salim. By a firman issued to Azam Khan the viceroy of Gujarat, the jama of Surat port was granted in jama to Queen with an annual remittance of five lakhs of rupees. The administration of two ports Cambay and Surat, was put under the charge of Muizz-ul-Mulk and Ali Akbar respectively.

When Polaeart visited India, (1620-27), the port-custom was being collected by Mir Jehan Quli Beg for the Emperor. Polaeart, however, remarks that "... formerly they were assigned to various lords as salary; the arrangements has been altered as often as twice or thrice in the year." It might be noted here that during the seventeenth century, in Madras also, the port-revenue was farmed out not to the local authorities but to the English Factors on lease. In 1639, the port-revenue was given to the English Factors for two years by the Nayak and after the collection, the revenue was to be divided between the Nayak and the English Factor. English Factors, however, were not fully exempted from paying of duties; they had to pay half of the usual rate (EFL, 1637-41, pp. xxxix, 157, 184).

8 Hirat, p. 151.
9 Ibid., p. 159.
10 Ibid., p. 193.
11 Ibid., pp. 155, 193.
12 Polaeart, op. cit., p. 42.
In Bengal, the arrangement was quite different from that of Gujarat. From the *English Factory Records* and *Diaries of English Factors* it seems that the port-custom was not assigned to anyone as jangir or ajnem. The revenue was not only collected in the name of the Nawab, but also regulated by his order. We do not have any reference when revenue of ports in Bengal was farmed out.

In 1696, by an imperial firman issued by Shahjahan, it was ordered that "All Governors, Farmers of Rents and of Custom, Captain, Watchman &c.; that the English Company's Goods are, by the Great Emperor's letter, Custom Free over all his Empire...."13 Shaiesta Khan, Nawab of Bengal, not only confirmed these privileges to the English but also gave them further concession in Bengal. That permitted English boats, ships and goods to come from "Balasore to Hugly, Cassimbazar or Patna - custom free, without any demand" by an order of January 1672.14 From these two orders it becomes clear that the Nawabs in Bengal were more autonomous than the governors in Gujarat in matters of administering the custom affairs.

The rates of custom duty at the sea-ports or elsewhere in a province were nominally fixed by the emperor. At the sea-ports the Mughals had not adopted any clear-cut policy; duty on goods was taken at varied rates. From Table 4.1 it becomes clear that the duty on imported silver and gold, either in the form of bullion or coin, was charged at relatively low rates.

### TABLE 4.1

**RATES OF CUSTOM-DUTY ON SILVER AND GOLD AT THE PORTE OF SURAT AND HUGHLY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Port</th>
<th>Rate in %</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>1627</td>
<td>Surat</td>
<td>2.00</td>
<td>Poleeart, op.cit., p. 42.</td>
</tr>
<tr>
<td>April 1630</td>
<td>&quot;</td>
<td>Duty Free</td>
<td>Efi, 1630-33, p. 17.</td>
</tr>
<tr>
<td>1635</td>
<td>&quot;</td>
<td>2.50</td>
<td>Mannuy, op.cit., V, p. 57.</td>
</tr>
<tr>
<td>1638</td>
<td>&quot;</td>
<td>2.00</td>
<td>Mandelen's Travel, p. 9.</td>
</tr>
<tr>
<td>Feb. 1640</td>
<td>&quot;</td>
<td>2.00</td>
<td>Efi, 1637-41, p. 241.</td>
</tr>
<tr>
<td>March 1641</td>
<td>Hughly</td>
<td>12.00</td>
<td>Efi, 1678-84, (NS), III, p. 350.</td>
</tr>
<tr>
<td>1659</td>
<td>Surat</td>
<td>2.00</td>
<td>Efi, 1655-60, p. 244.</td>
</tr>
<tr>
<td>1659</td>
<td>&quot;</td>
<td>2.50 (on all coins)</td>
<td>Ovington, op.cit., p. 192.</td>
</tr>
<tr>
<td>March 1663</td>
<td>&quot;</td>
<td>1.00</td>
<td>Efi, 1661-64, p. 193.</td>
</tr>
<tr>
<td>1665</td>
<td>&quot;</td>
<td>2.00</td>
<td>Tavernier, op.cit., I, p. 7.</td>
</tr>
<tr>
<td>May 1669</td>
<td>Hughly</td>
<td>3.00</td>
<td>Hanrique, op.cit., p. 136.</td>
</tr>
<tr>
<td>Nov. 1677</td>
<td>&quot;</td>
<td>2.00</td>
<td>Decco Dieris, p. 94.</td>
</tr>
<tr>
<td>1679</td>
<td>Surat</td>
<td>3.50</td>
<td>Efi, 1678-84, (NS), III, p. 240.</td>
</tr>
<tr>
<td>Sept. 1682</td>
<td>Hughly</td>
<td>10.00</td>
<td>Hedgen's Diary, II, p. xvii.</td>
</tr>
<tr>
<td>Jan. 1683</td>
<td>&quot;</td>
<td>5.00</td>
<td>Ibid., I, p. 62.</td>
</tr>
<tr>
<td>July 1683</td>
<td>&quot;</td>
<td>3.50</td>
<td>Ibid., p. 101.</td>
</tr>
<tr>
<td>Sept. 1684</td>
<td>Surat</td>
<td>12.00</td>
<td>Efi, 1678-84, (NS), III, p. 350.</td>
</tr>
</tbody>
</table>
In Gujarat the rate of custom duty on imported gold and silver generally fluctuated between 2 and 2.5 per cent. The rate was, however, comparatively low which allowed the influx of silver and gold in the province to a greater extent. This is evident from an English report dated 26th February 1640 - "They find that riels of eight sells at Surat at four per cent; and Venetians nine per cent, dearer than at Raybag. On silver and gold there is a savage of two per cent; at the latter place, 'by' reason was here pay so much custom, which is not thares usual nor required...." The reasons for the sudden increase in the custom duty on gold and silver in 1682 in Bengal and 1684 in Gujarat are unluckily not clear. In Bengal, however, several petitions from the Factors to the Mughal governor resulted in the reduction of the duty to 5 per cent on silver in early 1683. Shortly afterwards it declined to 3.5 per cent. The fate of bullion imported through Surat however is not known to us.

The governor of Bengal also does not appear to have accepted the English petitions for nothing. He had sought to impose government's monopoly over the purchase of English silver in September 1682 when he had prohibited local merchants from buying silver from the English. A merchant caught violating the order could only be released on payment of Rs. 5,000 (sikka) fine and a surety that ".... no Moore nor Genture should serve the English....." If he relented on the

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19 EFL, 1637-41, p. 241. In the quoted passage "..... a savage of two per cent....." may be read as "a savage of two per cent." The term 'savage' means a tax on goods for sale (Habana-Jhapaan, p. 802).

16 Hadcara's Diary, II, p. xvii.
custom duty, he could be expected to have done so on realization of adequate compensation either for himself or for the provincial treasury or both.

However, the arbitrary action of the governor in raising the duty led to the decline in the rupee price of the Spanish dollars, viz., a hundred dollars fetched only Rs. 190 instead of Rs. 208, the usual market rate. 17

<table>
<thead>
<tr>
<th>Year</th>
<th>Silver</th>
<th>%</th>
<th>Gold</th>
<th>%</th>
<th>Merchandise, etc.</th>
<th>%</th>
<th>Total imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1668-69</td>
<td>32,047</td>
<td>21.13</td>
<td>1,04,812</td>
<td>69.12</td>
<td>14,775</td>
<td>9.75</td>
<td>1,51,634</td>
</tr>
<tr>
<td>1677-78</td>
<td>61,259</td>
<td>27.00</td>
<td>1,48,026</td>
<td>65.7</td>
<td>16,650</td>
<td>7.03</td>
<td>2,26,755</td>
</tr>
<tr>
<td>1682-83</td>
<td>1,73,188</td>
<td>64.35</td>
<td>94,317</td>
<td>35.0</td>
<td>1,795</td>
<td>0.65</td>
<td>2,69,300</td>
</tr>
<tr>
<td>1699-1700</td>
<td>1,69,903</td>
<td>94.3</td>
<td>Nil</td>
<td>Nil</td>
<td>10,419</td>
<td>5.7</td>
<td>1,79,322</td>
</tr>
</tbody>
</table>

Source: S. Chaudhuri, op. cit., p. 208.

From Table 4.2 it becomes clear that the import of silver and gold constituted the major part of the total import (which includes merchandise, broad cloth etc.) Susil Chaudhuri has calculated that the value of precious metals was more than ninety per cent of the total value of imports. 18 On the other hand, the table also reveals

17 Ibid.

18 S. Chaudhuri, op. cit., p. 208.
the fact that the silver import to Bengal was increasing while gold was on the decline in terms of percentage of the total imports, so that by the end of the seventeenth century, bullion import consisted exclusively of silver. It may be noted that the import of silver to Bengal in terms of value had really declined during the period of 1668-72, while after 1680 it increased, yet the value of import during 1699-1700 came down from £ 1,75,188 to £ 1,68,903.

In Gujarat the rate of custom duty on silver and gold was high during the last quarter of the seventeenth century. In 1679, Aurangzeb had raised the rate of custom-duty on English silver and gold from 2.00 per cent to 3.50 per cent.19 English factors reported that bullion, particularly gold, could only be sold at a loss. Due to the heavy duty in 1679 gold worth Rs. 50,000 only could be imported to Surat. In the next year, however, the supply of gold was stopped on account of its low price and heavy duties levied at the ports.20

In 1682, the English Factors had to pay customs for their silver and gold at the rate of 12 per cent which was "... more than was ever known."21 With the increase in the rate of custom-duty English merchants, perhaps, thought of improving their trade and mint in Bombay. It was already agreed to have an "... experiment to be tried of sending at least half its shipping next year at Bombay instead of at Swally."22

19 ERI, 1678-84, (NS), III, p. xxix.
20 Ibid., p. 240.
21 Ibid., p. 350.
22 Ibid., pp. 350-51.
From a comparative study of Tables 4.1 and 4.3 it appears that the custom duty at the sea-ports on imported goods other than bullion, was collected more or less at the same rate. Barring a few exceptions the rate of port-custom on imports between 1619 and 1639 was 3.5 per cent, while on bullion it was 2.90 per cent until 1665. But, in March 1620 at the Surat port, the English merchants were subjected to the phenomenal duty of 50 per cent on coral which was being imported from Mocha.23 The fact of the matter, however, was that the custom officers wanted to grab a huge bribe from the English merchants. After a prolonged conversation the coral could only be released on condition that the English would give ".... 1,000 royals of eyght briber to the Governor, 100 ditto royals to the broker and the sale of 2000 maunde leads into the Prince his Warehouse at a ma (hmudi) per maund lease than was ordinary (sold) att and paid custom for....."24

The demand for high custom duty on coral had also been made earlier. On 20th October 1619 at Surat, English Factors reported that the governor in consultation with the leading merchants of the town had prohibited English merchants from selling their coral as the English trade in coral was prejudicial to the imperial treasury.25 From the report it also appears that the governor would have benefited from the increase in the custom duty. On the other hand, the

23 EII, 1658-21, p. 197.
24 Ibid.
<table>
<thead>
<tr>
<th>Year</th>
<th>Port</th>
<th>Rate in %</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>March  1620</td>
<td>&quot;</td>
<td>50.00</td>
<td>EFin. 1618-21, p. 187.</td>
</tr>
<tr>
<td>Aug.  1625</td>
<td>&quot;</td>
<td>5.50</td>
<td>EFin. 1624-22, p. 92.</td>
</tr>
<tr>
<td></td>
<td>&quot;</td>
<td>3.50</td>
<td>Pelleart, op.cit., p. 42.</td>
</tr>
<tr>
<td>1627</td>
<td>&quot;</td>
<td>3.50</td>
<td>Mandelon's Travels, p. 9.</td>
</tr>
<tr>
<td>1639</td>
<td>&quot;</td>
<td>5.00</td>
<td>EFin. 1637-41, p. 103.</td>
</tr>
<tr>
<td>1639</td>
<td>&quot;</td>
<td>2.50 to 4.00</td>
<td>Ibid., p. 113.</td>
</tr>
<tr>
<td>April  1636</td>
<td>Hughly</td>
<td>4.00</td>
<td>EFin. 1635-60, Ill; Master's Diary, II, p. 21.</td>
</tr>
<tr>
<td>Jan.  1664</td>
<td>Surat</td>
<td>2.50</td>
<td>Master's Diary, II, p. 292n.</td>
</tr>
<tr>
<td>March  1665</td>
<td>&quot;</td>
<td>2.00</td>
<td>Ibid., pp. 304-15.</td>
</tr>
<tr>
<td>1665</td>
<td>&quot;</td>
<td>4.00 to 5.00</td>
<td>Tavernier, op.cit., I, p. 7.</td>
</tr>
<tr>
<td>March  1668</td>
<td>&quot;</td>
<td>2.00</td>
<td>EFin. 1668-69, pp. 22, 35.</td>
</tr>
<tr>
<td>Nov.  1676</td>
<td>Hughly</td>
<td>2.00</td>
<td>Master's Diary, I, p. 91.</td>
</tr>
<tr>
<td>1683</td>
<td>&quot;</td>
<td>3.50</td>
<td>Haden's Diary, I, pp. 100-01, 130, 139.</td>
</tr>
<tr>
<td>1684</td>
<td>Surat</td>
<td>3.50</td>
<td>EFin. 1678-84, (NS), III, p. 550.</td>
</tr>
<tr>
<td>1690</td>
<td>&quot;</td>
<td>2.50</td>
<td>Ovington, op.cit., p. 132.</td>
</tr>
</tbody>
</table>

Local merchants also did not suffer much loss, for the English had already imported sufficient quantity of coral from Red Sea and Chris-
tendon. Thus the local merchants tactfully tried to favour the English by helping them escape the payment of heavy duty. On the other hand, they succeeded in breaking the governor's monopoly over the coral trade. In the course of all this, however, the Surat merchants could have bought all the existing stock of coral at the old rates.

In January 1639, at the port of Surat, though the duty was raised from 3.5 per cent to 5 per cent, the rate included all other charges such as brokerage, bribe etc. In 1664, the English merchants got a concession of 1 per cent, on custom duty for one year; this was in return of their assistance to the Mughals to fight against Shivaji (the rate in 1664 was 2.50 per cent.). The concession was applicable on imports only; on exports, however, the English Factors continued to pay 5 per cent duty. But, after one year, in March 1665, the reduction was cut down by a half per cent, so that the English were required to pay a duty of 2 per cent.

We know from the English Factory Records that during the 1660s in Gujarat, the custom rate on import was normally low. But, in Bengal the duty was taken at the rate of 4 per cent from the English gumeshtan, which was relatively high.

26 Ibid., p. 131.
27 EFI, 1637-41, p. 103.
28 Master's Diary, II, p. 292n. See also EFI, 1661-64, p. 315.
29 EFI, 1661-64, p. 315.
31 EFI, 1659-60, p. 111.
Again, from Appendix C Table III it would appear that the Mughals paid great attention to the import of goods. The custom duty on English exports was, no doubt, much higher than the duty on imports. The policy of the Mughals towards levying custom at sea-ports on exports can be studied in three phases - i) Mughal Policies from 1600 to 1640; ii) from 1641 to 1675; and iii) from 1675 to 1700.

First Phase (1600-1640):

A study of Appendix C Table III makes it clear that during the first phase the custom duty on English goods was taken at the rate of 3.50 per cent only. We have references when a duty of 4 per cent was collected on goods at the port of Surat to be exported by the Dutch merchants.32 The fact is that during the first phase the rate of port-custom on exportable goods was never raised. During the reign of Akbar the rate of custom was 2.50 per cent on exports,33 while during Jahangir's time custom was collected at the rate of 3.50 per cent (Appendix C Table III). The increased rate, however, included 1 per cent for 'custom-brokerage'. Thus, there was, in fact, no increase in the custom duty; the actual rate remained 2.50 per cent. There are references when 'custom-brokerage' at the rate of 1 per cent was demanded from the English merchants.34 The 'custom-brokerage' of 1 per cent constituted a half per cent collected from the seller and the other half from the buyer.35

32 Efl, 1637-41, p. 113.
33 Ain, I, (tr.), p. 292. See also Appendix C - Table III.
34 Latt. Rend., IV, p. 551; Efl, 1624-29, pp. 92, 360; Efl, 1637-41, pp. 108, 135-36; Efl, 1646-50, p. 98; Efl, 1661-64, p. 193.
35 Efl, 1646-50, p. 147.
During the early years of his reign, Jahangir had favourable attitude towards the European trade and abolished duties on exportable goods. He himself writes - "Firstly I totally abolished custom and road-taxes. These duties and taxes during the regime of my father, His Late Majeity, amounted to sixteen hundred mounds of gold in Hindi weight which is equivalent to sixteen thousand Iraqi mound. I abolished them for God's creatures." However, available data does not support this statement. The grant of free trade to the English merchants was, in fact, not at all free of custom duties. The fact is that the English Factors had to pay custom duties yearly in lumpsum.

36 Mīrāt, p. 160.

37 In his memoirs, Jahangir writes - "As I had remitted in my dominion custom duties amounting to krora, I abolished also all the transit duties (Bair-Jihet) in Kabul, which is one of the noted town on the road to Hindustan. These brought in 1 krora and 23 lakhs of dams. From the provinces of Kabul and Gandashar large sums used to be derived every year from customs (Zakat), which were in fact the chief revenue of those places. I remitted these ancient dues, a proceeding that greatly benefited the people of Iran and Turan..." (Izuk, I, p. 47).

At another place he informs us that "... It was set forth on the other side that I had done away with the whole of the custom dues and charges of Kabul, .... Upto the time of my accession these were fixed and settled, and every year they took large sum on this account from the servants of God (the Muhammadan people in general). The abolition of this oppression was brought about during my reign." (Izuk, I, pp. 107-08).

From these two quotations it seems that Jahangir had abolished taxes only in Kabul and Gandhar and that only Muslim merchants benefited from this exemption. The author of Mīrāt, Ahmadī also observes the abolition of duties in Gujarat by quoting the same order (Mīrāt, p. 160). It, however, seems that the order for abolition of duties in Gujarat, in fact, did not allow the English merchants to have custom-free trade as they had to pay duties yearly in lumpsum. It may be suggested that, possibly, the order issued to the English allowed them to promote their trade freely in the region and not custom-free trade.
in lieu of duties to be paid on goods at the ports separately. In 1622, English Factors could procure a firman for custom free trade and an arrangement was made by which a sum of 40,000 mahmuds was to be paid yearly in lieu of all custom at Surat both outwards and inwards.\textsuperscript{38} In Bengal also, in the years 1669 and 1670, the English merchants obtained a nizam for free trade on payment of Rs. 3,000 per annum after parting with huge gifts, but they had to pay duty at the rate of 2 per cent.\textsuperscript{39}

Second Phase (1641-1675)

The second phase extending from 1641 to 1675 was the period of monopoly and confusion. In the year 1644, particularly the English merchants had to pay custom duties at exceptionally high rates. In February 1644, a duty of 40 per cent was to be paid on goods brought from Agra while on Ahmedabad goods, custom duty was only 25 per cent.\textsuperscript{40} On goods brought from Broach and Baroda custom duty was levied at the rate of 12 per cent.\textsuperscript{41} In November 1644, Shahjahan reduced the custom duty from 40 to 20 per cent and from 25 to 5 per cent respectively on Agra and Ahmedabad goods; Broach and Baroda goods were exempted from the duty.\textsuperscript{42}

\textsuperscript{38} EFI, 1622-23, p. xxxiii.
\textsuperscript{39} EFI, 1668-69, p. 316; Dacca Diaries, p. 92.
\textsuperscript{40} EFI, 1642-45, p. 160.
\textsuperscript{41} Ibid.
\textsuperscript{42} Ibid., p. 214.
we, however, do not know the reason for this fluctuation in the rate of customs duty. This was, perhaps, an arbitrary decision of the governor. In 1663, English Factors tried to make contracts with the indigenous merchants to supply goods at 5 per cent customs duty. 43

Indeed, the proposal from the English Factors was intended to escape from paying an exorbitant rate as Indian merchants had to pay duty at low rates. Since the local merchants were also trading with Mokha, they were allowed to have 2 per cent concession on clearing English goods in their own names. This way the English merchants thought of saving a greater part of customs duty to be paid at the sea-ports. In February 1663, Mr Oxddon, an English Factor at Surat, made a contract with "Peru Sudderburj" to provide 20,200 pieces of "Dorabundes" and 10,000 of 'marcoles' from Agra at a brokerage of 2 per cent. 44

The Mughals had no clear cut policy regarding the customs administration during 1664-67. From the English Factory Records it appears that during this period the English merchants could secure a concession of a half to 1 per cent of duty on imports, but no concession was given to them on exports; English merchants continued to pay 3 per cent (Appendix C - Table III). Two letters written by the English Factors dated January-March 1665 confirm that Aurangzeb had issued a firman giving a half per cent discount on imports both to the English and the Dutch merchants, which did promote the import of goods into the empire. 45

43 EFl, 1661-64, p. 188.
44 Ibid.; EFl, 1665-67, pp. 15, 263.
45 EFl, 1661-64, pp. 314-19.
On exports, however, Aurangzeb had adopted a very strict policy. On 19th March 1664, an English Factor reported from Surat that the Emperor had ordered to take duty on ships both coming to or leaving Surat port for an Southern Voyage at the rate of one fourth of the product of the goods (i.e., 25 per cent). If the ship did not return with goods then a duty of 12.5 per cent was to be levied. In such cases the custom duty was collected in kind only.

Barring these few examples of extraordinary rise in the rate of custom duty, the Nughals demanded 3 per cent custom duty on exports till 1667 in Gujarat. In June 1667, Aurangzeb had issued a firman whereby English merchants were allowed to pay only 2 per cent custom duty, a concession already granted to the Dutch merchants. From a letter dated 2nd November 1669 written from Surat to the Company, we know that the concession was given both on imports and exports. The fact is further confirmed by the letter dated 27th March 1669 which reads: "... we have given you formerly the whole relation of the success... firman under the great seal for the paying of two per cent export and import of all goods from and to this port of Surat..."

The letter also reveals the fact that 2 per cent duty on

46 Ibid., p. 317.
47 Ibid.
48 Ibid.
49 EFI, 1665-67, pp. 274, 281.
50 Ibid., p. 274n.
51 EFI, 1668-69, p. 35.
goods imported from Combrao, was to be calculated upon the prices of
goods at Combrao. We do not know whether such arrangement was
made on goods imported from other places or not.

The English Factory Records pertaining to Gujarat region do not
give any information on the rates of custom duty for the period 1669
to 1674. Only in January 1673, John Fryer, a traveller, says that Sir
George Oxenden, an English factor at Surat had enjoyed an abatement
on custom, at the rate of 2.5 per cent till his death (1679), which
was given to the English for assisting the Mughals during Shivaji's
attack on Surat. It appears that till 1674 English had to pay duty
at the rate of 2.5 per cent on their export.

The rate in Bengal fluctuated between 4 per cent and 5 per cent
(Appendix C Table III). In April 1650 and May 1659 at Hugli port,
English factors paid duty on exports at the rate of 4 per cent while
in October 1659 and November 1659 at Balasore port English had to pay
duty at 4 and 5 per cent respectively.

The high rates of duty in Bengal was, no doubt, the result of
monopolistic control of Mughal officials. In some cases the high
rates of custom duty was just to force the English merchants to have
their trade in the region on arbitrary terms with the local officials.

By nishan issued in April 1656, Shah Shuja granted the English custom-

52 Ibid., p. 22.
53 Fryer, op. cit. I, p. 222.
free trade in Bengal on terms that the English would sell their goods at governor's rates. The nizam not only forbade the local merchants to deal with the English but instructions were also given to the port-officer to take 4 per cent duty on "all goods imported and exported" if the English had any deal with the local merchants. In another case, on 19th October 1659, Mir Jumla had not only instructed to levy a duty of 4 per cent on English exports at Balasore port but also to stop English trade in saltpetre in the province. This was, perhaps, another step to compel the English factors to sell their goods at governor's price. After one month on 23 November 1659, the officials at Balasore announced to take 5 per cent custom on all goods to be exported. It was, it seems, the intention of the Balasore official to take 1 per cent for his own purse.

Another letter dated 20th October 1669 written from Balasore explains that the firman of Aurangzab allowed the English factors to pay only 2 per cent duty on export but Shaista Khan, governor of Bengal kept on demanding custom at his own rate. This can further be confirmed by the letter dated 28th May 1669 written from Hughly - "the presents offered by the English to the Nawab had induced him to forgo his intention of obliging them to pay four per cent custom duty; so they would continue to pay merely 3,000 rupees per annum...."

55 Master's Diary, II, p. 21.
56 EFL, 1659-60, p. 292.
57 Ibid., p. 297.
58 EFL, 1668-69, p. 166.
59 Ibid., p. 316.
Thus the period of 1641-75 can be regarded as a period of governors and officials. Custom policy was to be determined by the personal gain to the officials and not by the prospects in the empire.

**Third Phase (1675-1700):**

The third phase in the history of custom administration in Bengal and Gujarat during the seventeenth century can be regarded to an extent as a period of firm custom-policies adopted by the Mughal Emperor, though the custom-duty was, no doubt, higher than it was in the previous years.

In 1679, Aurangzeb had demanded the custom-duty at the rate of 3.5 per cent on all exports at all the ports in the empire. This was a serious increase in the rate from 2 per cent which was in force since 1667. The new rate, however, remained unchanged till the close of the seventeenth century, as it appears from the English Factory Records (Appendix C Table III). This is confirmed by Ovington's report of 1690 that "All strange Gown, whether imported or exported, pays to the Mogul's officers Two and an half per cent and others Goods pay more...."  

From Appendix C Table III it becomes clear that in Bengal, too, Mughal authorities asked for custom-duty on export from the English merchant at an average rate of 3.5 per cent. In October, 1677,

60 Efl., 1678-84, (NS), III, p. 255.
61 Efl., 1665-67, pp. 273-74. See also Appendix C Table III.
62 Ovington, op.cit., p. 192.
Straynsham Master reported that the Dutch merchants in Bengal had to pay duty on "all their Traffic at the rate of four per cent."

Besides, they also gave huge presents to the Nawab, reported to have been ten times higher than the English presents. This was, no doubt, a favour to the English merchant.

It was only in 1678 when with great efforts of Mr Vincent, a nizam could be procured in favour of the East India Company for free trade in Bengal, with a presentation of Rs. 21,000 from the English. Prior to this, in 1672, Shaista Khan had permitted the English merchants to have their trade without the payment of any duty. But, again in November 1679, Aurangzeb asked the Nawab to levy 2 per cent custom duty which remained in force till the new nizam was issued in 1678.

From the Diary of William Hadnag, it seems that after 1680, English merchants had to pay custom duty at the rate of 3.5 per cent by an husb-ul-bukum (order). Moreover, English merchants were also asked to pay Rs. 2,000 more on account of jiziva in addition to Rs. 3,000 per annum as nasakshar which the English were already paying.

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63 Master's Diary, I, p. 32.
64 Ibid.
65 Darra Diaries, pp. 92, 93.
66 Ibid., p. 93; EFI, 1670-77, (NS), I, p. 349.
67 Ibid., p. 94.
68 Hadnag's Diary, I, pp. 2, 100-01, 130, 139.
Whereupon the English merchants got dissatisfied which is clearly evident from their representation given to the Mughal Emperor on 18th July 1683. The Mughal Emperor correctly understood the situation and issued an order granting them a grant to be customs-free on condition that they would not consent, but with rather withdraw their trading. Whereof their desire is that for 3000 rupees in cash (as they paid formerly in Hughly), and 2000 rupees more yearly on account of luggages, which they are willing to pay, they may on that condition have a grant to be Custom-free; go on cheerfully and quietly with their Merchandize, and harms their Heads with their Trade.

After three months, on 17th November 1683 English merchants had to pay customs on their export of safflower and silk at the rate of 3.75 per cent. But the English Factors decided not to pay customs even at the rate of 3.5 per cent, for they thought ".... if we pay 3½ per cent. one year, we shall pay 5 the next.... and by degrees these people's exaction will grow to be insufferable...." Thus from a study of second and third phases, it may be concluded that the period from 1664-1690 was the period of Nawab Shalata Khan's monopoly in Bengal. The period of six years (1664-69) may be regarded as the period of negotiations. In 1669 the Nawab issued an order for customs-free trade in Bengal to the English East India Company in lieu of an annual payment of Rs. 1,000.

70 Ibid., p. 101.
71 Ibid., pp. 139-40.
72 Ibid., p. 139.
The period of seven years (1670-77) witnessed the working of the pargana of 1669. Malik Qasim, governor of Hugly, however, misinterpreted the pargana and demanded duty on the English imports. This was brought to the notice of the Nawab who in 1672 decided in favour of the English. In 1677, Aurangzeb had passed an order to the Nawab to collect a duty of 2 per cent on all goods. In 1678, the Nawab had granted custom-free trade to the English in Bengal.

The period of about twelve years from 1679 to 1790 was, no doubt, a period of tension between the Company and the Mughal authorities. In 1680 Aurangzeb had imposed a duty of 3.5 per cent on all goods (this included the jilavya). It was unsuccessfully claimed by the English Factors that the firman was not applicable in Bengal. However, during this period custom was collected at a uniform rate of 3.5 per cent.

It may be concluded that after 1675 the revenue policy of the Mughals regarding the custom-administration started taking a definite shape, becoming more strict in levying and collection of duties. This no doubt yielded large revenue to the Mughals, yet it led to the situation of tension and manipulation in the empire between the English East India Company and the Mughal officials.

II Rates of Inland-Custom, Rahdari and Other Duties.

Apart from the custom duty on imports and exports at the main sea-ports of Gujarat and Bengal, the Mughals could exact huge revenue from inland-custom, transit and other duties levied on trade.
Both in Gujarat and Bengal during the seventeenth century foreign trading companies, particularly the English, had established their factories in all the important towns to invest in and collect goods to be exported. Surat, Broach, Baroda, Ahmedabad, Sarkhej and Burhanpur, and Dacca, Qasimbar, Malda, Rajmahal etc., were the main producing centres in these two regions. Considering the commercial importance of these centres the Mughals had erected many cheukia at different places and levied not only inland-custom on goods but also rahasari at various places on the way to the main sea-ports.  

Unlike the duties collected on export at sea-ports, local officials used to collect inland-custom at varied rates in the provinces (Appendix C Table IV). Infact, levy of inland-custom and rahasari was subject to the local administration, though the central government did often interfere with the matter. We have also evidence of the local officials refusing to recognise the imperial firman when it went against their own individual interest. An English letter dated 5th July 1619 records that William Siddulph, an English Factor, had obtained a firman for custom-free sale of lead at Broach but the governor did not entertain the firman, for he wanted ".... monopolizing unto himself the sole advantage and benefit of staplest commoditie."

The monopolizing tendency of governors can further be substantiated by another letter dated 12th July 1619 when the governor's custom-officials

73 For a detailed discussion on cheukia and its administration in Gujarat and Bengal see chapter III.

74 EII, 1618-21, p. 106.
had detained the English carts coming from Agra. Owing to this fear, brokers of the East India Company hesitated in investing money in trade. 75

There was no fixed rate of inland-custom duty; it was collected in a rather arbitrary manner by the local officials. At Ahmedabad, in July 1616 duty on indigo was collected at the rate of 1.50 per cent, while at Broach the duty was 1.25 per cent only. 76 In the same year it was reported that the local merchants were required to pay a duty at the rate of 2.50 per cent. 77 English merchants paid 1 per cent extra duty as 'custom-brokerage' which was taken by the brokers of the East India Company upon all English transaction in the town. 78

Sometimes the English Factors got a fijman for 'custom free trade' which was only applicable to the ports. 79 They, however, had to pay duties at every place of sale and purchase. On 19th October 1621, the English Factors were not only forced to pay custom at Broach on their aq unin at the rate of fourteen paisa per cunny but had also to pay a duty at Baroda when a portion of the cunny stock was sent there. 80

In May 1624, an agreement was made between the English Factors and the Surat authorities whereby the former could trade freely in

75 Ibid., p. 107.
77 Ibid., p. 331.
78 Ibid.
79 EFI, 1618-21, p. 331.
80 Ibid., p. 308.
Gujarat without the payment of inland-custom at any town or place. 81 But, Mandelsor who visited Gujarat during 1638-39, informs us that at Broach there was a Mughal garrison where a duty of 2 per cent was to be levied upon all imports or exports into the city. 82 At Ahmedabad on the other hand, it was reported that merchants had been exempted from paying any duty on export or import of goods but "it was usual to pay the Kotwal fifteen pence per wagon by way of a present..." 83

There was no regular and definite policy towards the collection of inland-duty. In December 1646, the inland-custom on indigo, gumiac and saltpetre was levied at the rate of only a half per cent from the sellers only, 84 while after three months in February 1647 the governor of Ahmedabad granted a garmana to the English Factors for custom-free trade. 85

The period of 1660-69 may be regarded as the period of concessions to the merchants; several royal orders were issued regarding the abolition of various taxes levied on trade. Aurangzeb in early years of his reign had issued an order to the administrators of Subaha and Sarkara to immediately stop the exaction of various taxes, considering the effects of crop failure and rising prices of goods in the country. 86

81  EFI, 1624-29, pp. 27-8.
82  Mandelsor's Travel, p. 15.
83  Ibid., p. 28.
84  EFI, 1646-50, p. 58.
85  Ibid., p. 108.
86  Firat, pp. 223-24.
In 1665, Aurangzeb formulated a definite policy with regard to the levy of custom-duty on trade. He ordered that goods whose price was less than Rupees 52.50 should not be taxed. The order also made it clear that duty on goods was to be paid at the ports only and no inland-custom should be taken.

It was only in 1667 that Aurangzeb made it a policy to take inland-custom only at one point of transaction viz., either at the place of purchase or sale. An English letter dated 15th February 1667 notes that Aurangzeb had issued an order that the "Banian merchants" (local Hindu traders) would be liable to a duty of 5 per cent on goods at the place of purchase. The letter also says that the bania were supposed to get a certificate from the custom house of the same place, by which they could claim exemption from the payment of duty at another place (viz., place of sale). But, it was reported that the custom-officers often refused to give such certificates and charged duty twice or thrice.

After a few years, Aurangzeb made some modifications in his earlier order. In 1673, another firman was issued to the diwans of subahs instructing them to take inland-custom from the merchants at the place of sale only. The firman clearly reads — "... The tithe collector will collect tax, according to the rule, from merchants wherever they will sell their goods. A bond should be taken from

87 Ibid., pp. 230, 234.
88 Ibid.
89 ERI, 1665-67, p. 260.
90 Ibid.
merchants to the effect that they should convey a note of payment of
tax with seals of tithe-collectors of the place that a permit is
given." This was done with the view that "the collection of tax at
places of sale was decided upon because the price of an article is
more at that place than at a place of purchase." This way, the
Emperor had not only exacted more revenue from inland-custom but also
encouraged commerce in the country.

We do not have any reference which would show that Aurangzeb
had made any further modification in his earlier order. The author
of Mirat-i-Ahmad, however, refers to a letter of 1692-93 bearing the
seal of Jamlat-ul-Mulk Asad Khan which was issued to Abdul Hamid,
diwān of the Subah. In the letter the diwān was instructed to
collect inland-custom at the place of sale instead of the place of
purchase, for merchants used to pay taxes on goods at the places of
purchase and obtain a certificate. Moreover, they were not taxed at
another place for a year or so. Hence, the diwān was supposed to
collect the duty at the place of sale. From the above letter it may
be inferred that Aurangzeb did modify his order of 1673.

Nevertheless, from the above references it appears that the
imperial revenue again suffered a loss at the ports as merchants did
not pay the duty at the ports, being a place of sale. The fact be-
comes more clear from the report of Muhammad Kazim Beg, port-officer

91 Mirat, p. 284.
92 Ibid.
93 Ibid., p. 304.
of Cambay, that merchants and tradesmen bought goods at Ahmedabad for export from ports. Tithe-collectors did not molest them. Taxes on these goods were collected at ports. Collection of tax was not in vogue at other places such as the sarans of Baroda and Nadiad. Now that the tax is collected at that place, it had upset revenue and prosperity of the port. Ships start free at the time of voyage.

Moreover, with the new order Aurangzeb also made it clear that inland-custom on Ahmedabad and Dholka goods should be collected at the place of sale (viz., Ahmedabad and Dholka). Merchants were only required to produce the custom-receipts to harbour-master.

Apart from inland-custom, Aurangzeb had ordered the levying of an octroi (town tax) on goods everywhere. It was also collected under the head of sair-i-Mandavi. Prior to this order we do not have any such reference in the English Factory Records except one when in 1639 at Thatta, one rupee was taken in octroi from the English merchants. Only from the Mirat-i-Ahmad we learn that in Gujarat there were many chaudhias at cloth markets where officers were appointed by the chief custom-officer for collection of duties. The

94 Ibid.
95 Ibid., p. 304.
96 Ibid., p. 309.
98 EFL 1637-41, p. 137.
99 Mirat (Supplement), pp. 175-76.
city of Ahmedabad alone yielded Rs. 10,00,000 as kayra Mandai out of the total custom revenue of Rs. 15,90,000, while Surat, Broach, Baroda and Patten remitted the duty amounting Rs. 20,00,000; Rs. 1,00,000; Rs. 1,52,000 and 1,16,000 tankas respectively. 100

From Appendix C Table IV it appears that in Bengal also, inland customs were collected at various points at varied rates, though in 1672, Shaiesta Khan, Nawab of Bengal, had given an order to the English Factors for custom-free trade on payment of Rs. 21,000 as panbada. 101 William Hedges clearly noted that in June 1672 Shaiesta Khan, by confirming the firman of Aurangzeb for custom free trade in Bengal, had granted the English Company a ".... distinct freedom to boats, ships, and goods from Balasore to Hugliy, Cossimbazar, or Patana Custom Free, without any demands whatsoever." 102

The Nawab, however, in November 1675 took 2 per cent duty on English goods at Dacca saying that he had received an imperial order to that effect. 103 In response to the news of 2 per cent duty Mr Neddham proposed to pay the Nawab "a lump sum yearly rather than to be troubled in all our Factories upon all occasion." 104 The proposal was turned down by the Nawab. It was only in 1679, that Mr Vincent,

100 Bayley, op.cit., pp. 9-12.
101 Dacca Diaries, p. 98.
102 Hedges's Diary, I, p. 100.
103 Dacca Diaries, p. 94.
104 Master's Diary, II, p. 51.
chief of Hughly Factory, succeeded in restoring the previous privileges of duty-free trade in Bengal. 105

The inland-custom in Bengal was collected at arbitrary high rates; it depended on the will of the Nizam. At Patna, in October 1676, English Factors paid the custom on saltpetre at the rate of 5 per cent, 106 while the Dutch paid 4 per cent. 107 The Dutch Factors had secured a concession of 1 per cent on giving large presents to the Mughal authorities. 108

Again, in July 1682, the rate of inland-custom duty was raised from the normal rate of 2 per cent to 3.50 per cent to be levied on English trade throughout in Bengal. The next year, in November 1683, the rate of custom was further raised to 3.75 per cent. 109 The increased rate, however, included 1.50 per cent jizya. The actual custom duty remained 2 per cent only which was enforced since 1667. In April 1679, Aurangzeb had imposed poll-tax on non-Muslim subject including European trading companies in India. 110 In 1680, Aurangzeb issued a firman regarding the custom-duty and jizya which clearly states: "So it is known, that at this happy time it is agreed, of the English Nation, besides their usual custom of 2 per cent, for their

105 Darca Diaries, p. 92.
106 Master'in Diary, II, p. 274.
107 Ibid., I, pp. 52, 492.
108 Ibid., p. 92.
109 Hedges' Diary, I, pp. 21, 139-40.
110 EII, 1678-84, (NS), III, pp. 241, 255.
goods, more 1½ Jazia, or poll money, shall be taken.

Wherefore it is Commanded that in the said place, from the first day of Shuval in the 23rd year of our reign, of the said People, one and a half per cent of all their goods, an account of Custom and Poll-money, be taken for the future. And at all other places, upon this account, let no one molest them for custom, resadar-ree, paeshwa, phirmaish, and other matters by the Emperor's Court forbidden, nor make any demands in these particulars. 111

After repeated requests, Aurangzeb had passed an order in April 1680 whereby the English merchants were exempted from the payment of 1.50 per cent Jizya, but the custom duty was raised from 2.00 to 3.50 per cent. 112 In other words, English factors were required to pay the same 1.50 per cent in the name of extra-custom in lieu of Jizya.

From the English Factory Records it appears that inland-custom duty was not only taken from the merchants but also from the producers, particularly in the case of weavers. In 1672, it was reported that the Bengali weavers had to pay a duty on their products at the rate of 2 paisa per rupee on each piece of cloth. 113 An English letter dated 10th November 1676 mentions that Straynham Master could not collect muslin and other cotton goods at Shantipur (near Dacca) in time, for all the products were held for counting and assessing.

111 Hadgra's Diary, I, p. 100.
112 EFL, 1670-84, (NS), III, p. 255.
113 EFL, 1670-77, (NS), II, p. 351.
duties to be collected from the weavers at the rate of one a half
annas per piece of cloth.\textsuperscript{114}

From Gujarat also English Factors reported in 1678 and 1682
that the local officers had demanded the duty from the weavers at the
rate of one anna per piece.\textsuperscript{115} In some cases they demanded 5 per
cent of the value of the goods.\textsuperscript{116}

The serious impact of the levy of many taxes such as jiziva
(or the increased rate of custom duty) and weaver's tax, on the trade
may be observed in the rising prices of goods and consequent decline
in the quality of products. It was reported that Jangshar, the chief
English broker at Broach, was forced to appear everyday before the
court, for he incited the weavers and other producers against the
payment of jiziva.\textsuperscript{117} This, however, hampered not only the English
investment but also raised the prices of cloth at Baroda, Broach and
other places in Gujarat.\textsuperscript{118}

\textsuperscript{114} Master'n Diary. I, p. 44.
\textsuperscript{115} E.F.I. 1678-84. (NS), III, pp. 233, 303, 305.
\textsuperscript{116} Ibid., p. 233.
\textsuperscript{117} Ibid., p. 260. It may be noted that Aurangzeb had demanded
jiziva from the poor, middle and rich people at the rates of 12,
24 and 48 dishaam per annum respectively; one dishaam weighed 3
tolas, 1 masha and 3 ratties. Moreover, it was also ordered that
the jiziva was not payable in rupees. If someone wished to pay
it in rupees, the coin should be of the weight of the dishaam
(Pirat, p. 264).

If we calculate the dishaam in terms of rupee weight (viz., tola,
masha, etc.) it comes to about Rupees 5 which the poor people
had to pay on account of jiziva. According to Manucci the rate
of jiziva was Rs. 15.50 on rich, Rs. 6.25 on middle and Rs. 3.90 on
poor people per annum (Manucci, op. cit., II, p. 234). For a
discussion of jiziva see Irfan Habib, Agrarian System of Mughal
India, pp. 120, 192, 245.

\textsuperscript{118} E.F.I. 1678-84. (NS), III, pp. 233, 255, 260.
In Bengal also, the English Factors supported the weavers from fear that the tax levied on weavers might give them undue opportunity not only to delay the delivery of goods but also to raise their prices.119 There are many references to show that the prices of cloth and other goods went up due to the extra burden of tax on the producers.120 In 1684, English Factors in Bengal had reported that due to the imposition of jizya and other duties on one hand and the Dutch competition on the other "..... the price of cotton yarn having risen by 30 per cent. which made the weavers turn out worse cloth....."121 Irfan Habib rightly remarks that "As a tax, the jizya was extremely regressive and bore the hardest on the poorest."122

Thus, from a comparative study of policies of the Mughals during the seventeenth century, in Gujarat and Bengal it becomes clear that during the first half of the century, in Gujarat, English Factors had to pay 1.90 per cent as 'custom-brokerage' while in the second half of the century, both in Gujarat and Bengal the Factors continued to pay the same duty but under the heading of 'poll tax' or 'in lieu of poll tax' with the difference that the collection of jizya went to the imperial treasury while the extra custom duty or 'custom-brokerage' was claimed by the custom or other local officials. If, however, we exclude those 'custom-brokerage' or 'poll tax', the actual custom duty remained more or less 2 per cent throughout the seventeenth century.

120 ESI, 1678-84, (NS), III, pp. 260, 270, 305, 320, 352.
121 Ibid., pp. 352, 354.
122 Irfan Habib, "Agrarian System....", p. 246.
century both in Gujarat and Bengal. But then the net incidence of custom dues would range from 3.50 per cent to 9 per cent with or without the distinction between actual custom duty and the additional charges.

The inland-custom was collected in many ways - sometimes on the market price of goods, sometimes on the total weight of goods bought or sold and sometimes on the total amount received from the transaction. However, from the English Factory Records it seems that the inland-custom was generally collected on the market price of goods. In 1639, custom-duty on Bina indigo, sugar and sugar candy was taken at the market value of those goods. Prices of Bina indigo, sugar and sugar candy were Rs. 89, Rs. 15, and Rs. 10 per maund respectively. The rate of inland-custom was 3.50 per cent during 1638-39. Thus, the duties to be paid on Bina indigo, sugar and sugar candy were Rs. 2.97, Rs. 0.52, and Rs. 0.35 per maund respectively.

In 1644, at Surat, the custom was taken on goods at the price prevailing in different towns and not on the price at Surat. On goods bought at Ahmedabad, Broach and Baroda the duty was taken at the rates of 20, 10 and 10 per cent of the price of goods at their respective places. Duty on coral was taken at the rate of 50.0 per cent of

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123 ECF, 1657-41, p. 136.
124 Ibid.
125 Mandelson's Travels, p. 9.
126 ECF, 1662-45, p. 160.
its value. 127 In April 1668, at Surat, in the case of goods imported from Gombraun the English Factors were forced to pay the custom at their Gombraun price and not at their Surat price. 128

Sometimes, the price of imported goods in India was fixed at the value assessed by the Indian Custom House. In April 1629, the English Factors sold their coral to Virji Vohra partly at 36 per cent and partly at 26 per cent below the value assessed at the Surat custom house. 129 In April 1630, at the port of Surat again, the English had to dispose of their coral to the naraat "..... at 35 per cent under the custom house Valuation," for the governor and Virji Vohra wanted to monopolize the trade in coral. 130 In January 1634, the governor had detained the English lead at the Surat custom-house because he wanted to buy the lead at a low rate of 5.50 mahmudi per maund and later to sell it at a higher price. 131 However, the detained lead was sold to the governor at 6.75 mahmudi per maund after four years in April 1638. 132

We do not have any reference for the custom-duty being taken on the total weight of goods bought except for one in 1639, at Thatta

129 \textit{CCI}, 1624-29, p. 334.
130 \textit{CCI}, 1630-33, pp. 31-2.
131 \textit{CCI}, 1624-26, p. 7.
132 \textit{Ibid.}, p. 205.
when the governor had demanded the custom on weight of the goods at
the rate of four rupees per maund.\textsuperscript{133}

From the \textit{English Factory Records} we also know that the merchants
were playing frauds in order to escape from the payment of custom-
duties on their goods. As the English Factories were granted a \textit{pargana}
for custom-free trade in Bengal, many private traders, local as well
foreigners, who were engaged in trade with the Red Sea and Persia
used to pass their goods under the seal of the English East India
Company.\textsuperscript{134} An English letter dated April 1631 speaks of such prac-
tices being encouraged by an English factor Mr Wylde, for this way he
used to lend the Company's funds at a high rate of interest of 20 per
cent per annum and earned huge money on interest.\textsuperscript{135} In November 1676,
at Hughly, Straynshaw Master admitted that "The Goods we sell in
Hughly, to merchants there are upon time or ready money; but which
way sooner it is that we sell them, we give passes and send them out
in our names to avoid the merchants paying custom, which other wise
they would doe, and we are forcoed to state in the price proportionable."\textsuperscript{136}

\begin{center}
\textsuperscript{133} \textit{EFL}, 1637-41, p. 197.
\textsuperscript{134} The English East India Company used to pass their goods under
its two seal marks -
\begin{center}
\begin{tabular}{c}
\text{Mark - I} \\
\includegraphics[width=0.5\textwidth]{mark1.png}
\end{tabular}
\begin{tabular}{c}
\text{Mark - II} \\
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\textsuperscript{135} \textit{Lett. Recd.}, II, p. 206; \textit{Freyer, op. cit.}, II, p. 131.
\textsuperscript{136} Master's \textit{Diary}, II, p. 82.
\end{center}
The fact was that the local merchants, particularly Hindu, and other private traders had to "pay custom both for what they buy and sell it."\[157\]

Among the various sources of imperial revenue, the collection of transit duties (rahderi) from the European as well as Indian merchants occupied not only an important place, but also consequently influenced the growth of trade and commerce during the seventeenth century to a great extent. For the collection of rahderi, the Mughals had erected many chaukis (toll-houses) and had very strong administration, as discussed in an earlier chapter.

Akbar had adopted a definite and favourable policy towards levying rahderi. This is clear from Abul Fazl's statement -

"For every boat, 1 R. per kos at the rate of 1,000 mans, provided the boat and the man belong to one and the same owner. But if the boat belongs to another man and everything in the boat to the man who has hired it, the tax is 1 R. for every 2½ kos. At ferry places, an elephant has to pay 10 d. for crossing; a laden cart, 4 d.; do. empty, 2 d.; a laden camel, 1 d.; do. empty camels, horses, cattle with their things, ½ d.; do. empty, ½ d. Other beasts of burden pay 1/16 d., which includes the toll due by the river. Twenty people pay 1 d. for crossing, but they are often taken gratis."

The rule is that one-half or one-third of the tolls thus collected go to the state (the other half goes to the boatman).**

\[157\] *EFSI*, 1668-69, p. 310.
Merchants are therefore well treated and the articles of foreign countries are imported in large quantities.\(^{138}\)

Occasionally the Mughal emperors would remit the transit dues, as for example Jahangir did.\(^{139}\) However, these exemptions were not always effective at the ground level. In February 1619, the English Factors from Surat reported that tolls were collected in the province on all goods at the rate of 1.25 per cent.\(^{140}\) In August 1619, the English Factors made complaints of mir-bahri being collected on cloths when crossing the river Narbada, which were being carried from Ankleshwar to Broach.\(^{141}\) Mandelslo who visited Gujarat during 1638-39, noted that at Ahmedabad though the English merchants were exempted from paying the custom duty, they could not escape from the usual payment of a tax fifteen pence per wagon as rakhish to the kotwal.\(^{142}\)

In 1659, Aurangzeb abolished the levy of rehdari forever.\(^{143}\)

In April 1636, though the English Factors had obtained a nishan for toll-free trade in Bengal, they were forced to pay 4 per cent rehdari by the local officials. The nishan clearly reads - "Be it


\(^{139}\) Tuzuk, I, p. 6. See also Mirat, p. 160. The fact that the collection of rehdari was continued by the jangirdars only is also confirmed by Mirat-i-Ahmedi, p. 149.

\(^{140}\) EFJ, 1618-21, p. 91.

\(^{141}\) Ibid., p. 113.

\(^{142}\) Mandelslo’s Travels, p. 28.

\(^{143}\) Saqil Mustad Khan, Mazar-i-Ahmedi, tr., J.N. Sarkar, Calcutta, 1947, p. 16.
known to the present and future mutasaddis, jagirdars, faujdars, khoras, zamindars, rakhars, Guzarbans, chaukidars and the guards of the imperial highways extending from Akbaranagar (Rajmahal) to the boundaries of the provinces of Bengal and Orissa and the ports of the said provinces, that now Mr. Thomson Billidge through the courtiers has represented to His Highness that, although the goods of the English Company are exempted from duties, in accordance with the inexorable commands, throughout His Majesty's dominion, still in some places, they (the officiale) open them to purchase by force, and prevent the local traders from dealing with them (the English Company); they realize four per cent from the gumeshtas (factors) of the English, and make a demand for anchorage as well......

The above nippur of April 1656 was renewed in June 1667. However, from the Diary of Straymahen Memor it is clear that in November 1676, Aurangzab had ordered the imposition of new duty of 2 rupees per boat as rakhars on the English goods at Qasimghazar and Rajamahal. As a result the English Factors were compelled to get all their bullion coined at Rajamahal and then supply funds to the Patna Factory through bundas.

From Hikat-i-Ahmedi we learn that in 1675-76 Aurangzab had abo-

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144 ESI. 1655-60, p. ixi. References are also given in pages 109, 142, 414-15. See also, Master's Diary, II, p. 24.
145 ESI. 1665-67, p. 274.
146 Master's Diary, II, p. 39.
147 Ibid.
lished rahdari and other duties in Gujarat by issuing a firman. The author of Mirat quotes - ".... Firstly, the road-toll which Jagirdars formerly used to take from merchants, banjares (carriers of grain) who carried their goods for sale to the other places and a sum was received from them per cart, a camel, and an ox should not be taken .... Prohibited tax - Passages of direct up rivers where a tax was collected, Sea-faring tax collected from merchants and travellers..... Tax on printing of cloth and porters."\(^{148}\)

However the rate of rahdari sometimes depended on particular goods, for the reason that the officials had monopolized the trade of certain commodities. From Appendix C Table V it also appears that the rahdari was sometimes collected internally of per cart or per waggon and sometimes certain percentage of the total weight of goods. In March 1631, Mr Blackden at Burhanpur was advised by the Surat Council to pass the saltpetre at Burhanpur "under the name of Sugar; but it may be safer to enter it as indigo (as the Dutch did theirs), lest Sugar being 'provicious for the belly', it should be detained and by that means discovered to the king, who may there upon appropriate it...."\(^{149}\)

In 1638-39 rahdari was taken at the rate of Rs. 1.50 per waggon at Baroda while at Ahmedabad in 1646 tolls were taken at the rate of rupees 2 per cart,\(^{150}\) while next year in February 1647, governor had

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148 Mirat, p. 256.
149 EFl, 1630-33, p. 143.
150 EFl, 1646-50, p. 59. See also Mandelon's Travel, pp. 17, 28.
exempted the English factors from the payment of all transit dues. 151

Tavernier informs us that at Patna in 1668, rahtari was collected at the rate of four rupees per waggon and also one rupee per cart. 152 On the Surat-Agra route it was reported, in January 1692, that the European merchants were forced to pay rahtari at the rate of Rs. 5.75 per cart (in the absence of the Raja) which passed through the territory of Raja Jai Singh while, normally it was charged only half of what is exacted from other merchants. 153 It is also to be noted that in January 1692 the English factors had obtained a firman for the exemption of rahtari throughout the Mughal Empire. 154 Pelsaert informs us that at Broach and Baroda in 1627, rahtari was taken at the rate of 1.50 per cent of the value of goods, 155 while in 1678 and 1682, rahtari on cotton goods was taken at the rate of only 1 paisa per piece of cloth. 156

The transit duties made the goods more costly as these were collected at several places by the local officials. In 1621, the English factors reported that though the road between Patna and Agra was "not very dangerous for robbers, yett nott free of taxes" and

151 EFL 1646-50, p. 108.
152 Tavernier, op. cit., I, pp. 96, 119.
153 EFL 1651-64, p. 114.
154 Ibid., pp. xii, 89.
155 Pelsaert, op. cit., p. 49.
156 EFL 1678-84, (NS), III, pp. 293, 303.
they had to pay Rs. 14 per cart as transportation cost.\(^{157}\) Normally, the transport cost was rupees two per maund and one cart took four maunds of load.\(^{158}\) At this rate, the cost was rupee eight only. Thus the English Factors paid Rs. 6 extra as a compensation to the transit dues which the cart-owner had to pay.

From the above discussion it would appear that during the seventeenth century the rate of *rahdari* was not rigorously regulated by the central government; it was subject to the control of the provincial and local administrators who manipulated the collection of *rahdari* often for their individual interest. Arbitrary action of the officials had hampered the growth of trade and commerce in Gujarat and Bengal and influenced the prices of goods. Moreland rightly remarks - "In regard to inland transit dues the position of merchants whether Indian or foreign was much less favourable. The tradition of the country was infavour of this method of raising revenue, and though transit dues were from time to time remitted by successive rulers makes it difficult to attach much importance to such concessions."\(^{159}\)

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157 *EFI*, 1618-21, pp. 269-70.
158 See Appendix C Table II.
159 Moreland, *India at the Death of Akbar*, Delhi, 1974, p. 48.