AGRICULTURAL LABOUR

The colonial period in Malabar and the rest of the Madras Presidency marked the gradual and halting transition from agrestic bondage to a less immobile agricultural labour force. The general logic of laissez-faire capitalism demanded the creation of conditions of labour and production in the colony which would facilitate higher output and productivity. It was in this context that the demand for the abolition of slavery was raised in the metropolis. Though direct State intervention laid the juridical basis for the creation of a "free" labour force, the crucial determinants of this transition from agrarian bondage to free labour have to be located in Malabar's changing agrarian economic structure.

This chapter focusses on these processes and determinants of change in the conditions of labour reproduction from the late precolonial times to the 1940s in Malabar. Section I deals with the transition from forms of severe agrarian bondage to the emergence of a class of less immobile agricultural wage workers.
Section II records the trend in wages and tries to relate it to the supply and demand for labour. Section III discusses the talukwise variations in the conditions of work, the distribution of the agrarian labour force and wage differentials, with reference to crop regimes and peasant differentiation. Section IV examines the significance and the timing of shifts in the medium of remuneration.

Section I  Agrestic Bondage and the "abolition of slavery"

Agrestic bondage appears to have existed as an accepted institution in precolonial Malabar. Contemporary observers and modern historians from Kerala have described these bonded agricultural labourers as slaves. Dutch VOC records, local land transfer and lease deeds, early 19th century reports and medieval folk songs provide interesting insights into the details and complexities of agrestic servitude in Malabar.

In 1838 the estimated slave population of Malabar was 1,44,371 or approximately 12.4 per cent of the district’s total population.1 Buchanan’s estimates of the slave population for the beginning of the 19th century also come fairly close to the 1838

1. See "Details on Slavery in Malabar" Serial No.7748, T.N.A

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estimate.² The very size of this so called slave or bonded agrestic labour force suggests the widespread use of this kind of labour in Malabar’s agriculture.

Available evidence suggests that the majority of this class of labourers was recruited from the untouchable and polluting castes and sub-castes of Parayans, Cherumans, Kanakkans and Erala Cherumans. Apart from these people who appear to have been foredoomed to a life of slavery because of their caste status, there are also recorded instances where men and women convicted of offences being sold into slavery.³

The significance of agrestic bonded labour to agricultural operations is evidenced by the number of recorded instances where land transfers and leases took place along with the slaves who worked on it.⁴ Buchanan writing at the turn of the century corroborates the information in the above deeds. According to him "slaves" were transferred by janmam, kanam, and pattam. An important point observed by Buchanan was that the pattam holder

². Buchanan op. cit.


paid for the maintenance of the "slave" and an annual hire charge to the owner. This strongly suggests that slaves were hired out independent of any land transaction. He quotes the annual hire charges for a male slave at 8 fanams and for a woman at 4 fanams. On converting the hire charge into Rupees at the rate of 3.5 fanams to a Rupee, the per diem hire for a male "slave" comes to Rupees 0.0063 which was virtually identical with the coolie wage quoted in 1838. If the above figures are to be taken as representative, then one can infer that between 1800 and 1838 there was marked stagnation or decline in the wages of free agricultural labourers. The land deeds of the Kavalappara family also contain references to slaves being leased out or sold with the land. In these deeds the bonded labourers were always transferred along with the land which was leased out or mortgaged. The term used for the bonded agricultural labour in these deeds is valliyalars which may be translated as labourers. The

5. Buchanan, op. cit. vol.II, pp.3070-71

6. P.B.O.R. dated 30 November,1840

term adima which stands for slaves is not found in any deed in the Kavallapara papers. However, the term al-adyar which has been translated by Logan as retainer-slave does occur in four deeds dated between 1464 and 1706. The Kavalappara deeds referred to above belong to 1770s. The change in terminology might have been associated with certain real changes in the nature of servitude. This is however a purely speculative assertion which needs much more evidence to be substantiated.

We now come to the question as to whether the bonded agricultural labourers enjoyed any rights and whether there were any customary limits to their exploitation by the owners. An official report described the condition of "slaves" in Malabar as follows:

There were slaves in the district numbering 10,000. They were frequently transferred by sale, mortgage or hire. The measure of subsistence to be given by the proprietor was fixed and he was bound by the prescribed customs of the country to see it served out to the slaves daily. The slaves were in more comfortable circumstances than any of the lower and poorer class natives. 8

Benedicte Hjejle in her article on south Indian slavery and


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agrarian bondage asserted that in Malabar, Trichinopoly and Tanjore there was no guarantee that the slaves were entitled to work and subsistence. 9 A late medieval Teyyam song form north Malabar contains references to the rights of slaves. Housing, proper food and expenses for the slaves' marriage and confinement were to be borne by the owner. It also mentions that adiyans could not be legally sold or exchanged. However, the same song goes on to tell us that the particular female slave in question was allowed to go with the buyer by the naduvazhi after he was paid by both the slave girl and her buyer. The naduvazhi also instructed the buyer to provide the girl with adequate food, oil and new cloth. The purchase was occasioned by the buyer's need for labour to cultivate his private or cherical lands. 10 In spite of this customary injunction against the trade in slaves, the Dutch V.O.C records contain references to purchase of slaves from Malabar, Travancore and Cochin. The only slave market that is mentioned for the Malabar region is Ponnani. 11 Dutch records on


10. See "Pulivesham Marancha Tondachan Tottam" in C.T.B.Nayar compiled Kerala Bhasha Ganangal, Trichur, 1979 (Malayalam)

the details of the slave trade carried on from Malabar show a
very high rate of slave mortality. The average crude death rate
of the slaves purchased by the V.O.C in Malabar for the years
1724-25 to 1731-32 comes to a very high figure of 206.7. The
death rate was inversely related to the proportion of the slaves
who remained in Malabar, suggesting that on board deaths during
transportation or adverse conditions in Batavia and Ceylon were
the main reasons for the tremendous increase in the death rate.
The mortality rate among the slaves who remained in the country
did not exceed the crude death rate of the total population of
Malabar during the late 19th century. This suggests that
conditions of living for the slaves during these years were not
substantially worse than that of the other poorer classes.

The geographical distribution of bonded agrestic labour
shows a greater incidence of this form of labour use in the South
than in the North (See Graph 6.1). The high incidence of agrestic
bondage in the South is expected given the large labour inputs
required by wet paddy cultivation. Buchanan’s figures and the
1857 census figures show similarity, with a decline at the later
date.

If the late precolonial slave mortality and customary rights
of slaves are taken to be correct, the early 19th century
descriptions of the material condition of slaves suggests a
Graph 6.2 Estimated Labour Demand and Supply
marked decline. According to Buchanan the remuneration of slaves in Malabar amounted to merely "two-seventh of the allowance that I consider as reasonable for persons of all ages included. Children and old people past labour, get only part of this pittance; and no allowance is made for infants. This would be totally inadequate to support them; but the slaves on each estate get one-twenty first part of the gross produce of rice in order to encourage them to care and industry". 12

Given the severely limited means and resources at the command of the early colonial State in Malabar, it is difficult to accept the assertion that "slavery" in Malabar was abolished because of State intervention. Mere juridical denial of the right to possess "slaves" and the removal of movement restrictions in the absence of any alternate employment opportunities amounted only to a de jure abolition of slavery. It was only in 1861 with the passing of the Indian Penal Code that the possession of a slave became a punishable offence. Agitation by the Evangelicals in Britain forced the Government of India to undertake some legislative measures to curb slavery. The Indian Law Commissioners submitted a very inaccurate and watered down report

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on agrestic bondage in 1841. Finally in 1843 the Slavery Abolition Act was passed. In 1884 the Judge of Malabar, Mr. E. B. Thomas strongly disagreed with the Law Commissioners' view of the mild state of slavery in India. This was at odds with the conditions in Malabar where slaves were kept by their masters entirely for their own profit and the relation between them was by no means benevolently patriarchal.

The question which has to be answered in the context of agrarian bondage in Malabar is why did this form of labour exploitation which appears to have been widespread and economically significant decline by the middle of the 19th century if State intervention was not effective? A conjuncture of events and processes appear to have made slavery or very severe forms of bonded agrestic servitude economically redundant by the mid 19th century. Severe restrictions on the labourer's mobility constitutes a crucial feature of slavery. To restrict the labourer's freedom of movement the owner had to bear the expenses of his subsistence even during periods of reduced agricultural work. Buchanan's estimate of the hire charges of a male slave

13. See P.P., 1841, xviii
14. See Benedicte Hjejle, op. cit.
15. Board's Collections, Vol. 1884, No. 87461, pp. 9-18
approximate to the wages for an ordinary coolie. Apart from this hire charge the person who leased the services of the slave had to meet his subsistence expenses as well. This clearly suggests that the cost of employing slave labour was greater than that of ordinary wage labour. The only economic reason for maintaining this kind of labour seems to have been to overcome and insure against labour scarcity. The relatively low population size in the late precolonial and early colonial periods, combined with de facto perpetual customary tenurial rights depressed the availability of labour particularly during the crucial months in the agricultural cycle when the demand for labour peaked.

By the 1840s the district had recovered from the Depression and agriculture had once again become a profitable proposition. The janmis began to exercise their new status as landlords leading to an increasing number of distrainments. The level of inequality among the peasantry increased sharply. 16 These changes were accompanied by a steep increase in the district’s population. Rising population, increased dispossession and a marked growth in dwarf holdings combined to swell the ranks of landless agricultural labour. With the available alternative of employing cheaper wage labour it is not surprising the extreme

16. See Table 5.6, Chapter 5
forms of agrestic bondage began to lose their earlier significance. However, in areas where wet paddy cultivation was dominant and required a very high labour input, the conditions of the servile ritually impure labour castes did not improve or change substantially. Further the economic and class strength of the landowning classes varied inversely to the labouring class's or castes' ability to resist extreme exploitation and exercise their new found rights.

SECTION II  

Wages, Labour Supply and Demand

An examination of the wage data base helps in identifying some of its biases and limitations. Prior to 1873 there existed no systematic official agricultural wage series. In 1873, the Government of India decided on conducting periodical "wage censuses". These censuses were only sample surveys.\(^\text{17}\) Instructions were given to Collectors by the Board of Revenue to send information on "the average wage per month of (1) an able bodied agricultural labourer, (2) syce or horse keeper, (3) common mason, carpenter or blacksmith."\(^\text{18}\)

The district Collectors were to get this information from

\(^{17}\) M. Atchi Reddy, "Official Data on Agricultural Wages in the Madras Presidency from 1873," \textit{I.E.S.H.R}, vol.XV, No.4, 1878, p.452

\(^{18}\) B.P.1590, 16 Aug.1873. See G.O. 6/295-304, 1873
tahsildars, who in turn based their reports on findings from three or four representative villages and municipal townships in their taluks. These estimates were simply averaged to get the taluk and district estimates. Till December 1907 this procedure continued to be followed with only marginal changes. Though the Collectors were asked to send information on perquisites, few of them did so. 19 This resulted in a very large range between the maximum wage rates in intra-district as well as inter-district estimates.

In 1907 Moreland criticized the wage data gathered for overestimation. According to him this was the result of tahsildars taking the wages of coolies in urban areas or in the rural tracts neighbouring tahsil towns as representative figures. 20 Quinquennial wage censuses were undertaken on Moreland’s suggestion in 1908, 1911 and 1916. The large intra-district variation in wages, such as from 2 to 9-1/2 annas in Malabar, was possibly the result of non-inclusion of perquisites in some cases and inclusion in others.

Continued dissatisfaction with the quality of the quinquennial wage censuses led to the appointment of J. Gray as

19. Atchi Reddy, op. cit., p. 452
20. G.O. 1279, Revenue, 27 May 1907
Officer on Special Duty to enquire into the wage statistics of 1916. In his report, which was based on information from selected typical villages in South Arcot, Tanjore and Malabar, Gray concluded that there was not only intra district, but even significant intra taluk variation. Moreover, he was of the opinion that the quinquennial wage censuses omitted a large number of crucial operations such as paddy husking, cutting wood, cattle rearing and domestic services. These had a very close bearing on the position of the labouring classes. 21

Finally, Gray criticized the available data for underestimating cash wages. This according to him was the result of lower prices being used in converting kind payments to cash payments and the underestimation of non-cash rewards.

Wage data before 1873 is clustered around five points of time- Buchanan’s observations in 1800-01, 1863-64, 1872-73, 1884 and in 1893-97 when the Board of Revenue collected information on movements in wages and the modes of remuneration. 22 In 1884, acting on a Government of India resolution regarding relief measures for overpopulated areas, the Board of Revenue circulated


22. Kumar, ibid., p.66
the following note among Collectors for comment: "(1) The native labourer lives from hand to mouth and has little reserve upon which to fall to meet bad seasons or want of work. (2) That in ordinary years he has sufficient food." 23

In 1801, Buchanan observed that in Malabar two edangallis of paddy were given to male and female serfs every week. Two edangallis were equivalent to 1.5 to 2 seers. As this was even lower than the minimum in subsistence wage, they were also given "... about 5 per cent of the gross produce together with some cloth." 24

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23. P.B.R., 19.10.1888, Circular No.96-F/6. Quoted in Kumar, ibid., p.66


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### Wage Estimates and Trends

#### Table 6.1 Wage Estimates from Different Sources for Malabar

<table>
<thead>
<tr>
<th>YEAR</th>
<th>WAGES</th>
<th>Place No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Free Lab.</td>
<td>Serfs</td>
</tr>
<tr>
<td>1801</td>
<td>1.5 to 2 seers p.w plus 5% gp+ perks</td>
<td>S.Malabar 1</td>
</tr>
<tr>
<td>1801</td>
<td>2.5 pd</td>
<td>N.Malabar 2</td>
</tr>
<tr>
<td>1822</td>
<td>Seers 2 to 2.33 pd</td>
<td>Malabar 3</td>
</tr>
<tr>
<td>1852</td>
<td>Seers 2.1</td>
<td>Malabar 4</td>
</tr>
<tr>
<td>1859</td>
<td>Rs.0.17</td>
<td>Malabar 5</td>
</tr>
<tr>
<td>1869</td>
<td>Rs.0.28</td>
<td>Malabar 6</td>
</tr>
<tr>
<td>1873</td>
<td>seers2.5</td>
<td>Malabar 7</td>
</tr>
<tr>
<td>1874</td>
<td>Rs.0.31</td>
<td>Malabar 8</td>
</tr>
<tr>
<td>1878</td>
<td>Rs.0.25</td>
<td>Malabar 9</td>
</tr>
<tr>
<td>1878</td>
<td>Rs.0.17</td>
<td>Malabar 10</td>
</tr>
<tr>
<td>1879</td>
<td>Rs.0.18</td>
<td>Malabar 11</td>
</tr>
<tr>
<td>1883</td>
<td>Rs.0.21</td>
<td>Malabar 12</td>
</tr>
<tr>
<td>1891</td>
<td>Rs.0.18</td>
<td>Malabar 13</td>
</tr>
<tr>
<td>1892</td>
<td>December</td>
<td>Malabar 14</td>
</tr>
<tr>
<td>1901</td>
<td>Rs.0.40</td>
<td>Malabar 15</td>
</tr>
<tr>
<td>1911</td>
<td>Rs.0.32</td>
<td>Malabar 16</td>
</tr>
<tr>
<td>1916</td>
<td>Rs.0.38 Cash</td>
<td>Malabar 17</td>
</tr>
<tr>
<td>1916</td>
<td>Rs.0.36 Grain</td>
<td>Malabar 18</td>
</tr>
<tr>
<td>1916</td>
<td>Rs.0.25</td>
<td>Ponnani 19</td>
</tr>
<tr>
<td>1916</td>
<td>Rs.0.28</td>
<td>Wallavanad 20</td>
</tr>
</tbody>
</table>

Sources:
4. P.B.R. dt.4.12.86
5. Raghavaiyangar, op.cit., p.cxcvi
6. Raghavaiyangar, op.cit., p.cxcvi
7. Cornish, "Food, Labour and Wages in Non-Famine Times", R.S.C.M,
8. Raghavaiyangar, op.cit., p.cxcvi
9. Raghavaiyangar, op.cit., p.cxcvi
10. Raghavaiyangar, op.cit., p.cxcvi
11. R.A.M.P.
12. Raghavaiyangar, op.cit., p.cxcvi
15. P.B.R.(RS,LR& A) no.16 dt. 29.1.1902
16. P.B.R.(RS,LR& A) no.257 dt. 29.3.1912

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In North Malabar, where persons of the tiyar caste worked as hired servants, they received 1.8 to 2.5 seers of paddy per day or 2-1/2 edangallis. This wage was paid for work till noon. In the same area, the slaves who had to work till nightfall, and who also had to watch the crops during the night, at times, received a lower wage. 25

According to Graeme, in 1822, the serfs got 1-1/2 to 1-3/4 seers per day while the free casual labourers, who put in less hours of work received 2 to 2-1/2 seers per day. 26 Slaves were also, reportedly, permitted to cultivate some land for themselves, in addition to other perquisites. 27

Actual wages in the district ranged from 3/4 to 3-3/4 seers in 1852-53, with the average wage rate for Malabar at 2.1 seers per day. These wages continued to be in force for the next ten years also, "except a rise in a few areas which took the average

upto 2.3 seers per day." \(^{28}\)

To render the various estimates of wages comparable over time the kind wage rates have been converted into cash using the prevailing annual average price of rice as the multiplier. The cash wages have been deflated by price to yield the real wages. The data is flawed by large intra-district variation in wages, lack of continuous wage statistics. The omission of perquisites at times in computing wages is a serious problem, especially for estimating the wages of tied labour. When perquisites are allowed for the wages thus estimated will contain a light downward bias. In this chapter we have assumed that the obligatory dues neutralize the perquisites.

In 1873, the wages registered a marginal increase, moving up to 2.4 seers per day (i.e. an increase of 10 per cent over ten years. A ten per cent increase was not very significant due to the very low base.) The Collector reported that the majority of agricultural labourers continued to be slaves in reality, and that they received this wage, whether they worked or not. \(^{29}\)

The 1873 wages mark a definite improvement over the 1800-01

\(^{28}\) ibid., p.73. Based on Collector’s reply to B.O.R, P.B.R, 4-12-1863. Kumar does not mention the areas in which wages increased.

\(^{29}\) Ibid.
wages, reported by Buchanan. Buchanan's estimated 1.5 to 2 seers per week wages which were sub-subsistence wages even if supplemented by 10 per cent of the gross crop output, amounted to much less than 2 seers per day. Thus, Dharma Kumar, is not very correct in her observation that there was "little perceptible movement in their wages." 30

In 1892 it was noted that the wages of casual labourers, both money as well as kind, registered an increase over the past twenty years. Farm servants were reported to have been paid for half a year in paddy, at a fixed average rate of 2.25 seers per male and 1.50 seers per woman with 1/6 to 1/10 of the gross produce at harvest time. 31 The real wage rate for unskilled casual agricultural labourers showed a slight upward drift between 1801 and 1871. From 1874 to 1890s the wages decreased to subsequently increase till 1916. During the depression of the 1930 findings from different village surveys suggest a 50 per cent decline in wages. When this is adjusted by the 100 per cent price decline, we find a 25 per cent fall in real wages during the 1930s. While casual labourers' wages saw a small movement in the above period, tied agricultural labourers' wages showed

30. ibid.
31. ibid., p.73. Based on P.B.R., 29-10-1897, No.2179
remarkable stability. During the Second World War real wages especially in the North went up sharply. This sharp increase has to be explained not only by the greater returns to agriculture, but also by the increasingly militant organization of the poor peasants and agricultural labour.

Labour Demand and Supply:

In a predominantly agricultural economy, the cultivated area, the crop mix and the size of the class of cultivating landlords, tenants and marginal farmers, in addition to the number of agricultural labourers were the major determinants of labour demand. An increase in cultivation pushed up the demand for labour. The category "cultivated area" may be divided broadly into "wet" and "dry" lands. Owing to the more intensive cropping regimes in "wet" lands, increments to this category would hike up labour demand more than increases in the "dry" category.32 In the

32. Unfortunately we do not have any estimates of the number of man-days of labour input in wet and garden or dry lands either by survey or cost accounting methods for Malabar. A survey of the cost of inputs for one hectare of paddy and coconut cultivation conducted by the National Sample Survey in 1950-51 estimates labour input (both hired and family) in wet paddy to be 158 percent higher in wet cultivation. N.S.S., Crop Estimation Survey, State Series: consolidated results of crop estimation surveys on principal food crops, 1949-50 to 1960-61, New Delhi,
first half of this century "dry" cultivation increased much faster than "wet" cultivation particularly after 1926. It is logically possible to estimate index numbers for labour demand by weighting dry and wet land with the cost of labour from the NSS survey. Given the unspecified method of the cost of cultivation estimates and its coverage, such an exercise runs the risk of generating only very approximate statistics. However, since we know that labour demand in irrigated cultivation or wet paddy in the case of Malabar, was more than double that for dry or garden cultivation, we have constructed graph for labour demand and supply (see Graph 6.2). 33 From the available figures on cultivated area one can confidently argue that labour demand increased in this period but the rate of increase was lower in the period 1904 to 1925 compared to that between 1926 and 1951. 34

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[cont.]

1965, pp.394, 435.

33. Graph 6.2 has been constructed by weighting wet acreage by the extra cost of labour incurred compared to dry cultivation. Labour supply is the aggregate number of cultivating owners, tenants and labourers.

34. Geometric straight lines were fitted to wet and dry land with time as an independent variable. The estimated coefficient of time when converted into a pure percentage yields the annual rate of growth of the series.
Computing labour supply apparently poses fewer problems, given the availability decennial census occupation data. On closer examination the census occupational figures exhibit surprising fluctuations\textsuperscript{35} and are plagued by underestimation. Agrestic servitude was widespread in Malabar but this does not get reflected in the figures for Farm Servants in the censuses.\textsuperscript{36}

Agricultural labourers have been estimated by aggregating Farm Servants and Field Labourers. It must be kept in mind that in addition to these groups we must include self cultivating tenants and landowners for purposes of estimating total labour supply. This has been done in Table 6.2a. From 1891 separate

\textit{-------------------}

[cont.]

\begin{align*}
\log\text{dry} &= 0.122\log\text{time}^* + 13.20*\text{constant} \quad \text{R-squared}=0.966 \\
\log\text{wet} &= -0.023\log\text{time} + 13.27*\text{constant} \quad \text{R-squared}=0.300 \\
\text{1926-50} \\
\log\text{dry} &= 0.219\log\text{time}^* + 13.13*\text{constant} \quad \text{R-squared}=0.891 \\
\log\text{wet} &= 0.051\log\text{time}^* + 13.05*\text{constant} \quad \text{R-squared}=0.562 \\
\end{align*}

\* t-statistic significant at t.005

Source: figures for "dry" and "wet" cultivation taken from SAMP.

35. See Tables 6.2 and 6.2a

36. The Malabar 'enumeration is defective as only 1,359 persons were returned as farm-servants though the District contains 245,000 Cherumas, members which caste are nearly always farm servants retained for long terms. they are even now bought and sold like cattle.' Census of India, Madras, 1901, vol. XV, p.192 In the 1921 Census Farm Servants once again accounted for only 1.6 per cent of Field Labourers. Census of India, Madras, 1921, vol. XIII, Part II, Table XVII.
figures for dependents and actual workers were given, except in the 1951 census where the two were clubbed together. 37

Emigration was not a very significant factor affecting labour supply in the Malabar case. Innes noted in 1908 that 'There is little emigration from Malabar, and bad seasons and plague are negligible factors.' 38 The net loss through emigration constituted only 4.5% of the total number of farm servants and field labourers in 1881. Emigrants from Malabar constituted less than 9% of the agricultural labourers in 1921. This proportion would reduce much more if we take into account out-migration and other sources of agricultural labour.

Total labour supply estimated in this way per gross cropped acre increased slightly between 1901 and 1951. 39 When this slightly increasing labour supply per cultivated acre is placed in a context where labour demand was rising but not as much as cultivated area (because of a greater increment in dry cropping)

37. The 1951 census also supplied figures for 'secondary means of livelihood' i.e. 'the means of livelihood next in importance to their principal means of livelihood', Census of India, Madras, vol. 3. Part I, Economic Table B-II.

38. Innes, Malabar, p. 93

39. The 1891 figure for labour supply (both including and excluding dependents) seems to be an overestimate. See Table 6.2b.
we find an increasing labour surplus situation.

Table 6.2
Population of Agricultural Labourers

<table>
<thead>
<tr>
<th>Year</th>
<th>2: No. of agricultural labourers (without dependents)</th>
<th>3: No. of agricultural labourers (with dependents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1871</td>
<td>311,242</td>
<td></td>
</tr>
<tr>
<td>1881</td>
<td>327,699</td>
<td></td>
</tr>
<tr>
<td>1891</td>
<td>624,631</td>
<td></td>
</tr>
<tr>
<td>1901</td>
<td>500,197</td>
<td>824,965</td>
</tr>
<tr>
<td>1911</td>
<td>457,459</td>
<td>762,591</td>
</tr>
<tr>
<td>1921</td>
<td>427,281</td>
<td>775,205</td>
</tr>
<tr>
<td>1931</td>
<td>184,717</td>
<td>188,750</td>
</tr>
<tr>
<td>1951</td>
<td>1,067,771</td>
<td></td>
</tr>
</tbody>
</table>


1. Year
2. No. of agricultural labourers (without dependents)
3. No. of agricultural labourers (with dependents)

1 Includes Agricultural Labourers, Herdsmen, Ploughmen, Crop Watchers and Shepherds; *Census of India, Madras*, vol.5 Table XII-C

2 Includes Farm Servants, Field Labourers and Crop Watchers

3 Includes Farm Servants and Field Labourers

4 Includes Farm Servants and Field Labourers

5 Includes Farm Servants and Field Labourers

6 Agricultural Labourers (sub-class 7) less 'Subsidiary' occupation

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Table 6.2a Estimated Total Labour Supply*

<table>
<thead>
<tr>
<th></th>
<th>1 excluding dependents</th>
<th>2 including dependents</th>
<th>Labour/GCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>2008723</td>
<td></td>
<td>2.11</td>
</tr>
<tr>
<td>1901</td>
<td>786728</td>
<td>1610427</td>
<td>1.22</td>
</tr>
<tr>
<td>1911</td>
<td>732208</td>
<td>1375141</td>
<td>0.89</td>
</tr>
<tr>
<td>1921</td>
<td>697589</td>
<td>1775173</td>
<td>1.06</td>
</tr>
<tr>
<td>1951</td>
<td>2329208</td>
<td>2329208</td>
<td>1.29</td>
</tr>
</tbody>
</table>

*The figures are estimated by aggregating the following occupational groups:
1891: Cultivating landowners, cultivating tenants, farm servants and field labourers.
1901: Cultivating land owners, cultivating tenants', farm servants and field labourers.
1911: Cultivating land owners, cultivating tenants', farm servants and field labourers.
1921: Ordinary cultivators 'as owners' and 'as tenants', farm servants and field labourers.
1951: Class I (cultivation of their own lands and dependents), Class II (lessees) and Class III (cultivating labourers). Dependents have been included to compute column 4 to ensure comparability of data.

In terms of equilibrium wages, one may expect wages to fall or remain constant because while labour demand increased, this was outstripped by supply. However, the gap between supply and demand decreased from the late 20s to 1951. The increase in demand was stimulated by lateral expansion. In wet rice cultivation with its low level of capital investment, output expansion...
necessitated greater labour inputs. An association among the indices for labour demand and labour supply with the wage rate will be discernible if the wage rate is determined by demand and supply. The recorded wages of "tied" labour remained spectacularly unaffected by changes in labour supply and demand. This suggests that extra-economic limits on their mobility prevented them from responding to factors which determined the wage rate for free labour. The rise in real wages of free labour in the 40s cannot be easily explained in terms of labour demand and supply. A rise in the number of self-cultivating farmers and a fall in non-cultivating rent-receivers should lower the demand for hired wage labour. On the other, it seems that the trend towards disengagement from wet paddy cultivation of large landed magnates and their replacement by smaller self-cultivating farmers allowed to raise the bargaining power free agricultural labour which was becoming increasingly unionized and militant.

The wage rate of tied labour in the post slavery abolition period does not show much change from the pre-1843 "slave" wages.

40. According to Ishikawa, it can be demonstrated in spite of regional variations, that yields of wet rice are positively correlated with labour inputs. Ishikawa, Essays on Technology, Employment and Institutions in Economic Development: Comparative Asian Experience, Tokyo, 1981
The wages of the slaves though "fixed" still made them vulnerable to falls in output. Given the very low subsistence or sub-subsistence wages of tied agricultural labour the perquisites given to them which included a proportion of the output became crucial. A fall in the output in this kind of a situation resulted in a lowering of their total remuneration. Labour exploitation by means of agrestic bondage thus protected the landowner against labour scarcity and allowed him to curtail expenditure on such labour during seasons of low output. The acute rice scarcity in the 40s and the changed political situation, coupled with the decline of the traditional landlord class contributed to the decline of the earlier form of "tied agrestic servitude".

**Section III Talukwise variations in Wage rates**

Intra-district wage rates show a clear association with the state of economic and ritual differentiation in the different taluks. Wage rates in North Malabar especially in the garden cropped taluks was appreciably higher than those in the South. The higher cost of cultivation for the same crop in the garden cropped taluks as opposed to paddy growing areas suggests higher
wages in the former.\textsuperscript{41}

<table>
<thead>
<tr>
<th>Taluk</th>
<th>Coolie Wages for transportation per mile (Rs-As.-P.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chirakkal</td>
<td>0 0 6</td>
</tr>
<tr>
<td>Kottayam</td>
<td>0 1 0</td>
</tr>
<tr>
<td>Kurumbranad</td>
<td>0 1 9</td>
</tr>
<tr>
<td>Calicut</td>
<td>0 0 9</td>
</tr>
<tr>
<td>Ernad</td>
<td>0 0 9</td>
</tr>
<tr>
<td>Palghat</td>
<td>0 0 6</td>
</tr>
</tbody>
</table>

Source: Proceedings of the Collector of Malabar, Bundle No. 12, S.No. 10219 dt. 2.7.1898, R.Dis.

Movements in wage rates provide a rough indication of changes in the living condition of the agricultural labouring classes. However, wage is not to be confused with income. The agricultural cycle was seasonally marked by periods of drastically reduced work. The nature of the cropping regime and the availability of off-farm subsidiary work determined the employment opportunities open to agricultural labourers and marginal peasants. Areas with multiple crops had the potential to afford less interrupted work to its labouring population. The garden cropped taluks of Malabar

\textsuperscript{41} See Fort St. George Gazette dated 1.3.1910, pp.270-72
devoted a significant proportion of their cropped area to paddy cultivation. Significant paddy and garden crop cultivation combined to reduce the marked seasonality in labour demand, thus increasing the minimum demand of agricultural labour through the year.

The agrarian economy of Malabar was however a far cry from one dictated by the logic of the perfect market place. Social institutional factors like caste and agrestic servitude and the non-economic influence of the employer intervened significantly in the labour market.

It must also be noted that the Malabar agrarian labour force was a body fragmented into different strata and not a homogeneous one. The free casual labourers benefited more from the shift in crop mix than the tied unskilled serfs. The differential nature of benefits which followed was governed not only by demand and supply, but also by normative distinctions such as caste and sub-caste privileges and practices.

In South Malabar, and in particular in Palghat there was not much difference in terms of material wealth and the amount of labour put in, between the rackrented working sub-tenant and the agricultural labourer. For instance, in Palghat, most of the wet land was cultivated by Tiyars or Izhavas. As cultivation of wet land was a status symbol for Izhavas, they agreed to pay anything
for it- hence the term *iluvupatam*. This term was used for a rate of *patrom* which was utterly incompatible with the capabilities of the soil, where the whole or nearly the whole of the grain produced went to the landlord, and the tenant got the straw or little more.42

Thus in terms of the labour alienated, the agricultural labourer and the small sub-tenant were not very different. However, in the ritual caste hierarchy the latter came higher, and this was very significant in traditional Malabar as caste ranking permitted a higher caste member a number of customary social and economic privileges not open to some one from a lower caste. Thus, caste at one level cannot be seen as an extra-economic category in colonial (perhaps even in today’s) India.

**Transition from Kind to Cash**

The transition to cash wages came as late as the twentieth century, and cash and kind wages continued to coexist for a very long time. The earlier, i.e., the nineteenth century wage figures which are expressed in money terms were kind wages, which were paid in rice, converted into money by multiplying it by the price of rice. These figures do not permit us to divide the wages by

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42. *S.A.M.P.*, 1894, p.401
the price of rice in order to deflate it and get the real income. To solve this problem both kind and money wages have been converted into kind wages and then the quantity of rice consumed by a family of five has been deducted from it. 43

The higher wages for casual labour, which usually belonged to the tiyar caste is to be expected, as they were more mobile and never had a history of having been slaves, unlike the cherumans and the paraiyas who came lowest in the rigid Malayali caste hierarchy. Ritual inferiority combined with extreme economic exploitation prevented the Cherumans and Paraiyas from asking for more, as long as they remained within the traditional Hindu caste hierarchy. The continued extreme exploitation of the agricultural labour in Malabar has to be seen in the context of his low caste ranking and the largely self subsistent village units (desams) which were based on wet paddy cultivation.

Eric J. Miller's hypothesis of the basis of the caste system in Malabar may be extended, and seen as a system which

43. The family size has been assumed at five, because the Royal Commission on Agriculture gives the minimum food requirement for a family of five. "A wage of 2 seers or just over 4 lbs. a day would if supplemented by the earnings of his wife and children, just suffice to maintain a family, of say, five. In fact, of course, deficiency diseases and malnutrition were very common." Report of the Royal Commission on Agriculture, New Delhi, Vol.II, pp. 732 and 742.
effectively perpetuated the existing relations of production in the countryside.\textsuperscript{44} According to Miller "... a necessary correlate of a rigid caste system is a system of territorial segmentation which has two functions: it promotes localized interdependent relations between castes, especially at the village level, by limiting the spatial range of intercaste relations for all castes; and it supports the hierarchical order of castes, by permitting greater mobility and greater spatial range of intercaste relations for those at the top than for those at the bottom. The larger and more inclusive the territorial unit in which members of a caste can move, the higher the rank of the caste."\textsuperscript{45}

Cultural uniformity also varied directly with the caste rank. While the Nambudiris shared common customs throughout Kerala, the Nayars had regional differences. These differences became progressively more pronounced as one went down the social scale. The lower caste differed from chiefdom to chiefdom, while among the "Depressed Castes" from whom came the tied agricultural worker there were variations between one village and another.

\textsuperscript{44} Eric J. Miller, "Caste and Territory in Malabar," \textit{American Anthropologist}, Vol.56. 1954, pp.410-420

\textsuperscript{45} Ibid., p.410
Thus, "structural distance was expressed in terms of spatial segregation." 46

While Miller sees "spatial segregation" as an expression of "structural distance", we would like to suggest that this spatial segregation was one crucial structural precondition for the perpetuation of the rigid caste system. Given the stasis in technological inputs into Malabar's agriculture, lateral expansion was the only way to increase production: labour, thus became the crucial element for agricultural growth. N.Sundara Aiyar during his field survey in 1916 reported: "I have heard farmers saying that if Cherumas left them they would be ruined, since the success of their cultivation, i.e., its profitableness under existing conditions, depends, they believe, on their cheap labour. In very recent times some of these Cherumas have begun to emigrate to other places attracted by the higher wages and better conditions of work. But this is uncommon owing to the covert opposition of their masters." 47

Thus, restrictions on spatial mobility which were most stringent for the lower castes, who constituted the bulk of the labour force, was a structural condition for the perpetuation of

46. Miller, *op.cit.*, p.413.
47. Sundara Aiyar, *op.cit.*, p.193
the unequal caste based traditional Malayali society, which in the final analysis was based on the availability of a servile and cheap agricultural workforce.

The increase in the availability of labour in the last years of the nineteenth century supports Dharma Kumar's contention that "... during the last quarter of the nineteenth century a clearly declining trend manifested itself [in wages]." By 1916, both money and kind wages increased considerably. In Guruvayur in Ponnani taluk, Lakshmana Aiyar observed: "A labourer, for a full day's work is now paid four annas, five or six years ago three annas ... woman's labour costs three annas per day now, formerly 2-1/2 annas, a boy's labour 2-1/2 annas now, formerly 2 annas." According to him the real wages of those who climb coconut trees have also increased, since the price of coconuts had gone up. In the 1910s and '20s free agrarian labour, too, appears to have benefited from the general expansion of the agrarian economy. During the Depression, according to a Government enquiry report the agricultural labourer did not suffer much. "Farm labourers are also better off so far as they are on a fixed money

48. Dharma Kumar, *op. cit.*, p.86
49. Lakshmana Aiyar, *op. cit.*, p.155
50. Ibid.
wage and little worse off when paid in kind for the same reasons."\(^{51}\) However, neither logic nor available data supports this view. When faced with a crisis one would expect the landlords and tenants who were socially and politically more privileged to pass on at least part of the extra burden to the labourer. Wage labourers in the upper wage classes earned more in cash than lower paid workers. The kind component of wages decreased as one went up the wage ladder. Given the fact that unskilled lowly paid wage labour formed the bulk of agricultural labour, it appears that this class was adversely affected during the Depression.\(^{52}\) Wage rates collected for this period, further do show an absolute decline in wages. In the next period of economic crisis during the Second World War, the cost of living went up astronomically but agricultural wages, at least in North Malabar did not lag behind the price hike.\(^{53}\)

\(^{51}\) Report of the Economic Depression Enquiry Committee, 1 May, 1931, p.3

\(^{52}\) B.O.R. (R.S., L.R. and A) No.257 dated 1932.

\(^{53}\) Cost of Living in Calicut (Base: Average prices from July 1935 to June 1936= 100)

<table>
<thead>
<tr>
<th>Month</th>
<th>Index</th>
<th>Month</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1939</td>
<td>103</td>
<td>December 1945</td>
<td>266</td>
</tr>
<tr>
<td>January 1942</td>
<td>129</td>
<td>December 1947</td>
<td>394</td>
</tr>
<tr>
<td>December 1942</td>
<td>180</td>
<td>December 1948</td>
<td>409</td>
</tr>
<tr>
<td>December 1943</td>
<td>228</td>
<td>December 1949</td>
<td>403</td>
</tr>
<tr>
<td>December 1944</td>
<td>237</td>
<td>December 1950</td>
<td>411</td>
</tr>
</tbody>
</table>

301
adult worker rose from 8 annas in 1941 to Rs 2.5 in 1951, an increase of 500 per cent. This wage increase appears to be higher than the price increase for garden and wet products. The sharp wage hike may also have been stimulated by the strong farm labourers' organizations in the North.

From Kind to Cash

The general movement from kind to cash wages, especially for casual labour has to be located in the context of a steep rise in agricultural product prices. This marked secular increase in prices from the early decade of the present century, was increasing the expenditure of the wage payer because usual medium of wage payment was paddy. The consumption basket of the labourer was dominated by rice, and therefore, increase in rice prices while it may not have boosted his real earnings, did work to the disadvantage of the landlord or the labour hiring-in tenant.

The question may be asked, as to why the tied labourer's wages were not also paid in money. A plausible reason may be that, since they were still paid only subsistence wages, it was

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[cont.]

Source: S.A.M.P., 1950-51, p.660

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wages were not also paid in money. A plausible reason may be that, since they were still paid only subsistence wages, it was not uneconomic to continue this. Further, the payment of grain might have also been integral to the perpetuation of the master-serf relationship.

Data on the medium of payment by wage classes for 1911 suggest a general trend towards cash payment for the higher wage earners and a preponderance of remuneration in kind at the lower wage levels. The distribution between cash and kind wages and combinations of the two ranged from a 100 per cent kind wage in the lowest wage class to an exclusively cash wage at the highest wage class in Malabar.

Source: S.A.M.P., 1950-51, p.660

54. While Cherumas, Nayadis, etc. were always paid 2 edangallis of paddy per man and 1-1/2 edangallis per woman, casual labour
Table 6.4 Incidence of kind and cash wages by wage classes

<table>
<thead>
<tr>
<th>Wage (Annas)</th>
<th>Percentage of different media of wages payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>cash with supplement</td>
</tr>
<tr>
<td></td>
<td>grain in kind</td>
</tr>
<tr>
<td>both</td>
<td>0.0</td>
</tr>
<tr>
<td>1 to 2</td>
<td>2.4</td>
</tr>
<tr>
<td>2 to 3</td>
<td>21.6</td>
</tr>
<tr>
<td>3 to 4</td>
<td>20.2</td>
</tr>
<tr>
<td>4 to 5</td>
<td>10.7</td>
</tr>
<tr>
<td>5 to 6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Computed from B.O.R. (RS, LR & A) No. 257, dated 29.3.1912, p.11

The greater cash component in the higher wage classes may be explained by the more skilled and occasional nature of such work.

Conclusion

In conclusion it may be reiterated that while one finds significant continuities between areas of pre-colonial slave concentrations and colonial labourers, definite changes took place in the nature of the colonial agrarian workforce during our period. The colonial agrestic labourers, far from constituting a homogeneous entity, were a fragmented body. The fragmentation was both along caste and income lines.

The free casual agricultural worker benefited during in the 1940s and 1950s. The tied serf may or may not have done so. We are not sure about the latter group, because, even though their

[cont.]
wages should have logically increased in real terms (because they were paid in paddy at a constant rate and the paddy prices registered a steep hike) extra-economic handicaps imposed on them often prevented them even from getting their due shares. Cheating by traders and lower than market payments for the grain that they sold worked against them.

The shift from kind to cash payment which started at the turn of the century appears to have been the result of two simultaneous movements-- the increasing price of paddy and the increased availability of labour in the post 1911 period and the secular shift away from wet paddy cultivation.

Finally, it may be mentioned that this essay has not taken into consideration the different forms of class struggle, which wherever investigated has yielded rich dividends in terms of the understanding the changing material conditions of the labouring classes.

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[cont.]

was paid between 3 to 5 edangallis in 1916.
Chapter 7
MARKETS AND THE AGRARIAN ECONOMY

Malabar's export trade and the politics of it have been fairly well documented for the late precolonial period but very little recent historical research has focussed on the district's modern trade and exchange. Malabar's agricultural resource base made it dependent on both exports as well as imports.

This chapter attempts to describe and analyse the product, credit and land markets in colonial Malabar. Section I deals with the price history of the district. Price movements for individual crops, relative prices, crop-wise price variations and the determinants of prices are examined here. Section II explores the question of supply responsiveness to price in Malabar's agriculture. Section III discusses the exchange networks and the major mercantile groups. The land and credit markets are dealt with in Section IV.

Section I Price History

Price was the crucial medium that transmitted the
fluctuations of the international market to Malabar. A pure history of prices, however good the data used may be, cannot explain the working of the economy. Its importance lies in suggesting varied rhythms of economic change, zonal diversification and trends in commercial integration.¹ These in turn provide clues and suggestions to investigate the possible determinants and contexts for such price changes by examining the related aspects and constituents of the region's production base and economic organization. An identical price movement may differentially impact on varied social classes and regions. In other words, the market can be studied as an agent of economic and historical change only when located within the complex of production forces and relations.

Price data is the most frequently and regularly available quantitative source for the economic history of late precolonial and colonial Malabar. The commodity, the price of which is most frequently recorded is that of rice—the staple cereal of the district. The land revenue demand of the Mysorean and colonial governments in Malabar was estimated by multiplying the kind obligation of the cultivator by the commutation price of the

product. The commutation price was the average of the product's price for the previous five or ten years. This meant that the regular recording of the selling price of rice, however inaccurate it might have been was essential for the revenue collecting bureaucracies. During Mysorean rule, however, the price of rice was arbitrarily increased or lowered by officials to adjust the revenue demand to politically feasible levels. The Mysorean commutation prices are thus unsuitable indicators of prevailing average prices. The colonial revenue establishment on the other hand, after the middle of the 19th century regularly recorded the selling price of rice to estimate land revenue demand. During the early 19th century there are long gaps in the recorded official rice price series. For this period the available annual series pertain to exported rice and farmgate prices from a private record.

By the late nineteenth century with the increasing recurrence of famines, the colonial bureaucracy was convinced that changes in the rice and cereal prices provided a reliable index of food availability and could be used as a warning signal for impending shortages and famines. It was with this assumption that the Famine Commission prescribed "warning", "scarcity" and "famine" prices for each district.

From 1874-75 monthly district average rice prices and annual
talukwise price data was published in the SAMP. From 1904, the SCR provided the harvest and retail prices for the district. For garden produce the price series are plagued by long gaps and there is very little information on the differences between farmgate, wholesale and retail prices.

The recording of agricultural product prices by the government received a boost with the passing of the Malabar Compensation for Tenants' Improvement Act in 1887. Greater attention was now required in price recording so that valuations of agricultural profits and improvements could be done with some amount of accuracy.

Price series based on food grains in Europe have been criticized for its excessive sensitivity to harvest fluctuations given an inelastic demand. The peculiarity of food grain prices, it was asserted, made it unrepresentative of the general movement of prices.2 In Malabar, however, the price of rice in spite of being the single most important staple cereal was determined only partially by harvest fluctuations. With approximately 60 to 70 per cent of the district's rice demand being supplied by imports, the retail price of rice in Malabar was crucially determined by the prevailing import prices. With a substantial degree of wage

2. See Braudel and Spooner, op. cit.
payment in rice and the virtual unimportance of inferior and cheaper cereal substitutes, rice prices assume an added economic significance in the case of Malabar.

Price Movements, 1874-1940

The price changes in the late precolonial and early colonial period have been dealt with in Chapters I and II. Here we try to construct the price curve for nearly a century beginning in the 1850s. Given the variable quality of price recording it would be prudent to rely on the reconstructed price series only as an indicator of a trend rather than an accurate record of absolute changes. Ignoring short term fluctuations Graphs 7.1 (a) and (b) exhibit a rising trend in prices from the middle of the 19th century up to 1920s. The price curves for rice and garden produce began to dip in the late 1920s to culminate in the Depression. The post Depression recovery was slow till the end of the '30s and in the case of garden products the post Depression prices remained much lower than what they were in the years around the First World War.

The Second World war with its resultant food shortages once again resulted in soaring prices. By the beginning of 1942 rice
Graph 7.1a Price of Rice 2nd sort
1809 to 1866

Source: Raghavalyangar, op.cit.

Graph 7.1b Monthly price of rice 2nd sort 1874-1941
prices were one and a half times the 1939 price.\textsuperscript{3} Japan's entry into the War completely stopped rice imports from Burma and South East Asia. The general foodgrain shortage in the Presidency hit Malabar most badly as it was a chronic rice deficit district importing more than half its normal paddy requirement. The Government intervened first by controlling prices and preventing the export of rice outside the Presidency. Subsequently it was forced to enforce food rationing throughout the district in 1944. Between 1944-45 and 1948-49 only 26 percent of the district's production could be procured by the Government. The food scarcity started easing only after the end of the War. The 1941 to 1951 period saw an astronomical increase in the prices of agricultural products. Pepper prices increased by 4976 per cent while that of coconuts went up by 1130 per cent.\textsuperscript{4}

The major crops grown in the district were paddy, coconut and other garden produce. As Graph 7.2 indicates the trend in relative prices between paddy and garden products was in favour

\textsuperscript{3} \textit{S.A.M.P.}, p.680
\textsuperscript{4} \textit{ibid.}, p.660
Graph 7.2 Relative Prices
Coconuts/Rice 1864-1938

Graph 7.3a Calicut’s Seaborne Trade
Total Foreign Trade

Graph 7.3b Calicut, Seaborne Trade
Total Coasting Trade

Source: Calicut Chambers of Commerce
of the latter. This imbalance in relative prices combined with the lower cost of garden cultivation probably explains the trend in the shift from wet to garden cultivation in the twentieth century.

Changes in the coefficient of variation in prices for different crops, apart from being used as a possible index for market integration, also provides a proxy index for the risk involved cultivation. The higher the variation, the more would be the risk. However, considerations of significantly larger expected profits and lower cultivation costs tended to act as countervailing factors. Table 7.1 gives the coefficient of variation in prices for rice, pepper and coconuts for different crops. Rice prices appear to have been much more stable than that of garden products.

5. We have used rice and coconut price series to estimate relative prices. The choice of coconuts was dictated by the availability of a longer series, its widespread cultivation and its significant economic status. Logarithms of the two variables have been used for computing the relative prices.
Table 7.1 Coefficient of Variation in Prices of Selected Crops

<table>
<thead>
<tr>
<th>Time period</th>
<th>Crop</th>
<th>Mean</th>
<th>S.D.</th>
<th>C.V. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870-80</td>
<td>Rice</td>
<td>3.24</td>
<td>0.56</td>
<td>17.39</td>
</tr>
<tr>
<td></td>
<td>Coconuts</td>
<td>24.13</td>
<td>6.23</td>
<td>25.81</td>
</tr>
<tr>
<td>1906-25</td>
<td>Pepper</td>
<td>37.96</td>
<td>7.33</td>
<td>19.30</td>
</tr>
<tr>
<td></td>
<td>Rice</td>
<td>5.82</td>
<td>1.43</td>
<td>24.63</td>
</tr>
<tr>
<td></td>
<td>Coconuts</td>
<td>52.62</td>
<td>18.06</td>
<td>34.32</td>
</tr>
<tr>
<td>1926-41</td>
<td>Pepper</td>
<td>47.39</td>
<td>29.10</td>
<td>61.41</td>
</tr>
<tr>
<td>Rice</td>
<td>4.99</td>
<td>1.62</td>
<td>32.45</td>
<td></td>
</tr>
<tr>
<td>Coconuts</td>
<td>48.47</td>
<td>1.62</td>
<td>32.45</td>
<td></td>
</tr>
</tbody>
</table>


Determinants of Price

Agricultural price movements can be thought of as the cumulative result of variations in local output, seasonal fluctuations in local production (represented by the Season or Condition Factor [SF]) and the quantum and price of imports. This hypothesis can be tested using quantitative data in the case of paddy, pepper and coconuts. Fairly reliable acreage estimates, a realistic series of Condition or Season Factors, import and output figures provide the data to test this formulation. As a first step we calculated a correlation matrix for the above variables. The correlation matrix (Table 7.2) suggests that the value and quantity of imported rice and paddy were more important in influencing the price of rice in the district than the local...
Table 7.2 Correlation Matrix of Various Components of Rice price in Calicut

<table>
<thead>
<tr>
<th></th>
<th>PRCAL</th>
<th>IMPRIC</th>
<th>IMPPAD</th>
<th>OT</th>
<th>SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRCAL</td>
<td>1.000</td>
<td>-0.879</td>
<td>-0.739</td>
<td>-0.307</td>
<td>-0.184</td>
</tr>
<tr>
<td>IMPRIC</td>
<td>1.000</td>
<td>0.847</td>
<td>-0.287</td>
<td>0.972</td>
<td></td>
</tr>
<tr>
<td>IMPPAD</td>
<td>1.000</td>
<td>1.000</td>
<td>-0.287</td>
<td>0.972</td>
<td></td>
</tr>
<tr>
<td>OT</td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
<td>0.972</td>
</tr>
<tr>
<td>SF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
</tr>
</tbody>
</table>

Note: PRCAL, IMPRIC, IMPPAD, OT and SF denote Calicut Retail Price, Imported rice, Imported paddy, District Output and Season Factor respectively. All series are detrended.


Rice

The high correlation between the price of imported paddy and rice and the local retail price is not surprising given the district’s substantial dependence on imports to meet its minimum requirements. In the 18th and the early decades of Canara and Bombay find frequent mention as sources for Malabar’s rice supplies. In the 20th century paddy and rice were exported to Malabar mainly from Krishna-Godavari deltas, Tanjore and later Burma. During the Depression rice from Indo-China and Siam were
dumped in the Malabar and Madras markets. From the middle of the 19th century rice prices exhibited an increasing trend till 1924-25. Malabar's rice price closely followed the Madras and Rangoon prices, exhibiting a strong positive correlation.6

The marked decline in rice prices leading to the Depression began in 1926-27, reaching its nadir in 1933-34. Lowered transportation costs since the 1920s and the lower cost of cultivation in Burma were chiefly responsible for making Burmese rice cheaper than the Madras produce. The revenue demand on rice cultivation in Burma was also lower than in Madras.7 Apart from its advantages of lower production and transport costs Burmese rice became more competitive because of its falling price. This price fall was caused by expanding rice cultivation in Burma and a shrinkage in the demand for it in Europe and China. Lack of adjustment of railway freight rates, further, inflated the Madras rice prices. The sharp increase in prices during the First World War had led to the raising of railway freight rates by about 40

6. G.O. No. 717, Ms. dated 15.6.1933, Development Department
7. "It was estimated in 1934 that an acre under rice cost Rs.24 in Tanjore and Rs.17 in Burma. The cost of sea transport between Burma and India is also lower than the rail transport between different stations in Madras. Therefore Burmese rice has been able not only to beat out Madras rice from Ceylon but sell its rice in Madras itself." Thomas and Sastry, op.cit., p.5
Pepper

While rice was a traditional import of Malabar, pepper was the crop which attracted foreign merchants and soldiers to its coast. This lucrative crop began to decline in value in the 19th century. One major factor which had ensured a high price for Malabar pepper before the 19th century was the monopolistic character of the trade in it. In the course of the 19th century shrinking demand and increased foreign competition progressively eroded Malabar's monopoly. Increased use of fodder crops like lucerne and turnips in Europe reduced the compulsion to store meat in winter. The subsequent invention and popularization of the cold storage further reduced the demand for pepper to preserve food. On the supply side while Malabar was the most important source for pepper in the 15th and 16th centuries, by 1936 the Dutch East Indies had emerged as world's largest pepper supplier. It supplied about 92 per cent of the world demand. India ranked third, after Indo-China, contributing only 7 per cent to the total world pepper exports.

In the pre-War years heavy demand for pepper from Germany to make tear shells increased its price. The outbreak of the War led to the loss of the German market. Between 1916 and 1920 the price remained high because of partial crop failures and the rise in the value of the rupee (after 1918). The high prices in 1927-28
in importance and increasingly became dependent on it. (See pie charts 7a, b and c). A similar trend
it from the international market and closer
h the Indian market is suggested by the course of ign and coasting trade in the '40s (See Graphs 7.3a

lation of annual average detrended Batavia pepper average of Calicut and Tellicherry prices for the
38 was 0.938
Chart 7a Calicut Pepper Exports
Geographical Distribution 1924/25

Source: Calicut Chamber of Commerce

Chart 7b Calicut Pepper Exports
Geographical Distribution of Exports 193

Source: Calicut Chamber of Commerce
The unmarked segment represents Bengal, Ceylon and O.I.P.

Chart 7c Calicut Pepper Exports
Geographical Export Distribution 1938/3

Source: Calicut Chamber of Commerce
somewhat.\textsuperscript{11}

The sensitivity of coconut prices in Malabar to external prices is suggested by its close monthly association with the Bombay prices.\textsuperscript{12}

\textbf{Market Integration}

Correlation analysis is commonly used to study market integration. However, a high correlation coefficient between prices in different markets need not necessarily be the result of an actually increasing trend in market integration. Blyn has shown that trend variables need to be isolated to prevent the generation of spuriously high correlation coefficients between different markets situated within a particular agricultural region.\textsuperscript{13} Blyn reworked Cummings' eight year collection of monthly wheat prices in the Punjab and Delhi markets, by

\textsuperscript{11} Madras Legislative Assembly Debates, vol.III, dated 18.9.1937, p.292

\textsuperscript{12} Correlation coefficients of detrended monthly coconut oil prices at Calicut and Bombay between 1934-35 and 1942-43 were 0.802, 0.740, 0.998, 0.882, 0.976, 0.748, 0.999 and 0.780 for the months of January, February, March, April, May, June, July and December respectively. Computed from Marketing of Coconut Products in India, Appendix XLII.

\textsuperscript{13} George Blyn, "Price Series Correlation As a Measure of Market Integration", \textit{I.J.A.E.}, xxvii, 2, 1973
eliminating the trend and seasonal components, to arrive at a coefficient of 0.68 which was well below Cummings' modal coefficient of 0.85.\textsuperscript{14} It must be kept in mind that high price correlations between markets can also be the result of stable margins and monopolistic imperfections, as was the case with the early pepper market in Malabar; they need not always be an indication of competitive conditions and efficiency. A persistently high price differential between two or more markets trading in the same commodity, moreover, does not indicate low market integration.\textsuperscript{15}

While the prices of commodities which were imported or exported showed a close association with external markets, the intra-district price trends also exhibited close correlation. Unfortunately, monthly price data is available only for some commodities and that too for not more than one year. Coconut prices have been used below to study intra-district price

\begin{enumerate}
\item[-] \textsuperscript{14} Ralph W. Cummings, \textit{Price Efficiency in the Indian Wheat Market}
\item[-] \textsuperscript{15} William Jones model based on the staple trade in Nigeria posits that if a particular commodity is traded between two markets, A and B, the price in A can fall short of or exceed that in B by twice the transport costs without affecting the price in market B. See William O. Jones, "The Structure of Staple Food Marketing in Nigeria as Revealed by Price Analysis" and Mats Lundahl, \textit{The Haitian Economy: Man, Land and Markets}
\end{enumerate}
correlation. The coconut formed a significant garden produce which was widely produced and marketed. With every household having at least a few palms, coconuts supplemented the Malayalis’ rice dominated diet and was a source of cash. Table 7.3 shows the correlation matrix for monthly detrended coconut prices for six taluks in 1921.

Table 7.3 Correlation Matrix- Monthly Coconut Prices, 1921

<table>
<thead>
<tr>
<th></th>
<th>Cann.</th>
<th>Tell.</th>
<th>Badagara</th>
<th>Calicut</th>
<th>Ponnani</th>
<th>Palghat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cann.</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.452</td>
</tr>
<tr>
<td>Tell.</td>
<td>1.000</td>
<td>0.004</td>
<td>0.713*</td>
<td>0.744*</td>
<td>0.213</td>
<td></td>
</tr>
<tr>
<td>Badagara</td>
<td>1.000</td>
<td>0.335</td>
<td>0.452</td>
<td>0.749*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calicut</td>
<td></td>
<td>1.000</td>
<td>0.847*</td>
<td>0.279</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ponnani</td>
<td></td>
<td></td>
<td>1.000</td>
<td>0.436</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palghat</td>
<td></td>
<td></td>
<td></td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on price data in D.Dis No. 5315/22 dated 30.5.22. * denotes that r is significant at t0.05.
Tell. and Cann. stand for Tellicherry and Cannanore.

Very strong price correlation can be noticed between contiguous areas which contained important ports and a significant producing hinterland such as Tellicherry and Cannanore. The important ports of Tellicherry, Calicut and Ponnani in spite of not being contiguous yield significant coefficients. Since all these three markets were located in coconut rich areas, the high correlation may have been due to extraneous factors such as Ceylon’s export price, or the Bombay
price for coconut oil. Palghat taluk, where coconut production was of negligible commercial importance seems to have been totally unintegrated with the rest of the district markets. Kurumbranad or Badagara prices show an unusual trend which I cannot explain. Though this taluk had a large extent of cultivated area under coconuts and was located close to Tellicherry and Calicut its prices exhibit insignificant association with the latter centres.

Section II Supply Responsiveness to Price

Given the highly commercialized nature of the colonial agrarian economy of Malabar, one expects some degree of supply responsiveness to price changes in agriculture. The severe limitations of the output figures have compelled us to use paddy acreage as a surrogate index for agricultural supply. The very strong, near linear relationship between output and acreage figures for wet paddy justify the use of acreage as the supply variable. Acreage and output statistics on non-wet paddy production being highly suspect, no attempt has been made to check for the supply responsiveness of these crops. In areas where crops are substitutable relative prices of competing crops rather than the absolute price of a single crop exert a stronger influence on the relative allocation of inputs. The impossibility
of easy and rapid substitution of wet paddy by other crops in Malabar reduces the relevance of relative prices in determining short run acreage changes. With the gestation period of plot extending upto twelve years and the considerable expenses involved, converting low lying paddy lands into gardens was not feasible in the short run.

Graph 7.4 shows the sympathetic movement of rice prices and paddy acreage in the period of rising prices upto 1925. In the period of falling prices this congruence disappears. If Malabar's agrarian economy was indeed peopled by "independent market-oriented small farmers" one will expect a shrinkage in paddy acreage as a supply response to adverse price and revenue trends in the thirties.\textsuperscript{16} This is however not evident. Paddy acreage continued to increase, fuelled by small farm proliferation.\textsuperscript{17} In spite of a massive increase in revenue demand at the time of the Resettlement in 1930, compounded by falling prices to increase the real burden of revenue, the Malabar small farmer continued to expand while some of the larger landholders disengaged from wet cultivation. This provides the context for the lack of supply responsiveness during the period of falling prices and increasing

\textsuperscript{16}Dilip Menon, \textit{op. cit.}, p.22
\textsuperscript{17}See Table 5.9 Chapter 5.
Graph 7.4 Price of rice 2nd sort and paddy acreage
revenue. To test for price responsiveness of supply, least squares regressions were run on paddy acreage with the average of the last three years price (MA3) and the real revenue demand as the explanatory variable. First order autoregressive terms were introduced in each of the regression equations to correct for autocorrelation which was present in the raw series. The same regression was run for two time periods to see the changes in price responsiveness in times of increasing prices and depression.

Regression Equation 1  LS 1905 - 1925 n=21
PAC= MA3 (8109.014) * + WTDEM (-0.015) + C (828120.95) + AR(1)(0.642)

R-squared 0.701  Adjusted R-squared 0.649
* denotes significant at t0.05

Regression Equation 2 LS SMPL range: 1925 - 1940 n= 16
PAC= MA3 (-635.580) + WTDEM (-0.017) + C (894913.29) + AR(1)(-0.212)

R-squared 0.251  Adjusted R-squared 0.064

The above results clearly indicate that during the period of rising prices there was positive causal connection between market prices and wet paddy supply. In the subsequent period of

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18. The price data is taken form the S.A.M.P. and the acreage data from the relevant issues of the S.C.R.
sustained price fall the relationship ceased to be statistically significant. The noticeable change in the supply responsiveness suggested by the regression results appears to be the outcome of a complex of factors. The bulk of the paddy acreage was accounted for by wet paddy. In wet paddy areas the landlord or the janmi was in a position to appropriate a substantial part of the produce. The predominant medium of rent payment in wet paddy areas was in kind. In years of sharply increasing prices this meant that the profit accruing to the landlord greatly went up providing the incentive to him to increase the output. The self cultivating farmer and the tenant cultivator though crushed by a heavy rent burden would also work harder to increase the output since this would mean increased returns given rising prices. In the period of the slump, cultivated area did not fall but the intensity of cultivation stagnated. In a surplus labour situation the dwarf holder would not have any economic reason to either reduce the cultivated acreage or the cultivation intensity even in the face of abnormally low prices.

**SECTION III Exchange Networks and Mercantile Groups**

The market has so far been discussed in terms of prices, balance of trade and statistical measures of integration and
variance. Who were the people engaged in trade and exchange in this market? Why did certain socially and economically privileged groups keep out of this lucrative activity? These are some problems which need to be answered. With an overwhelming part of Malabar's exports constituted by garden products one would expect the existence of a well developed marketing chain which linked the producing hinterland with the exporting ports. Buchanan writing at the beginning of the nineteenth century vividly describes the mechanism and the terms of the transfer of commercial produce from the interiors to the coastal merchants. 'Rich farmers, mostly Mapillas raised the pepper crop without taking any advance and sold presumably directly to the port merchants for prices ranging from Rs 120 to Rs 125 per candy of 640 lbs. The poorer Hindu cultivators, on the other hand, who were in need of cash advances entered into written contracts with Muslim of Mapilla merchants who came from the coast between the 12th of June and the 13th of September. The cultivators received an advance payment of Rs 65 to 75 per candy. According to the agreement, if after the harvest the specified amount or part of it cannot be delivered the cultivator has to compensate the merchant at the prevailing nominal market rate. Usually such cultivators could neither deliver the specified quantity nor pay the cash penalty. He then executed a note to deliver the
shortfall at the rate of Rs 39 to 45 per candy. No interest was, however, charged on this. Though merchants willingly allowed discounts to foreign buyers, they made it a point to keep the nominal market price high as it worked to their benefit and against the cultivators'. The farmers attributed their taking such loans on the most disadvantageous terms to the burden of land tax. Certain changes appear to have taken place by the late nineteenth century in the marketing of pepper. Large coastal merchants now borrowed from banks and advanced money to middlemen who were generally Mapillas, living in the interior. The merchants borrowed from the banks at the rate of 12 per cent to further lend it to the middlemen at an interest of 24 per cent to buy up pepper. The pepper crop was harvested between the middle of January and February. By August or September the quantity and quality of the coming harvest could be estimated. The middlemen first estimated the crop and paid an advance at the rate of Rs 9 to 10 per 100 edangalis of undried pepper, which is roughly equal to a candy of dried pepper corn. The middlemen had to pay for the plucking, drying and transportation of the pepper, the price for which varied according to changing market conditions. The middlemen paid the wholesale merchants for the principal and the interest on the sum borrowed in pepper when the produce was finally delivered. The profit of the wholesaler is estimated at 1
per cent per month and that of the middleman at 5 per cent per month. Apart from bank financing the entry of indigenous wholesalers in the marketing chain and a slight amelioration in the terms offered to the cultivator, not much change took place for a century in the marketing of pepper.

Similar advance contracts were also made in the case of coconuts. If a crop of 1000 coconuts at the rate of Rs 25 was expected in January, a prepayment of Rs 15 to 17 was made in January for the entire crop in September, earning the petty trader a profit of more than 30 per cent. With many of the poorer cultivators owning not even the palms, the petty trader ran a significant risk in making these advances. To reduce the risk only small sums were advanced.

With the increasing importance of coconut oil and copra, coconut growers began to sell the whole of a coming year's produce to copra manufacturers on a chowdana rate. This rate was fixed according to the prevailing market price of coconut oil. One candy (654 lbs.) of coconut oil was taken as equal to the price of 20 chowdanas or 3000 nuts. Nuts harvested in the rainy

19. "Arrangements now usually entered into by merchants with cultivators in regard to the delivery of commercial produce as reported by the Registrar of Tellicherry District" in Raghavaiyangar, op. cit., p.cclxxviii
season were smaller and fetched only a reduced price. However, this loss was more than offset by the harvests in the summer months. A comparison of average monthly prices of coconuts at Cochin with the corresponding prices for coconut oil for the sixty months from 1936-37 showed that the price calculated on chowdana was lower than the prevailing market rate for 43 out of 60 months. In only one out of the five years was the chowdana based prices higher than the market rate.

Table 7.4 Average Monthly Coconut and Coconut Oil Prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Average annual price per 1000 Rs</th>
<th>Average annual price (per 654 lbs.) on chowdana</th>
<th>Calculated price on chowdana</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936-37</td>
<td>38.13</td>
<td>107.06</td>
<td>35.69</td>
</tr>
<tr>
<td>1937-38</td>
<td>30.50</td>
<td>88.56</td>
<td>29.50</td>
</tr>
<tr>
<td>1938-39</td>
<td>29.31</td>
<td>63.31</td>
<td>21.13</td>
</tr>
<tr>
<td>1939-40</td>
<td>26.31</td>
<td>80.00</td>
<td>26.63</td>
</tr>
<tr>
<td>1940-41</td>
<td>26.63</td>
<td>76.81</td>
<td>25.63</td>
</tr>
</tbody>
</table>

Source: Marketing of Coconuts and Coconut Products in India, p. 76

Unlike the commercial garden crops which were primarily exported, paddy marketing was much more complex. In the case of coconuts and pepper the movement was unidirectional from the producer in the interior to the wholesaler in the ports. Paddy which though cultivated throughout the district in varying quantities was in short supply in all the taluks except Palghat. The highly unequal distribution of holdings in Malabar meant that
in any village the richest and the poorest cultivators would be selling a significant proportion of their output in the market - the former for profit and the latter to meet rent, revenue and interest payment obligations. The impoverished cultivator after having to sell his produce immediately after the harvest had to buy his subsistence requirements on the market in the lean months when rice prices were high. In wet paddy dominated taluks where wages were paid in kind the labourers sold part of their earnings to buy other necessities. Thus paddy and rice entered the market both locally and through imports. The imported paddy or rice came from the ports of Cochin, Calicut and Tellicherry. The price of rice in the taluk market towns were determined significantly by the net local shortfall, local marketed supplies, the volume and price of imports and the transport costs of these imports. Thomas in a survey of Guruvayur estimated that local village output constituted only 40,250 paras or 28 per cent of the total village consumption of 1,44,000 paras. Traders brought in 1,03,750 paras of paddy from Patambi which was 20 miles away, Trithala which was 15 miles away and Alathur. Imported Burma rice was transported from Cochin and Trichur by canal and bullock carts. Thus while the price and quantity of cheap rice imports strongly influenced

inland prices, local supplies were important in causing fluctuations in the village price of paddy and rice.

It seems most paradoxical that Malabar which was so crucially dependent on trade did not develop a large mercantile class as in Gujarat, Gujarat, the Konkan and the Coromandel. The bulk export and import trade was in the hands of outsiders. In the twentieth century the import trade in rice was dominated by the Cutch Menons, Gujaratis and Mohammedan merchants. Out of a list of twenty four chief importers of Burma rice in 1933 only one was a Malayali Hindu. Three of the merchants has their business activities spread over Ponnani, Calicut, Tellicherry and Badagara.

The Malayali Hindu’s reluctance to engage in commerce dates back to at least the late precolonial period. From the eighteenth century we have evidence of Malabar’s profitable external trade being controlled by very wealthy Gujarati, Mapilla, Arab and Chetti traders. The Malabar Rajas and upper caste Nambudiri and Nayars kept themselves aloof from this activity.

Section IV Credit and Land Market

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22. G.O. No.717, Ms. dated 15.6.1933, Development Deptt.
Given the nature of agrarian production in Malabar, the credit market crucially determined the farmers' responsiveness to prevailing market conditions, levels of investment in agriculture, the existence forms and the extent of usury. In colonial Malabar unlike Travancore and Cochin no regular quantitative estimates were made of the total magnitude of indebtedness. The available sources for reconstructing the history of the credit market consist of nineteenth century descriptions of usurious activities, village surveys carried out in 1916 and 1936, the evidence gathered by the Madras Banking Enquiry Committee of 1930 and Sathianadhan's survey of 1934.

In Malabar loans were incurred not so much on account of expenses related to marriages, child births and other kinds of conspicuous consumption, but to continue from one agricultural cycle to another. The majority of agriculturists had to take credit for working capital. "Only those who can find money from other sources like trade, public life, contract, etc. ever think of improving their lands."

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The first graphic accounts of the operation of usurious are found in Buchanan's and Warden's works at the turn of the century. As late as the end of the nineteenth century usury of the kind described by Warden continued in parts of Malabar. Two documents relating to different stages of a credit transaction from Palghat in the 1890s provide interesting information on interest rates and the interlinkage between the product and credit markets and the resources of the debtor. In the first instance a marginal tenant farmer takes a loan of 80 paras of paddy at an annual interest of 40 per cent in May-June 1891. Although the deed contained no provision for a changed rate of interest in the event of default, it was a recognized rule to get the remainder of the kind loan in money. The money value of the outstanding loan was calculated at the highest ruling market price of paddy. In Palghat, for instance, during 1891 and 1892 the harvest price was 1 fanam per para and during the lean months it ranged from 1.72 to 1.6 fanams per para.

Another description of money lending in the 1890s comes from Ottapalam in Wallavanad taluk. In this instance the tenant farmer obtains a loan of 50 paras of paddy from a Mapilla moneylender in June-July to pay the wages of his labourers. The credit is given on condition that the borrower will repay the principal (50 paras of paddy priced at Rs 25) with interest at the rate of 2
per cent per month in paddy in kanni (September - October), at 4/10ths of a para in excess of the market rate. In kanni the amount repayable increases to 151.2 paras. At harvest time with the gross produce being just about 250 paras he is not in a position to clear off the entire debt, meet his rent obligations and finance the next agricultural cycle. The creditor being closer to the spot and more insistent than the landlord is given 100 para of paddy. The remainder is agreed to be repaid in money in Dhanu (December- January) at the current price of 0.8 paras per fanam or 2.8 paras per Rupee. In Dhanu the borrower is faced with a loan liability of Rs 18.39. With neither extra money or paddy at this time he makes a further promise to repay the amount at the time of the Makaram harvest when paddy prices are at a low of 1 para per fanam or 3.5 paras per Rupee. In Makaram he finds it impossible to meet rent and credit obligations together. Anxious to retain his plot he pays most of the produce to the landlord. Assuming that the indebted cultivator's gross output is 450 paras and his obligations amount to 200 paras, he is neither able clear his debts or the rent arrears to the landlord.

"Supposing the ryot to conciliate the [moneylender] by paying him 32 paras at once and agreeing to pay money for the balance at 8 annas the para in Medham, the result to the ryot is that after paying the Moplah 132 parahs for the original loan of 50 parahs,
he finds his original debt reduced at the end of the year only by 9 rupees. the Jenmi may occasionally remit the balance, but the Moplah never does.\textsuperscript{25} This description suggests a strong linkage between the credit, product and rental markets. Debt rolling appears as a commonly used tactic to postpone insolvency or distraint.

Sathianadhan in his enquiry into agricultural indebtedness in Madras found that in Malabar moneylenders were often the most important suppliers of credit.

<table>
<thead>
<tr>
<th>Creditor</th>
<th>Credit (in Rs)</th>
<th>Details of security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>511</td>
<td>Immovable property</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>50</td>
<td>Immovable property</td>
</tr>
<tr>
<td>Moneylenders</td>
<td>104852</td>
<td>Immovable property</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>1961</td>
<td>Without security</td>
</tr>
<tr>
<td>Moneylenders</td>
<td>42752</td>
<td>Without security</td>
</tr>
<tr>
<td>Moneylenders</td>
<td>9000</td>
<td>Movable security</td>
</tr>
</tbody>
</table>

Source: W.R.S. Sathianadhan, \textit{Report on Agricultural Indebtedness} in G.O. No. 3295, Law (General) dt.20.10 1934

In Guruvayur in 1936, the cooperative credit society, the joint stock banks and the village moneylenders accounted for

\textsuperscript{25}"Particulars furnished by the Sub-Registrar of Palghat as to the nature of usurious money-lending transactions carried out by the Moplahs at present" Srinivasaraghavaiyangar, \textit{op. cit.}, p.cclxxvi

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10.04, 26.43 and 63.53 per cent of the total credit given. The three villages surveyed by Sathianadhan had no regular full time moneylender, while 74 agriculturists combined money lending with farming. Of the four divisions of the Madras Presidency the West Coast had the highest average debt per acre of Rs 65 in 1930.

A new feature in the district’s credit system which came up in the twentieth century was the setting up of joint stock banks in large numbers. These banks while not important in directly supplying agricultural credit often financed moneylenders. "Re-pledging" was an important method of mobilizing credit for these banks. This meant that a moneylender or a bank would take secured gold to a bank, which would advance loans against this security. In certain areas such as Guruvayur in Ponnani taluk, the setting up of joint stock banks forced moneylenders to reduce their interest rates.

The incidence of debt was found to be higher in garden lands than on wet lands. The debt per acre on wet land and garden land

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26. Sathianadhan, op.cit

27. Interest rates in Guruvayur charged by moneylenders came down from 24 to 30 per cent to 12 to 18 per cent.
was estimated at Rs 1308 and Rs 1353 respectively.28

The Land Market

The land market in colonial Malabar was the least developed of all the factor markets. Widespread leasing and sub-leasing of holdings, the encumbered state of holdings, the unpredictable returns from agriculture and the impartible inheritance rules of the Nayars contributed to severely inhibiting any sharp increase in the sale and purchase of land. Most of the land was owned by Nambudiri and Nayar janmīs. The stigma attached to the sale of janmam rights also dampened land sales.

Data on land prices are available sporadically from the early nineteenth century. The wide range of prices quoted for land of the same quality, however, makes it difficult to use these figures for any rigorous analysis.

In 1928 as part of the resettlement operations a survey of 26 desams in Ernad taluk was conducted to ascertain changes in the sale price of land between 1911-14 and 1925-28. Ernad was selected because "it is the only taluk in Malabar that contains both wet and dry lands of all three groups..."29 726 documents

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29. G.O. No.873, Mis. dated 1.5.1929, Revenue
were examined after excluding certain kinds of transactions. 30

Table 7.6 Sale value in Rupees per acre in Ernad taluk

<table>
<thead>
<tr>
<th>Description</th>
<th>1911 - 14</th>
<th>1925 - 28</th>
<th>%age increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>Wet</td>
<td>353</td>
<td>111</td>
<td>448</td>
</tr>
<tr>
<td>Garden</td>
<td>250</td>
<td>97</td>
<td>337</td>
</tr>
<tr>
<td>Occupied Dry</td>
<td>79</td>
<td>84</td>
<td>143</td>
</tr>
</tbody>
</table>

Source: G.O. No. 873 Mis. dated 1.5.1929, Revenue
B denotes the ratio of the average sale values to the average assessment.

Though the average figures exhibit an increase between the first and second periods, the very wide range of values make any definite conclusions on the basis of averages fallacious. The extent of the range of variations in land prices in Malabar was much greater than on the East Coast.

30. ibid.
The following kinds of transactions were excluded:
   i. those pertaining to unoccupied dry lands,
   ii.inam lands
   iii.land with assets like houses and tree which had not been valued separately,
   iv.lands which had been converted from garden to wet or vice- versa.
In Malabar the sale price of agricultural land was conventionally calculated by a very simple method. If a plot of single crop wet land required ten paras of seed and each para of seed produces ten menis, the outturn would be 100 paras. Of this the janmi's share is converted into money at the prevailing price and then the capitalized value of this calculated at the local rate of interest. "This is the method which prevails now as it had prevailed for many generations past and it is obvious in making any comparison ... that the only varying factor in the transaction is the price of paddy..."31 Thus, land values were determined by the janmis' share and the prevailing product prices. Given this method of determining land values it may be logically inferred that land prices would have been lower in North Malabar for wet lands than in the South because the michavaram or rent was lower in the North.

Conclusion

The agrarian structure of Malabar emerges from the above discussion as highly, but differentially, commercialized. The degree of commercialization varied between garden and paddy producing areas. Further, Malabar's spices which formed its

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staple high value export up to the early decades of the 19th
century progressively lost their foreign markets and its
significance decreased in the district’s basket of exports. A
high degree of dependence on the market persisted throughout our
period because the region was dependent on external markets both
for buying its exports and supplying its basic food staple.
Malabar’s agricultural product prices moved in close association
with export and import markets. During periods of increasing
prices the Malabar farmer appears to have responded positively in
terms of increasing supply, whereas, during the Depression, the
reverse did not happen. The beginning of the Second World War
marked a definite break in the direction of the district’s export
trade, which now became predominantly dependent on markets within
India.