CHAPTER III

ADMINISTRATION AND ORGANISATION OF TRADE

The spirit of co-operation forms the basis of many activities in a society. From very early times, man lived in groups and formed associations of kindred kinds. Likewise, to organise their living style in improved manner, the mercantile part of the community was variously motivated to develop a corporate life, to organise themselves into social and economic groups and associations called guild. A guild was, therefore, the natural outcome of a social behaviour to form a particular unit based upon common purposes. Being an important part of the society they performed various functions, commercial as well as social, and in turn helped to bring about all round development and prosperity to the state.

The necessity of living together and forming corporations was due to the prevailing insecurity and instability of social life enforced upon the traders. Dangers and uncertainties of long travels to distant places compelled the traders to move forward in well-organised caravans. The individual trader found it difficult to face the great dangers posed by wild animals, robbers and hostile tribes infesting highways. This idea was confirmed by Sattegumba Jātaka which refers to the existence of village of five hundred highway robbers organised under an elder as a head (Cowell, 1907:267). Both Jarudapana Jātaka (Cowell, 1907:267) and Brhaspati Smriti
(Rangaswami, 1941:6) states that dangers on highways can be overcome if faced collectively, rather than being faced individually. Thus from the ancient times the mercantile community felt it necessary to form into well-knit group to protect them from various hazards.

During this period the society was based on hereditary hierarchy for performing their activities. This pattern of social structure was organised on a cooperative basis. By the sixth century B.C., there was tremendous rise in the volume of trade in India, which required organised production and quick distribution. Despite a few exceptions, this hereditary nature of commerce and trade activities very much accelerated the formation of guilds and corporates.

Gradually due to the flexibility of varnadharmā rules, the Brahmanas and the Kshtriyas joined commerce. They exploited the class of Vaishyas, by subsisting upon getting dakshina or extorting tax - Bali (Majumdar, 1960:10). To avoid strains and intrusions and also exploitation by monopoly practices, the Vaishyas formed organisations like Śreni, Nigama, Pūga, Gana, Samgha, Vṛāta, Sārthaya, etc. They had their own rules and regulations for the guidance of their business conduct known as Śāmāya and Śrenidharma.

The localisation of trade and industry proved an important factor in the development of corporate activities. Kauṭilya has described the settlements of different types of traders in the city (Kangle, 1969:138-39). He wrote that the merchants trading in scents, garlands, grains,
liquor and meat were asked to reside in south and the artisans manufacturing worsted threads, cotton threads, bamboo mats, skin and armour, etc. were to dwell in the west. Similarly smiths and stone workers were to settled in the north of the city.

The increase in the volume of trade activity made it necessary to improve the organisation and planned for quicker distribution. Hence the government took interest and supplied capital to enhance the trade. They also gave protection against trade hazards. Sometimes to avoid government interference, the traders felt it necessary to form their own organisations and unions. This was possible only through an efficient system of finance. Thus there arose a class of Sreśthin who controlled the financing of trade on individual as well as on partnership basis. These Sreśthins while working as a joint stock company contributed to business both with money and commodities. They made commodity investment with traders. The trade and craft guild also arose out of necessity of financing trade and industry. These guilds acted as custodians of commercial conventions and customs. They had their own rules and bestowed protection to its communities.

**ROLE OF STATE**

The State was powerful in the Indian monarchical form of rule. The State carried on trade concurrently with the merchants. Encouragement of trade and commerce was a policy of the State. The laws toward commerce were immensely laid and were followed by the merchants and foreign traders in
different areas. State policy formulated in the Mauryan times was consistently followed in different parts of Indian subcontinent during the subsequent period. The gradual evolution of the socio-economic ideas regulating the relations between the individuals and the State has been attested by the archaeological finds and the ancient literary works of India.

Although autonomous in nature the guilds had a close relationship with the State. The nature of relationship between the corporate body of traders and the State was reciprocal. Each of them regarded the others’ interest. The king respected the traditions of the guilds, and the guilds thoroughly abided the authority of the State. The State looked to the interest of merchants and artisans of guilds. Kautilya prescribes mercy to the workers for their neglect in duty for the first time. Guilds of artisans had to fulfil their engagements, otherwise they were fined and their wages forfeited. (Kangle, 1969:201-207).

Sometimes the State enjoyed monopoly over certain items. Kautilya mentions that the State had a monopoly of industries which depended upon costly and pioneering enterprises. Mines were nationalised as the main source of State’s revenue. There were mines of gold, silver, copper, lead, tin, iron and precious stones. Minting of coins became a monopoly of State, whose officers were under the mint masters called Lakshandhyākṣa. They received from public bullions to be struck into coins on payment of charges stated by the State (Kangle, 1969:48). There were examiners of
coins for regulating coins both as medium of exchange and as a legal tender (Kangle, 1969:48). The punch-marked coins bear various symbols probably punched by the issuing authorities in order to guarantee their genuineness. The coins of different dynasties bearing the king's bust on obverse, proves the State's authority. The authorities might have been the State or merchants or the trade guilds.

Kautilya further mentions that the State explored the ocean mines to obtain their precious products like the pearls and shells. The State engaged in extracting minerals from ores and had monopoly in the manufacturing of salt (Kangle, 1969). The kings established a proper and better relationship with the guilds so that mutual corporations and confidence may bring about smooth workings of the State.

A specialised political authority implies control and coordination of external exchange relations. For this the political authority must have the ability to mobilize the resources to support its claim to control. Jātakas describe an economy which was only marginally under state control, and had a complex mechanism of trade, with commercial transaction at different levels governed to a great extent by the nature of the commodities handled. The king decided the price of the articles of royal consumption (Cowell 1907).

The Śàntiparvan of the Maññabhārata calls upon the king to guard the finances carefully since king defends the Kosha which leads to the welfare of the State (Siromani, 1905:87-89). Thus the King's duty lay in protecting
the traders and their trade. From Asoka's Edict No. IV and other inscription of this period, we come to know that the rulers constructed roads, inns, guest houses and planted trees on the ways for the travellers (Cunningham, 1963). Kautilya supporting this view, mentions that the king should provide facilities for the traders and construct roads for traffic both by land and water and set up market towns. (Kangle, 1969:47). It was one of the responsibilities of the State to protect traders from the unknown dangers on the way.

From the inscription of Rudradāman we come to know how he reconstructed the Sudarśana dam without levying any taxes or forced labour from the subjects. This shows that taxation did not fall heavy on the dealings exchanged. The State monopoly appeared as a means of collecting revenue.

Samghadāman, taking the regular mart Kalyāṇa from the Sātakarnī in order to prevent it again from becoming a place of trade, had forbidden all Greek ships to visit Kalyāṇa. This shows the power of the authorities to control trading centres. The Mandasor inscription of the Guptas state that Saurashtra was considered as one of the important provinces of the Gupta Empire, on account of its ports which generally facilitated foreign trade (Fleet, 1970). Therefore, Skandagupta had to wilfully make the appointment of its viceroys. Thus the State acted according to the interests of their merchants and controlled prices, weights and measures and protected them from any hazards.
The Baudhyāṇa states that the king should lay just duties on marketable goods according to their intrinsic value without oppressing the traders. The State was responsible for imparting fairness and justice (Kane, 1930). In the Arthasastra, it is mentioned that the guilds purchased goods, had to sell their goods at favourable prices to the people (Kangle, 1969:47). The State with the help of spies secretly punished the merchants who opposed it. It was essential for the State to win over or crush such guild operations so that they could not bring downward trend in the price level by purchasing vital consumer goods at a fixed price and by retailing them at controlled prices. The role of the State towards the traders was one of the essential aspects towards the development of trade in Western India. With the emergence of different dynasties, it provided stability and security to the traders by constructing roads, resthouses, controlling prices, etc. It also helped Vaishya class of merchants by executing same rules and regulations for all so that they are not exploited by the Brahmins and the Kshatriyas. The State also took interest and loaned money to enhance trade. Thus, the State acted as the guardian of the guilds. One of the Jātakas stories refer to a State Officer as Bhandāgarika, who had, among his duties, to settle disputes between heads of guilds, their powers and functions. Many of the verses refer to great wealth, various officers, their duties and the importance of guilds for which separate quarters are reserved in an ideal planning of a town. Here, the term Samatthatarah, Sambhiya and Sreni as guilds of workmen and those who carry on any corporate work are also mentioned (Kangle, 1969:185). There is a mention of Kshatriya guild which lived upon both trade and war in
Khamboja and Saurashtra (Kangle, 1969:38). He refers here to a class of guild which followed some crafts and carried on military profession at one and the same time. The guilds, it seems, worked as banks, and received permanent deposits and undertakings to donate the annual interest for specific charities. It even mentions that the guilds maintained a regular army and it included various classes of troops. During the times of need, the king used to call upon them to serve him. For the maintenance and organisation of various guilds, a president was needed, known as Bhandagarika to check on their internal and smooth working. He was assisted by various officers.

**MERCHANTS AND TRADE ORGANISATIONS**

Both trade and industry were highly organised. The term Sreni, Nigam, Kula, Gana, Samgha and Vrata are defined as a corporation of people belonging to same or different castes but following the same occupation and trade. The institution of guilds which were corporate bodies of traders, merchants and artisans were denoted by various names but Sreni was most commonly used in ancient literature.

Pani is derived from root pan meaning barter and hence it signifies a merchant (Mukherjee, 1972:4-13). In Rig Veda (Max Muller, 1892:471), the Gods were asked to attack the Panis. This particular reference clearly suggests that the corporation of merchants existed during that period. The
reference of Sresthin meaning the head or the president of a merchantile or other guild in Brāhmans evidently however propose the emergence of corporate bodies of merchants or trade organisations in the later Vedic period. Panyasiddhi or success of trade was seen performed by the Vaishyas during the time of Grihyasutra show the further advancement of trade organisation. With the development of commerce and industries, the towns grew having many guilds of traders and craftsman. Pāṇini mentions Gana, Puga, Vrata, suggests the rise of guilds, closely connected with the growth of industry (Agrawal, 1952:3). The word Gramah-Silpin testifies to the existence of different craftsmen and small industry (Agrawal, 1953:2-62). The word Nigama mentioned in Rāmāyana suggests that a merchantile corporation of traders settling down at one place were quite popular in those days (Griffith, 1915).

Buddhist records show the increase and development of many trades and industries. Buddhism and Jainism gave importance to Kshatriyas other than Brāhmins and freedom to Vaishyas. The Buddhist literature and the Jātakas give ample reference to trade guilds. The Jātakas mentions eighteen guilds but it was more than the number mentioned and in a way shows the extensive character of the organisation. The Vatahassā Jātaka relates the story of five hundred merchants with a chief to guide them (Cowell, 1907: 127). The Soparaka Jātaka mentions that seven hundred merchants got ready on a ship. The Vraga Jātaka gives some indication of a more developed guildhood, and mentions a guild quarrel between two ministers of a king and the head (Srenipramukha) (Cowell, 1907). There are various archaeological and
literary references which throws light on the organisation of guild system in ancient India during the period under review.

The Epigraphical records contain proofs to the fact that the organisation of guild was well developed in this region, from the time of the Christian era. The epigraphical records supplement the facts about the guild organisation of Western India.

The Nasik Cave inscription of the time of Nahapāna (dated in Saka 42 or 120 A.D.) refers to an investment of endowments with the guilds of weavers at Govardhana. It records that Usavduṭṭa, son-in-law of the Saka chief Nahapāna, gifted 3000 Karshapanaś for the benefit of the Buddhist monks living in the caves. The entire amount was invested in the guilds of Govardhana in the following manner: 2000 in weavers' guild - the rate of interest being one percent per month and 1000 in another weaver's guild at the rate of 3/4 percent per month. It is stated that the interests are only to be enjoyed and the Kahapānas are not to be repaid. This was then proclaimed and registered at the town hall or at the record office, according to custom (Keilhorn, 1889:82-86).

Two Buddhist cave inscriptions from Junnar speak of similar investments, one with a guild at Kanaika and another with the Vasakaras (bamboo workers) and Kesakara (braziers), while a third Junnar inscription records the gift of a cave and a cistern by the guild of corn dealers. The inscription of Junnar records the investments of two fields with the guilds of Konachika for planting Karanja trees and Banyan trees.
Another Nasik epigraph of the king Iśvarasena (ninth year or 3rd century A.D.) records the investment of endowments with the guilds of Kularikas, Odayantikas and the Tilapišakas. The King Iśvarasena, who ruled in the 3rd century A.D., records the investment of a similar endowment with the guilds of Govardhana (Ludders, 1912: No. 1137, Vol. IV). The kind endowed the guilds of Kularikas (probably potters) with 1000 Kashapānas, and the guild of Odayantikas (most probably labour or of water works) with 2000 Karshapānas. The last portion of this inscriptions though mutilated shows that the amount was invested with the guilds of oil millers and the sum of 500 Karshapānas was invested with another guild.

Raghuvaṇḍa states a guild architect (Velankar, 1948). In Mudrarākṣasa, Chānaka, asks, "Oh guild President, Chandanāśa, are the interest and profit accumulated from fair merchantile transaction going well?" In another occasion, Chandanāśa is refered to as the president of the guild jewellers (Karmarkar, 1940:1,18-20,28). Varāhamihira, on a number of occasions, forecasts the prosperity and adversity of guilds and the guild presidents in Bṛhatsamhitā (Dvivedi, 1895:18). Thus he speaks about agriculture, trade and different vocations.

The epigraph numbered 189 of Sanchi indicates the collective gift of the ivory workers. The Mandāsor inscription (C. 437-38 A.D.) of Kumāragupta I and Bandhuvaman speaks of a guild of silk-weavers who shifted themselves from Lata to Dasapura, (Mandasore) gave up their original crafts and took to various new persuits and built the noble and unequalled temple of Sun
The Indore Copper Plate refers to Brāhmaṇa's endowment, treated as the perpetual property of the guild of oilmen with Jivanta as its head (Fleet, 1970:68). The Mathura inscription records the craft guild. It records the dedication of the image by the worker in metal (Lohikakara), Sura, who was a member of the committee (gottika) (Ludder, 1912: 29,53). The blacksmith (Kamara) Nada of Kalyan is recorded to have given a path in the Kanheri inscription (Ludders, 1912: No. 1032). Thus they seem to have equal footing with other artisans, such as the carpenter, masons, and painters. Like the Jātakas the Mathura inscriptions speaks of guilds of perfumers (Ludder, 1912: No. 95), wheat flour guild (Keilhorn, 1913:59) and guild of Washermen or dyers (Ludder, 1912:52).

The Maitraka inscriptions as such do not give any information about the guild system of that period. However, the Palitana copper plates of Dhruvasena I mention that they were prevailing from the beginning (Ludder, 1912:XII). They may have adopted this system from the remaining Guptas. The inscription mentions two Jaina Śreśṭhas of Kaśmira, who came to Girnar in 553 A.D. and restored a temple of Lord Nemi (Jayaswal, 1966). The army of Bhāttāraka consisted of various troops including guilds (Śreni). This, along with the mention of corporate activity among traders and craftmen in the ancient literature of the northern India and their organisation into guilds with the Śreśthin as the head, seems to suggest that the system was there in its organised form was probably introduced into the kingdom and must have gradually developed into perfection. Dandin in his work Dasakumāracharita mentions guilds of traders.
Thus guild served the purpose of protecting the interests of the indigenous traders and craftsmen against foreign competitors. They rendered valuable service to the people by ministering to all the wants, economic, social and religious.

THE GUILD HEAD

By the beginning of the Christian era almost all the organisations and industries were organised into corporate bodies. The number of guilds were more than eighteen, as stated in the Jātakas. Each guild had their own head who used to be in charge and responsible for the workings of the guilds.

The head of the guild was known by various names such as Jāsthaka, Pramukha, Sreśthin, etc. as mentioned in the Jātakas. His position for nomination was mostly hereditary and sometimes he was nominated and elected. If the guild was a prosperous one, then he enjoyed a real influence to the State. His duty lay in the interest of his guild and in representing them to the king. He was often invited to act as a judge for all the guilds and sometimes even acted as the royal treasurer. The leaders held the most responsible and respectable position, giving directions to the other traders and taking measures to prevent robberies. The head of the guild was assisted by two or three and sometimes by five advisors. The Yajñavalkya mentions that these advisors or assistants should appoint some just and virtuous men as their executive officers (Sastrī, 1924). He, with
the help of his advisors, used to fix the salaries and working conditions of the various guild members. He received a regular allowance. *Arthaśāstra* mentions that his pay should be equal to that of the chief of elephants, horses and chariots (Kangle, 1969:247). The craft guilds were entitled to joint ownership of land. The Mandasor inscriptions testify to the nobility of the guilds, which says that when the members of silk weavers fell into distress, they migrated to Daśapura from Lāta. In Daśapura, they are said to have kept up their profession that is music, story-telling, religious works and astrology. Thus they had maintained the corporate nature of their organisations in spite of diversions. The *Śantiparvan* says that there should be meetings of the chiefs of guilds, so that they can work together for the interest of the guilds (Siromani, 1905: 107). In the meetings, he should also discuss the market price for increasing and lowering the prices of the commodities. Many a times, he used to act as local banker and managed the communal funds of the local guilds, which remained collectively responsible for the failure of their individual members including the head.

**POWERS AND FUNCTIONS OF THE GUILDS**

From the inscriptions and literary sources, one can infer that these guilds served as multipurpose organisations. Other than their trading work, they performed many other functions.

One of the most important functions of the guild was that it operated as banks, similar to the modern banking system. Money was deposited by
various members. Thus they could lend out money and earned some profits in such transactions. They rendered services to people at large. Their functions used to be trustworthy and thus they gained confidence of the people who used to invest money. Such banks were responsible to the municipal headquarters of their town for the satisfactory discharge of their duties as trustees of public money (Keilhorn, 1913:82-86). The inscriptions dealt earlier pointed out the endowments in guilds. In Kautilya's Arthaśāstra it has been mentioned that when the king was in need of money, he used to send a spy to borrow from these guild banks gold bars or gold coins of various kinds which were procured from abroad. In this way, he used to collect money, and in the same night he allowed himself to be robbed of it. This shows that the king used to come to help when the banks needed money in some emergency. The other thing it indicates that the guild too lend money in time of need (Kangle, 1969:38-39). The guild banks had maintained such a reputation in the eyes of the people that even the kings did not hesitate to deposit money. Chandragupta II permanently deposited 20 dinars in two instalments, apparently with a corporate body and out of their interest endowed two alm-houses (Fleet, 1970:38) Likewise, Kumāragupta on one occasion deposited 13 dinars and on another occasion 12 dinars with one or two guilds and from their interest two alm-houses were maintained. Another instance which shows that it worked as a bank, was a Brāhmaṇa, Devavishṇu from Indrapura (Indore), (Fleet, 1970:68) deposited permanently a certain amount of money for the perpetual maintainence of a lamp in the temple of the Sun with the guild of oilmen. This sum of money was invested in the oil-business and in return they paid two interests
which provided two palas of oil to the lamp. Thus the inscriptions clearly indicates the banking functions of the guilds were a great help to the people who made permanent religious endowments. This also shows a freedom of mobility to the guild members that is the guild will supply oil even if they have to move out of the place, in need of business (Jivanta or Dead). This could also mean that they used to give away the whole business transaction to another guild bank. The internal cohesion and corporate spirit of guilds are proved by their longevity after the death of any member and even after the change of place, which did not affect in any way their credit or liability of the depositions.

The Junnar and Nasik inscriptions (Keilhorn, 1889: No. 10, 55) speak of a permanent endowment in a guild under the conditions that the capital could not be touched and only the interests realised every month (māṣānumasam) might be utilized to meet the expenses of serving 100 Brahmanas and the hall. The guilds were entrusted with the charge of the Punyasalas (Halls).

The guilds sometimes enforced both the executive and judicial powers. Vinayapithika shows how the guild was powerful enough to exercise its influence over its members. It lays down two strict rules; first, the guild was entitled to arbitrate and second, its permission was required for the ordination of the wife of any of its members. If any member disobeyed the rules, he was treated as condemned criminal (Oldenberg, 1938-1952: Vol. 3).
Guilds used to have military powers. From various evidences, it appears that the guild had their own standing army to protect themselves. Kautilya speaks of Śreniśbala of troops, which the kings sometimes hired for defensive and offensive purposes. He further suggests that in order to keep the enemy under check, a Śreniśbala should be furnished with a piece of land constantly, and they should be engaged so that they do not become too powerful or create trouble for the State. He further refers to a class of Śrenis whose profession was trade and war (Vārtā-śastā-pajivinah) and were mainly found in Kāmboja and Saurashtra countries, engaged in agriculture, trade and wielding weapons (Kangle, 1969:XI). The Mandasor inscription gives evidences of some of the members who took to arms. From these evidences, one can infer that the guilds were allowed to maintain their own army and the state used their help in times of need. The pay of the military chief was fixed to 8000 panas per annum which was equal to that of the chiefs of elephants, chariots, etc. (Kangle, 1969: 247). This shows the prestige and high esteem they use to hold.

The guilds carried out public works. It has been recorded that they undertook the construction of temples, assembly houses, pools and gardens for public use. The Brahaspati Smriti states that if any person was unable to carry out any Sanskāras or such other religious observance after death, the guild used to help them financially. They also rendered help in the ceremonies of birth and marriage (Aiyangar, 1941:11-12). The Junnar and Mandasor inscription shows the making of a cistern by the corn guild and even constructing a temple by the silk weavers guild and had it repaired again on 473-74 A.D. (Fleet, 1970:79).
The Mahābhārata (Āśramavāsikaparvan, Ch. VII, 79) speaks of the powers of the guilds and sometimes even the main support of the king. The guilds gained so much strength that the Śāntiparvan advises the creation of dissensions among the heads of guilds as one of the means of inquiring about the enemies (Siromani, 1905:64). Duryodhana is said to have hesitated to face the heads of the guilds after his defeat in the hands of Gandharas (Siromani, 1905:16). In Rāmāyaṇa, it is said that Rāma was welcomed by the heads of merchant guild on his return from Vanavāsa. This shows the prestige and high esteem the guilds held. (Raghuvir, 1938). Manu refers to Śreṇidharma or the right laws for the guilds which should be carried out. It further states that the king should never ignore the laws of guilds (Jha, 1939). Vaiśṇavalkya says that the cultivators, artisans, artists, moneylenders, guilds, dancers, persons bearing the token of religious orders should adjust according to their own profession (Sastri, 1924). This indicates that each profession regulated its own laws which are to be strictly followed by every individual. Thus if a person was found violating the rule of his guild or neglecting his work, he was fined amounting to six nīkṣas to four suvaṛṇas. Anyone who harmed the common stock or broke the laws was banished. The guild officers could deal with wrongdoers with punishments ranging from mild censure and rebuke to expulsion. The guilds had absolute freedom in carrying out the punishments. But before any punishments were carried out, they were to be approved by the king, as he was the authority (Sastri, 1924:14-18). Narada lays that the king should abide by the laws of the guild and if he showed absolute authority, then they could refuse to pay the taxes. This shows the guild had become more powerful during this time (Jolly, 1889).
Nārada and Brahaspati (Purāṇas) traced the gradual development of the guild organisation. They state that the meetings of villagers, artisans and associations is an agreement. This agreement states that the difficulties faced on the way caused by the thieves and irregular troops, should be removed by all and not by a single person. This itself shows the necessity of corporate life and its smooth working. Brahaspati-Smriti speaks about the formation of a new guild. It states that the members first have mutual confidence among themselves by means of an ordeal or a written convention and the guarantee of the empire and only then set to work (Aiyenger, 1941). The written document of the guild formed legal laws, which were obeyed by all. Those who wilfully disregarded it, were liable to punishment by confiscation of his property or by banishment.

Appointment of the chief who was assisted by other officers and internal meetings of all the guild heads for the better working of the guild, as mentioned earlier showed the democratic character of this organisation. Every member had a say in the meetings. Nārada prescribes the rules for the attendance of members (Jolly, 1889). Mitramiśra mentions the sound of the drum used as a signal for such attendance of members. Mitramiśra further enlightens that the general body meeting of the guild sometimes dealt with the appointment of new members and dismissal of the old ones.

The source of guild finance are also stated by Brahaspati. It says that the sources comprised of the contribution of the individual members
and the king, profit, fines and the money earned by public works is used for the functioning of the guild (Aiyengar, 1941:65).

In all, the guilds of traders possessed corporate property, divided equally all gains, laid down rules and regulations to be followed, acted as court or judge over certain disputes, lent out money and even helped the people in need. Thus it was a association of traders who used to work together in the interest of their business.

**STATE LAWS FOR TRADERS**

The king had to look after the fairness of justice imparted to all the individuals of the State. Hence, laws were made and were strictly followed, so as to bring fair prices, and prosperity to all the classes of the society and their harmonious development.

Promotion of trade was encouraged by the State authority as trade was the chief source of State revenue. Hence Kautilya had laid down that the king should offer ample facilities for commerce and trade by constructing roads, by safeguarding their land and water routes and by setting up market towns. The king was advised to pay special attention to the interests of traders who increased national wealth (Kangle, 1969:8,33).
TAXATION

While fixing different kinds of taxes, the State authorities kept in mind, that they should not fall heavy on the traders as well as realised the importance of taxes for carrying out the work of the State. Hence a policy of moderate taxation was adopted by the State. Manu says that the king should tax his people in moderate measures just as the leech, the calf and the bee extract their food little by little (Kangle, 1969). Kautilya also advised the kings to impose taxes moderately. He mentions that the king should pluck the ripe fruits from his kingdom just as a gardener picks them up from the garden, but he should not take unripe fruits which may cause provocation and bring about its own ruin (Kangle, 1969:156).

The Mahābhārata speaks of Śulka as the toll on merchandise levied for the protection of the State. Gautama fixes the toll on merchandise as 1/20 of the value together with 1/60 of roots, flowers, meat and medical herbs (Siromani, 1905). Kautilya states that at least one article should be given to the king less than the market price (Kangle, 1969:26-27). Thus tax was also paid in kind.

Baudhāyana prescribes a rate which was to be paid in cash and partly in kind. He further states that the king should charge for imported goods a duty of 10 Pānas in hundred together with a choice articles and for other commodities, duties varied according to their intrinsic value but not the choice of article (Kane, 1930). On the other hand, Vishnu Purāṇa provides a
rule of 1 percent of the local produce and 1/20 on foreign produce (Dutt, 1978). Kautilya mentions that each of the three categories of merchandise, internal, external and foreign, is liable to the payment of toll alike when exported or imported (Kangle, 1969: 112). He says, "imported commodities shall pay 1/5 of their value as toll. But the Superintendent shall receive 1/6th as toll of flowers, fruits, vegetables, roots, bulks, seeds, dried fish, and meat. As regards conch-shell, diamonds, precious stones, pearls, corals and necklaces, tolls are to be decided by experts acquainted with the time, cost and finish of the production of such articles." He further mentions that 1/10th to 1/5th was charged as toll on fibrous garments, cotton clothes, silk, mail-armour, sulphured of arsenic, red arsenic, vermilion, metals, colouring ingredients, sandal, pungents, ferments dress, wine, ivory, skins, raw materials used in making garments, carpets, curtains and products yielded by worms and of wool. He adds that clothes, quadrupeds, bipeds, cotton thread, medicine, wood, bamboo, furs, sugar, salt, rice and the like were to be taxed 1/20 to 1/25 of the value (Kangle, 1969:74). Gate dues amounting to 1/5 of toll due must be paid.

Thus duties were levied not in kind but in cash. It was scrutinized by experts and duties on a diminishing scale were levied on three classes of articles, i.e., perishable, valuable and ordinary articles. Manu prescribes 1/20th of the value of commodity to be charged as toll (Jolly, 1885:398). Sukranti mentions different types of toll. The minerals like gold, silver, copper, zinc and iron were all required to pay as toll of 1/2, 1/3 and 1/6 of the profits (Vidhyasagar, 1890:233-38).
Toll dues formed a great part of the revenue of the state and hence Kautilya has strictly prohibited the sale of commodities "where they are grown or manufactured", so that merchants may not deprive the government of such dues. Any such cases of sale of articles without payment of scheduled toll dues were heavily penalised (Kangle, 1969:113).

The octroi or gate duties contributed a lot to the State revenue. The normal rate of octroi duty was 1/5 of the value of the commodity and it was charged while the goods entered the city. There were some other types of taxes imposed on commodities. They were vārtani (transit dues), ativāhika (escorting fees), gulimadeya (fees paid on military stations), tāradeya (ferry dues) and bhāga (king's share). The officers in charge of the borders received 1/2 pāna or a single hoofed animal, 1/2 pāna on each head of cattle and 1/4 pāna on a minor quadruped (Kangle, 1969:74-75). But the ferry rates were ordinary. On big rivers, the ferry rates were double of the normal. Sometimes these dues were also paid in kind (Kangle, 1969:74-83). Manu suggests that the ferry dues to be collected as 1 pāna for every empty cart, 1/2 pāna for a man's load, 1/4 pāna for animal or a woman and 1/8 pāna for a man without load (Jolly, 1885:404-6).

The Nāvadhyākṣa (Superintendent of Ships) used to collect taxes from the traders and hire charges from those who used to travel in king's ship (Kangle, 1969:82). The Superintendent of tolls were supposed to stamp the merchandise properly with seal-marks and goods were exchanged on proper prices and on payment of scheduled tolls at the toll houses. The merchants evading taxes were severely punished.
The State used to be considerate and exempted taxes on commodities like those intended for marriage, or intended for presentation, worship of gods, sacrificial performances etc. Even the weather-beaten ships or those damaged and spoiled by water were exempted from any toll (Kangle, 1969:82-83).

Thus, State took active part in helping out the merchants in need and collected due taxes from one and all.

PRICE, WEIGHTS AND MEASURES

Barter was replaced by the use of natural currency and gradually fixed on terms of money. The practice of price fixation owed its origin to the function of court valuers. They were appointed by the king and exercised great authority and their decisions could be reversed only by the king.

They used to fix prices with honesty and integrity. The office of court valuers were gradually transformed into a board of price controller for the whole market. Other than the State price controller, there were private price experts. Such valuers were responsible for observing the customary rates and statutory prices (Jolly, 1885:401).

The sale of commodities was thoroughly controlled by the Superintendent of commerce, who were always alert to prevent all sorts of
deception and all conspiracies of the merchants. The superintendent shall, on consideration of the outlay, the quantity manufactured, the amount of toll, the interest on outlay, and other kinds of accessory expenses, fix the price of such commodities with due regard to their having been manufactured long ago or manufactured from a distant country (Kangle, 1969:205). Manu and Yajñavalkya laid down the laws for the regulation of price in similar manner. Manusmriti further mentions that "at the end of each fifth day or each fortnight, the king in the presence of appraisers of prices and in consideration of their stock in the market shall lay down the prices of commodities" (Jolly, 1885:401). Those who sold or purchased at a higher price were heavily fined of 1000 panas. Things were properly examined, sealed and sent to the market where tolls were paid before they are sold according to the price fixed by the State.

The rules for the regulation of weights and measures were laid by Manu and ordained the king to examine them at the end of every six month (Jolly, 1885:403).

The Superintendent of weights and measures shall have the same manufactured and he shall charge 4 māshas for stamping weights and measures of private traders and he must impose a fine of 27½ pānas for using unstamped weights and measures. The Superintendent of commerce should also supervise weights and measures with a view to prevent deception (Kangle, 1969:204). Yajñavalkya has also put down fines for such deception. Several measures have been mentioned in the plate of Toramāna. They are like a
donkey-load or a cart-load which are widespread used both in time and space. The word Bhānd can be considered as a specific measure, being the amount contained in a specific vessel, but probably it also stands for a unit measure (Mehta and Thakkar, 1978).

Adulteration was a severe crime and those involved were punished. Yājñavalkya prescribes penalty of 16 panas on traders adulterating medicine, oil, salt, perfumes, rice, molasses, etc. When a trader sells adulterated things or deceitful mixtures he shall not only be punished with a fine of 54 panas but also be compelled to make good the loss.

Thus attention was paid in the ancient times to maintain the values and practiced integrity in the field of trade and commerce. The State used to take proper care and interest of the producer, and the consumers.

PARTNERSHIP

Partnership existed right from the Buddhist period. There are various literary evidences which gives reference of this type of associations. The Śrīvīvanija Jātaka relates the story of two merchants trading as partners (Cowell, 1907). The Bāvery Jātaka speaks of partnership in a deal of birds imported to Babylon from Barukachcha (Cowell, 1907:126). The Dharmaśāstra and Arthaśāstra also speaks about partnership and they mention that each merchant should contribute something which formed the capital and worked
jointly for the purpose of the gain. Narada says that loss, expenses and profits of each partner should be in proportion to the amount contributed by them to the joint stock company (Jolly, 1889:133, Arthaśāstra and Yajñavalkya further states that those who carry on any cooperative work shall divide their earnings either equally or as agreed upon themselves. Brahaspati says if a partner in trade happens to die, his goods must be shown to the officers appointed by the king and if the claimant is not made then the king shall appropriate his property (Aiyenger, 1951). Thus partnership was carried out on a legal term basis.

ADMINISTRATIVE UNITS OF THE OTHER COUNTRIES

Matured and well-developed economic ideas of trade policy system and institutions did exist in the ancient seats of civilization.

Macedonian Empire (Fourth Century B.C. to? Century B.C.)

The powerful state accelerated the growth of world trade where they mainly traded with Western Europe, Central Asia, North Africa and India. The commerce developed in three levels (a) the local trade in agriculture; (b) the inter-regional trade in raw material; and (c) the trade in luxury goods.

The first type was mainly in the hands of peasants and shopkeepers, while the second one was carried on mainly by merchants. The trade in
luxury goods was carried out mainly in urban centres, which was organised and carried out by State management. In case of private trade, the State kept a close check on the merchants' activities and controlled them whenever necessary.

The Hellenistic Kingdom and later kingdoms made the sea routes free from pirates and built quite a good number of well built ports and harbours to dock the incoming ships. Thus ports and other towns developed and trade prospered and extended in a large scale. The money economy facilitated exchange and there was a boosting up of trade and commerce.

State had the power to mint coins and control industries. It also determined the metallic contents of coins and fixed the prices and controlled it. Banking system developed. Most of the banking business was carried out by the temple authorities who charged interest from 6 to 12 percent on the amount borrowed. They granted loans mostly on goods.

The Hellenistic system of economic administration was also seen in Egypt. The Ptolemies gave Egypt its planned monetary system. It was controlled and planned by State. The State was all powerful unlike India. Everything was for the State and through the State, nothing was for the individual except the mere possibility of a grey existence which saved the workers from starvation. Land belonged to the rulers but held by merchants and military men. The labourers and workers faced a poor existence. The price was fixed by the State. Internal and external trade was managed by
the State. The merchants compulsorily had to obtain licence for carrying out commercial activities. The distribution of food grains and other goods were also under State control. The licence holder had to pay licence fees and other taxes to the State.

Taxes were varied. Custom duties contributed mainly to the Royal family only. Toll tax was universal. Taxation was compulsory. Different types of institutions were formed by the entrepreneurs in conducting their trade activities. Forms of business and commercial enterprises were manifold. It ranged from partnership organisation to co-operative bodies and joint venture partnership and joint enterprise, with limited liability, appeared in the Hellenistic Kingdoms and gradually spread in other regions (Narain, 1957).

Thus the Hellenistic economy had the absolute State control over trade economy and it was not flexible.

Roman Empire

In the Roman Empire barter and money economy existed side by side. The rural trade or the trade among the villages and individual peasants was usually carried out locally among the chief regions of the Empire and among different countries of the world. The goods which were locally produced were in the hands of shopkeepers. The big bulk of commerce was managed by
the State. International trade was vastly spread and played an important part in the Roman commerce (Rapson, 1935). The extent of commercial activity of Rome was clearly evident by the traces of Roman coins found over a vast area ranging from northern Europe, India and Ceylon. Trade and commerce held good investment. The two taxes that contributed most to the Imperial treasury were land tax and custom duties. Mining as in India was a State monopoly, though sometimes it was leased to private persons. There were no uniform coinage and minting was a privilege of the State. Business organisations like syndicates were formed in early 2nd century B.C. to put forward custom duties, to exploit mines and forest resources. Each syndicate had a manager, number of agents, accountants, and collectors. Initially, the rate of interest was four percent, later when the investment increased the rate of interest also increased. Due importance and adequate emphasis was laid on the welfare of the State (Bury, 1969).

The government also maintained public welfare services and prevention of adulteration was ensured by regular inspection. Merchants and traders were kept under strict observation. The State used to take interest that the trade was carried out fairly and in conformity with the laws of the State, regarding quality, coinage and weights and measures. The price of commodity was checked from time to time to suppress the illegal upward movement of the price curve. The State helped the needy in times of natural calamities. Road network was excellent in Rome and the road system played an important role in the expansion of inland trade and commerce. The State
constructed rest houses, inns, and road signs. Thus travel was easier, safer and faster.

From the above account, we can conclude that State was more in control of trade and safety of the merchants. The various antiquities found in India especially at Arikamedu, show that it was developed and was highly organised. The Roman Empire ruled by various monarchs had given much flexibility to the various fields of economy. Thus Roman Empire became prosperous and emerged as the golden period of their history.

China

In China, guild was the chief instrument of economic activity (Xinru Liue, 1988). It followed a similar type of pattern like that of India. All those engaged in an occupation within a recognised area were the members of that occupation’s guild. Guilds were exclusively urban. Different kinds of merchants, craftsmen and professional persons had separate guilds. Unlike India, the guilds had the power to fix the prices of the commodities, supervised the quality of the items and regulate the standard of workmanship. The punishments were given to those who violated the rules. They held courts and solved the cases with the help of the laws formed in the guild.

Trade and commerce developed rapidly and gradually industries came up. Silk industry was a flourishing one and was of international repute
Other industries like pottery, copper, vessels, paper, etc. also developed. Silk was traded to western countries via India. Sea borne trade grew up with India by way of the Strait of Malacca. By 5th century B.C. barter system gave way to money economy as a result of the growth in trade and commerce. By the beginning of the Christian era, the barter system disappeared completely. The right to private minting was withdrawn, heavy taxes were imposed on traders. Some of the important industries like Iron and Salt were brought under State control. Elementary forms of banking and credit operation appeared with the growth of trade and development of money. As a result of the trade with the west, large amount of precious metals and gold coins were found (Glalhe, 1930). The State though powerful, gave ample importance to the merchants and traders. Thus the trade economy of China was somewhat similar to that of India.

This chapter brings out the importance of the activities of the trade organisation. The guild system played an important role in developing the trade and brought about economic prosperity. The State rendered help to the merchants who felt protected and united and stood together to face any trade hazards. Though State had control over certain industries, the State and the merchants stood on equal footing.

The guild system helped the merchants with money, protection, skills, laws, helped the poor and even stood together against the uprising of the State and theft. The study of trade and commerce of other countries in a brief reveals that though some factors in trade economy were similar, the State was all powerful and commercial exchange was carried out with the guild system.