CHAPTER II

MARKETS, MARKET NETWORKS AND MONEY

The eighteenth century economy was situated on an upward trajectory of long distance sea-borne trade and local interregional trade. Bihar along with Bengal benefitted from and facilitated this significant commercial phenomenon. Its significance further lay in the existence of all categories of markets and market networks, such as urban, rural, local, etc., through which any economy functions. The emergence of European traders in the seventeenth century and their consolidation in the eighteenth century brought about a new dimension to the contemporary commercial practices as well as significant changes in the sphere of economic behaviour in India. Large scale European exports led to the growth and development of urban markets with substantial base of rural or local markets underneath. A market, by definition, implies an exchange of some kind, where ‘social groups perform differentiated functions’. The function mainly consists of buying and selling of goods meant to facilitate the needs of big factories as well as small households. The exchange behaviour further mediated through large scale involvement of money which not only influenced the trading behaviour but also brought significant changes in the behaviour of administrative mechanisms through which the Mughal and colonial Empires functioned in the respective periods.

The revenue was, however, largely dependent on agrarian production but the customs revenue derived by the central and provincial government from sea borne or inland trade was also significant in sustaining the economy. Besides, ‘the high degree of

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centralisation achieved by the Mughal’s in governance’ had ‘a strong financial and monetary base which was fostered by a long tradition of banking and commercial exchange’. The role of the state in it was vital in creating a nexus with both, the intermediaries and the market. There were groups of merchants who facilitated the markets with agrarian as well as industrial goods. The Company as well as the ‘Nizamat of Bengal’ was well aware of the role of mercantile activities and market networks in construction and sustenance of the regional economy. Therefore, effort from the state to promote the proliferation of markets through institutionalised intervention was a significant phenomenon in the eighteenth century. After the colonial conquest the relation between the state and markets experienced significant changes and the state intervention became the powerful means of control.

Hence, this chapter seeks to study the construction, composition and behaviour of market and money in the larger frame of eighteenth century Bihar against the different forces of continuity and change.

MARKETS AND MARKET NETWORKS

According to K. N. Chaudhury, since the eighteenth century commerce was based on long distance sea-borne trade, it passed through several categories of spatial markets with many functional distinctions. Under his scheme of division the great sea port markets of Surat, Masulipatnam, Hugli, etc. can be placed in the first category and regional or provincial commercial towns such as Patna, Agra and Benares etc., which served as entreports for small or large hinterlands, would be placed in the second

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3 Rajat Datta, 
category. The third type of market, however, was found in the shape of 'small towns and villages forming a single unit' not located at a particular place; Chapra and Singhia in Bihar for saltpetre, raw silk producing areas of Kasimbazar and Dacca district for fine cotton textiles, etc. could be a few examples. All these markets had specific groups of customer for their products. The local markets sold to the rural populace, the urban market for town folk as well as for traders and the port markets for traders and exporters. Functioning of these markets could be better understood through the European export commodity such as saltpetre and household consuming product such as grain in Bihar.

THE SALTPETRE MARKET

Saltpetre was one of the most sought after commodities in seventeenth and eighteenth century Bihar. Its multiple use in making gun powder and ballast for homebound ships had vital importance in the commercial arena. The saltpetre market was basically a vertical three-tier market with the primary producer at the bottom, the mediator in the middle and the main buyers at the top. The primary producers were basically peasants known as Nooneeahs who manufactured saltpetre from saltish earth available in the province. The mediators were generally native businessmen of good influence in the first half of the eighteenth century but after acquiring the Diwani and introduction of the Company's rule English agents replaced them. The main buyers of the article were Europeans, specifically the Dutch, English and French East India companies. Before Plassey (1757) and the grant of Diwani (1765), these European buyers were competitors but the emergence of English East India Company as the powerful political entity in the mid eighteenth century changed this equation. First,
due to monopoly over the article and second being the Diwan of the province it became the primary buyer and the rest settled into secondary positions. The monopoly of English East India Company played a major role in determining the future course of the saltpetre market. The most important aspect of this market was transformation of the English East India Company as the principal buyer as well as the main supplier to other European companies in the latter half of the eighteenth century.

The Layout

The saltpetre market was basically an export market with wholesale transactions carried out by the concerned parties. The Europeans in general and the English East India Company in particular came to Bihar to acquire cheap and best quality saltpetre. Initially, the purchasing points were at the river or sea port markets such as Patna and Hugli. In due course of time the Company agents preferred to go directly to the production centres, Chapra, Singhia, Tirhut, etc., instead of collecting their supplies from the port markets. Since the saltpetre market was basically started with the advent of the Europeans in the province, it experienced substantial changes in its characteristics and economic behaviour in keeping with the changing politico-economic behaviour of the Europeans. In the seventeenth century, agents from different companies collected their supplies either from the port markets or occasionally from the interiors. The most preferred purchasing point, however, was generally the port markets, for it was convenient from there to upload the cargo (saltpetre) onto cargo ships paying less transport. In Bengal, the Court of Directors were continually urging the Calcutta Council not to incur the expenses of keeping a separate establishment at Patna for its saltpetre purchases, but to try and obtain the
supplies from Hugli. In 1718 Fort William brought up the whole quantity of 10,000 bags of saltpetre which had been imported by the Hugli merchants because the Council had heard that no further supplies were likely to come down that year.

The emphasis on getting supply from interiors markets of Patna, Chapra, and Singhia etc. later became a preferred practice since gradually there was a good deal of penetration into the interiors of the province by the Company agents as well as private traders. Besides, the most important thing was its huge difference in prices in the interiors. Saltpetre procured at port markets was almost double the price.

The Price

The price, however, had never been a major factor in determining the nature or behaviour of the saltpetre market. The supply and demand equation was rarely affected by price. The procurement of saltpetre was never stopped or compromised due to price. It was basically the suppliers who quoted their price according to their convenience but it was one of the primary elements in getting the contract for supplying it to the Company. The important role, however, of price was the way it determined the supplier. In the pre-Plassey phase and even after that the English India Company went for that supplier who quoted a lesser price for its supply. It was specifically the mediator and the main buyers who had major say in determining the price. It was basically a wholesale market where large orders were facilitated by mediators for the main buyers. Hence, price was important only for the mediator and the main buyer but not the producers.

7 EFI, 1716, pp. 23-4.
8 EFI, 1718, pp. 143-45.
9 EFI, 1651-54, pp. 95-111.
10 In two years, 1755 and 1757, there was more than one price slab. See Table: 1.
The price, however, was determined by the internal competition of suppliers. One of the best examples was the case of Omichand and Khwaja Wazid in the 1750s. Both were principal suppliers in this market and had submitted their quotation to the Company for contract. Khwaja Wazid’s price was Rs. 5.75 per maund against Omichund’s Rs. 5.81 per maund. The Company, however, first selected the former, for he was well known than the latter. But when Omichand further reduced his price to Rs. 5.75 per maund then the Company agreed with his proposal.\(^{11}\)

**The Transition**

Throughout the eighteenth century Europeans remained principal buyers of this article. The English East India Company’s role, however, was transformed after getting the monopoly and the acquisition of Diwani. It started collecting the total produce and became the major supplier for other Europeans, Dutch and French, and decided their shares too in this trade. The Company strictly directed that ‘the Commercial Resident employed in the provision and all other persons acting under his authority be prohibited from trading in this article on their own account or the account of other, the Company excepted’.\(^{12}\)

It no longer relied on native contractors for supply of saltpetre. Earlier, there were native suppliers who had contracts to supply saltpetre to the Company but from 1760s onwards English contractors were hired to supply saltpetre to the Company.\(^{13}\) Thus, there was annihilation of native participation in this business except the producers.

\(^{11}\) NAI, *HPP*, 9th February to 10th October, 1755, p. 142.

\(^{12}\) WBSA, *BT-C*, 2nd May to 12th May 1787, Board’s Minute, 11th May 1787.

\(^{13}\) WBSA, *BT-C*, 29th January to 5th February 1779, Letter from Council of Patna to Board of Trade-Commercial, 2nd February 1779.
The saltpetre market was the true picture of English economic as well as political domination in the province. It also played a major role in determining the Company's political behaviour. In one of its declarations, the Company authorities had declared that they should give extra attention to the saltpetre business because it helped them to maintain military superiority in the time of crises.\(^\text{14}\) Hence, the saltpetre trade was very important for the Company's military strength and it was perfectly realised as such.

**THE GRAIN MARKET**

The best example of rural-urban linkages was the local grain market. It was also a three-tier market and transactions were both retail and wholesale. Several varieties of grain were produced in Bihar. The principal item was rice but wheat, barley, etc., also had substantial consumers. There were grihasta-beparis, at the primary level of local trade who dominated the village and urban market link. They had their own shops and stores otherwise known as golas, and were wealthy too. They commanded the market by making advance purchase of grains in the field before their harvest. There were transporters known as baladiyas, who formed the second level of market links. Though they were not grain traders as such but they were into the business of transporting the supplies from village to the urban market and were trusted by the main traders.\(^\text{15}\) The mahajans or big goladar located in urban markets were the main traders with whom grihasta-beparis and baladiyas conducted their business.\(^\text{16}\) These three entities, however, represented the levels of markets they belonged to and their capital investment also varied accordingly. The grihasta-beparis generally had larger

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\(^{14}\) WBSA, *BT-C*, 2nd May to 12th May 1787, Board's Minute, 11th May 1787. See Appendix-II.


capital than transporters and mahajans. In Shahabad grihasta-beparis were clustered around towns like Beloti, Dumroan, Sasaram and Tilothu. In Bindhuliya, twenty goldar household possessed between Rs. 100 and 5000 while in Sasaram and Dumrao they possessed wealth ranging from Rs. 500 to Rs. 5000. These big wholesale merchants very often engaged in money lending side by side with their other trading activities. These big merchants had direct connections with big cities. Chunilal the rich goldar of Bakhtiyarpur annually exported grain worth of Rs. 100,000 to Calcutta.

The Famine of 1769-70 and the Grain Market

It was primarily the famine of 1769-70 which attracted the Company’s attention towards the grain market. Bihar also suffered in this calamity and people in and around Patna starved to death. The situation became worse due to the absence of rain in the province. The Chief of Patna in one of his correspondences informed that interior parts of the province including the city of Patna were in most deplorable conditions,

...from fifty to sixty people have died of absolute hunger in the streets every day for these ten days past as appears from a report given in by the Cutwal, [Kotwal] and the Rajah informs ... that there are above eight thousand beggars still in the place and if he was to attempt to assist them in a public manner the number would still increase from every village about Patna.

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19 NAI, HPP. SC, 29th September to 13th November 1770, Letter from Patna to Calcutta, 3rd October 1770.
20 Ibid.
The Chief disclosed that for the relief of those near his habitation were given fifty rupees' worth of rice daily at the Company's charge. Against the backdrop of famine the idea of collecting one-third of the revenue, as suggested by the Chief at Patna, seemed impracticable. Muhammad Reza Khan and Shitab Roy, the Naib-Diwans of Bengal and Bihar also had the same opinion about the impracticability of collection of one-third revenue during the famine. The Board of Revenue had suggested the maintenance of a chain of public granaries in Bihar, Bengal and Benares as a more effective means of dealing with famine conditions. Accordingly, on the approval of the Court of Directors the Company's grain department was established. This department was to preside over the purchase of grain on behalf of the government, its storage in government granaries and its releases in the market during times of rising prices and during periods of famine etc. In his minute of November 1784 the Governor-General appreciated the construction of grain magazines by Captain Garstun and agreed to build 'similar edifice' by Mr. Chapman at Bhagalpur. There was a proposal for asking 'voluntary contribution...from the zemindar and land holders sufficient to defray the expence [sic] of it'. The Company wanted to ensure the ready stock for any unwarranted situations and smooth movement of grain from one area to another which it found the best way to combat scarcities and emergencies. The Company realised that the illegal collection of taxes by zamindars and revenue farmers was the real problem against free movement of food grains. Strict orders were issued to prohibit illegal collection of duties on grain at

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21 Ibid.
22 Ibid.
23 WBSA, BR, 13th January to 31st January 1786, Letters from Board of Revenue to Collector of Bihar, 23rd January 1786.
24 WBSA, GGC, 12th November to 29th November, Minutes of Governor-General, 19th November 1784.
the zamindary chaukis. In 1772 all private toll posts except those dependent on the government custom houses at Murshidabad, Dacca, and Hugli were abolished. The motive behind this scheme was alleviation of distress of the people and prevention of profiteers and hoarders from exploiting the miseries of people during grain scarcities.

The Company’s initiative towards the grain market brought the government directly into the gunges and markets as a very big buyer and seller of grain. It also damaged the domination of indigenous dealers and merchants operating at this level. Thus, there was widespread resentment towards this move of the government. The hostilities of grain dealers became evident to district officials at every step in the grain market.

The supply to the government granaries was not smooth and turned out to be a failure. The grain office in Calcutta was reported that collectors had to face troubles because of the collective hatred of dealers. Further, when the government wanted to dispose the stored grain, nobody came forward to buy it and the government incurred heavy losses. Losses incurred on the government’s auction sale at Purnea in July 1796 amounted to 32 ½ per cent on 81,000 maunds of rice.

Despite these losses the presence of government granaries was significant in the grain market. The government’s scheme of public granaries meant presence of a giant buyer and seller of grain with considerable reserves of coercive power at its disposal in the grain market. It was also directed to discourage the mahajans and other local dealers from determining the grain market.

25 NAI, HPP, SC, OC, 9th February 1772, 1 (C).
26 WBSA, BR-Grain, 20th March to 31st March 1797, Minutes of Board of Revenue, 23rd March 1797.
MARKET NETWORKS

The years after the battle of Buxar it was 'in a good state' and 'the articles of domestic life were very cheap'. The prices of commodities and their abundance during that period reveals that, 1 maund and 30 sers of rice could be purchased at the rate of 1 rupee; 10 sers of ghee at the rate of 1 rupee and fowls at 2 paise per head and fish and fuel could be bought 'without paying any price'. The cheapness of commodities forced many people to settle here. The principal articles of commerce in the eighteenth century were sugar, jaggery or gur, salt, spices, ghee, oil, saltpetre, opium, indigo, hides, charcoal, cloth etc.

Haats, Gunges and Bazaars

The existence of different levels of markets and market networks was one of the most important phenomena in eighteenth century. The Company rule integrated these market units and the collection of duties from these units, the Board of Revenue directed to the Collector of Bihar that,

...the Gunges, Bazars, Hauts, & other Sayar Collections be not included in any settlement with any Zemindar...but that for the present they remain under the exclusive Jurisdiction of an Officer appointed by the Collector, who is to propose such regulations as he may think best calculated for regulating & collecting the duties.

The gunges were, however, excluded from the settlement and 'instead of the, Gunges – Bazars & hauts [haats] held within them', and were ordered to be separated by the

27 Kum Kum Banerjee, 'Grain Traders and the East India Company', pp. 163-165.
28 WBSA, BR, 21st May to 31st May 1789, Letter from Board of Revenue to Collector of Bihar, 27th May 1789.
Governor-General in Council. The Board of Revenue basically separated the tax on commodities and rent on the property while bringing markets under its control as the former was right of the government and the latter was of zamindars and other proprietors.

*Haats* were generally periodical markets in village areas and were held on certain days of the week, mostly bi-weekly but in the case of small *haats*, once a week. These markets were basically exclusive platforms for showcasing a variety of business and merchandise. In these *haats* farmers mainly exchanged petty commodities amongst themselves. Food grains were the principal commodity of exchange and there would be not less than ten or twelve grain dealers in one *haat*. The petty vendors and petty traders also did their business through retail marketing in commodities like vegetables, cloths, utensils, ornaments, toys and tobacco etc. These small markets were generally located in open space mainly fields in the village where about ten or fifteen small huts formed the basic shops with proper paths in between to accommodate the shopkeeper and customers. The most important aspect of *haats* was that it was mainly village oriented which dealt with peasant household commodities.

The *gunges* were comparatively bigger than *haats* and were generally fixed markets. The merchants in this market conducted wholesale as well as retail business. The gunges were mainly dealt with important household and export articles such as food grains, cloths and luxury items such as ornaments, etc. They had regular establishments of shops and selling space. In the 1760s and 1770s, gunges proliferated

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31 WBSA, *BR*, 15th November to 23rd November 1787, Minutes of Board of Revenue, 22nd November 1787.
in the countryside.\textsuperscript{32} These \textit{gunge}s were basically founded by Englishmen in Bihar during this period. Thus, these \textit{gunge}s also bore the generic name of the founding officers such as Sahibgunge, Goldigunge, Wiltongunge etc.\textsuperscript{33} The areas around Purnea and Tikari had many new \textit{gunge}s founded by local zamindars and there were regular confrontations between them due to encroachments.\textsuperscript{34} In December 1777 the renter of Morarour and some other gunge complained that Raja Mitrajit Singh of Tikari had founded a new market called Bishengunge on his \textit{nankar} lands. This drew away all the \textit{beparis} who had been attending an established government owned market called \textit{Niring}. The same renter also complained that Buniadgunge's income was being ruined as well by another new \textit{gunge} at Selimpur a village that had been using Buniadgunge as its market till date.\textsuperscript{35} In March 1783 Raja Mitrajit Singh petitioned the government to prevent a certain Mohammed Rafi from founding a market in the village of Adwary, also near Buniadgunge, as it would draw all \textit{beparis} to it.\textsuperscript{36} Goldinggunge and Sreedhur or Dmygunge in Saran district continued to be under the full control of Babu Moolchand Shahu, the zamindars of Cherawan. Colonelgunge in the city of Patna was claimed to be the hereditary property of Nurunissa Begum, who rented it out to a certain Niyar Ali Khan.\textsuperscript{37}

\begin{tabular}{ll}
\textsuperscript{32} & Ibid. \\
\textsuperscript{33} & Kumkum Chaatterjee, \textit{Merchants, Politics and Society}, p. 131. \\
\textsuperscript{34} & NAI, HPP, SC, 30th November to 21st December 1777, Letter from Patna to Calcutta, 15th December 1777. \\
\textsuperscript{35} & Ibid. \\
\textsuperscript{36} & NAI, HPP, SC, 3rd March to 13th March 1783, Letter from Patna to Calcutta, 5th March 1783. \\
\textsuperscript{37} & NAI, HPP, SC, 30th November to 21st December 1777, Letter from Patna to Calcutta, 15th December 1777. \\
\end{tabular}
The gunges had a strata of businessmen. The highest place was occupied by the mahajans, aratuiyans, saudagars and wholesale merchants. The merchants of the middle rung, at the lowest level were the dokandars or the petty retailers.\(^{38}\)

Some of these markets undoubtedly originated in the period immediately following battle of Plassey when European private traders were able to penetrate to certain levels of trade. In the early years of English administration, the Company's factors followed in the Nawabi officials' footsteps in encouraging and supporting the foundation of markets. The founding of market has given some special privileges and influences to the European private trader or the English officials associated with it. But the proprietorship of these and control continued to remain with the zamindars or jagirdars.\(^{39}\) Evidence of new markets begun by zamindars and other tribute collectors, appear mainly in the late 1770s, a period in which revenue pressure on tribute collectors was mounting.

A report regarding some gunges in Purnea in 1791-92 shows that in Ramchandragune the total gross income per year from sair was Rs.33.10, the charges of establishment, etc. were Rs. 6 and the total net income was Rs. 27.10. In haat Rasulgunge the total gross income per year was about Rs. 53, and a deduction of Rs. 6 on account of expenses incurred left an annual net income of about 47, while in haat Choomree, a total gross earning of Rs. 300 was reduced to a net income of about 259 after deducting expenses.\(^{40}\)

\(^{38}\) Ibid.


\(^{40}\) WBSA, *BR*, 19th February to 28th February 1792, Minutes of Board of Revenue, 23rd February 1792.
A jagir or a zamindari or a **sair mahal** would have several markets and the sair revenue would be an aggregate of incomes derived from all the markets. Maharaja Kalyan Singh earned a gross income of Rs. 1470.5 from the Paruchina Mahal of Zilla Bihar.\(^{41}\) This income was total sair revenues yielded by all the markets in this area. The profitability of a sair mahal would be determined by the size of the market and the volume of transactions carried on in it. Maharaja Kalyan Singh earned the maximum revenue from pargana Azimabad and from the city of Patna than from the other parganas. Patna being the largest commercial centre of the whole region, yielded higher sair income.

The haats and gunges were normally placed under the supervision of the Chaudhuris. Nothing could be procured from these markets except by the sanction of a Chaudhuri. The Chaudhuris were expected to detect false weights and settle disputes on market days. Chosen by the **panchayat** or appointed by the collector, the office of a Chaudhuri was hereditary. Although they had no fixed emoluments, they were paid a salary of Rs. 10 per month. After the Comapany’s rule it was put under the separate jurisdiction of collector and the post of Chaudhuri was abolished.\(^{42}\)

Bazaars were daily markets, which not only served as centres for export-import but also as providers of commodities for local consumption.\(^{43}\) The Council from the Fort William directed the regional Council at Patna that,

> ...many Buzars are held in the Province without the authority of Government & which must be an Infringement of its rights, a great detriment to the Publick Collection & a burthen & oppression on the Inhabitants you will take care that no Buzars or Gunges are kept up but such as particularly belong to the Government.

\(^{41}\) NAI, *HPP, SC*, 3rd March to 13th March 1783, Letter from Patna to Calcutta, 5th March 1783.

\(^{42}\) WBSA, *BR*, 2nd January to 14th January 1790, Minutes of Board of Revenue, 4th January 1790.

But in such Buzars or Gunges the Duties are to be rated in such a manner as their situations & the flourishing state of the respective Districts will admit.\textsuperscript{44}

The Board of Revenue also believed that due to the absence of proper guidelines for the management of markets there were several irregularities which had been keeping the government at a loss. Thus, regarding Monghyr Bazaar, in one of its minutes it declared that,

... they have occasioned much Inconvenience & sometimes prevented the garrison of Monghyr from being properly supplied with Provisions, Be it known, that from the 1\textsuperscript{st} of December next, all the said Monopolies, except that of red Lead, are to be abolished and that in lieu there of, the following Market Duties will be collected from the Vendors of the respective articles. Viz.

\begin{table}[h]
\centering
\caption{Market Duties in the Monghyr Bazaar}
\begin{tabular}{|l|c|}
\hline
\textbf{Commodities/Services} & \textbf{Price} \\
\hline
Spirituous Liquors [spirit containing liquor] & 1 rupee per still, per day \\
Fish & 8 pice per maund \\
Gungah & 4 anas per rupee on the sale \\
Betel & 4 Ditto \\
Sheep & kids & 8 Ditto per shop, per month \\
Bullocks & 1 rupee per shop, per month \\
Dullaute & Abolished (no Buyers or sellers need therefore give it in future) abolished \\
Rath and Anund & \\
\hline
\end{tabular}
\end{table}

Source: WBSA, \textit{BR}, 2nd January to 14th January 1790, Minutes of Board of Revenue, 4th January 1790.

Besides, it was declared that,

Ghaut mange prohibited, the office however, continued, for the purpose of providing boats, but the person filling it to be prohibited from taking anything from mangies, or dandies, as he is in future to receive a fixed allowance of 8 rupees per month, from Government.

\textsuperscript{44} WBSA, \textit{CCR}, 25th November to 30th December 1771, Letter from Calcutta to Patna, 30th December 1771.
And as on paying the above duties all persons who ...choose..., are at liberty to carry their goods for sale to the Monghyr Bazar, it is recommended, to all such as seek their profit, to repair thither, as from the garrison being stationed there, there will be a constant demand for their respective articles.

It is further made known, that whereas the duty on salt has hitherto been same in specie[,]. it is now reduced to 1 anna only; the duty in kind, being struck off.

That[,] the pausies who sell Today in the above Bazar shall pay 8 annas each per month, for the prices privilege of selling.

That the Khazanah, as well as the Hoolee Dusaura, and surmay salamis, hitherto paid by the Women of the Town, are struck off and only the usual Tax of 2 annas in the rupee to be paid by natch women, on the amount of what they receive for exercercising [sic] their Profession of dancing continued.

That[,] the duty on comar-bauzar is abolished, and the game henceforth prohibited, should any person be found guilty of playing at it, they will be heavily fined, & punished in the Faujdarry department.

That[,] the office of Chowdry in the Monghyr Bazar, is abolished, and consequently the Russoom Chowdry, which has hitherto been paid, is now to be paid no longer.

Arrak imported into the Bazar, to pay an Import duty [not mentioned] per maund.45

There were several areas of duties identified by the government on bazaars ranging from river bank duties to extra import duties. The crucial decision in this minute was abolishing the office of Chaudhuri who was the guardian of bazaars. Besides, cheap ferry of goods, duty on dancing girls and closing of the gambling market were some of the main concerns of the government. It was decided that 'All the above arrangement are to take effect from the 1\textsuperscript{st} December next'. And 'The Bazar Duties Collected on articles not specified in this Publication, to remain, as usual.'46

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45 WBSA, BR, 2nd January to 14th January 1790, Minutes of Board of Revenue, 4th January 1790.
46 Ibid.
Under the Nizamat, the state’s attitude towards markets was determined by its formation and functions in the mercantile activity. As a smaller unit of redistribution centres these markets were created by the Nizamat and its officials. The major initiative was, however, taken by zamindars, for whom it was one of good sources of income. The Nizamat recognized the importance of market networks in the regional economy but could establish an integrated system in the first half of eighteenth century. The Nizamat, in fact, could not bring zamindars and other landed proprietors under its control on this issue of markets. In the post Plassey period, however, the changing political and commercial situation brought new dimension in the state control over internal markets. The Company government under the pressure of world market wanted to channelize its control over products right from their production centre. The role of monopoly was also at work in this move. The Company government too faced zamindars and talukdars on the question of controlling markets. The difference of perception also worked here where the former viewed it as an economic institution whereas the latter considered it as agrarian saleable property. To control it, the Company divided the rent and taxes. The former was zamindars’ and landholders’ right to receive on the infrastructure used in market but the latter was government’s right to levy duty on commodities.

THE POLICIES

In 1790 there was a drive to abolish these gunges and the Company government proposed to compensate those owners who suffered most from the loss. But the

48 Ibid., p. 201.
49 Ibid., pp. 202-3.
50 Ibid., p. 204.
51 Ibid.
payment was not released due to the absence of any proof from the owners for their legitimate claims. Maharaja kalyan Singh’s demand for compensation on account of the Paruchina Mahal in Zilla Bihar was rejected because he could not show by what authority he and his ancestors had held this mahal.\textsuperscript{52} Nawab Dilawar Jang was able to prove that the markets of Dilawargunge and Behramgunge held by his family were founded on a \textit{sanad} by which the Company had granted his father, Reza Khan, a jagir in pargana Manowra. But his claim to compensation on account of the abolished sair was not accepted because he apparently had been unable to establish his right to collect the duty.\textsuperscript{53}

Contradictory to the expectation of the Company government there were many landholders who did not claim compensation. The collector of Tirhut reported that the abolition of sair had not raised a ‘single murmur of complaint of any sort’.\textsuperscript{54} In the district of Bihar despite several announcements regarding compensation, nobody came forward to ascertain their claims due to lack of the required documents. The Company government found this apparatus of control very useful as through this it could easily take over control of the markets without facing any resistance from the indigenous zamindars.

\textsuperscript{52} NAI, \textit{HPP, SC}, 19th June to 17th July 1791, Letter from Patna to Calcutta, 21st June 1791.
\textsuperscript{53} Ibid.
\textsuperscript{54} NAI, \textit{HPP, SC}, 25th September to 11th October 1790, Letter from Tirhut to Calcutta, 3rd October 1790.
The currency situation appeared most chaotic to the English East India Company when they found a variety of currencies existing in Bengal and Bihar. By the mid-eighteenth century the state supervision had almost ended and mints were farmed out. The basic confusion was, however, on Sicca and Sunaut Rupees. The sicca rupees were current rupees and after some time they became sunauts, of lower value and then there would *batta* (discount) on it. Earlier, it was after the death of the ruler, sicca became sonaut but in the mid eighteenth century after every three years sicca became sonaut. The multiplicity of currency created confusion in commerce and the Company thought that unless it was standardised there would be complications in carrying out the business. The most striking feature of this system was the control of local banking houses on the mint and virtual monopoly of the shroffs on minting and determining the batta on devalued currency. Hence, the eighteenth century currency scenario was basically the Company’s struggle to overcome this trouble and its unsuccessful attempts on making uniform currency.

**CURRENCY SITUATION IN THE COUNTRY**

The currency scenario in eighteenth century India was considered as highly complex and irregular by the Company. It is appropriately reflected in one of the lists of

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59 Ibid.
currencies required at the several aurungs for provision of the English East India Company's investment released by the Export Warehouse Keeper in 1775.61

Table: 2.1

List of Different Currencies Prevalent in Eastern India

<table>
<thead>
<tr>
<th>NAME OF THE PLACES</th>
<th>CURRENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patna</td>
<td>Sunaut</td>
</tr>
<tr>
<td>Cossimbazar</td>
<td>Sicca</td>
</tr>
<tr>
<td>Dacca</td>
<td>Arcot</td>
</tr>
<tr>
<td>Luckipore</td>
<td>Arcot</td>
</tr>
<tr>
<td>Chittagong</td>
<td>Ditto</td>
</tr>
<tr>
<td>Muitda</td>
<td>Sunaut</td>
</tr>
<tr>
<td>Midnapore</td>
<td>Arcot/Sicca</td>
</tr>
<tr>
<td>Heerpay and Hurripaul</td>
<td>Sicca</td>
</tr>
<tr>
<td>Sandipore</td>
<td>Sicca</td>
</tr>
<tr>
<td>Collagore</td>
<td>Ditto</td>
</tr>
<tr>
<td>Cuttorah</td>
<td>Ditto</td>
</tr>
<tr>
<td>Chandernagore</td>
<td>Ditto</td>
</tr>
<tr>
<td>Baragore</td>
<td>Arcot</td>
</tr>
<tr>
<td>Calcutta</td>
<td>Ditto</td>
</tr>
<tr>
<td>Hurripaul</td>
<td>Ditto</td>
</tr>
<tr>
<td>Burrton</td>
<td>Sicca</td>
</tr>
<tr>
<td>Rungpore</td>
<td>French Arcot</td>
</tr>
</tbody>
</table>

Source: WBSA, BT-C, 9th May to 21st May 1775, Letter from Board of Trade to Governor-General in Council, 12th May 1775.

The Board of Trade in its correspondence to the Governor-General in Council while enclosing the above list requested that

...the several species of Rupees required for the advance to the Weavers in different parts of the country. In those places where arcot Rupees are required the making of the payments in siccas is attended with a considerable loss and in several of the places where siccas are used there is a difference of one or two

61 WBSA, BT-C, 9th May to 21st May 1775, Letter from Board of Trade to Governor-General in Council, 12th May 1775.
Pcent [per cent] between the 11 sun Rupees and the 12 sun. Till such time as siccas can be universally establish'd as the only coin in the Country, and the distinctions which at present prevail can be totally abolished. We request to be supplied as much as possible with the species of Rupees actually current at the different aurungs. Gold mohurs are not taken in payment by the Weavers in any part of the Country.62

There was no uniform currency in the country. The Company had to face many problems while doing commercial transactions, the \textit{batta} or agio on exchange always brought about losses or less profit due to prevalence of diverse currencies in different regions with considerable differences in values. It was, however, important to note that this system was working perfectly in the past. The Company found it complicated because it was unable to adjust according to the existing system and considered it irrational.

\textit{CURRENCY SCENARIO IN BIHAR}

In Bihar the Company faced similar situations. The Chief of Patna informed the Board that there was considerable loss incurred by the \textit{gomastahs} due to the prevalence of diverse currencies. He reported that,

\begin{quote}
I have had fresh representations from the gomastahs of the Patna factories, that the assamies are considerable sufferers by the receipts of Murshedabad, & Calcutta sica Rups, [Rupees] & can further assure you, that the cloth contractors have been obliged from sometime past to change this species of Rupees for sunauts, at a considerable loss of Batta, in order, that their business might not materially suffers. I must at the same time acknowledge, that the Provincial Council here have circulated their orders with the greatest alacrity throughout the
\end{quote}

\footnote{62 Ibid.}
districts, for the currency of those Rupees, but the bankers & lower degree of shroffs do nevertheless opposes their circulation, with success.63

The company was consistently incurring losses due to the above circumstances while making investments. The Provincial Chief and Council at Patna stated that there were ‘different species of rupees current in the several pergunnabs and mohalas in Behar’.64

The various currencies were Sicca rupees, Sunaut rupees, Surat rupees, Arcot rupees and Ely rupees. Cowries were used for retail transactions such as payments to labourers and in the transactions of daily markets.65 The Chief of Patna forwarded a list of aurungs under the Patna factory where the Company’s cloths were provided with an account of the species of Rupees that had been current in 1770s.66

Table: 2.2

An account of Species Current in Bihar, 1777-76

<table>
<thead>
<tr>
<th>Names of the Aurungs</th>
<th>Rupees Current in 1772/3</th>
<th>Rupees Current in 1773/4</th>
<th>Rupees Current in 1774/5</th>
<th>Rupees Current in 1775/6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jehanabad</td>
<td>Siccas</td>
<td>Siccas</td>
<td>Siccas</td>
<td>Siccas</td>
</tr>
<tr>
<td>Mughal</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
</tr>
<tr>
<td>Caagul and Mea Begun</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
</tr>
<tr>
<td>Chuprah</td>
<td>9 Sun San</td>
<td>9 Sun San</td>
<td>9 Sun San</td>
<td>9 Sun San</td>
</tr>
<tr>
<td>Bhodgepore</td>
<td>Sunaut</td>
<td>Sunaut</td>
<td>Do</td>
<td>Do</td>
</tr>
<tr>
<td>Mou and Tirhut</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
</tr>
</tbody>
</table>

Source: WBSA, BT-C, 22nd May to 13th June 1776, Letter from Chief of Patna to Board of Trade, 11th June 1776.

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63 WBSA, BT-C, 11th May to 22nd May 1780, Letter from Chief of Patna to Board of Trade, 16th May 1780.
65 There was a scarcity of these shells in Bihar when Buchanan surveyed these areas in early nineteenth century. Francis Buchanan-Hamilton, An Account of the District of Purnea, pp. 67-68.
66 WBSA, BT-C, 22nd May to 13th June 1776, Letter from Chief of Patna to Board of Trade, 11th June 1776.
The Sunaut Rupee was the standard medium for the provision of Saltpetre factories at Singhia, Chuprah and Mou. In one of his communications, the Chief of Patna informed his superiors that

The species of sunaut Rupees is the established Currency of these provinces, in which the Collections are chiefly paid & Consequently are to be procured from the Provincial Treasury, in case the necessary orders are procured from the Presidency.

Besides, the Company needed different amounts of currency in different months. The Chief specified the following amounts of Sicca and Sunaut Rupees for the Company’s investment in the region for each month.

Table: 2.3

<table>
<thead>
<tr>
<th>Months</th>
<th>Sicca Rupees</th>
<th>Sunaut Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>20,000</td>
<td>30,000</td>
</tr>
<tr>
<td>February</td>
<td>25,000</td>
<td>65,000</td>
</tr>
<tr>
<td>March</td>
<td>15,000</td>
<td>45,000</td>
</tr>
<tr>
<td>April</td>
<td>20,000</td>
<td>60,000</td>
</tr>
<tr>
<td>May</td>
<td>20,000</td>
<td>55,000</td>
</tr>
</tbody>
</table>

Source: WBSA, BT-C, 22nd May to 13th June 1776, Letter from Chief of Patna to Board of Trade, 11th June 1776.

67 Ibid.
68 WBSA, BT-C, 11th May to 22nd May 1780, Letter from Chief of Patna to Board of Trade, 16th May 1780.
69 WBSA, BT-C, 22nd May to 13th June 1776, Letter from Chief of Patna to Board of Trade, 11th June 1776.
UNIFORM CURRENCY

The multiplicity of currency and the dictating terms of the shroffs in charging batta had always been a serious concern for the Company. After the grant of Diwani in 1766 Clive unsuccessfully tried to make an experiment with the bimetal currency system. \(^70\) The system persisted and the next experiment was done by Warren Hastings when he became the Governor-General in 1770s. His primary concern was to maintain uniform weight and fineness in the coins struck in different mints. He also wanted to stop the system of *batta* on devalued coins. He instantly closed down first mints of Patna and Dacca, and in 1777 the mint in Murshidabad was also closed. Only the one in Calcutta was kept open for making uniform coins. Regarding the issue of *batta*, it was ordered that all coins struck since 1778, be punched with the same year. Hastings wanted to make it uniform so that the shroffs could not know the exact year of the coin. The system, however, could not work as those coins also carried the actual Hijra date of minting. These attempts were basically directed to displace the monopoly of the shroffs in the currency market. Since the shroffs were co-operating with the Company on their own terms and the Company was not ready to accept that.\(^71\)

Warren Hasting's early attempts to establish the Sicca rupee as the standard silver coin of Bengal failed but in late 1780s the Board of Revenue through many positive attempts could make Sicca rupee standard currency in the region. It declared in one of its communications to the Governor-General in Council that,

...sicca rupees as the lawful Currency of the Behar Province now ..., the Instructions of the Governor-General in Council direct that a clause be inserted in

the engagements of the zeminadrs and talookdars, obliging them to pay to
Government siccas, or the same species of rupees as they receive from their under
tenants, at the established rates of Batta, where any are established, or at the
Bazar rates of Batta where none are established; until a sufficient number of sicca
rupees can be circulated to make them the only legal tender.  

The Code of Regulations relative to the Decennial settlement of Bengal, Bihar and
Orissa approved by the Governor-General in Council in 1791 declared,

That all engagements for Jumma whether executed by Landholders, or Farmers,
be for sicca rupees and that a clause be inserted obliging them to pay [in]
Government siccas, or the same specie of rupees as they receive from their Under
Tenants, at the Bazar rates of batta, until a sufficient Number of sicca rupees can
be circulated to make these the only legal tender The Collectors to insert in their
Treasury accounts the rates of batta at which all rupees, not siccas, may be
received by them. 

Even after this declaration of sicca rupees as the lawful currency it was not
possible for the Company to prevent the use of other currencies. The Company
evolved a uniform method to make the conversion according to established law
and settled the batta. The Company government never ever tried to check the
multiple use of currency but it focussed on getting its account on uniform
currency i.e. in sicca rupees.

The Collector of Bihar reported in one of his communications to the Board that there
was serious problem due to the multiplicity of currency in use. Specifically there was
sonaut rupees and sicca rupee in the province which created problem in settling the
revenue payments. Revenue payments were generally made in sunaut rupees whereas
the government authorised sicca rupees as the authentic currency. Approving of the

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72 WBSA, BR, 17th October to 25th October 1789, Letter from Board of Revenue to Governor-General
in Council, 22nd October 1789.

73 WBSA, BR, 13th September to 30th September 1791, Proceedings of Board of Revenue, 23rd
September 1791.
situation the Board advised the collector to implement two per cent as the uniform rate of *batta*.

The following table clarifies the proper computation in this regard:

**Table: 2.4**

**The Revenue of Pargana Bhagalpur, 1789-1790**

<table>
<thead>
<tr>
<th>Jumma of 1789 in sonaut</th>
<th>Deduct account the sayer which is henceforth held Khaus Sunaut Rs</th>
<th>Remainder being the Jumma of the Land Revenue, only, in Sunaut Rs</th>
<th>Increase on the Land branch, in 1790, in Sunaut Rs</th>
<th>Amount of the land Revenue in 1790, in Sunaut Rs</th>
<th>Batta at 2%</th>
<th>Remainder, being the Jumma of the Mál, or land Revenue, only, in Sicca Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>112.31</td>
<td>9845</td>
<td>102,654</td>
<td>9,852</td>
<td>112,506</td>
<td>2,295</td>
<td>110,211</td>
</tr>
</tbody>
</table>

Source: WBSA, *BR*, 2nd January to 14th January 1790, Minute of the Board of Revenue, 14th January 1790.

**THE PATNA MINT**

Prior to the establishment of colonial regime bulk of the precious metals which the Company sent to their factories in Mughal India were in the form of silver bullion and coins. There were basically two options available to them– either minted it from any of the mints or to exchange through shroffs. The companies preferably got mint manufactured coins since it was more profitable and because the siccas obtained in the process, commanded a *batta* over the current rupees. But there was always a risk of unauthorised transit tolls being charged on the metals while being transported to a mint. Besides, there was also a risk of fraud at the hands of the mint's employees who sometime declared the metal brought by them as impure and reduced the number of

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74 WBSA, *BR*, 2nd January to 14th January 1790, Letter from Board of Revenue to Collector of Bhagulpur, 14th January 1790.
coins to be issued out of that. There was occasional cess imposed by the mint authorities on these kinds of metal movements. Besides, substantial politics also worked in favour of the shroffs who sometime bribed the mint officials to delay the delivery so that these people could come to them for immediate payments. One Hugli shroff was said to have told subadar Azim-us-Shan in early eighteenth century that if he would instruct Rajmahal mint to delay the delivery of rupees to the European companies then they would not only get additional business but would also be able to reduce the market price of silver by 5 percent. They offered 60 per cent of their anticipated additional profit to the subadar and 20 percent to his diwan if they did the needful. The Europeans, however, were not confident about the purity of the coins manufactured in the mint and they doubted the technology used in these mints for manufacturing coins.

The political scenario, however, changed in the second half of the eighteenth century and the Company under its own rule overcame much of its troubles. In the mid-1770s, the East India Company realised the necessity of reopening of mint at Patna. It was closed along with Dacca by hastings. He wanted to have single mint to bring the uniformity in coinage. For, different mints had their own specifications in coinage. The supply of currency from distant mints rarely reached on time. The Board proposed to the Governor-General in Council that mints in Patna and Dacca should be reopened to overcome this problem.

Having it in Contemplation to make some general Regulations for Coinage of the Country we think it necessary to require your opinion in answer to the questions

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76 Ibid., p. 175.
now enclosed which we desire you will transmit to us as soon as possible stating in a minute and particular all the Convenience and inconveniencies likely to result from either Mode which may be adopted.

1. Whether it is most expedient to reestablish the mints of Patna & Dacca or to allow only one Mint to be establish in Calcutta for the Coinage of the Two Provinces.

2. Whether supposing the ancient Mints to be reestablished all the Rupees shall be struck as has hitherto been the Practice with the name of Moorshedabad only or the Rupees of each Mint shall bear the name of the place to which it belongs.\(^\text{78}\)

The Board clarified following intricacies in it that,

The establishment of the Mints at Patna & Dacca would be a convenience to private Merchants & to others in the neighbourhood of those places by enabling them readily to convert Bullion Plate or foreign Coin into siccas. If there was a Mint at Dacca it wou'd be useful that arcot rupees should be coined in it as that is the specie with which the purchase of Cloths is made in that part of the Country. On the contrary there would be the least risk we imagine of any debasement in the coin by there being but one Mint only for the whole Country.

With regard to the Rupees bearing exactly the same stamp in the different Mints or having some distinguishing mark. The former would be attended with the advantage of preventing the shroffs from exacting a batta on the Rupees of the several Mints, as for instance at Calcutta on the siccas coin’d at Patna & at Patna in the siccas coin’d [coined] in Calcutta, and the latter would be useful to enable the Government in case of any debasement of the Coin easily to detect the authors of it. We speak only as far as these questions have a relation to Commerce you Gentlemen are the best judges of the advantages & disadvantages with regard to the payment of the Revenues and the Company’s Profits.\(^\text{79}\)

\(^{78}\) WBSA, B7-C, 9th May to 21st May 1775, Letter from Governor-General in Council to Board of Trade, 12th May 1775.

\(^{79}\) Ibid.
The Board’s priorities were centred at four things, convenience in conversion of bullion in siccas, least risk of debasement, uniformity in the pattern and proper knowledge if there were discrepancies. It was necessary for them to watch out for these things to get their problems resolved. Hence, the mint of Patna along with Dacca and Murshidabad was reopened.  

**THE CURRENCY CRISIS**

The Company could not manage to overcome the scarcity of silver rampant during that period despite many attempts of regularisation of the prevailing currency and establishing a proper mint for the region. The Company officers regularly found it tough to make investments on time and according to requirement. The Chief of Patna while reporting to the Board lamented over the prevailing critical currency situation:

> I am sorry, Gentlemen, to be under the scarcity of troubling you so often on this subject, but I cannot forbear, where I daily see the ruinous Consequences of forcing upon the poor manufactures a Coin by which their Labour is so severely taxed.

Uncertain as I am, when I may receive a supply of Cash from you, & representations being made that the new Investment of 1780/81, would materially suffer if money was not immediately made to the aurungs, I have been under the necessity, in order to save the Investment from the ill Consequences accruing from a suspension [sic] of advance, to take up at Interest on my private Credit the sum of 90000 Current Rupees 50000 from the Cloth Investment & 40000, for supplying the Petre aurungs, which may be repaid out of the first Advance you may be enabled to furnish me with.

should the same Difficulties subsists this year, as during the last, with respect to supplying the monthly Kists, & Charges Merchandize according to the amount Estimate, I beg your permission to take up money for Bills upon you at the Current Rates of Exchange with the shroffs, for it will be impractical to procure

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supplies here either for the Advances to the Investment, or for the Established Charges without paying the usual premium granted for the Receiving of Bills on the presidency.\textsuperscript{81}

Owing to silver shortage the \textit{batta} or agio on gold mohurs was continually increasing, and consequently the merchants had to suffer great distress. By a government advertisement dated the 24\textsuperscript{th} September, 1781, the circulation of copper coins had been legalized throughout the Bengal Presidency, and they were to be issued from the treasuries and other public offices at the rate of 80 sicca rupees per maund.\textsuperscript{82} In 1788 Lord Cornwallis reduced the \textit{batta} on gold mohurs in Calcutta and issued a public notice that persons requiring money on account of advances at the Company's factories would be furnished with bills payable in silver on the collectors of the districts concerned for such sums as might be met from the provincial treasuries and that gold mohurs would be received for the payment of these bills.

With a view to carry into execution the Orders of the Court of Directors for a settlement of the Behar Province we have thought it expedient to take the subject into our Consideration at this early period, that at the expiration of the year in September next this measure may be wholly accomplished, or, as far practicable carried into execution.

Our instructions to the Collectors of Behar regarding the settlement of last year were preparatory to this measure, and had a reference to it, we have accordingly passed the following resolutions with a view to the final attainment of the intended object:-

That[,] unless any objection arising from the insufficiency of the number of sicca rupees in circulation, should occur all engagements between Government and the zemindars, Talocdars and Farmers be made in sicca rupees, and that no other species of Rupees be received in payment of the revenue: and is any such

\textsuperscript{81} WBSA, \textit{BT-C}, 11th May to 22nd May 1780, Letter from Chief of Patna to Board of Trade, 16th May 1780.

\textsuperscript{82} NAI, Home Misc. Series, 19th September to 28th September 1781, Minutes of the Council, 24th September, 1781.
objections should occur that the Collector be required to detail them, and to state
their opinion with as much accuracy as they may be able as to the additional
number of sicca rupees which it would be necessary to introduce into the
circulation of their respective Districts to enable the zemindars Talocdars, &
Farmers to pay their Revenues in that specie. we direct that the above Resolutions
be transmitted to the Collector of Behar, & that they be required to prepare for the
formation of a settlement according to the prescriptions of them, advising, Law
by the end of June next if any objection should occur to any propriety or
practicability of them, and to submit with such objections any other propositions
which they may deem more eligible.83

The Company government wanted to make the currency settlement along with the
revenue settlement. Hence, it declared that the payment should be made in sicca
rupees unless there was a problem. Besides, there was scarcity of sicca rupees, it
decided to introduce more sicca rupees in the subsequent period in the province.

**ILLEGAL COINAGE AND DUTIES ON BULLION**

Although the Company had been very vigilant and watchful over the manufacturing
and movement of currencies, there were few occasions where it failed to prevent
illegal coinage. The Provincial Council of Revenue at Patna reported that,

Loll Mun, Pheoo, Neyn Saddoo, Kaushall ... who were accused of coining sicca
Rupees, being brought in are called before the Board and examined, they all deny
coining themselves but say they purchased these rupees of Chundoo Saw of
Nawada[,] Deep Chund of Arwul & Heera of Bussoolpore in Monghyr,... & that
Deep Chund has now lodged an information against them because they have left
off dealing with him for these 3 or 4 months past.84

Deep Chund however, denied the charges but confirmed that ‘Chundoo Saw & Heera
do [did] coin’. He was required to give evidence to prove ‘the guilt of Chundoo Saw &

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83 WBSA, **BR**, 21st May to 31st May 1789, Letter from Board of Revenue to Collector of Bihar, 27th
May 1789.
84 WBSA, **PPCRP**, 30th June to 12th July 1777, Letter from Patna to Calcutta, 3rd July 1777.
Heera'. The Board decided that the Amin of the district had to bring the culprit Chundoo Saw before the authorities for further legal action against him.\textsuperscript{85} In 1778, the Governor-General reports to the Board,

that he has been informed that a duty is at this time levied in the City of Patna, on all bullion passing on entering the Town. That however grounded this Information may be he thinks it Incumbent upon him to bring it before the notice of the Board, as their Enquiries will immediately ascertain the Truth, and he thinks it highly deserving of their Enquiry. He knows of no authority for levying such Duties and it appears to him highly improper, and pernicious to discourage the Importation of Bullion into this province. He therefore recommends that a letter be written to the Chief and Council of Patna Communicating to them the above Information, and directing them to enquire and report to the Board whether it be a fact, and if it be, to inform the Board of the origin and nature of it by what authority, and when it was established.\textsuperscript{86}

The illegal minting of currency was not very uncommon and due to these activities there were many undervalued coins floating in the market. It caused devaluation of currency on many occasions. Besides, illegal duties on bullion entering the city was a threat to the smooth movement of currency. Though the Company could manage to establish its authority, it could not manage to eradicate these practices.

\textsuperscript{85} Ibid.

\textsuperscript{86} WBSA, GGC, 25th September to 12th October 1778, Letter from Governor-General in Council to Board of Trade, 9th October 1778.