5.1 History of Kerala trade

Trade had been one of the oldest professions of mankind. As most of the ancient civilizations of the world flourished on the banks of rivers, they could realize the opportunities for prosperity. Thus trade and commerce along with the practice of usury began to flourish among those ancient people. Trade, both internal and external, received their attention. In ancient India, evidences prove that ancient Harappans had trade contacts with distant people. Thus they became the authors of one of the most ancient urban cultures in the world. Kerala was blessed with quite a good number of natural ports. Muzris, on the Arabian Sea coast was one of the most ancient sea ports in India. Different sources say that, Kerala products were available to the ancient Harappans. This proves the existence of coastal traffic between Kerala and northwest India some 5000 years ago. It is
certain that ancient Greeks and Romans reached this coast for collecting spices in return for gold. The contact with these foreigners was so much strong that, as per a legend, a temple was dedicated to Augustus Ceaser in Muziris. This indicates the presence of the Roman traders, most probably in large numbers, in Muziris.

Not merely with the west, but trade with the Chinese in the eastern part of the world had also flourished, since the ancient period onwards. The remnants of Chinese trade are visible even today in the form of Chinese net, China vase, ‘Cheenachatti’ etc. Another important group of foreign traders whose presence was very much felt throughout the medieval period was the Arabs. Most of the time they were the intermediaries between the East and the West.

As a result of the flood in the Periyar in 1341 A.D, the ancient port of Muziris lost its significance as a port and in its place another port emerged a few miles south of it. Thus Cochin rose up to her importance. The rest is history. Very soon, she attracted the attention of foreign traders and became one of the busiest ports in the Indian subcontinent.

The presence of navigable river and backwater system also functioned as routes for bringing trade articles from hinterland to the port. This suitable conditions made trade one of the most important occupations of the people, along with agriculture and industry. Thus its natural harbour, it’s backwaters and river transportation routes, and road transportation facilities, above all a very supportive political system, provided ample scope the development of trade and commerce through this port.
The presence of a very enterprising community with trading skills also contributed greatly to the promotion of trade. Around the 10th and 13th centuries trade was very much controlled by trade organizations like Anchuvannam and manigramam who were engaged even in foreign trade.

Important trading communities settled down in Cochin and played a significant role in the promotion of trade and commerce. For example, the Syrian Christians who were a highly enterprising community were involved in trade in agricultural products and forest products, like timber, spices, pepper, coconut, etc.

A very supportive and tolerant political system as well as the much improved infrastructural facilities invited traders to the State. Traders from far off lands reached here. From the earlier period of history, one of the most enterprising communities in the world, the Jews, reached Kerala and made their presence felt in trade and commerce, though later, some apathy began to be displayed by them in business activities. “Thus the peculiar financial genius of the race was conspicuous by its absence in the latter day Jews of Cochin. There are no bankers money lenders or pawn brokers among them”.¹

Taking advantage of the policy of promotion of trade and commerce by the succeeding governments of the State, business communities like the Gujaratis, the Konkanies, the Marwaris, the Chetties also began to reach the State and peacefully settled down by getting involved in trade and commerce. It was definitely the condition of peace and religious tolerance

prevailing in the state that attracted these groups to the State. “Mercantile community prosper in amicable surroundings and trade and commerce thrive, when there is a desire to search for greener pastures”

So these ambitious communities found the place amicable and there was “plenty of opportunity for trade.” It was the political pressure at home during the time of Mahmud of Gazhni’s invasion that compelled the Gujaratis to come to Cochin and settle down here and build up their fortune also in this land.

It was the religious persecution by the Portuguese that compelled the Gowda sarawaths, generally known as Konkanis to reach the Malabar Coast. Even though there were ups and downs in the relation between the Konkanis and the succeeding governments, Konkanis generally flourished through their skill in business dealings.

The Chettis mostly played the role as intermediary between cultivators in rural areas and foreign merchants.

These non- Malayali merchant communities not only flourished themselves, through their bold and ambitious business dealings, but could contribute greatly to the State income too. As a result of this, along with rural life, urban life and culture also began to emerge here. Generally, Malayalis from time immemorial were very averse to living in closely built villages; but as a result of the extension of industrial and other business

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2 Prathima Asher, The Gujarathis in Kerala (art) published as part of the Kerala History Association Diamond Jubilee Celebration Souvenir, Kerala History Association, Cochin, 2007, p.82.

3 Ibid., p.83.
activities the people began to live in towns. If a cluster of closely built houses is seen anywhere on this coast, it can at once be understood to be the quarters of non-Malayali Hindus, native Christians or Mohammedans. Thus from the above mentioned narration it becomes clear that Cochin from the very early period it was the centre of both local and international trade and the trading communities from distant lands found this land the most congenial place for their trade and commercial activities. Besides, when they found their lives at home in difficulties, they did not have any second thought about preferring this as their second mother country and settled down here, and keeping their cultural identity intact, became part and parcel of the local culture.

5.2 European arrival

With the arrival of the Portuguese in this land, trade and commerce got a new and wider dimension. It attracted many European nationals to Cochin, who were keen to be partners in the lucrative pepper trade of the Cochin Port. In this context, it can also be added that, the urban character of Cochin, by the early 16th century, was mainly due to her position as a major gathering point of pepper. It is reported that about 418478 kgs of pepper a year was exported by the Portuguese from Cochin between A.D.1502 and A.D.1506. The volume rose to 1098802 kgs in A.D.1507. The total volume of pepper exported from Cochin in A.D.1588 to Lisbon alone amounted to 8240 quintals. Because of this vibrant trade, Cochin could very easily push

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4 Census of India 1911 Vol.XVIII, by C. Achytha Menon, Ernakulam, p. 6.
5 Omana,.J; Economic Development of Cochin (1790-1949), Thiruvella, p. 87.
7 Ibid.
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aside the supremacy of Calicut in this field. Cochin emerged an important link in world trade and the trade emporium in the Malabar Coast. As a result of this, urban life began to thrive in Cochin, thereby inviting traders and financiers from far and wide with the close of the 16th century.  

Along with the progress in pepper trade, the Portuguese pressurized the chieftains and rulers to encourage the cultivation of ginger and pepper. Portuguese specially promoted the cultivation of cash crops which were important articles of trade. The promotion of trade and commerce under the Portuguese, not only geared up the urbanization in Cochin, but even the scattered islands around Cochin Port such as Vypeen Vallarpadam, Kadamakkudi, Varappuzha, Bolghatty, Gothuruth, Maliankara, etc.  

Portuguese also promoted coconut cultivation, with an eye on market. As a result of this, coconut products such as copra, coir and coir articles, etc. began to be produced in large quantities. The Portuguese used the available river transportation and road transportation and also the facilities available in the Cochin Port for the promotion of international trade through the port of Cochin. The Portuguese took all measures to monopolize the spice trade through Cochin port. The tools of power, such as cartazes (licenses), armada (warships), and fortress systems, were used effectively to make spice-routes converge in Cochin for the Lisbon trade and prevent the diversion of spices to Red Sea-Venice routes. But still the Portuguese

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8 Ibid., p. 167.
9 K.M. Panikkar; History of Kerala, Madras, 1960, p. 179.
10 K.J. John; op. cit., p. 169.
11 Pius Malekandalthil; State and Entrepreneurs: An analysis of the trading Scenario in Kerala 1500-1650 (Art) in Kerala Spectrum Aspect of Cultural inheritance, p.119.
could secure only 40% of the total produce of pepper by the latter part of the 16\textsuperscript{th} century.

Thus the Portuguese presence on the Kerala coast changed the course of Malabar history and introduced new factors in its economic life, and changed the social conditions also.\textsuperscript{12}

It was with a clear ambition of monopolizing pepper trade that the Dutch reached Kerala Coast. One of the main interest of the Dutch in Kerala was to secure maximum profit through trade and commerce. The Dutch company maintained two departments for carrying on trade, viz., one for imports and the other for exports. Among the items of imports were sugar, copper, tin, lead, camphor, silk, etc. whereas one of the major articles for export was pepper. The Dutch also carried on a very flourishing trade in cotton goods, cardamom, etc.\textsuperscript{13} According to Sardar K.M. Panikkar, the Dutch policy in Kerala was governed by the single consideration of maximum pepper trade at minimum expenses\textsuperscript{14} and thereby to yield maximum amount of profit.

But their ever cherished dream of monopolizing pepper trade proved to be abortive because time had changed from the period and Portuguese domination as new European players, such as the English and French entered the scene.

The English East India Company was formed on the last day of the 15\textsuperscript{th} century (31-12-1600), seven or eight years later, it was captain Hawkins

\textsuperscript{12} K.M. Panikkar; \textit{History of Kerala}, Madras, 1960, p. 177.
\textsuperscript{13} A. Sreedhara Menon; \textit{A Survey of Kerala History}, Trivandrum, 1970, p. 257.
\textsuperscript{14} K.M. Panikkar; \textit{History of Kerala}, Madras, 1960, p. 277.
who, led the first English ship to the shores of India in Surat. The British merchants exported pepper from the port of Cochin for the first time in 1636.\textsuperscript{15} It was with the treaty of 1791 that Cochin State lost her political and economic freedom in trading to the English. The treaty of 1809 had effectively casted the shadow of English in the political as well the economic affairs of the State. Thus, it gave the English much more freedom in economy and finances of the State. In this treaty, a clause had been carefully included, by which the English got even the power to advise the ruler on various subjects, including extension of commerce, trade, industry etc.\textsuperscript{16}

Another land mark agreement drafted between Madras Government and the states of Travancore was the Inter Portal Trade Convention of 1865. This was an effort on the part of the British authorities to bring customs rules of Cochin and Travancore on a par with those of Madras. Tobacco, which was a monopoly article in Cochin was smuggled into the State from Districts of Malabar and Coimbatore. Salt, another essential article of consumption of the people was smuggled from Cochin, where, its price was low compared to neighbour States. This condition created a lot of misunderstanding and unnecessary tension between governments and people. As per the Trade Convention of 1865, Cochin agreed to abolish all inland customs and also the monopoly upon tobacco and adopted the British price rate for salt. In return for this, the British government agreed to make over to the Cochin government a moiety of the customs receipts of British Cochin and guaranteed a customs for revenue of not less than a lakh of

\textsuperscript{15} D. Babu Paul; \textit{A Queen’s Story Five Centuries of Cochin Port}; New Delhi, pp. 33-34.

\textsuperscript{16} C. Achyutha Menon; op.cit., p.186.
rupees and an import duty on tobacco not less than ₹ 10500. Cochin was also allowed to import salt on the same terms as those on which it was imported into British Indian Ports. After much effort from the side of Cochin government, Cochin got the right to have a share in the customs receipts of British Cochin.

One of the early British Residents of Cochin was General Cullen who was very efficient administrator as well as a very popular figure. Under him was started the office of Port Officer, the first officer being Captain Castor. He took measures to regulate shipping and boats and strived to collect dues and fees.

It was in 1857 that Cochin Chamber of Commerce was established. This was the fourth chamber of Commerce in India, its predecessors being the Bengal Chamber of Commerce, established in 1853, the Bombay and Madras Chamber of Commerce, established in 1856. The Cochin Chamber of Commerce had James Ougterson as its first President who was a timber merchant who built for the Raja of Cochin an 800 ton vessel which was loaded by Aspin Wall on a charter voyage from Cochin to London.

From 1860s European trade thrived through the Port of Cochin. A European firm called Volkart Bros. exported in 1860 articles, such as timber, hides and coconut oil and in 1861, fish oil, ginger, cotton, coir yarn, fibre, etc. were included in the list for export. In 1862, they exported, coffee,

17 Ibid; p. 228.
19 Ibid., p.40.
copra, pepper, etc. and in 1867, Cocculus Indicus, bees wax, shells, lemon grass oil, sandal wood, turmeric and in 1881, tobacco.20

Thus by the latter part of the 19th century, trade through Cochin Port, under the European initiative, began to flourish. Diversification of business along with its expansion was the chief feature of business during this period.

5.3 Means of transportation and communications

The existence of an excellent harbor with plenty of good roads, internal waterways, and also a railway running across the State had made Cochin a place of considerable commercial importance. So the significance of transport and communication for the promotion of trade and commerce can’t be underestimated. As far as the State of Cochin was concerned, roads suitable for wheeled traffic came into existence very late. So most of the inland traffic was carried out almost entirely through backwaters and rivers. The taluks of Kanayannur-Cochin and Cranganur and portion of Mukundapuram and Trichur were admirably served and by backwaters and rivers, which helped to bring goods and articles to the Ports of Cochin, Chetva and Crangannore at an affordable rate. One important waterway that connected the southern frontier of the State to Trichur, covered a distance of nearly 60 miles; there were several branches to this main river system, which had an aggregate length of around 60 miles flowing mainly towards the east. The Alwaye and Chalakkudy rivers were navigable throughout the year for nearly 60 and 30 miles respectively, but in the Ponnani and Karuvannur rivers boat could travel only during the rainy season.21 As it

20 Ibid.
21 Ibid., p.355.
was through these rivers and backwaters that most of the trade and commerce passed and it was the cheapest means of conveyance to take the natural products, such as spices produced in the interiors to the Port of Cochin. Government took special care to keep it as navigable as possible. Even during the pre-British period i.e. under the Portuguese and the Dutch also, these native waterways, enabled the transaction of goods and articles to the Port, thereby giving Cochin an upper hand, the lion’s share of trade, beating back other ports on the Kerala coast for nearly 300 years.\(^{22}\)

But gradually, this river and backwaters began to lose their attraction, especially after the installation of the railway system in the State. The question of introducing the railway into the State had been under the consideration of the government, from the time when it was extended to Malabar in 1861. Various proposals, by various capitalists to construct a branch line from Shornur, terminating at Trichur, Karupadanna, Ernakulam or Vypeen were looked into but all these proved to be abortive owing to one reason or another.\(^{23}\)

In 1899, the scheme for the construction of a narrow gauge line from Shornur to Ernakulam entirely at the cost of the Cochin Government received the sanction of the Government of India, and the construction of the line was started by the Madras Railway Company before the end of the same year. The construction of some of the major bridges presented considerable difficulty and it took nearly three years to complete the work. The line was opened for goods traffic on 2\(^{nd}\) June and for passenger traffic on the 16\(^{th}\) July 1902. The length of the line was 65 miles, of which about

\(^{22}\) Ibid.

\(^{23}\) C. Acyutha Menon; op.cit., p. 355.
43 miles run through the Trichur district. The complete outlay was ₹ 70 lakhs. The metre Guage Shornur-Ernakulam railway was converted into broad gauge in 1930-35 in connection with the development of Cochin harbour.24

One of the most important railway construction schemes which attracted the attention of the government from time to time was the Shornur-Cochin railway conversion scheme. After much discussion held on the issue of raising the finance for the project, ultimately it was decided to carry out this, with the surplus at the disposal of the State.25 As the conversion works were almost completed by October 1934, it was decided to open the line for broad gauge traffic on 24th October, 1934.26

Another important task taken up by the government was the realignment of the railway line between Edappally and Ernakulam. Palghat-Pollachi railway, and Kollangode –Trichur railway, etc. were also received the attention of the government.27 Even by 1940s the state railway was under the management of the South Indian Railway Company Ltd. The gross earnings of the railway in 1119K.E amounted to ₹ 38,88,344, as against ₹ 35,36,552 in the previous year.28

A significant change in the field of road communication came about in the middle of the 19th century, when Sankara Varier assumed office as the Dewan of Cochin State. Most of the existing roads with their bridges and

24 Trichur District Gazetteer; p.378.
26 Ibid. p. 205.
27 Ibid., p. 212-213.
28 Report of Administration of Cochin 1943-44.
culverts were constructed during his administration. By 1850, there were about 300 miles of good roads in the erstwhile Cochin State. The roads opened by Diwan Sankara Varier were only earthen roads. Their metalling, however, was done by Diwan Sankunni Menon; whose administration also witnessed the construction of many branch and feeder roads. In 1914 a road committee was appointed by the Government of Cochin to formulate a road programme based on a definite policy. This led to the vigorous expansion of road construction.²⁹

With the dawn of the 20th century, there were 485 miles of roads under maintenance, of which 435 miles were metalled and the rest unmetalled. “The maintenance of roads has recently been placed in the charge of special officers and a sum of over eighty thousand rupees is now annually sanctioned for maintenance and special repairs, the rates varying from ₹ 250 to ₹ 50. Permits, according to the nature and importance of the roads were available. The condition of the roads, therefore, has of late made considerable improvement, and is now generally very satisfactory.”³⁰

So the importance of highway roads and canals in any scheme of material development of the country was understood and steps were taken for their construction. Some of the important roads, which were constructed during 1920s, were (1) The Nelliampathy -Ghat Road (2) the Cochin-Alleppey Road, (3) The Ernakulam – Pepathypara Road, (4) Nurna-Munjilmeda Road, (5) Extension of the Thevara Road, (6) Opening of the Karlom-Kizhuthani Road, (7) Opening a Road from Mala to Adoor (8) Relaying and improving the foreshore road in Ernakulam (9) opening a

²⁹ Trichur District Gazetteer, p.368.
³⁰ C. Acyutha Menon; op.cit., pp. 358-359.
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road from Chelakkara to Elanad (10) opening a road from Kakkathuruthi to Arvepalam (11) opening a road from Melur to Muringur (12) Chelakkara – Karukkadavu road.31

Cochin and Alleppey were two emporiums of trade, there was great demand particularly from the merchants for the construction of a road connecting these two towns. Two alternative alignments were considered in this connection, one near the sea beach on the west, but the expenditure on land acquisition and construction would be enormous. The other alternative was to continue the existing metalled road from Palluruthi, up to the southern limit of Edacochi at Arur.32 Its cost was calculated to be around ₹ 50,000/-

Another important road constructed was the Nelliampathy Ghat Road. The hilly tracts of Nelliampathys were earlier famous for their coffee plantation, but it declined as European planters recognized that it would be very much suitable for the plantation of tea. But for that, a well graded road, fit for lorries for the transport of provision, machinery and the building materials up to the estates and of produce down the hills and towards and harbor, was a necessary condition for the cultivation of tea. So the planters pressed the need for constructing a road system.33 This road which was constructed part by part was made available for traffic by 1106 M.E.34

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31 The Record of Administration of Cochin State Part V, Ernakulam, 1938, p. 130.
32 Ibid.
33 Ibid., p.131.
34 Ibid., p.133.
The government had given due attention also to the construction and renovation of canal system. Two important canals that took the attention of the government were, particularly because of its navigation and commercial purposes, were (1) The Kunnamkulam canal, (2) The canal from Thomana to Kakkathuruthi. The Kunnamkulam canal was expected to promote the trade of Kunnamkulam, Pazhanji and other villages considerably. A large volume of trade was carried on between Kunnamkulam and the adjoining places in the State and Chowghat and other places in British Malabar. Then there were only road connections between Kunnamkulam and Chowghat. But the road transportation found to be costly and the route was also circuitous. These definitely affected trade adversely. Thus there were strong demand from the part of the people for a canal system, would provide direct access to Kunnamkulam by water and at the same time minimize the lead for goods.

Thommanana-Kakkathuruthi canal was the demand made by the people of Irinjalakkuda for a navigation canal to their midst from the Cannoli canal for the commercial rejuvenation of their places. Irinjalakkuda, which occupied a central positon in the Mukundapuram taluk, was the chief commercial centre, where all important articles of produce from the taluk, as well as from the British villages were imported. This well-known market was slowly losing its importance on account of its remote situation from the railway station and the Chetwaye –Matilakam canal. So the government viewed this very seriously. But both these projects were dropped by the government.

35 Ibid., p.137.
37 The Record of Administration of Cochin State Part V Ernakulam., p.138.
So it becomes clear that the government became aware about the necessity for construction of better roads, waterways, canals, railways, etc. as the basic infrastructure for the promotion of trade and commerce and thereby that of economic prosperity was essential. It is not to say that there was speedy growth in the promotion of their facilities under the British, but slowly, changes began to enter this field also.

As far as trade and commerce were concerned, it is well known that the State had a history of its own in this field, but the fact was that the practice of monopolistic control of trade by any particular group was not prevalent here. Only with the arrival of the Europeans did the monopolistic tendencies begin to regulate trade and commerce. The basic reason for this was that of European competition to control the spice trade. Earlier, the Portuguese tried to control spice trade by pressuring the native government to sell all its pepper solely to the Portuguese. After them, the Dutch also pursued a much more rigorous policy by making the monopoly in pepper trade more rigid and tried to maintain it at any cost.\textsuperscript{38} As per this, the people had to sell all their pepper produce to the Raja at a fixed price and Raja sold it only to the Dutch, through certain agreements, which were revised from time to time.\textsuperscript{39} In this way, the pepper sale in the state was made the Dutch monopoly, thereby eliminating any competition from other European business firms. But this arrangement helped the State to maintain a steady source of income. Having found it as a convenient arrangement for raising revenue. Later, tobacco was also made a product of State monopoly. By 1810 salt was also made a State monopoly. The selling price of salt in

\textsuperscript{38} C. Achyutha Menon, op.cit., p.428.
\textsuperscript{39} Ibid.
Cochin was lower than that in British Malabar. This caused this article to be smuggled into neighbouring districts. This condition led to the signing of Inter Portal Trade Agreement of 1865, thereby the Cochin state also had to adopt the selling price at British rates, and to raise it at the inland depots, so as to keep the rates of salt in British India and Cochin on the same footing in the market. Thus, smuggling from Cochin to Malabar could be arrested. Besides this, Cochin had to import salt from Bombay, on the same terms, as it was exported to British Malabar, and then the selling prices in Cochin followed the successive stages in the rate of duty, in British Indian territory. The duty was two rupees and half per Maud in March 1903 and eight annas in 1905. This reduction in duty helped to increase the consumption, but couldn’t make up for the loss of revenue incurred by it.40

During 1943-44 there was a balance stock of 81,365 maunds of salt in the Malipuram depot as against 81,141 maunds at the beginning of 1118. Fresh contracts for the year 1119 were entered into for the supply of Bombay and Travancore salt. The new contract rates were ₹ 123-5-0 per maund of Bombay salt and ₹ 95 and ₹ 96-8-0 for hundred maunds of Travancore salt supplied by two contractors.41 The usual concession of 8 annas in duty for salt supplied to the industrial concerns continued during the period under report. Out of the four lakhs of maunds for which certificates were issued the contractors supplied only 85,504 maunds of Bombay salt and 2,32,527 maunds of Travancore salt. Including the balance in the previous year, as well as the excess found in the godowns, the total receipts at the depot amounted to 4,25,891 maunds. Of this 3,36,554 maunds was issued to merchants, 3750 maunds to fish-curing

40 Ibid., pp. 429-430.
41 Report on the Administration of Cochin 1943-44.
yields, 900 maunds to the Agricultural Department, etc. The balance at the close of the year was 76,761 maunds. The incidence of consumption worked out to 20.48 lbs per head of population as against 21.13 lbs in 1918. The issue price of the salt to merchants was 2-10-0 per maund, to fish curing yards ₹ 1-4-0, and to the agricultural department ₹ 1-1-0 per maund.\footnote{42} The duty due to the Cranganore principality was re-fixed with reference to the census figures of 1941. The amount originally sanctioned as per the census of 1931 was ₹ 12,140. This was enhanced to ₹ 16000 from 1116. The total receipts under salt including Cranganore amounted to ₹ 5,98,085 as against ₹ 6,13,611 in 1918. The possibility of manufacturing salt in the State was examined by an officer of the Madras Salt Department in 1917. An area of 7 acres was brought under cultivation and good salt was produced. Owing to the frequent and untimely rains, the quantity produced was small. But it was proved beyond doubt that good salt could be produced during the fairly dry period of the year from the middle of December to April.\footnote{43}

Cochin with its landlocked lagoons and long stretch of coastline has been noted for fisheries from time immemorial. But it was, however, only in 1086 M.E, i.e. in 1911 A.D. that a fisheries department was organized. Till 1097 M.E. it was clubbed with the agricultural department. Their main work was patrolling the backwaters and safeguarding the backwater fishing revenue.\footnote{44}

\footnote{42} Report on the Administration of Cochin 1943-44.
\footnote{43} Ibid.
\footnote{44} Ibid.
Ways and means for improving the condition of the fishermen engaged the attention of the Government. In the case of lease of fisheries in different parts of the State, the claims of organized societies of fishermen were given preference. The department also initiated the policy of converting the poromboke shallows as far as possible, without prejudices to other interests into fishable and cultivable enclosures. The fish pond at Njarakkal was started in 1115 M.E. when the Government placed at the disposal of the Fishery Department about 16 acres of Poromboke composed mostly of swamp and partly of shoals. The pond is stocked with variety of fishes. A fishery experimental station was started in 1116 near the fish curing yard at Njarakkal. It was intended for the preparation of oil from livers of sharks and for conducting experiments in fish preservation. It continued to demonstrate hygienic methods for curing preparation of fish meal, and fish manure. 45

Prawn trade didn’t recover fully from the effects of the fall of Burma. But enterprising lessees and traders explored better markets in British India and Travancore for dried raw prawns and salt prawns. The total demand of the fishing revenue was ₹ 19,598 in 1119. Out of this, ₹ 19,483 was collected. The demand was made up of rent on fishing stokes and Chinese nets of ₹ 5,554, rent on in land fishing ₹ 7,570, rent on minor fisheries and prawn fishing ₹ 5,364, fines and forfeitures ₹ 328, miscellaneous ₹ 783.

This decision had a direct impact on fish curing industry. As this industry was of great economic importance, a special officer was appointed to conduct investigation in this area in 1908-09. The method of curing

45 Ibid.
employed by the local people was unscientific, unclean and primitive. The
government sanctioned a fish curing yard at Narakal.46

The Excise Department was formed in the year 1075 M.E.(1900 A.D). Prior to that, there was only a Salt Department which looked after the suppression of salt crimes, all the other branches of revenue now controlled by the Department being directly administered by the Diwan’s Office. But in 1075 M.E. all the activities, such as abkari, salt opium including ganja, tobacco and customs-were brought under unified control and placed under the supervision of a single office.47 The Excise Department was responsible for the administration of Opium Act; 1878; Cochn Abkari Act of 1077 K.E (1902), and Dangerous Drugs Act 1930 etc.48

5.4 Abkari

There were no changes in the fundamental principles of Abkari administration. But the tapping of trees for jaggery was made free from all restrictions and that the mass wine rules as amended were brought into force from the beginning of the year. The limit of private possession and transport of arrack without licence and permit continued to be drawn in all principalities and all places within a radius of 5 miles of the municipalities. The minimum quantity of arrack that could be issued to shops and distilleries and warehouses, viz: 5 gallons and 9 gallons, underwent no change. The arrack duty in the northern taluks of Mukundapuram, Trichur, Talappilli, and Chittur remained to be ₹ 5-11-7. Arrack of 35 UP and 60 UP

46 C. Achyutha Menon, op.cit, p. 430.
47 Report on the Administration of Cochin 1943-44.
48 Trichur District Gazetteer, p. 472.
was allowed to be sold, as used, but there was no demand for the latter sort of liquor. The number of arrack shops sold in auction was 193 during 1119 M.E. (1943). Each shop served on an average 11.34 square miles and 8,289 persons in the high duty area and 2.26 square miles and 6,020 persons in the low duty area, as against 11.24 square miles and 6,020 persons in the low duty area in 1118. When compared with the figures of 1118 there was an increase of 24,136.125 gallons in the high duty area and of 11,661.05 proof gallons in the low duty area. Decrease in the import of foreign liquor on account of war conditions and the existence of a large number of floating population contributed to the increase. Foreign liquor licenses issued in the year numbered 51 as against 44 in 1118 and the realized amount to ₹ 4,103 as against ₹ 3,987 in the previous year. The manufacture and supply of pure rectified spirit were conducted in the Trichur distillery by the arrack supply conductor. 42.8 gallons of pure rectified spirit of 90% of strength and 25 gallons of 70 variety of pure rectified spirit were issued at concession rate to the Medical Department. 528 bulk gallons of 90% strength pure rectified spirit was also issued duty free in 1943-44 to Maharaja’s College for the manufacture of the tinctures for the medical department.49

During 1943-44, 73,300 coconut, 7,816 palmyra, and 2,015 sago trees were licensed for the supply of toddy against 54,898 coconut, 6,625 palmyra, and 1,515 sago trees in 1118. The rate of tree tax continued to be the same as the previous year, viz. ₹ 4 and ₹ 8 per coconut and sago, respectively for a half year and ₹ 3 per palmyra for a whole year. Twelve coconut trees were licensed for drawing toddy for the manufacture of bread. Besides, 24,982 coconut trees were licensed for jaggery tapping. The abkari

49 Report on the Administration of Cochin 1943-44.
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rentals amounted to ₹ 10,55,890 (toddy ₹ 8,54,000 and arrack ₹ 2,01,890) as against ₹ 51,145 in 1118 of the ₹ 10,49,010 was collected as against ₹ 5,17,915 in the previous year (1117).  

Opium and ganja were made State monopolies by 1861. The state received only the rent for the monopoly of the sale and didn’t levy any duty on the drugs. These drugs were imported duty paid from Madras and sold to the contractor at cost price; the contractor retailed this to the consumers and made his own profit.  

The independent shop system continued for the sale of ganja. In the central stores, the stock at the beginning of the year was 1 seer 15 tolas of ganja. The total receipts from ganja amounted to ₹ 1,20,818 as against ₹ 94,547 in 1118 M.E.  

Like ganja, opium was also issued to independent shops from several treasuries of the State, the treasuries receiving the supply from the central stores. The independent shop system of rent prevailed and all the independent shops together fetched a rental of ₹ 41,245 as against ₹ 37,520 in 1118 M.E. The issue price remained at ₹ 86 per seer of 80 tolas till 19th Meenam 1119 M.E. The total receipts under opium amounted to ₹ 1,14,438 in 1119 M.E.

It was towards the close of the 18th century that tobacco was made a State monopoly by the State of Cochin. Then it was purchased duty free.

50 Ibid.
51 C Achyutha Menon; op.cit, p. 432.
52 Report on Administration of Cochin 1943-44.
53 Ibid.
from Coimbatore by the State. This tobacco was stored in the bank halls and sold to consumers for a large profit. This brought huge revenue annually to the State. But when the monopoly was abolished in Coimbatore and Malabar in 1853, tobacco began to be smuggled exclusively into Cochin, and the State began to lose its revenue from this source, which fell from 225 to 83 thousand rupees. It was through the Inter Portal Trade Convention that the State decided to abolish the tobacco monopoly, and the British Government to compensate the Darbar by guaranteeing an import duty on tobacco of not less than ₹ 10500 every year.54

Earlier it was through the licensing system that the tobacco trade was regulated. But from A.D. 1908, the government introduced the auction system, by which, the number of tobacco shops to be opened in a locality was decided in advance. Land and the right to open those shops were auctioned and sold to the highest bidder. The shops were divided into two classes, A and B. ‘A’ class enjoyed the right to import and sell, whereas the ‘B’ class had only the right of retail sale and was required to purchase from ‘A’ class shops. As a result of this, revenue from tobacco increased very much.55 Even during the 1940’s the fundamental principles of tobacco administration continued to remain unchanged; fresh biennial lease continued in 1119 M.E.56

Till 1865 the State used to levy inland customs duties, as a large number of articles, but all inland duties were abolished as per the Inter Portal Trade Convention. But on all imports and exports by sea, duties

54 C. Achyutha Menon; op.cit, p. 432.
55 Ibid., pp. 432-433.
56 Report on Administration of Cochin 1943-44.
began to be levied. Any revenue derived out of it had to be handed over to the British government, in return, the State government was to get as compensation, from the British government, a moiety of the customs receipts of the British Cochin, subject to a minimum of a lakh of rupees, and an import duty on tobacco not less than ₹ 10,500/-. The State, however, levied its own port dues on vessels anchored off Narakkal and Malipuram.57

From 1085 M.E. the aggregate income from these sources had increased by one and a quarter lakhs of rupees, notwithstanding the great fall in the salt revenues caused by the reduction of duty on salt in 1903 and again in 1905.

As the excise policy of the government began to draw criticism, an excise committee was appointed on 8 March, 1926 to study the issue. This committee was requested to study and suggest means for improving the excise administration of the State.

As far as the excise policy of the government was concerned, it was consistent with the policy adopted by the Madras government and the government of Travancore, which was the promotion of temperance, with a view to gradual prohibition, by control and the manufacturing issue of liquor and by a system of high license or increased taxation which brought in the maximum revenue with minimum consumption.58

The recommendation of the Council included award of deterrent punishments to Abkari offenders, the committee’s recommendations included,

57 C. Achyutha Menon, *op.cit*, p. 433.
“no new toddy or arrack shop should be located within two furlongs of a market, school, house, place of public worship, hospital, factory, public offices, railway lines, and similar places of public resort and every opportunity should be taken to make the rule applicable to the existing shops”. The committee also recommended that there must be a distance of at least half a mile between shops whether toddy or arrack in Municipal towns and a mile in rural area.

This committee also recommended a grading in the cost of liquor by raising the duty thereon. The committee recommended the closing time of the Abkari shops as 8 P.M. The committee also recommended a reduction in the number of liquor shops whenever and wherever possible. Occasional licenses at fairs and festivals etc was also permissible.\(^{59}\)

### 5.5 Tobacco

It was generally thought that in the matter of tobacco revenue, the State wasn’t equitably treated under the Inter Portal Trade Convention and the subsequent agreements.

Prior to the year 1040, tobacco was a dutiable article in the State. After the Inter Portal Trade Convention of 1865, Tobacco Proclamation of 1040 was issued, abolishing the import duty and monopoly on tobacco. The State only retained the right of licensing the sale of tobacco under fixed fees. Even at the time of convention, a good deal of controversy about the State abolishing its duty on tobacco, both foreign and British India, erupted. But since the full share customs duty was vouchsafed to the State by the British government, the point of levying duty on British Indian tobacco was not

\(^{59}\) Ibid., pp. 151-152.
pressed and the State eventually agreed to derive its tobacco revenue by means of license fees alone. As for the duty on foreign tobacco, including Jaffna, the British government guaranteed to the Cochin State as import duty, a sum of not less than \( \text{Rs} \)10,500/- in addition to moiety under customs revenue and this supply was realized year to year.

But by the year 1083 it was found that this agreement on tobacco was a serious blow to the revenue of the State. Then a proposal to introduce the auction system for tobacco whereby it was hoped to recover at least a portion of the revenue which the state had been losing under tobacco. With the sanction of the Madras government, the auction system was introduced, with effect from the year 1084 M.E. and the Tobacco Proclamation of 1040 M.E. was superseded by Act VII of 1084 M.E.

So far as foreign tobacco was concerned, the same can of course be imported into the State provided duty has in the first instance been paid to the British government. Till the year 1910, there was only a nominal duty imposed on this kind of tobacco, but this year onwards an enhanced duty at of \( \text{Rs} \) 900/- per candy could be levied as it was by the British Government. But Travancore Darbar was able to obtain a concessional rate of duty and the Darbar was allowed to import Jaffra Tobacco, at the rate of duty levied in Travancore i.e. \( \text{Rs} \) 90/- per candy, subject to the condition that such tobacco shouldn’t be exported. Even though such kind of concession was sought by the Cochin State, it was declined on the ground that the position of Travancore and Cochin was entirely different, that Jaffna tobacco was duty free in Cochin, while a duty of \( \text{Rs} \) 90/- was leviable in Travancore at the time the enhanced duty came into force. Secondly, the quantity of tobacco imported into the State being small, compared with Travancore, there would
be appreciably no effect on the tobacco revenue of the State, even if the full
duty was levied and thirdly, since Travancore was allowed the concession
on condition that the tobacco wouldn’t be exported, there would be no
danger of smuggling the same into this State. Fourthly, the British
government was giving the Cochin Darbar a sum of ₹ 10,500 as duty on
foreign tobacco as per clause XIII of this convention.
Therefore Cochin Darbar made the following requests:

1) (a) That the duty on tobacco collected at the port of Cochin
should be excluded from the tripartite division and reserved for
division between themselves. And the government of India
should guarantee them a minimum amount of income from this
source fixed according to present condition.

(b) That the present arrangements should be so revised as to
enable the Cochin Darbar to levy a duty on British India tobacco
and foreign tobacco imported into the State or that compensation
based on the potential revenue which the State loses by
abstaining from the imposition of these duties should be paid to
the Darbar.

2) The whole of the net duty from foreign tobacco imported into
Cochin during 1930-31 should be paid into the Cochin Darbar.

As regards (I) the government of India replied that, as per the Article
VII of the “summary of points agreed upon by the government of India, the
Madras Government and the Darbar of Travancore and Cochin for the
Development of Cochin Harbour 1925”, has the effect of superseding
the Inter Portal Trade Convention of 1865, both for the exclusion of receipts
from the import duty on tobacco from the net customs duty, which falls to be divided and for the making a separate payment on account of tobacco to the Cochin Darbar. Orders have therefore been issued that the duty on tobacco collected at the port of Cochin should be included in the distribution and that the additional sum of ₹ 10,500 formerly paid to the Cochin Darbar should be omitted from the account. In view of the above, the government of India regrets that they were unable to comply with the request of the Cochin Darbar.

As regards (II), the government of India agrees that the Cochin Darbar was entitled, under the terms of the Inter Portal Trade convention of 1865, to the whole of the net duty realized from the foreign tobacco imported into Cochin during 1930-31. As the division of revenue contemplated in clause 8 of the agreement of 1925 didn’t come into effect till 1\textsuperscript{st} of April 1931. Orders had accordingly been issued for the payment to the Darbar of the sum of ₹ 1,12,056 (Rs. 1,12,556 the net customs duty receipts on foreign tobacco imported into British Cochin during 1930-31 minus ₹ 10,500, the guaranteed amount already paid to the Darbar). However, the convention of 1865 has now been superseded by the Agreement of 1925, and as such this question will not arise for the future.\textsuperscript{60}

The existence of an excellent harbor with plenty of good roads and internal water ways and also a railway running across the State had made Cochin a place of considerable commercial importance.\textsuperscript{61} “The planters and merchants reputable and long standing thrived on their exports of coir and

\textsuperscript{60} The Record of Administration Cochin State, Part I & II, op.cit., pp.395-398.

\textsuperscript{61} Census of India 1911, Vol.XVIII, Ernakulam, p.85.
coconut oil, coffee, and ginger tea, rubber, seeds and spice.” ndef The chief articles of trade were textiles, hotels, cafes, restaurants, other trade in food stuffs, Banks, established of credit etc. the number of persons supported by their sale in

<table>
<thead>
<tr>
<th>Trade</th>
<th>1911</th>
<th>1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles</td>
<td>5646</td>
<td>6897</td>
</tr>
<tr>
<td>Hotels, cafes, restaurants</td>
<td>9690</td>
<td>10047</td>
</tr>
<tr>
<td>Other trade in food stuffs</td>
<td>59,573</td>
<td>58,763</td>
</tr>
<tr>
<td>Banks, establishment of credit etc.</td>
<td>4424</td>
<td>3022</td>
</tr>
</tbody>
</table>

As caste was the base of occupation from early times, each and every industry was hereditary occupation of certain castes. But as far as the scenario of trade and commerce is analyzed, there didn’t exist any hereditary caste, involved in trade and commerce. For example of every hundred persons employed in transport work, over 8 were Kanakarns and Valans, 13 and 10 respectively were Ezhavas and Odda Naiks, 35 native Christians, 10 Jonakans, and 6 Nairs. Among bankers, money lenders and brokers, 43 % of them belonged to the category of Tamil Brahmin, 26% Nairs and 7% native Christians. Among the dealers of textiles, 40% were native Christians, 14% Tamil Brahmins, 12 % Ezhavas and 11% Ravuthans. Native Christian partly and Ezhavas wholly deal in coconut fabrics, and rest in cotton fabrics. In the case of those people who ran hotels, restaurants, etc. 58 among them were Ezhavas, 13 were Tamil Brahmins, 7 were native

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63 Ibid., p.85.
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Christians and 9 were Nairs. In the case of trade in food stuffs, 30% involved in this were native Christians, 17% Jonakans, 11% Ezhavas, 6% valans, 5% Pandarams, 4% each by Nairs, Konkanies and Ravuthans. Among the unspecified shop keepers, 67% were of native Christians, 18% Konkanies, 4% Tamil Brahmins and Kudumichettis and Jonakans each.64

As noted earlier, because of its congenial geographical conditions, the State enjoyed considerable facilities for trade and commerce. As per the census report of 1921, the commercial population of the State including those engaged in transport formed 13% of the population, as against 13.6% in 1911. More and different trade potentialities began to be explored and exploited by the people. As a result, there were more varieties of trade pursued by the people, capacity with that of 1911 the chart is given below.65

<table>
<thead>
<tr>
<th>Trades</th>
<th>1921</th>
<th>1911</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks, establishment of credit</td>
<td>4931</td>
<td>4424</td>
</tr>
<tr>
<td>Textile</td>
<td>6058</td>
<td>5646</td>
</tr>
<tr>
<td>Wood</td>
<td>1307</td>
<td>1805</td>
</tr>
<tr>
<td>Pottery</td>
<td>389</td>
<td>217</td>
</tr>
<tr>
<td>Chemical products</td>
<td>851</td>
<td>842</td>
</tr>
<tr>
<td>Hotels cafes, restaurant</td>
<td>10386</td>
<td>9690</td>
</tr>
<tr>
<td>Food stuff</td>
<td>54865</td>
<td>59573</td>
</tr>
<tr>
<td>Building materials</td>
<td>1763</td>
<td>1585</td>
</tr>
<tr>
<td>Fuel</td>
<td>2130</td>
<td>2043</td>
</tr>
<tr>
<td>Articles of luxury and those pertaining to letters, arts, science</td>
<td>1961</td>
<td>1118</td>
</tr>
</tbody>
</table>

64 Sir Robert Bristow, op. cit., p. 89.
65 Census of India, 1921, Vol. XIX, Cochin, Ernakulam, 1922, p. 69.
By 1930s, in the State of Cochin, 6.8% of the population pursued trade while in other important states in India the number was not impressive. As Travancore possessed 6.5% of her population, other states such as Mysore with 4.5% of population and Baroda with 5.5% of population and Madras with the lowest 4.0% of population were pursuing trade as their occupation. Here in the native state of Cochin trade was flourishing throughout this decade and the commercial population enjoyed considerable prosperity also.\(^{66}\) During this period, Cochin Harbour was also progressing by 1921, it was possible for ocean going steamers to enter the sheltered waters of the inner harbour through the newly dredged channel. Along with this, rice and oil mills and brick and tile factories flourished, the spinning and weaving at Trichur also grew. Facilities for transport and communication also improved. Many additional rules of public metalled roads being built by Public Works Department were issued. In 1921, there were 9 sirkar and 45 private (licensed) markets. Their number in 1931 was 17 & 67 respectively.\(^{67}\)

The economic trend was that of general prosperity as trade was flourishing, cultivators getting fair price and labourers receiving good wages for their work, etc. But the storm of the worldwide economic crises burst out towards the end of the decade, and the unparalleled and universal depression enveloped the State in its gloom. The effects of these adverse conditions manifested themselves mostly in centers like Mattanchery, which, perhaps on account of its importance as the commercial capital of the state and one of the most important markets in the Malabar Coast for centuries, turned immediately sensitive to the effects of depression, as many mills and

\(^{66}\) Census of India, 1931, Vol. XXI, Cochin, Ernakulam, p.129.

\(^{67}\) Ibid., p.3.
business concerns were closed down and also a large number of families migrated to Alleppey, Quilon and other places.\textsuperscript{68} 

By early 1940s trade began to be the main occupation of as many as 370 per 10000. The additional facilities provided by Cochin Port, and the existence of a very extensive and cheap means of transport with roads and rivers and canals, account for the high proportion of trade. Cochin by this time emerged as one of the most important trade centres of South India. Trade in paddy and rice was going on a very large scale for a long period. The share of the government in the customs duty collected at the port was one of the most important sources of revenue and had been expanding by this time. A big portion of trade was under food stuff, textiles and clothings. The very large percentage under ‘unspecified trade’ was partly due to the difficulty in deciding under what particular trade a person should be classified. In the absence of clear differentiating data, the tendency was for this class to swell in the numbers. There were altogether 14,618 shops in the State.\textsuperscript{69} 

The expense of trade, especially due to the increased activities of the harbour, was very clearly reflected in the increase in the number of people engaged as brokers, commission agents and exporters. The decade passed through a period of unprecedented slump, and in spite of this, there had been an increase in the number of people engaged in trade, and the vast potentiality of harbour in the development of trade and its repercussion as the economic and occupational structure of the society became very clear.\textsuperscript{70} 

\textsuperscript{68} Census of India,1931,Vol. XXI, Cochin, Ernakulam, p. 3.  
\textsuperscript{69} Census of India,1941,Vol. XIX, Cochin, Ernakulam,1944, p. 38.  
\textsuperscript{70} Census of India,1931,Vol. XXI, Cochin, Ernakulam, p. 38.
As far as food supply was concerned, the State was never self-sufficient. Therefore in 1930-31, 56,486 tons of unhusked paddy valued at ₹ 36,05,332 and 1,83,206 tons of rice (husked) the staple food of the State, valued at ₹ 1,76,54,331 were imported into the port of Cochin in addition to 27,954 tons of other grains valued at ₹ 41,71,856 imported into the State.\(^7^1\)

One of the most important Kerala products, which had a great market abroad was coconut oil. The total export of oil during 1930-31 through the port of Cochin was 4,441,156 gallons valued at ₹ 68,81,189. During the last decade the highest figure of ₹ 1,54,99,596 was recorded in 1921-22. Cochin Mills had to depend for its raw materials on the State as well as Travancore. In 1907, Travancore government imposed a heavy export duty on copra. At the same time there was also great demand for this article from continental countries, but Cochin mills suffered a setback during this period.

During the closing years of the last decade, the report from Cochin was a hardly anything in 1930-31, it was only 46 tons valued at ₹ 8,826.

*Poonac* or oil cake also formed an important item of export. 10,665 tons of this article valued ₹ 8,57,508 was exported from the port of Cochin in 1930-31. The largest quantity of export during the decades was in 1922-23, when *Poonac* valued at ₹ 22,21,438 was shipped from the port of Cochin.

Another article which had a high market demand in Europe as well as in America was the lemon grass (*Andropogan Scharnathus*) oil. This was mostly used for the manufacture of scents. From the port of Cochin, a

\(^{7^1}\) Ibid., p.157.
quantity of 41,886 gallons of this oil valued at ₹ 5,25,512 was exported in 1930-31.\textsuperscript{72}

Coconut fibre: Europe was a market for unmanufactured coir, but with the increase in the manufacture of coir in Cochin and Travancore, export of fibre had been decreasing during this period. At the same time export of manufactured coir was on the rise. In 1930-31, manufactured coir, including yarn, mats and mattings, weighing 5,39,480 cwts, and valued at ₹ 86,34,68 were exported from Cochin.

The highest volume of export during the last decade was in 1921-22 when manufactured coir worth ₹ 1,15,37,502 was exported from the port. The large decrease in the value of export was due to the fall in the price of the commodity. During the same period, a quantity of 51,484 cwts of rope and other articles was also exported. It had great demand in foreign markets, particularly because the ropes were found to possess good wearing quality in the water.

Other than coconut fibre, there were many other fibre plants, growing wild in the State out of which ropes of varying thickness, intensity and strength and mats and mettings were manufactured. In 1930-31, 5,70,842 square yards of such mats and mettings were shipped from the port of Cochin.

As part of leather industry, most of the tanned hides and skin used for it was imported from abroad; whereas raw hides and skin available in the State were collected and exported by small dealers.

\textsuperscript{72} Ibid., p.159.
The Nelliampathy hills attracted foreign capitalists from early times, as a suitable area for coffee plantation. Between 1862 and 1870, around 9470 acres was leased out to various companies and private individuals. Most of the coffee was exported. But owing to want of transport facilities, coffee cultivation was declining.

In 1930-31, 8,462,303 lbs of raw rubber valued at ₹ 51,41,690 was exported from Cochin. The highest figures during the last decades were reached in 1925-26, when 8,066,861 lbs. of rubber valued 1,03,83,349 was exported.

As part of metal industry, the machinery had to be imported.

5.6 Measures for the promotion of Trade and Commerce

It was during Venkitasubbayya’s Diwanship that a stamp duty for the first time was imposed on documents, evidencing sale, mortgage, etc. Diwan Sankaravaryar took extreme care for bringing the financial affairs of the State in order. For that he took well planned measures, with long lasting results. As part of this, under him the country was covered with a network of roads, with ‘massive and substantial’ bridges, except the one at Shoranur. The improvement of water communication also engaged the Diwan’s attention. By the construction of the Aranattukara canal and the deepening of the Edathuruthy canal boat traffic was for the first time rendered possible between Enakulam and Trichur throughout the year. With the construction of Thevara-Kundanur canal, the distance by water between Ernakulam and Tripunithura was reduced by one half. For the promotion of trade, communication facilities were improved and at the same time, exempted

73 C. Achyutha Menon; op.cit., p. 203.
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from many irksome burdens. Before his time, inland trade was throttled at every step by the levy of transit duties at a large number of stations and one of his first acts was the abolition of these duties. He reduced the inland customs at the frontier station on all goods more than once in his time, and in the case of rice and other food stuff he abolished the duties altogether. The monopoly price of tobacco was reduced twice during his time, but he refused to raise the selling price of salt in Cochin. The reduction in the price of tobacco, regulated the large increase in consumption and a consequent augmentation of revenue from this source, but when this monopoly was abolished in Malabar and Coimbatore, in 1853, Cochin suffered a serious loss in its tobacco revenue which fell suddenly from 225 to 83 thousand rupees. Another important administrative measure taken in 1865 was the Inter Portal Trade convention. Opium and ganja were legitimately made State monopoly in 1861. Through the introduction of registration deals the revision of the court fees regulation and the lease of forest lands for coffee cultivation, the State could augment its income. A department of public works was begun in 1868 with a European engineer as the head. Special care was given to the improvement of transport and communication, by metalling the roads. Many new roads, mainly feeder ones, were constructed, and a number of bridges were also constructed during this period. The construction of Moneyam and Thiruvanchikulam canals reduced the length of waterways to Trichur. All the waterways were kept in good condition. Another important measure was the government Anchal service which was thrown open to the public.

Government also took care in the reorganization of police in modern times. The enactment of the Penal and Criminal Procedure Code on the
corresponding British Indian Act, the establishment of Rajas Court of Appeal and the abolition of export duty on pepper followed.

During the Diwanship of Rajagopalachari the railway line from Shornur to Ernakulam was completed. A Chief Court, with a chief justice at two puisne judges was set up for Cochin under Regulation II of 1076 KE (1900-01). Cochin came to have its Legislative Council during the Diwanship of P.Narayana Menon. Cochin High Court was formally opened on June 18, 1938 at Ernakulam.

The State Anchal department was created in 1791, with the sole purpose of transmitting official communications from one station to another. In 1865, the Department began regularly to carry private letters and parcels and levy postage on them in money. When in 1892, Anchal stamps and cards were issued the practice of levy of postage in money was discontinued. Private articles were allowed to be received and carried free of charge by the tapal runners, they being allowed to accept and carry them on their own responsibility. Mails were sent through village subordinates, or men engaged by them, till paid runners were appointed. It was in 1864 (1039) that the question of improving the anchal service was first taken up by the government and four years later rules were framed and issued, formally authorizing the acceptance and transmission of private articles on payment by parties concerned of fees to be levied in coin. The management of the Anchal service was with the Diwan till 1065, when the post of a superintendent was created and the department transferred to his control. Anchal stamps, articles for registration began to be accepted. For the

74 A. Sreedhara Menon; A Survey of Kerala History, op.cit., p. 342.
75 C. Achuytha Menon; op.cit., p. 469.
remittance of money, Anchal hundies began to be issued from 1088, and this was followed by the introduction of the value payable system three years later. There was reciprocity in respect of Anchal service between Cochin and Travancore, so that the articles and money can be transmitted from any place in Cochin to any place in Travancore and vice versa.  

The Cochin Anchal Amendment Act 1939, stated that wherever within the Cochin state, Anchal or Anchal communications were established by the Government, should have the exclusive privilege of conveying by anchal from one place to another, all letters, it should also have the exclusive privilege of performing all the incidental services, of receiving, collecting, sending, dispatching and delivering all letters.

As per the provisions of the Anchal Act, it was made clear that the Government should not incur any liability by reasons of loss, misdelivery or delay or damage to any anchal article in course of transmission by anchal, except in so far as such liability may in express terms be undertaken by the Government, as herein after provided and no officer of the Anchal Department should incur any liability by reason of any such loss, misdelivery, delay or damage, unless he had caused the same fraudulently or by his willful act or default.

Another Act was passed in 1940, whereby a trade or business of any kind carried on by or on behalf of any government other than the Government of Cochin, that the Government shall in respect of the trade or

76 Report on Administration of Cochin 1943-44.
77 Act IV of 1114; The Cochin Anchal (Amendment) Act 1939 p;2.
78 The Cochin Anchal Act (XVII of 1119)1944;p.4.
business and of all operations connected therewith, all property occupied in Cochin State for the purposes thereof, and all income arising in connection there from, be liable to taxation under the Cochin Income Tax Act (VIII of 1108).\(^79\)

As per the Cochin Trade Marks Act, on trade mark nor part of a trade mark should be registered which consisted of or contained any scandalous design, or any matter the use of which would (a) by reason of its being likely to deceive or to cause confusion or otherwise, be disentitled to protection in a court of justice, (b) be likely to hurt the religious susceptibilities of any class of His Highness, the Maharaja’s subjects; (c) be contrary to any law for the time being in force or morality.\(^80\)

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\(^79\) Act V of 1115 The Trading Taxation Act 1940.

\(^80\) Cochin Trade Marks Act 1119; Act XIX of 1119(1944); p.7.