Cloth trade and Urbanization. 1673–1761
CHAPTER III

CLOTH TRADE AND URBANIZATION

3.1. THE DEVELOPMENT OF CLOTH TRADE AND ITS CONTRIBUTION TO URBANIZATION.

This chapter deals with the urbanization of Pondicherry due to the cloth trade of the French in the Eighteenth century. The French East India Company, being a trading company, concentrated on cloth production and cloth trade. Cloth production was the secondary sector of production. The textile weaving and its ancillary activities were done in the suburbs of Pondicherry. The suburbs serviced the core center of the town. The company traded with a variety of commodities such as the various types of Cotton and Linen fabrics, Pepper, Spices, etc. They exported those commodities and imported Silver bullion, gold...etc. The cloth production and cloth trade led to the increase of artisans, emergence of the merchant class, development of communication, increase of employment opportunities, development of banking facilities, diversification economic activities, creation of economic institutions, of building of shops and these warehouses facilitated urbanization of Pondicherry.

To accelerate and facilitate trade, the system of transport was improved. The modes of transport were bullock carts, horses, camels, boats, catamarans, ships, etc. A lot of people depended upon weaving and its allied activities. Many people were involved in the ancillaries of trade. Some people were involved in loading and unloading materials. The French bought cloths with the pagodas, which they fabricated in their mint. Some people worked in the mint as mould makers, smelters, polishers, appraisers, weighers, loaders, supervisors and unloaders. Some people were involved in auctioning the goods and properties. They were officers, document writers, auctioners etc. There were also people, who were involved in propagating the quality of products and attracting and securing customers for the commodities. Thus, the cloth production and cloth trade gave scope for various types of occupations and employment, which resulted in urbanization.

The cloth merchants, who had capital, emerged as the new class of people in the urban center. Some were natives of Pondicherry and others came here from other places.
They were involved in trade and commerce. Besides, they also received the contract for production of textile fabrics from the French company and fulfilled the contract by using the weavers of the neighbouring villages of the urban center and of the villages in the hinterland. Those merchants, who were new comers to the town, became affluent because of their dual occupation. Due to the cloth trade, the merchant population increased in Pondicherry. There were several means, through which the merchants ordered and gathered manufactured cloth material from the hinterland. Some people were involved in monetary transactions, capital formation and transaction of goods either for cash or kind. Some were intermediaries and some were brokers-‘Dalals’, money exchangers and shroffs.

Warehouses and godowns were built to stock and preserve cloth. They were mostly situated in the Black town. Besides those facilities, there was the fort. Those places were used for weighing, valuing, drying, measuring, sorting, packing, preserving the clothes. When the cloths happened to be spoiled, they were unpacked, dried, cleaned, improved, if need be, rewashed, dyed and printed. Again, they were measured, valued, sorted, packed and preserved. The scarcity of rain obliged the Superior Council to dig and clean many times the ponds and wells to facilitate the washer men to wash clothes, which were for export. A good number of people were involved in all these cloth-processing activities. A lot of people were engaged in supervising and managing the processes like drying, bleaching, washing, dying of cloths, printing and bringing commodities into the warehouses and taking them out of it. A large number of ‘coolies’ were employed in the loading and unloading work of the goods. Those types of work opportunities led to the increase of artisans and other working population and, there by, helped the urbanization of Pondicherry.

The trading center of the French on the Coromandel Coast was similar to that of the Duch, Danes and the English, because it consisted of a fort and a port. The presence of a port and a fort in all the trading centers- Pondicherry, Madras, Devanampatnam, Cuddalore, Porto Novo and Tranquebar endorses the view of Jacques Weber that coromandel port towns consisted of a fort and port. As trading activities of the French were carried on through this port town, fort became essential for storage and safe conduct of trade.
Several factors contributed to the urbanization of Pondicherry, of which the port was one. Pondicherry was located in the seafront. The location, proximity to sea, was favourable for them to load and unload commodities for import and export. The Catamarans, boats, and ships were able to come to the coast nearer to the town, where the goods were loaded or unloaded. That facility of easy loading supported the trade and commercial activities of the town. The goods that were imported from the foreland were distributed in the places in and around the town with suitable means of transport. Similarly, the goods that were to be exported were procured easily from the hinterland of the town because of the transport system. Thus, Pondicherry emerged as a port city. The ancillaries of trade, which was the transport facilities and the road system between the colonial city and the hinterland, were improved. The means of transport were bullock carts, boats, catamarans, etc. People, who handled the means of transport increased in this urban center.

Pondicherry was a very small area in the beginning. It could not produce commodities for export only with the resources in the town. It got it done from the neighbouring suburbs and the interior places in the hinterland. The hinterland of Pondicherry supplied the manufactured goods for export. It became the centers of the secondary sector of production. It constituted the suburbs of the colonial town and the interior villages and towns that produced commodities for the export. They also sent goods of primary production, such as pepper, spices etc. That led to the rise of suburbs. The people in the suburbs originally depended on agriculture. However, due to the new work opportunity of producing textile commodities, some farmers, who had earlier been paid-peasants, became artisans. Besides, the artisans and crafts men of the neighbouring towns and villages came and settled in the suburbs of Pondicherry. Hence, the population of the suburbs increased and at the same time, the structure and composition of the population also changed.

Originally, the people who were living in the suburbs and surrounding villages were farmers. They belonged to the Kaikolar caste, which fell in the right hand caste group. They were not fully occupied in agriculture and had much free time, after ploughing, sowing, weeding and harvesting. They took up the new occupation, like weaving, dyeing, bleaching, painting or printing, as an additional job. To use their leisure time they had,
one shuttle, and took up weaving. However, then, weaving was a part time occupation for them. By and by, the colonial town, due to cloth trade, needed more production of cotton goods from the villages. The villagers found that the new occupation was more rewarding. Therefore, when more opportunities for cloth production came, some of them abandoned farming, and took up weaving and related works, as a full time occupation. An unknown weaver entered a new occupation on a full time basis. Landowners did not take to weaving, but the wage-earning peasants alone took up that new profession.

In the beginning, the weavers took up the full responsibility of producing the textile fabric. They bought the raw material and produced the cloth. However, later the contractors or the merchants of the company entered into the process of production. They supplied the raw material and got the fabric produced from the weavers. The weavers, who used to buy raw materials and weave in their own responsibility, later, worked for contractors or the merchants. They surrendered their individuality as producers and became paid labourers. They, no more, had the means of production with them. They got the raw material and an advance-amount from the merchants. The quality, design, colour, dimension etc. of the fabric was decided by the contractor. There were master weavers and quality controllers. Some of the master weavers, who were Kaikolars, were also contractors. The price, at which the merchants would take those finished goods back, was also predefined. In the previous production pattern, the weavers had the choice of fixing the price of the product that they produced. Nevertheless, in the revised pattern of cloth production, they had to accept the price fixed by the merchants or the contractors. The system, by which they received the advance amount, indicates that they lost the freedom of selling their fabric. The loss of control by the weavers over the means of production was a new development.

Out of all valuable crops, cotton occupied a unique position in Pondicherry's economy. Consequently, the weaving of cotton fabrics became common, because of the cotton cultivation. Herbaceous cotton was a common crop widespread in the region. Pondicherry got a competitive position in the market of the contemporary world mainly through the cloth procurement. The cloth trade exercised a deep impact on the general pattern of the economy. Some allied industries like the dyeing, printing and painting rafts, made corresponding progress, to fulfill the needs arising out of a developing
textile trade. Pondicherry transacted textile goods, and gained a source of income. That income largely contributed in making the town viable. Merchants, big and small, associated with the trade in that commodity, derived profit. They, through the tax they paid, contributed to the well being of the town. Usually the traders gained a larger share through a transaction, while the profit of the producer was generally somewhat marginal.

The cultivation of crops yielding dye-stuffs was greatly helpful in the progress of the textile Industry. Indigo, al, lac, catechu, leel and others, from which colouring material, for various shades, were obtained from different parts of south India. Those dyeing materials enabled the French fabrics to acquire better finish, which increased their market value. Further, the variety of those colouring agents offered a wide range of choice to the Pondicherry dyers and traders. Usually the expensive indigo was exported abroad. ²

Cloth production required the apparatus for cleaning, spinning, weaving and printing. They were of simple structure, crudely built, incurring little cost, but yielding profitable results. The materials for the implements were locally available. Satisfactory bleaching of the woven goods was done with the help of local ingredients. The region was rich with regard to dyeing agents. Indigo, ‘dhak’ (butea fondosa), ‘Tun’ (cedrela tuna), henna, safflower, turmeric, lae, and terminalia were abundantly produced in the region. Though alum did not occur in the region, it was easily available in the market. The local dyers frequently used them. Lemon and dried mangoes, which were used as mordanting agents, were grown in the region. ³ Those material conditions, along with tropical climate, laid the foundation for the establishment of a cotton textile industry in the region. The growth of urban output of cotton goods was due to the demand of cotton goods in Europe and far eastern countries. Pondicherry was not a fully a cotton-producing center. It was a procuring and trading center of cotton fabrics. Pondicherry took to and expanded its weaving craft, which led to urbanization. The expansion of the cloth manufacture resulted in division of labour. Spinners, weavers, washers, bleachers, dyers and printers performed their particular works. Mostly there was no overlapping of jobs.

The progress of cloth manufacture necessitated a corresponding higher volume of raw cotton. The requirement of raw cotton for local production seems to have been met with internally. Bringing in cultivated land under this crop increased the area under
Carte n° 24.

Réseau routier de l'établissement de Pondichéry.
cultivation. However, we have no means of assessing exactly the earlier and later acreage under this crop. That extension of cotton cultivation yielded large income from its sale, contributing to general prosperity of villages. Some farmers who grew cotton became prosperous. Since cotton cultivation was profitable, it contributed to changes in social stratification at the village level. The textile manufacture during this period was mostly medium or coarse varieties of goods.  

During Carnatic wars, emigrants from other places settled in the relatively peaceful Pondicherry. The new comers were weavers, printers, dyers and other artisans. Further, the influx of emigrants raised the number of consumers. Hence, the market for piece goods got stabilized and broadened. The primary aim of French East India Company in Pondicherry was procuring cotton textile for the home market. It was proved by the fact that the first Indian they appointed in their service as a gomasta was a weaver by caste. He had ample knowledge of cotton textile producing centers in and around.

In the last quarter of the seventeenth century and the first half of the eighteenth century, the French settlers seem to get bright prospect in their trade. However, there were fluctuations. We find that their settlement expanded: they put up buildings, built fort and ramparts, bought property and provided security for them, constructed the house of Governor, built warehouses and godowns, extended production contracts, increased arrival and departure of goods in ships, maintained possession of capital by the servants of company and created the new impulse to commercial enterprise. The trade, seem to be profitable to the company, but much more profitable to the agents of the company. The agents of the company returned home rich. However, some company merchants and the native merchants invested their profits in the developmental activities of the town.

The French settlement was neither a consumers’ nor producers’ settlement - to use Max Weber’s paired character traits of cities. The producers of yarn and woven textiles were not residents of the settlement. They lived in villages like Muthialpet, ‘akkamudianpet, Villianur, Udaiarpalayam, Salem, Karikal, etc. away from the town. The local agents, who lived in the settlement, were not consumers either. Yet, it became a market, where goods were sold and bought. Here the company was the monopoly buyer, which assumed economic control over the numerous small producers by the mechanism of giving advance. The market was the buyer’s market and the producers were located
away from it. To use Bert Hoselitz's comparison of such a situation, the growth of Pondicherry in its first phase in the last quarter of the seventeenth century was a parasitic growth. 5

The parasitic nature of early growth was further evidenced by the growth of a parasitic trading and commercial class in the settlement. They became, in course of time, the real leaders of the town. The French trade created a class of trading contractors, intermediaries, agents, shroffs and stevedores. Some of them were Kanagaraya Mudaliar, Ananda Ranga Pillai, Seshala Chetti, Guruvappa Chetty, Thiruvengadam Pillai, etc. The contractors used to operate independently. They secured orders from the company and got commodities against advances. Soon the company changed its policy, which seemed to favour Indian employers. The company appointed commission agents for securing supplies from the hinterland. Kanakaraya Mudaliar and Ananda Ranga Pillai, who were Dubash of the company, started their career as agents. They built up their fortune by cloth trade and business of arecanut etc. Nevertheless, when the agents found out that the product had a good home market, they bought over the business to acquire superior economic power. AnandaRanga Pillai appointed agents for cloth trade. People like Seshachla chetty, Linga chetty, Velayuda Paranjothi, Kandappa Mudali, Thiruvengadam Pillai, Perumukkal Miyan Sahib, Muthu Malla Reddi, Melugiri Pandit and Vasudeva Pandit came into prominence because of trade. There were company merchants, who were in the service of the company. There were official money-lenders.

Many of the merchants made fortunes as intermediaries in the trade of the French East India Company. The profits, which the company and its French agents earned through the trade, went to enrich the company in France. However, most of the profits earned by the Indian agents, money-lenders, contractors and stevedores were spent in Pondicherry itself. It helped the growth of the town. A parasitic class thus began to play a generative role in the growth of the town. These people began to acquire urban landed property and to build houses—mainly in Pondicherry, Ozhukarai, Saaram, Muthialpet and Ariankuppam. They bought land and built houses without diverting their sources and energy to trade. Their purchases extended the boundary of Pondicherry's settlement.

Pondicherry town and its leading people were characterized by tradition and modernity. It began with the acquiring of urban landed property by these people. A few
ROUTES MARITIMES ENTRE LA FRANCE ET L'ASIE AU XVIIIe SIÈCLES.

Envois →

Retours ←

I. de La Martinique
I. de l'Ascension
I. de La Trinité
I. Ste. Hélène
I. de France Bourbon
I. Ste. Paul
people had business, which had always been jointly run by the family. Some people entered into trade cum-employment relation with the French East India Company. They earned their incomes individually. Nevertheless, when they bought lands and built houses, they followed the philosophy of Hindu joint family and patriarchic (Dayabhaga) system of inheritance.

A dichotomous situation was created at that stage of early settlement. Chetties or Komuties bought and sold houses and properties only to their caste people. Others too favoured their respective castes while selling or giving lease of lands. It was applicable to most of the caste people, including the Brahmins. Chetty Street, Komuty Street and Brahmin streets were the examples. Apart from those settlements, there were settlements, like Saaram, where various caste people inhabited. However, the Pariahs lived in isolation in cherries.

To use Bert Hoselitz’s terminology, Pondicherry’s character changed from a ‘parasitic settlement’ of producing centers to the emergence of an artisan class among the settlers. It began to show features of ‘a producing city’, to use Max Weber’s classification. However, the largest portion of incomes got by transactions in Pondicherry, as earlier, flowed out of the country. The major portion of the income earned by the Indian intermediaries was spent in Pondicherry. The artisans only received the benefit of a large volume of production. Nevertheless, the technological limitation prevented individual artisans from benefiting from the increasing demand of their products. The increase in the volume of demand in itself was significant to benefit them. The demand for greater quantity of products attracted a greater number of artisans. It helped in the process of change in the functional morphology of the town. The town-based artisans were going in for some innovations regarding production, such as, hand printing of textiles and productions of anchoring ropes. Nevertheless, the organization of production remained as it was in the rural set up.

Production remained organized on household lines. In that pattern, commodities were produced against small production advances from the traders. It made it difficult for the small individual units to earn higher profit. Had they got more profits, they would have used them for technological innovations. However, the traders, on the other hand,
were not interested in giving any long term capital-advances to the artisans or in setting up small workshops on factory lines.

The largest number of weavers settled down in Muthialpet, Pakkamudaiyanpet, Saaram and Ozhugarai areas. Many of them took up residence in other parts of the town as well. Wherever they settled, they formed a group, where several households, with their respective workshops, formed a ‘pettai’, a neighbourhood, of their own, with in a neighbourhood comprising heterogenous castes and professions.

The cloth production-relationship between the three groups of people, viz., the European administrators, their Indian agents and contractors, and the artisans, formed the basic structure of the social and economic relations in the settlements in the initial stage. It gave the town its distinctive character. By the first half of the eighteenth century, some new crafts and occupational groups were coming into existence. Nevertheless, their growth was secondary. The primary impact was the growth of the town as a commercial center of handicraft goods, a handloom weaving center and a settlement of relatively rich people. Thus, the boat builders belonging to the ‘sembadava’ caste from traditional centers like Veerampattinam and Kalapet came over and settled on the waterfront in an exclusive locality to find jobs in the fort. The betel leaf growers belonging to the Vellala caste had already been there, before the settlement grew into a town. They were finding their market increasing and expanding with the growth of Pondicherry.

3.2. THE COURSE OF PROGRESS OF CLOTH TRADE AND ITS ECONOMIC AND DEMOGRAPHIC CONSEQUENCES.

This section traces the course of progress of cloth trade of the French Company and its economic and demographic consequences in Pondicherry. In doing so, we highlight the nature of the goods traded and the volume of trade carried out in the first half of the 18th century. It gives an idea of the extent of the diversified economic and developmental activities, which the cloth trade had sponsored. The volume of the trade may be related to the increase of the artisan population, the volume of profit to the people, who were involved in the trade and their investment in trade and properties. Ultimately this chapter brings out the urbanization that resulted out of cloth trade.

After the departure of the Danes, the French arrived at Pondicherry. The Dutch were there in 1661 and in 1664. Shivaji ratified the advantages allowed by Sher khan Lody
to the French in July 1677. In the last quarter of the 17th century, the French shipped to Europe multi-coloured fabrics as well as spices from India. A great number of workshops in France attempted to copy the imported products. A royal order decreed a ‘prohibition’ on the manufacturing, selling and even wearing of the clothes painted in India or copied in France. However, it was not respected. At last, manufacture and trade was liberalized. Thus Indian cloths found a market in France.

Under the French, Pondicherry was drawn into their East Indian Trade networks. However, it’s shipping continued to operate independently and in partnership with the French. French economic activities during the period lacked the consistent support of capital. That prevented French dominance over the trade of Pondicherry. Like Madras, Pondicherry, after its cession to the French by the Dutch, absorbed hinterland villages into an economic dependence and began its development as a port-city.

Pondicherry was surrounded by several weaving centers, which supplied fabrics. Tindivanam was a center of some weaving activity. To the south of Tindivanam, in the Villupuram division, there were some weaving villages. The villages of Mudaliarpet, Valudavur, Kottakuppam and Muthialpet were clustered round the port of Pondicherry.

Salem was a very important supplier of textiles for export in that period. In Peria Salem, the merchants of Pondicherry had their agents. A populated, productive and well-administered center was a necessary ingredient to the continuation of the processes of commerce and exchange. That precondition was fulfilled in varying degrees by the weaving center Pondicherry of the period 1650-1740. The geography of the area and its settlement patterns were such, that the communications between ports and interior markets were easy and reasonably inexpensive. A north-south and east-west grid of roads and pathways were usable through most of the year, except the short period, when the monsoon was at its height. They provided the link between ports and markets.

The French East India Company traded in commodities like pepper, cotton, linen cloth, silk, salt peter, corals, piece goods, chintz, coarse blue cloth, baftas, lampasses, flowered cloth and tutenag. The hinterland of the port of Pondicherry included Vandavasi, Udagaiarpalayam, Nagapatanam, Tanjore, Kanjeevaram, Tiruvottiyur, Sadras, Salem, Karaikal, Masulipatnam, Narayanapettai, Gundumattukal, Arani, Saidapet, Mahe, Bengal and Yenam. On 21st May 1680, ‘La Viergè, equipped at Surat, anchored at
Pondicherry. It was the first French ship that landed in Pondicherry. ‘La Viergè left Pondicherry with a cargo of 50,000 rupees on 29th December 1680. It was the beginning of Pondicherry’s French foreign trade. In June 1683, Le Saint François d’Assise, a ship, carried an assortment of Guinea cotton cloths, beteilles, from West Africa and Salampere, which were the cloths in current consumption in France.  

The company’s officials identified Pondicherry as a unique supplier of certain goods, because, there was favourable sale, especially at Rouen in October 1684. So, the company’s auditors recommended that in future the chief trade should be at Pondicherry, “because piece goods and other wares can be got there at first hand and cheaper than anywhere else in India.”

The French Company expected much profit in the foreign trade in the East. Therefore, they mobilized funds mainly through loans, obviously at higher rate of interest. In 1685 and 1686 the directors managed to dispatch cargos – mostly silver – worth about 2,500,000 livres. Over a million of that amount was obtained by loans, in anticipation of future sales. That procedure became the pattern of company operations up to its last venture in 1706. The borrowed capital cut down the profits. Nevertheless, the trade investment of the French gave jobs to several categories of workers in Pondicherry.

In 1688, prospects appeared bright. A ship a year was being dispatched to Surat, and one, sometimes two, to Pondicherry. François Martin and his associates between 1674 and 1689 laid a foundation for French Trade in the East. Therefore, some regular trade kept the artisans busy with production.

By early 1700, Pondicherry had 500 looms. The trade association of local merchants had been restored. François Martin built up a country trade to Achin, China and Philippines. He also developed his private contacts with the English in Madras. Due to cloth trade, Pondicherry along with its suburbs became a modest producing center of 500 looms during the period of François Martin. As the company’s agent, François Martin, conducted trade on behalf of the company. Besides, he carried on business personally also, and with the profit, he bought a house in Pondicherry itself. Yet, the Company’s trade profit was not much. It did not contribute to the construction of Fort Louis by François Martin.
Governor Herbert was able to maintain the factory with the proceeds of pepper sales and borrowed funds. He attempted to settle the merchants, weavers, and painters of cloth and artisans of neighbouring places. During his period, there were a small number of merchants in Pondicherry. He wanted to increase the cloth trade of the company by increasing the merchants here. Therefore, he invited Thiruvengadanpa Pillai, a reputed cloth merchant of Madras, and also other Madras merchants to come and settle with family. However, Thiruvengadanpa Pillai hesitated to move, because he did not find much scope for cloth trade in Pondicherry. Herbert also wrote his correspondents in the town and villages of the province to send merchants, weavers, painters of cloth and artisans of all sorts of work and profession. Then the colony commenced to produce cloth and the commerce started well.


<table>
<thead>
<tr>
<th>YEAR OF SHIPMENT</th>
<th>INVESTMENT IN TEXTILES IN PAGODAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1710</td>
<td>1000,000 p</td>
</tr>
<tr>
<td>1713</td>
<td>1000,000 p</td>
</tr>
<tr>
<td>After 1720</td>
<td>More than 1000,000 p per year</td>
</tr>
<tr>
<td>In 1730s</td>
<td>600,000 p per year</td>
</tr>
</tbody>
</table>

Source; Sinnappa Arasaratnam, Merchant Companies and Commerce on the coramandel coast 1650-1740, Oxford University press, 1986, p 203.

The above table shows the investment trend of the French between 1710 and 1739. It indicates that a lot of production and trading activities took place in and around Pondicherry due to artisans and merchants. Hence, Pondicherry became a busy urban center. In 1710, the French invested 100,000 pagodas in textiles around Pondicherry and in 1713 about 100,000 pagodas. On both occasions, an immediate effect was felt on prices in the neighbouring weaving district. After 1720, French investment and French participation in the Inter-Asian trade became more regular and expanded. In the 1730's, during peak periods of French trade, they invested up to 600,000 pagodas a year on textiles.
Table: 21. Quantity of Cloth Trade between 1714-1715.

<table>
<thead>
<tr>
<th>Name of the Governor</th>
<th>YEAR</th>
<th>Number of ships</th>
<th>Cargo value in Livres</th>
</tr>
</thead>
<tbody>
<tr>
<td>DULIVIER</td>
<td>1714</td>
<td>3</td>
<td>7 million livres</td>
</tr>
<tr>
<td></td>
<td>1715</td>
<td>7</td>
<td>18 million livres</td>
</tr>
</tbody>
</table>


During the period of Governor Pierre Dulivier, local trade and foreign trade flourished. There was a considerable increase in trade, and several wealthy merchants, came and settled down at Pondicherry to carry on business. It contributed to the urban development of Pondicherry. In 1714, Dulivier was able to dispatch three ships to France, where the cargo was sold for seven million livres. In 1715, seven more ships sailed for France bringing a return, to the amount of eighteen million livres. The condition of the people and trade was affected during the period of Herbert’s Second Administration (1715-1718). There were arrests and trials of prominent Indian inhabitants. That was painful to the Tamil population of Pondicherry. It led to an exodus of wealthy merchants. Quantitatively, the French trade with India, even when their trade was at its peak, was very much limited in comparison to that of the Portuguese, the Dutch and the English. The French also lagged well behind in the country trading activities in comparison with their European neighbours.

Governor Lenoir made efforts for the production of blue cloths in Pondicherry. Blue cloth was dyed and produced only in Porto Novo till the period of Lenoir. The company bought them from there. Lenoir sent Ananda Ranga Pillai, an experienced cloth merchant, as an agent of commerce of the company to learn the techniques of Blue cloth production from there. Using the talents he had acquired from there, he was to arrange for the production of blue cloths here. It did not materialize in the time of Lenoir. However, Dupleix deputed Ananda Ranga Pillai to fetch the artisans of Porto Novo, to whom he would assign a residential area, where they would settle and manufacture blue cloths. Ananda Ranga Pillai offered gifts to the Nawab, his minister princes and officer, and
succeeded in fetching two hundred artisans, with their chief and settled them at Saaram, a village which lay to the west of Pondicherry. Dupleix authorized them to manufacture cloths. Thus, a new weaving community of Sedars and Senayars came and settled, not only increasing the population but also changing the composition of the population of Pondicherry. The town also witnessed occupational mobility, which caused urban development. 

Table: 22. Number of ships carrying bullion and other goods from France to Pondicherry between 1721-1726.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER OF SHIPS FROM FRANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1721</td>
<td>3 ships</td>
</tr>
<tr>
<td>1723</td>
<td>2 ships</td>
</tr>
<tr>
<td>1724 - 1726</td>
<td>3 or 4 ships a year</td>
</tr>
</tbody>
</table>


The French company dispatched to Pondicherry in 1720, three vessels with merchandise of Europe, gold and silver. Those vessels reached here in 1721. The cargos of the two ships of 1723 compensated the supply of the previous two years. Nevertheless, from that date to 1726, the company continued to dispatch each year three or four vessels to Pondicherry. Therefore, the affected commerce began gradually to revive.

Table: 23. Value of cargos sent to France from Pondicherry between 1727-1731.

<table>
<thead>
<tr>
<th>PERIOD OF SHIPMENT</th>
<th>VALUE OF CARGOS SENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1727 &amp; January 1728</td>
<td>2,234,384 francs (9,000,000 rupees)</td>
</tr>
<tr>
<td>September 1729 &amp; January 1730</td>
<td>5,404,290 francs (2,170,000 rupees)</td>
</tr>
<tr>
<td>1731</td>
<td>6,000,000 francs</td>
</tr>
</tbody>
</table>

The period between 1726 and 1730 was an exceptionally good period for the colony and the colonizer, because, there was commercial progress. In October 1727 and January 1728, merchandise valued at 2,234,385 francs, nearly 9,00,000 rupees; in September 1729 and January 1730, cargos sent home was worth 5,404,290 francs, or nearly 2,170,000 rupees. It topped the six million francs in 1731.

The French company introduced a system of giving contracts for cotton fabric production. It got the different qualities of cotton fabrics produced by signing contracts with the company merchants. The Governors and the members of the Superior Council usually signed the contract. They signed one such contract in March 1730, and gave 10,000 Pagodas as advance. The first half of the quantity of the goods was to be delivered in September and the final half in December.

The native merchants contributed to the French cloth trade. Governor Lenoir signed a contract with Sesachala Chetty for the supply of kerchief in 1731 according to the following table.

**Table: 19. Quantity of kerchief produced by a contractor during the period of Lenoir.**

<table>
<thead>
<tr>
<th>Quantity of Kerchief</th>
<th>Quality of the Kerchief</th>
<th>Rate in Pagodas a Corge</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 Corge</td>
<td>First sort</td>
<td>69 pagodas a corge</td>
</tr>
<tr>
<td>24 Corge</td>
<td>Second sort</td>
<td>59 pagodas a corge</td>
</tr>
<tr>
<td>24 Corge</td>
<td>Third sort</td>
<td>44 pagodas a corge</td>
</tr>
</tbody>
</table>


There were 12 kerchiefs in a piece. Sesachala Chetty was to supply the order in nine months time for which he received an advance from the company. The advance amount provided the working capital not only to the merchant-contractors but also to the artisans to whom it was distributed. The artisans used it for the cloth production and their
livelihood. That advantage attracted the people of other occupations to shift to cloth production.\textsuperscript{28} While initiating the production of cloth, besides advance payment and the quality of the fabric, the contract stipulated the price at which the Company would buy the finished product.\textsuperscript{29}

For the supply of piece goods, the company signed contracts with the company merchants, such as, Sunguvar Seshachala Chetti, on 3\textsuperscript{rd} October 1736. They produced cloth of lower quality.\textsuperscript{30} The local merchants like Seshachala Chetti produced and supplied piece goods on contract basis. They had the clothes woven with the art and craft of the local weavers.\textsuperscript{31} The company fixed better rate for piece goods of the company merchants than for the indigenous merchants.

The company initially allowed the employees and free merchants to lead the trade process. It was easier for the French trading company to leave the process to the employees and free merchants. However, the company profited from the duties and other charges, which the merchants had to pay at the Colonial port town Pondicherry.\textsuperscript{32}

The company gathered 1471 bales of piece goods of the value of 120491\textsubscript{1/2} pagodas in October 1736.\textsuperscript{33} Sometimes French governors did business in partnership with native rulers or elites. In January 1747, Governor Dumas and Imam Sahib carried out the trade in Partnership.\textsuperscript{34}

There was reduction of foreign Trade in 1738.\textsuperscript{35} It became quite evident when the Governor wanted to cancel the order for the piece goods owing to the slackness of business at Mocha. It affected internal trade. Naturally the local weavers and the weavers at Porto Novo and Chennamanayakkam Palayam, from whom also the piece goods were got done, and the other workers fabricating the piece goods, would go with out work. Hence, there was stagnation in the local trade.\textsuperscript{36} The external trade affected internal trade.\textsuperscript{37} Though the market of Mocha was discouraging for piece goods, there was still demand for it in France in 1738.\textsuperscript{38}

\textbf{Table: 24. Export of piece goods from Pondicherry between 1738-1740.}

<table>
<thead>
<tr>
<th>YEAR OF SHIPMENT</th>
<th>NUMBER OF SHIP</th>
<th>QUANTITY OF PIECE GOODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1738</td>
<td>1</td>
<td>1404 bales</td>
</tr>
<tr>
<td>1739</td>
<td>3</td>
<td>2600 bales</td>
</tr>
<tr>
<td>1740</td>
<td>1</td>
<td>1385 bales</td>
</tr>
</tbody>
</table>

Source: Indrani Ray, India in Asian trade, p 104.
The above table shows that the export of piece goods from Pondicherry between 1738 and 1740 was almost regular and good and hence cloth production and cloth trade was supporting the artisans and merchants who depended on it. However, the export was more in 1740. It was the time of prosperity for those involved in cloth trade. 39

There were fluctuations not only in French trade but also in any European trade between, 1650 and 1740. It is not correct to say that European trade settlements were growing and Indian trade centers declining. Madras and Pondicherry were the European settlements that were growing. On the other hand, the English settlement of Fort St. David was stagnant. It was unable to make any headway against Porto Novo. Dutch settlements in general were stagnating or on the decline. In both English and French settlements, European enterprise and capital supplemented Indian, and each helped the other to thrive. 40

In 1742 the villages of Conjeevaram and Tiruvottiyur, manufactured clothes for the French. There were the Company merchants and private merchants, who undertook contracts to produce cloth. The company revised their orders, either to quicken or withhold production, subject to the change of demand of cloth. This was communicated to the weavers through the company merchants. 41 Whenever the company did not procure enough commodities, by transshipment process, one ship was sent to France instead of two. 42 The rate of profit differed from cloth to cloth and time to time. The sale in Manila of the flowered cloths realized a profit of 150% in 1742. However, the blue and coarse cloths, and the long cloths, did not sell well. 43 Chintz fetched a good price in 1742. 44 The increase of profit meant the increase of the prosperity of the people engaged in cloth production and trade.

The coast of Pondicherry was recognized as one of the best among the coasts for the extraction of the mercantile of the country. It was an emporium of goods. The administration distributed its funds to the cloth contractors about eight months in advance. The French could get more than two million worth of mercantile from around an area of 15 to 20 lieus of Pondicherry during the period of Lenoir and Dumas. However, due to the commerce of the other European power, the English, Danes and the Dutch, the French was unable to sell more than one million, in Pondicherry during the period of Dupleix. 45 Dupleix established commercial relations with some of the principal
cities in the interior, and even opened communication for trade with Tibet. Thus, Dupleix not only widened the hinterland, but also entered into extensive trade relations.

Table:25. Quantity and quality of cloth sent from Pondicherry between 1742-1756.

<table>
<thead>
<tr>
<th>NAME OF THE SHIP</th>
<th>DATE OF SHIPMENT</th>
<th>VARIETY OF CLOTH</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marie Joseph</td>
<td>October 1742</td>
<td>Blue &amp; Flower cloths</td>
<td>159 Bales</td>
</tr>
<tr>
<td>Fleury</td>
<td>October 1742</td>
<td>Piece goods</td>
<td>800 Bales</td>
</tr>
<tr>
<td>Phoenix</td>
<td>October 1743</td>
<td>Piece goods</td>
<td>1001 Bales</td>
</tr>
<tr>
<td>Neptune</td>
<td>February 1744</td>
<td>Various Cloths</td>
<td>1000 Bales</td>
</tr>
<tr>
<td>Abeille</td>
<td>October 1748</td>
<td>Cloths</td>
<td>2500 Bales</td>
</tr>
<tr>
<td></td>
<td>October 1750</td>
<td>Course blue</td>
<td>460 Bales</td>
</tr>
<tr>
<td>Bristol</td>
<td>1752</td>
<td>cloth &amp; Bleached cloth</td>
<td>100 Bales</td>
</tr>
<tr>
<td></td>
<td>October 1756</td>
<td></td>
<td>700 Bales</td>
</tr>
</tbody>
</table>

Source: Diary, Volume 1, pp 200,203,238 and 250.

The above table shows that the export of textiles became less after 1746. The decrease in trade should have affected the merchants and all the more the artisans, because the artisans survived on daily or weekly wages. The company’s income from trade also decreased. It may have affected the development activities in the town. ‘Marie Joseph’ set sail for Quedah on 8th October 1742. It consisted of cargo of blue cloths, and cloths printed with flowers of 100 bales, cloths belonging to the Governor, procured through Ananda Ranga Pillai’s agency of 59 bales, tobacco candies and opium – boxes. ‘Fleury’ departed for France on 21st October 1742. The cargo was 1300 packages of coffee; 800 bales of piece goods; 1000 candies of red wood and candies of pepper. ‘Phoenix’ departed for France on 22 October 1743. Her cargo consisted of 1001 bales of piece goods, 2000 candies of red – wood, 600 candies of pepper and some sundry goods. Another ship sailed for France laden with 1,000 bales of various goods on 8th February 1744.

There was no one- to- one money transaction in overseas trade. In April 1744, Dupleix had business correspondence with people like De Schomamill in France. He sent
textile fabrics the people wanted. They sent money to their account either in Bengal or Pondicherry. The money they had sent was used to buy the goods of Madras. 51

The 'Neptunè on 25th October 1746, had on board 1,500 bales of cloth shipped from Madras. They were in a damaged condition, owing to the recent storm. They were bleached at Pondicherry. Including broad cloth, there were in the ship, in all, about 2,500 bales. 52 Virampattinam and Ariankuppam roads were also used to anchor ships. 53 Constant war threat affected most of the trade form 1744. 54

The 'Abeille set sailed for Europe in October 1748 with 460 bales, with a lakh of rupees, and a lakh of rupees worth of Mahe panams for Mahe. The company used them to buy pepper in Mahe. 55 The merchants, who were sending the bales, bore the customs duty, charity contribution and the packing charges in proportion to the value of goods they sent. 56

Payments of freight charges, commission charges, import and export duty was part of the cloth trade process. The company secured profit, through their agents, through the freight charges of the ships. The agents of the company charged the merchandises the freight of 7% of the price of goods entrusted to them. Often it went upto 18%. Those agents, who profited because of the freight charges, became another rich class in Pondicherry. 57 Governor Dupleix raised the revenue from the freight charges. He once secured 28,000 Pagodas worth freight in one year. 58 The cargo charges were 3% of the achieved sale, as commission. Some voyages gave the French loss and some others gave them 40% and even 55% profit. 59 The duties on imports and exports at Pondicherry were fixed at 2 ½ percent, which was half the rate of that of Madras. Though there were fluctuations in trade, the network of economic activities offered income to the administration and work to wage earners.

The affluent Tamil people, like Ananda Ranga Pillai, engaged in business and production as other company merchants. Ananda Ranga Pillai had invested his funds in trade, in commercial enterprises beyond sea and in the manufacture of goods locally, as well as at places in the interior villages, such as Lalapettai in 1746. Dupleix was very much particular to promote the monopoly of trade of the company. He forbade the merchants to sell goods to any one in the service of Governor. 60 Delayed payments of dues were quite frequent in the clothe trade.
In 1746, the company procured 124 bales of broad cloth and some ‘Londrin’.\(^{61}\) (‘Mocha’ was English broad cloth. It was sold in Mocha. The French gave it the name of “Londrin.”

The company preserved bales and rolls of cloth of various sorts in the fort. Hence, the company used the fort as a warehouse, sorting godown, and show room of the cloth. Dupleix regularly had the cloth production work done by Ananda Ranga Pillai.\(^{62}\) Ananda Ranga Pillai, authorized by the company, checked regularly the stages of the process of fabrication of cloth. He went to supervise the warehouse, sorting godown, washer’s canal, printer’s place and presser’s hall, dyeing place, where the cloth was under processing. Pillai used to go to the washer men’s quarter, and make enquiries concerning bleached cloths. Then he proceeded to the laundry and ordered that the cloths should be carefully pressed, if need be, throughout the night.\(^{63}\)

The conflict among poligars caused the delay in transport, bleaching, dyeing and printing of cloth. Hence, there was delay in the supply of piece goods in 1746. However, the cloth producers gave preference to the quality of the fabric rather than sticking to time. Because of the disturbance of the poligars in the interior villages, where weaving went on, there had been some delay in the receipt of the unbleached cloths.\(^{64}\)

On behalf of the company, Ananda Ranga Pillai, had bales made up in the following procedure. Tickets were inserted in each bale for identification of the cloth variety. There were twelve bales of blue long cloth; six of coarse long cloth; ten of unbleached long cloth; and two of the Pondicherry coarse checked cloth, making the total number thirty bales.\(^{65}\) There was demand for them in 1746. From 1746, the company sent four loads of goods every year. The merchandise comprised of guinea clothes, kerchiefs and Guinguams or striped clothes. The first purchase cost around 200,000 pias (sic) for the loading.\(^{66}\)

When goods arrived from outside, they were first taken to the godown. Then the interested merchants came and inspected the variety and quality of the goods in the presence of Dupleix and the Governor’s dubash. If they found them suitable for business, they bought. Goods arrived from Madras in February 1748. They were pieces of silk, red lead and Bengal goods. Some native merchants were Arunachala Chetti, Tani Chetti, Muttayya Chetti, Alagappa Chetti and Vira Chetti, who went, saw and bought them in the
company's godown along with Ananda Ranga Pillai. In the company's godown, some thin English broad cloth belonging to the merchants was sold at out-cry. Damaged goods were sold by auction. The company chose to sell them by auction, because, they were worm-eaten.

The company used to send revised orders for the sale or non-sale of goods, provided the revised orders fetched more profits to them. The additional profit might be related to the constructions of the fortress and development of Pondicherry. Lalapetttai was an important Commercial Center and production center in the hinterland of Pondicherry. Arunachala Chetti, Muttayya Chetti and other Company's merchants worked as company's agents at Lalapetttai, to sell the Company's broad cloth there. However, the company instructed them to send it back and suggested that they might sell only the Copper.

Chennamanayakkam Palayam long cloth was a sort of cloth produced at Chennamanayakkam Palayam, which was included in the hinterland of Pondicherry. That variety of cloth was 9 kals wide. Kangiripettai Vira Chetty was a Contractor, who organized its production there. Cloth contractors like Vira Chetty were there in the production centers of the hinterland of Pondicherry. On behalf of the Company, the second, who was next to the governor in power, asked him to send twenty-five Corge of long cloth in June 1748. Udaiyarpalayam also produced long cloth, but it was unbleached type.

When the cloths were received in the fort, they were accounted immediately. Proper receipts were issued both for the purchase of cloth and payment of money to the contractors and merchants. There were Vermilion and other goods worth 10,000 Pagodas, and cotton worth more than 10,000 Pagodas. They were not sold owing to the military troubles. The merchants had given receipts for the goods, which they purchased from the Company and they had also receipts for what they had paid in. When the cloth had been packed at the fort, it was ready for dispatch. The company had evolved the system of the stages of production, procurement, accounting, packing and dispatching. That system had more or less held up trade and helped urbanization.

The English besieged Pondicherry in 1748. The siege and the threat of the siege chased away several promising merchants from Pondicherry. However, the company took
measures to retrieve them. The administration asked merchants like Arunachala Chetti and others to come to resume trade and commerce in Pondicherry. There was a loss of 45% on the sale of the broad cloth in November 1748.

The company gathered brown cloth, lungies and coarse cloth. It gave the unbleached cloth to the washers; and handed over the lungies and coarse cloth to the packers. It kept the processing work going. The company gave advance for fresh contract only when the earlier one was settled. The company’s merchants asked the governor for an advance on 4th September 1749. The governor wanted them to bring in cloth as early as possible. He would pay only after it had been supplied.

The cooperation and help that the Indian merchants extended to the French company from the end of seventeenth century to the second half of the eighteenth century improved the company’s cloth production developed its cloth trade and helped the urbanization of Pondicherry. The Indian merchants performed valuable duties in the French trade with India. Several groups of merchants became useful to the French. Some of them had been even instrumental in the arrival of the French at Pondicherry and its subsequent occupation. Others had supplied even loans to them for conducting trade and commerce. A few of them set up factories at places, where cotton and other raw materials, as well as weavers, were found in the production of textiles needed for export to Europe and also for intra-Asian trade. Some of them rose to great positions in the administration of the French in India from the status of agents and intermediaries between the French and the Indian merchants to that of dubash. Those merchants were the Mudaliars, Chettis, and the Pillais, who associated themselves with the French. Among the Indian merchants, the Mudaliars seem to have occupied an important position in the French trade right from the second half of the seventeenth century. A certain Thanappa Mudaliar, a native of Poonamallee embraced Christianity along with his son on 20th March 1671 and took the name Lazaro de Mota. He did business in rice. Abbe Carre brought him to Bellanger de Lespiney and François Martin of the East India Company in 1672. The French kept him as their consultant in matters of trade and commerce. It was by his suggestion that the French officials reached Pondicherry by sea on 15th January 1674 with 150 migrants. Thanappa Mudaliar was appointed as the chief agent of the East India Company in 1674. He was later appointed as the head of the Tamil merchants in
1686. He was thus given the full control over the entire business of the company with the native merchants. He was the one to fix the prices of all commodities made available to the French in Pondicherry. He was the first dubash or interpreter of the French East India Company.

Thanappa Mudaliar invited weavers from several neighbouring places and made them settle down in various areas with a view to procuring sufficient volumes of textiles for export. He got constructed a number of storehouses for the commodities and so textiles, saltpeter, camphor, ivory, precious stones, and spices from other regions were brought to Pondicherry for export to France. His son Andre Muthappa Mudaliar discharged the duties of the courtier from 1699 on ward. On his demise Nainiappa was asked to take charge in 1708. He held an important position in French Pondicherry. After him Perdo Kanakaraya Mudaliar, the grandson of Thanappa Mudaliar entered the service of the French Company as courier between 1716-1743. He supplied commodities to the French. He used to get the Indian merchants contracts for the supply of commodities. In 1739 when the French were in financial difficulties, he used to advance money to them even without interest. He engaged himself in the supply of cloth to the French for export in 1743. 73.

One of the influential Chetti merchants in the middle of 1740’s was Soucourama Chetti. He was the head of a company of merchants, which supplied commodities to the French at Pondicherry. He supplied the French company with almost half of its demand of textiles for Europe and acted also as moneychanger. In 1740 Sungurama Chetti, his son Suguvar Seshachala Chetti and Tirruvidi Balu Chetti supplied large volumes of textiles. Suguvar Venkatachala Chetty used to conclude trade contracts with the French. A choultry was established in the name of Suguvar Seshachalachetti. He was appointed as the merchant for the mint at Pondicherry. A number of other Chettis like Lakshmipati Chetti were on close contact with the French for trade.74. Nainiappa Pillai was the brother-in-law of Tiruvengada Pillai, the father of famous Ananda Ranga Pillai. French Governor Herbert appointed Nainiappa Pillai, a Hindu as Dubash of the French East India Company in 1708. The position held by Nainiappa Pillai, bears witnesses to the role played by the Indian entrepreneurs in international trade. On 18th July 1714, Herbert, who was under pressure from the Jesuits, refused to dismiss the Hindu dubash, because he
knew that it would undermine the French trade centered at Pondicherry and would cause the desertion of Pondicherry by merchants, artisans and cultivators. The merchants and artisans left Pondicherry in 1714, reacting to the intolerant attitude of the Jesuits. To continue trade and commerce, the French approached Nainiappa to intervene in the matter and bring back the merchants and artisans to Pondicherry. With the assistance of Nainiappa, the French Governor was able to load ships worth seven million pounds in 1714 and 1715 with commodities worth eighteen million pounds. Thiruvengadam Pillai, the brother-in-law of Nainiappa Pillai was a merchant of Madras. At the invitation of Nainiappa Pillai, he migrated from there to Pondicherry in 1716 with the future Dubash Ananda Ranga Pillai then aged seven years. A choultry was established at a place called Thiruvengadapuram founded by him.

Governor Lenoir employed Ananda Ranga Pillai in 1726 as the native head of the French factory at Porto Novo. Large quantity of blue cloth was manufactured in Porto Novo for the French and the native private merchants under the instructions of Ananda Ranga Pillai. Benoit Dumas, the governor of Pondicherry in September 1735 temporarily appointed him as the Diwan. Dumas put him in charge of the French Company's trade in Pondicherry. He actively participated in the export of calico and linen to Mocha and the Isles of France. Ananda Ranga Pillai as the native head of the factory here, arranged large quantities of blue cloth (neela kacahi) which were produced in the hinterland of Porto Novo.

Francis Joseph Dupleix, who became Governor of Pondicherry in 1742 appointed him as the chief Dubash to the Governor of the French East India Company. As a financier, he advanced money to the French officials, and supplied commodities on credit. He used to oversee the manufacture of textile through the weavers, whom he employed. Ananda Ranga Pillai established contacts with various merchants and suppliers of commodities during the period from 1739 to 1751. The French had commercial relations with a number of Marakkayars who were part of the chulia merchants. Imam Sahib was one of them with whom they had commercial contacts.75.

Dupleix met and induced Kaikolars, Sedars, Seneyars and other classes of weavers of Villianur and other places to take up cloth production. Villianur was a healthy town with a river and groves of trees. Weavers, who agreed to build houses there, were given...
ten Pagodas a loom by the governor. The governor gave that incentive to enable them to build their houses and start weaving. They were kept in constant work and they had to weave and supply plenty of cloth. Then they would repay what was advanced to them, at the rate of one pagoda a year. Moreover, yarn and cotton were brought in, without being taxed, for two years, after they had settled there. That incentive gave an impetus to the production. They were given cowls, which were permission letters, accordingly, at a concessional way. That idea of settling weavers, who worked for the company within its own territory, was old. However, Dupleix succeeded much better at Villianur, when 1200 families of weavers were settled. Thus, Duleix promoted a textile ‘pettai’ in Villianur. Hence, new houses shot up, mixed caste people settled down, density of population increased, composition of the population changed and transport and communication improved. 76

The Company’s merchants sent for weavers from Udaiyarpalayam, Chennamanayakkam Palayam, Conjeevaram and other places in 1749. They encouraged them by the assurances of better livelihood in Pondicherry. Weavers of all sorts were to come, even ten times as many as those who had gone to Chintadripet, at Madras. The company would build houses for them. The Governor himself went with them to inspect the place. The Governor checked sites and gave orders to begin the project. That was how the production centers and weaving community were promoted contributing to the urbanization of Pondicherry.

In order to develop cloth trade, the French administration not only gave concessions to the producers on the economic front, but also became flexible in their religious policy, to make Pondicherry a home for the cloth producers, artisans and merchants, who were important for the French survival in Pondicherry. Earlier the French administration restricted Tamils’ religious practices. However, after the siege, the Company’s merchants told the Governor that worship had ceased at the Kalahasti Iswaran temple and the Perumal Temple, as they had been damaged in the siege of 1748. The Governor permitted them to do what they pleased. He assured to rebuild the Villianur Temple and the walls round it. He ordered the Amaldar there not to allow Europeans or other Christians to enter it. He also ordered repair of the temples that had been damaged by
canon shots. It was a divergence from the policy previously followed by the French, including Dupleix himself to uphold the economy.  

20 loads of Salem cloth arrived in November 1749, but as they had got wet, they were not stored at the Fort. Ananda Ranga Pillai had them stamped and sent them to the washers. Supply of cloth from Salem was frequent. The French cloth trade suffered due to the Monsoon rain. 41 bales of cloth were packed in December 1749 and were ready for export.

When the cloth contractors received advance for cloth production from the administration, they in turn gave advance to artisans and other workers, who were involved in cloth production. By the end of 1749 1,20,000 Pagodas had been advanced. About 33,000 Pagodas had been advanced to the godowns, the washers, the stamping place and the Fort; and the balance was on hand. About 40,000 Pagodas were yet due on the cloth investment.

The administration received income on account of the profitable Copper sales, which was used for cloth production. That shows the diversified nature of cloth trade. The sale of copper obviously increased the purchasing ability of the company. As for the coarse blue cloth, 9000 Pagodas worth cloth had been brought in, on account of the advances. Money was coming from the Copper business.

A Quedah ship sailed on the 6th October 1750 with about 100 bales. 35 bales of coarse blue cloth and 25 bales of bleached cloth, 60 bales in all, were supplied by Tennavaraya Pillai. Pondicherry enjoyed the advantageous transactions in trade about 1750. On seeing the steady and large influx of Commercial products that arrived from far off places to it, one was able to realize the importance of Pondicherry as a trade center. Pondicherry remained the head quarters of all the other French settlements in the Indian Ocean. In about 1750, Pondicherry seems to stand sound in South India politically and in commercial prosperity.

Karaikal weavers fabricated brown cloth and Masulipatnam producers supplied chintz. When the brown cloth was received at the fort from Karaikal, it was given to the washers. On 22 December 1749, 38 bales, on 31st December 45 bales and on 10th February 1752, 36 bales were packed. The washers of the cloth were moved to the place of safety during the rainy season. The workers of the Company, who had encamped at the
washing place, moved to Perumal Nayakkan’s Choultry. During the rainy season, cloth could not be washed in the washing canal. The cloth was got ready as soon as the water cleared after the rainy season. A certain amount of cloth was always torn in washing in the canal. The torn cloth was sent for the hospital purposes. 82

All goods, which were produced in Narayana Pettai and the great town of Gundumattukal beyond the Krishna, were transported to Lalapettai for distribution. 83 The hinterland of Pondicherry Port extended up to Narayana Pettai, Gundumattukal, Arani, Saidapet, Salem, and Kunnathur in Chinglepet District, Shaikhabad and Yanam. That wider region of hinterland indicates the diversification of cloth trade.

The French and the English were political rivals, but they had commercial interests in common. The French, the English and Nazir Jung were commercially interdependent. Many business-persons, contractors and artisans of cloth trade had production and business relations with the French, the English and others. If the French trade were stopped due to political reasons, it affected the business-persons and contractors, who had relations with the English. Hence, the English would lose 10 or 12 thousand pagodas a year; but if the English roused trouble in those parts, Nazir Jang would lose 20 or 30 lakhs. It affected the flow of capital from Nazir Jang to either the English or the French. 84

The Coarse blue cloth was also produced in Pondicherry. The same was the case with Chintz. 85 Deivanayaka Chetti and Vira Chetti were company cloth agents at Porto Novo. They sent 100 cargo of blue cloth. After inspection, the coarse blue cloth was cut up and made into gowns. The fabrication of gowns was also done here. 86

At times, the merchants were forced to incur loss, because the Governor changed the terms of the contracts. Sometimes there was less demand for the cloth. Then Governor Dupleix longed to cancel the contracts, which was then not possible. On the other hand, sometimes there was heavy demand for them. In that case, he compelled the merchants to supply goods immediately, which was not possible either. 87 Those types of changing situations affected the cloth producers and the progress of the habitat, where they lived.

Muslin was sent from Pachakadai and handkerchiefs from Tranquebar. 88 Cloths that were received were bleached and packed according to the requirement. Coarse blue
cloths, baftas, thick cloth, chintzes, handkerchiefs and lampasses, 23 bales in all, were packed on 1st May 1751. Orkandi and unbleached cloth were sorted on 22nd June 1751. Orkandi was a weaving district in Northern Circars. Pachakadai, Tranquebar and Orkandi, which were in the hinterland of Pondicherry, supplied goods to Pondicherry.

Sometimes the cloths during transport became wet. They were sent back to the place of production for rewashing. They were again washed and then sorted for packing. From among the Pachakadai cloth, 34 or 35 corge of cloths got wet. The company packed the remaining five corge of cloths, and sent back by a boat, what got wet to be washed at Pachakadai. Bleached and unbleached cloths were sorted at the fort on 24th September 1751 and 31 bales had been packed and kept ready for sale.

Rich merchants, who dealt with the business of cloths, lived in Saidapet. They did not readily dispatch goods when demanded by the French company. Because, they had realized that there was much demand for their products. Therefore, they released the goods only on promise of kickbacks. The painted cloth, lampasses and chintz at Madras were usually released on promise of a bribe of 1000 pagodas. The contract was between the company and the cloth merchants. The notary like Noiial legalized the contracts signed by the company and the merchants. The legalization of contracts made contract system dependable and helped cloth production, and hence urbanization.

The following Madras merchants names were registered in the contract: Guntur Balu Chetti, Chinnayya Chetti, Kulantai Chetti, Tadi Arunachala Chetti, Tailappa Chetti, Kangipatti Vira Chetti and Adivaraha Chetti. The Chetties, as a guild dominated the cloth business. The function of the guild system was a feature of the urban growth.

In the beginning of 1752, of the 20,000 Pagodas the Governor had advanced, 10,000 had been sent to Udaiyarpalayam. Udaiyarpalayam received a significant share of quantity of trade. In 1752, the company possessed 1,114 bales on hand. 30 more bales, belonging to the Company’s merchants and the Karaikal merchants, were getting ready.

There were obstacles in transport and communication of company’s local trade. After Muhammad Ali Khan’s departure from Tiruviti, the Marathas prevented their letter-carriers from going back and forth. The delay was due to the Maratha interception. The delay in transport and communication affected the arrival of the goods at the fort.
Moreover, the English exercised authority in Kallakurichi, Virudachalam etc., places through which bullock – loads had to pass from Salem or Udaiyarpalayam. Cloth merchants from Salem and Udaiarpalayam sent goods to the French company, which had to reach Pondicherry through Kallakurichi or Virudachalam.

The company wanted 50,000 pagodas worth of blue-cloth in 1752. The Governor signed a contract with Ranga Pillai to collect 500 bales of cloths. Of the 500 bales, half was to be Salampores and the rest brown. A lakh of pagodas would produce 1000 bales of coarse and fine cloth at that time.

Porto Novo and Sadras constituted a part of the hinterland of the port of Pondicherry. Porto Novo supplied brown cloth and long cloth of the Dutch sort. Sadras supplied coarse blue cloth, which was of poor quality. However, the company had no other cloth but that, to export to Mascareigne. So, it was obliged to dispatch them as they were. 10 bales of coarse blue cloth from Sadras were being packed for Mascareigne in April 1752. The cloth had been badly dyed and conjeed, it was short of the proper measurements, and the weaving was loose. The weavers did like that, because of the thinness of the thread. However, despite all these, by the order of the Governor they were packed for Mascareigne. The ‘Dauphin’ sailed from here last year with a cargo. Her cargo sold well. The Company demanded large quantities of them from the merchants. In 1752 also, 700 and odd bales were also sent by the ‘Bristol’.

In the 1750s, Mascareigne was the major market for French cloth. 434 bales were sent to Mascareigne and Europe in October 1756. The Indian, which set, sailed for Europe in October 1756 called at Mahe and took in red wood, 500 bags of cowries and 500 bags of pepper. Mahe supplied pepper and red wood to Europe.

Salem Savarimuthu got a contract of the company’s cloth for 1800 pagodas. The terms of the contracts insisted on the quality that the bleached cloth should be dyed well and the wet cloth should be beaten hard. Sometimes the labourers refused to do as the contract obliged them to do. By the stipulations of the contract, the company seems to exploit the contractors, artisans and the workers. The artisans were good in painting the taffetas. Mathiripakkam cloth was 4 cubits wide and 32 cubits long. Better kinds of cloths were from Bengal. Cloths came from Yanam also.
Some Frenchmen did double jobs. They would be primarily company’s servants and they would be company’s trade agents also. So, they used to enjoy the company’s salary and business commission. Godeheu, the company’s employee, was also one of the agents who procured and supplied goods to the Company. The merchants usually paid the agents 3 percent commission on the amount advanced. On some occasions, the governors also functioned as agents and collected commission. Once Dupleix settled for an advance of 10,000 pagodas to the merchants, 6,000 pagodas for red wood, 6,000 for lungies, 6,000 for Karaikal, and 7,000 for the painters – 35,000 pagodas in all. Ranga Pillai arranged with the merchants and got what was due to the Governor as commission. Governor Dupleix profited much like that through Ranga Pillai. Rulers were themselves behaving like vysias or bourgeois.

There were principal contractors, who received the contracts directly from the company. Those principal contractors, like Ranga Pillai, in turn, distributed the contracts to the sub contractors. They discussed and decided the price and the share of profit. Ranga Pillai obtained three orders from the Governor, one for 10,000 pagodas for the company’s merchants, another for 6,000 pagodas for pulicat lungies and the third for 6,000 pagodas for red wood. Ranga Pillai gave them to Guntur Venkatachala Chetti who was the sub contractor.

The Governors purchased cloths on behalf of the company. They were keen in identifying products that were found better and insisted that those goods should be supplied only to the company. By adopting that approach, the company maintained its monopoly in the sale of certain goods. Leyrit, the Governor ordered that about 60 bales of fine brown Tarnatannes that the Karaikal merchants made had to be supplied to the company only. Like that, the Governors also did private cloth trade.

Some merchants supplied goods to both the English and the French. However, they preferred to supply to those, who advanced them first. Sometimes they sent goods to those who advanced them more. The English were getting supplies of cloth from the merchants, while the French were not getting any in 1752. The reason was that the English had advanced to the merchants 30,000 pagodas, at the rate of 10,000 pagodas to each merchant, where as the French had not advanced any amount at that time.
The French could not find market for their cloth goods, because their stuff was comparatively of inferior quality. There was another reason also. The merchants, who supplied cloths to the Company, did not supply them promptly, when there was demand for their products in 1752. Thus, the company's business affairs were not prosperous. Much cloth was not collected in Salem in 1755 as before. They had been delayed for the following reason. There were disturbances in Mysore, which affected the Salem region. In February 1756, 1055 bales were ready for Europe. Of these, 1000 had been shipped and the remaining 55 were in the godown.

The company's merchants usually received advances from the company for the cloth production contract well in advance. However, they delayed in sending the money into the various villages, where the weavers and other artisans processed the cloths. Therefore, the money did not reach the weavers, to whom it should have reached in time. Though the merchants received the money in time, the production process started much late. It was so, because, the money from the merchants reached the poor weavers late. So, the cloths could not be got at the appointed time. There was another reason also. The company advanced the merchants in rupees, which they had to convert into pagodas. The process of exchanging pagodas for rupees also consumed time. The exchange rate in 1748 was rupees 360 per 100 pagodas.

There were shroffs in Pondicherry, who thrived because of cloth trade. They exchanged pagodas for rupees or rupees for pagodas, for which they collected brokerage. They also lent money for interest. They flourished, when French cloth trade thrived well. However, due to the decline of the French trade, there were less money transactions in Pondicherry. The shroffs did not enjoy income as before. They saw less scope of improvement of French trade, because of the threat of an English attack. Hence, the old shroffs in the town lost all confidence that they would have bright future in Pondicherry. Therefore, they left the town. Kasi Das Bukkanji was one of them. Similarly, the merchants, who had settled here in expectation of lucrative trade and subsequently their prosperity, were skeptical about the improvement of their business in Pondicherry. Their progress was linked with the progress of the company trade. Those 'Foreign' merchants had lost faith in the progressive trade activities of the town. That feeling affected the trade transactions. They departed from the town in 1756.
The Company's merchants did not possess capital to invest and produce cloths in 1756. The merchants, who used to do business, were also not in town. The Europeans managed to procure cloths after payment. Their cloths only were baled in the fort godown. The Company could not expect to make profit or get good cloth during that period of politico-economic crisis.

A system of furnishing credit sale of cloths to merchants was prevalent in Pondicherry. When merchants bought the cloth, they could make the payment within six months. If not, security, which could be a bond, was to be furnished. The payment was sometimes made through shroffs. Then the bond would be returned on production of the receipts of payment. The credit system was intended to revitalize trade. However, cloth trade of the merchants did not prosper in between 1755-1758.

Table: 26. Quantity of silver sent from France to Pondicherry between 1737-1759.

<table>
<thead>
<tr>
<th>DATE OF ARRIVAL</th>
<th>QUANTITY OF SILVER</th>
<th>AMOUNT OF SILVER SENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUNE 1737</td>
<td>85,000 marcs</td>
<td>8 lakhs of rupees</td>
</tr>
<tr>
<td>JULY 1746</td>
<td>40,000 marcs</td>
<td></td>
</tr>
<tr>
<td>JULY 1748</td>
<td></td>
<td>13 ½ lakhs of rupees</td>
</tr>
<tr>
<td>JULY 1751</td>
<td>40,000 marcs</td>
<td></td>
</tr>
<tr>
<td>JUNE 1756</td>
<td>12018 marcs</td>
<td>2 ¼ lakhs of rupees</td>
</tr>
<tr>
<td>MAY 1758</td>
<td>9600 marcs</td>
<td></td>
</tr>
<tr>
<td>15th SEPT 1759</td>
<td>18900 marcs</td>
<td></td>
</tr>
<tr>
<td>16th SEPT 1759</td>
<td>27 chests of silver</td>
<td></td>
</tr>
</tbody>
</table>

The French brought silver from France. They either converted them into coins to buy cloths or exchanged them for pagodas, with which they purchased the goods for Europe. Hence, the quantity of silver bullion that arrived from France seems to show the volume of French trade and the urban growth. The above table suggests that the trade and the development of Pondicherry were good from 1737 to 1751, and after that, there was decline in trade. Sometimes a part of the silver bullions that arrived from France, were straight away exchanged for pagodas at the rate of, 7 pagodas and two panams per seer of silver in 1738. On several occasions, the company used imported gold to buy goods from Pondicherry. In June 1737, three ships brought 85,000 marcs of parched silver from France to Pondicherry. They were converted into 8 lakhs of rupees at the mint of Pondicherry and sent to Chadranagore in July of the same year. On 9th July 1746 Silver weighing 40,000 marcs and gold worth a lakh of rupees, were brought by ships. On 18th July 1748, 155 bullock loads of silver and 3 bullock loads of gold arrived. The silver was reckoned at 13 \( \frac{1}{2} \) lakhs of rupees but the amount of gold was not known. It was, however, said to be 20 lakhs of rupees. The ship, which arrived in July 1751, had brought 40,000 marcs of silver in 121 chests. The Europe ship, La Reine sailed for Bengal with six lakhs of rupees minted here. The Europe ship ‘Machault’ arrived with 33 chests of silver weighing 12,018 marcs and worth 2,50,000 rupees on board on June 1756.

Whenever the ships arrived with silver, the merchants, artisans, workers, coolies and the mint people were happy. Because, the merchants got advance of money for cloth production and the artisans, workers and coolies got work. The ship from Mascareigne brought 32 chests of silver on May 4, 1758. Each chest contained 300 marcs of silver and the whole quantity was weighed in the mint and taken for minting. 63 chests of silver arrived by ship on 15th September 1759. Twenty small chests of silver and 7 chests of different size – 27 chests of silver in all – and a chest of gold were landed. Moreover, gold weighing about 1800 pagodas was brought by the ship on September 16, 1759. In 1760, the production was less. The company incurred loss due to the rejected stock and the damaged goods.

The profit of the company’s trade was used for military and administrative expenditure. Therefore, the French overseas trade contributed much for the defense of
Pondicherry. The French Company did not enjoy a favourable balance of trade. The Abbe Raynal calculated the excess of receipts from sales in Europe over invoiced-costs of goods in India at 291, 931, 212 livres from the completion of the company’s reorganization in 1725 to the return of its last cargos in 1771. It was a gross gain of nearly 50 percent. There was a slump after 1757 of both receipts and costs to half their previous level. The Seven Years War was chiefly responsible of the company’s dissolution in 1769. From 1747, increased military and administrative expense reduced net profit, drop in exports, dividends and demand for shares. 133

Law de Lauriston stated in his memoir of 1767 that when there was no political disturbance in the surrounding area, and when the English did not put any under restrictions on French Trade through the Nawab of Carnatic, the French procured goods for export worth two million livres from the neighbourhood of Pondicherry.134 Merchants of Pondicherry maintained individual’s accounts of transactions also. While issuing receipts of payments, they clearly wrote the latest status of the balance sheet of account. In Folder 11 in N.A.I.R.C.P., we find the account of money that Sheik Abdul Kader received from Ranga Pillai in 1746. 135

The company’s trade was poor in Pondicherry during the period of Law de Lauristan. Cloth production diminished. Merchants and traders became less. The company could not increase its revenue. To improve the economy the Government cancelled the tax on tobacco, betel and drinks. However, economic condition did not improve. The French Trade was very much reduced. The English had taken it over. The French cargo was costlier but less in quality than those of the English. 136

A specified place on the seashore was assigned, to serve as a deck for the cargo in February 1785. The Engineers pegged a gate measuring 300 toise on the northern side and 300 toise on the southern side. That allotted place was used to embark or disembark only the commodities of the King. The government forbade the merchants to use it. Hence, no other merchants used it. The French administration monopolized the port of Pondicherry. It improved the facility of the port by putting up a place to dump the unloaded cargo. From the French ship that arrived in May 1785, two lakh and fifty thousand ‘pathak’ were unloaded. 137
The port of Podicherry was used as a port of transshipment also. It gave more work opportunities for port workers and coolies. On several occasions, the company did not have the means to purchase shipload of commodities for Europe in one place. It gathered the mercantile from many centers like China, Mocha, Achem and Mahe and transshipped them to send to Europe. The following sample of goods on board the ship ‘Heureux Marchand’ to Europe gives us an idea of the nature of goods carried to Europe from the East. The ship had on board the following items: White sugar, White sugar candy, Tin, Camphor, Mercury, Rolls of different kinds of silk, Porcelain crockery of various descriptions, and the Boxes of tea. The value of those goods was 10,000 pagodas. 138

The Company’s trade suffered the following defects. The Company did not develop a country trade of its own. It did not nourish a country trade of its servants with a sufficiently large group of “free-merchants.” It was a continuation of the Portuguese practice. At home, except in the 1730’s and 1740’s, its finances, were always in an unsettled state. 139

Whenever capital was sent from Europe, investments in textiles were made in the hinterland of Pondicherry. Pondicherry had been the home of Indian traders under the French, in the first half of the eighteenth century. It saw regular French investment and shipping. Permanent Franço-Indian relationships, similar to those in Madras and Nagapatnam, came into being. They left a marked impact on the Coromandel Commercial Economy. 140

The French trade made Pondicherry the pivot of the network of textile production. The French began early to make profit from the import market, bringing from Europe Coral, which sold fairly well in Pondicherry, and red and yellow woolen cloth, which appeared to have sold better than those of the English, because of their superior colours. 141 The cloth production and cloth trade of the French in the first half of the 18th century promoted merchant class, developed artisan community, encouraged intermediaries, initiated investments in production, trade and assets and hence helped the urbanization of Pondicherry.
3.3. THE FRENCH TRADE OF OTHER GOODS

The French company, the company merchants and the merchants in Pondicherry, besides cloth trade, traded in pepper, salt, salt petre, tobacco, betel, areca nut, diamonds, pearls, precious stones, spirits, wood, horses, sandal wood, elephants, lead, tutenage, sugar, sugar candy, corals, crockery and coconuts. The variety of goods with which they traded for more than half century, indicate that a good number of company merchants and free merchants of Pondicherry were occupied in business profitably. That merchant class settled, became affluent and bought properties in Pondicherry and contributed to the urbanization of Pondicherry.

Some more commodities in which the company and merchants traded were: Betel along with tobacco and betel nut offered a profitable business in Pondicherry. Tobacco was sold at Arumpattai Pillai Choultry. Tobacco, formed with betel made a profitable monopoly of business. It was farmed out both in the English and French settlements. However, it was sold in Madras, about twice as dear as outside. Therefore, it was smuggled in great quantities by soldiers and officers to Madras. 142

Diamond trade transactions took place in the fort in Pondicherry. That trade brought different caste people like Tawhers into Pondicherry. It changed the composite nature of the structure of the society of Pondicherry. The diamonds, which were kept in the fort, were sold on 12th December 1759 to Nilakanda Tawher, a Madras merchant. The Tawhers to whom Nilakanda belonged, were a subdivision of the Baj Khedaval sub caste of Gujarati Brahmans Enthoven for 54,000 pagodas payable in 40 days. 143 Giving gifts to the people in power, like Lally, and to their wives also concluded diamond business transactions. Besides, the intermediaries like Balu chetty of diamond trade enjoyed brokerage up to 27% and the negotiators of business like Duplant received commission. Hence, due to this trade a network of people flourished in Pondicherry in 1759. 144 In 1754, diamonds were sold for the placement of order. There were different sorts of diamonds. Pondicherry merchants bought them selectively. 145 The Dutch cut diamonds were selling at 44 ¾ pagodas, or with the 9% discount, 48 pagodas a gross. 146

The merchants of Pondicherry used to go to Nagapatanam to bid in the auction of pearls. Pearl trade was a lucrative trade in 1746. 147 Corals were one of the imports of
Pondicherry. They were also available in India. It seems that coral trade was less profitable to the company and the merchants, though it was done from 1698 to 1747.  

Horses were imported from Manila, Achem and Pegu in 1740 and 1741. Manila supplied Indian hemp and sulphur. Those horses were used for defense and security purposes of the town. Achem exported French incense, areca nut and Yanam sugar in 1742. Sugar and sugar candy from Macao, Elephants from Tennasserim, Elephants and tin from Siam and sundry goods from chandranagore were imported in Pondicherry in 1745. Maldives supplied Coconuts. Precious stones worth 37 lakhs of pagodas were sent from France in 1748.  

Salt and salt-petre were sent to places like Bengal. The producers of salt-petre and salt were not in the town. The French sent salt from Pondicherry to Bengal in 1787 also. The salt sent from Pondicherry to Bengal was found good.  

The resources of the company were from Karaikal, French Island, Bourbon Island and Yanam. In order to profit those resources, the company wanted free seas. A cargo of spirits and pepper came from Karaikal on 1746. Sadras supplied Cordage planks and beans in 1747.  

Governor Dupleix was engaged in private business also. Sometimes governor Dupleix received goods in his name and handed them over to the merchants, getting a premium for the goods. He purchased sandalwood from China and in the Malay Archipelago in that pattern.  

Elephants were also brought for sale. Pondicherry merchants bought Elephants from Sarup Lala, the Qedah merchant at Porto Novo for 1750 star pagodas. In 1750, China sent Tutenage, which was used as a dying material in the cloth production. Pepper was exported to china. Rice and Mergui wood were imported from Perak and Tennasserim. Pondicherry imported from Tennasserim wheat, rice sugar, sugar candy, lead, tutenage and wood, in March 1760. The Company used to procure lead from Nagpur, Porto Novo and other places to export to China.  

The change of power in Pondicherry in 1793 affected the local trade also. The English governed Pondicherry from 1793 and it prohibited the import of goods from Madras to Pondicherry. The English discouraged inter settlement trade. Those, who violated that rule was punished. Kavarai Nattar’s son brought betel and tobacco from
Madras into Pondicherry. He was arrested and punished by ‘Bimrom’, the chief of police.

Pondicherry imported and exported the above-mentioned number of goods involving several classes of people, a good number of whom settled from other places, in production, distribution and consumption. The administration received revenue from import and export-duty and from the commission on the freight charges. That trade process not only offered the people, who were involved in the trade, the opportunities of occupation and livelihood, but also some assets that they purchased in Pondicherry, contributing to its development and urbanization.

3.4. CLOTH TRADE AND ARTISAN DEVELOPMENT

Crafts men from other villages and towns settled in Pondicherry and in its suburbs. They produced textile commodities and other goods, which were needed for general urban consumption and the company’s trade. The artisans, who thrived in Pondicherry were the weavers, cloth painters and printers, masons, joiners, brick makers, potters, goldsmiths, blacksmiths, tailors, embroiders, coral polishers, leather goods producers, masons, architects and oil producers. This is not an exhaustive list. The urban artisan’s position in the town was vital, as the cultivator in his village. A village without cultivators can be only a temporary habitation. Like wise, a town in the absence of artisans may be a structure without pillars. His products constituted one of the important sources, through which the town could, subsequently, acquire an economic status. The artisans of Pondicherry grew proficient even in new crafts such as papennaking, construction work, tinning, carpet weaving and ornament production. The artisans served as the productive base of economic life and helped the urbanization of the town.

Besides artisans, a considerable segment of the rural working forces of the nearby areas, which were not directly engaged in agricultural production, were also drawn to the town. The incoming villagers were absorbed in any work, which they preferred in Pondicherry, thanks to the several work opportunities available there. They were confident of a good future. The village cobbler or milkman took to dyeing, washing, weaving, tinning or engaged in any ancillary works of trade, such as transport. The government was not
directly interested in the circumstances of the individuals, but was keen on mobilizing all
the possible resources, in order to increase the productive scope of the town. The
government encouraged social and occupational mobility. Therefore, it could find hands
to do the newly introduced crafts mentioned above and also increased the demand for
consumer goods.  

The artisans in Pondicherry were so skilled that they produced printed and painted
clothes. The patterned goods were of two kinds, printed and painted. In printing a piece
with the desired pattern, blocks were employed. They had a design on a cut or raised
portion in relief, so that the raised parts, when charged with colour, transferred the design
to the fabric, when the block was stamped upon it. In painting a cloth, the pattern was
first drawn on a paper and the outline pricked through with a fine point. That stencil was
laid on the cloth and was treated with a small bag, partially filled with charcoal powder.
The charcoal powder on the cloth thus faintly indicated the outline of the pattern. The
design thus obtained was then painted with a brush with the desired colour. That
procedure used to be the native process of block making for printing sarees and clothes.

In the 17th and 18th centuries, in the courts of French Kings, beautiful women were
compared to Indian textiles. Such was the work of the textile artisans of India. The
Tamils were quite industrious in the manufacture of cotton material and the manufacture
and paintings of cloths. They furnished the French perfect and beautiful textile materials.
Everything depended on the delicacy with which women spun the cotton. Regarding the
painting by Indian women, there was a secret, which belonged to the Indians. Of all the
places in India, in which the French had made a settlement, Pondicherry, in 1693, was the
most advanced and most promising.

In Lenoir’s time, 1,500 weaving looms were at work. Lenoir took steps to increase
the looms to 2,000. The weavers and their allied labourers were skilled persons,
whose contribution was great. There were silk-weavers also. The natives were quite
skillful in pottery works. The French even wondered how they made the clay goblet,
which maintained water ice-cold, despite heat. The brick furnaces, which baked the
bricks, were unique and productive. Besides, they imitated well the things brought from
Europe. Bourcet, in his memorandum, (N.A.F. 23333, folio 25), complimented Indian
masonry. Indian masonry was excellent and even better than the European. The masons
in Pondicherry used jaggery for building. The jaggery, was a kind of molasses, got heated up by the burning sun or fire. It became a finely amalgamated mass, and with time, attained an incredible hardness. By using jaggery masons of Pondicherry, built the northern rampart. The height of the northern rampart of the Fort in Pondicherry was elevated to twenty-two feet with a temporary parapet of twelve to fifteen feet in thickness. Those kinds of constructions were found at Manheim in Germany and in Holland. Bourcet gives an estimate of 22,57,600 francs for getting the rampart demolished and 5,00,000 for rebuilding it. Hence, one could understand it was a profound workmanship.

There were masons, carpenters, blacksmiths, joiners, brick makers, chunnam producers and even architects. The entire town of Pondicherry, built by the Indian workers, stands testimony to this. There was a huge population living in huts. The architecture of the public buildings, especially the pagodas, surprisingly proves that the same people could even build magnificent and convenient houses. 171 Robert Challe praised the dexterity of the artisans. He saw between the hands of Saint Paul, idol in the church built in 1690, a vase of filigree work, which was good and very delicately worked. 172 Generally, the Tamils were industrious and skillful for all mechanical arts. In Pondicherry, they did not get adequate scope. They worked with gold, silver and all metals, with neatness. There were tailors, cobblers and embroiders.

François Martin patronized the coral polishers during his period. He installed near the lodge 50 families of Coral polishers. The Company imported that material from Africa. The big pieces were used to make bracelets. The small ones, which were reduced to powder, were used in native medication. 173

Before the nature of the population could change, the building structure of the town started changing. The religious edifices, apart from the fort, were the most important monuments of Pondicherry. The element of the population was changing as well-native artisans, artisans of different castes from neighbouring places, French artisans and European artisans. 174

There were European artisans in Pondicherry, primarily to satisfy the requirements of the French army and the European people. European bakers of bread lived here using their art of baking. Hairdressers were first meant for the soldiers in the garrison. The
presence of the European artisans underlined the economic and social development of the town. The first European armourers, carpenters, helpers and makers of casks and pails, black smiths and joiners were the employees of the Company. They came on the request of the Directors of the company. They began the settlement of the French Artisans in Pondicherry. The joiners, artisans of beautiful furniture played an important role in the history of Pondicherry. There was the development of the ‘Thattan’-gold smith-community. The Governor encouraged the artisans by his personal attention. On November 11, 1741, the Governor visited the spot where black smiths and carpenters were at work. 175

Bernier appreciates the artisans, manufacturing carpets, brocades, embroideries, gold and silver clothes and the various sorts of silk and cotton goods. They were either used in the country or exported abroad. However, the Tamil artisans did not seem to be as prosperous as those in many other countries of the world. 176

Occupations mostly decided the marriages of the French artisans. We could see the horizontal and vertical ties formed in the European population. In the social sphere, they used to marry among themselves. Allegre, the chief armourer, married the daughter of the chief joiner; Demende, a jeweler, married the daughter of Chief Cooper; Marie Ruelle, while two other sisters, rising in the social ladder, married two employees of the Company. 177 Therefore, European people felt that marrying an employee of the company was socially better than marrying an artisan.

The mint in Pondicherry employed gold smiths to fabricate coins from 1737. Half of the goldsmith’s work in the mint was allotted to Potti Pattan who came from Alambarai. The other half of the work was entrusted to Velayuda Paranjoti and others, who were already employed there. 178 There were special people for umbrella making, like Kudaikara Rangappan in 1743. 179

Among the Tamils, there were bricklayers, carpenters and black smiths in 1740s. The handmade-paper industry, made a beginning and there were potters in Kosapalayam. 180 Some people were called by their occupation, names such as, Ezhuthukkara Bhiman and Pavazhakkara Uttira Peddu Chetti, Kudaikara Rangappan, Vakil Subbayyan, Potti pathan, etc. 181 Arrack productions were popular. About 500 brasses of arrack were manufactured in a day. 182 Arrack manufacture was flourishing and gave good income to
The distillation went on in Cuddalore also which, at times, supplied jaggery to Pondicherry. Bullets for the guns were also made. Vakil Subbayyan had purchased a maund of lead to make bullets.

There were Chunam-burners and maistries who supplied chunam for constructions in the town. People like Malayappan managed all the kilns within the Company’s limits. Alloy making technology was known in Pondicherry. By using charcoal and chunam, silver was melt and made an alloy with lead. Alloying the silver with lead was administered in 1750. Metallurgy technologies were practiced here. Artisans in Pondicherry were producing leaping-hooks, hoes and axes in 1756. The technical aspects of the artisans work were inspected at regular intervals. Leyrit inspected the Carpenter’s shops and the black smiths forge in 1759.

The other Artisans in the town were the cobblers. Once dead or killed, the hide of the cattle was useful for making numerous articles. Its dried skins were used for water bags, water buckets, packing purposes, and jars of all sizes to contain liquids, such as oil, ghee, and wine. Shields made of buffalo hide were in common use. In Pondicherry, most of the native population went about barefoot. Highly tanned, treated and dressed leather was also produced, out of which ornamental articles, such as cushions were made. However, there was the persistent Hindu taboo for leather and leatherwork.

The threat of war chased the artisans out of Pondicherry in 1760. The Company had realized the importance of availing the artisanship of the artisans, who had left Pondicherry. Through Perianna Nayinar, one of the heads of police, the company asked the inhabitants to return and practice their crafts at Pondicherry as before.

The artisans were the backbones of the urban economy of Pondicherry. Those, who were involved in cloth production and other productions, were in and around Pondicherry. Some were in Pondicherry and many came and settled here. Some were artisans by birth and some, who used to be farmers, took up the job of weaving or printing, settled in and around Pondicherry, and increased cloth production. There was other category of artisans like the gold smiths, carpenters, masons, rope-makers etc. They helped cloth production, constructions of fort and buildings and economic growth and hence the urbanization of Pondicherry.
3.5. CLOTH TRADE, COMMUNICATION AND URBANIZATION.

This section deals with the development of communication and its contribution to the urbanization of Pondicherry. Transport and means of communication occupied an important position in the urban development of Pondicherry. The level of communication facilities in Pondicherry was an index to the level of urban growth achieved in Pondicherry. However, our study suffers from the absence of quantitative details.

At the preliminary stage, the unpaved tracks, which diverged from Pondicherry, ended up in the adjacent villages. In the last quarter of the 17th century, the town had a mere local significance. It was small in size. There was a low scale of trade and production. It involved only the local producers and consumers in its narrow range of small town activities. The means of transport were slow. The movement was not frequent. The roads were not well developed. The streets of the town and the roads linking the surrounding villages were fairly maintained. The administration attempted to minimize the discomforts of the travelers by providing halting stations and shelters. Other factors being still favourable, those facilities stimulated the town to progress in the sphere of cloth production and the traffic in goods in the 18th century. Consequently, it increased the population and widened the area of its general activities.

Road building, construction and maintenance of 'chatrams' and 'chavadies', digging wells and planting shady trees on either side of the roads, which were linking towns, were the concern of the administration. The charges at those chavadies were nominal. The building of chavadies was an old institution of the Chola rulers all over South India. Hence, we see continuity in the institution. The government required all those facilities of communication for administrative and trade purposes. Cloth trade and communication influenced each other. As a result of better communication system, cloth trade flourished, a rich class emerged, occupational mobility happened, artisans came and settled, population increased and thrived, and hence there was Urbanization of Pondicherry.

There was increase in the volume of cloth trade in the first half of the 18th Century. It added to the traffic in the exchange of goods between the town and villages and among the towns. The economic growth followed the improved means of communication. The administration was the integral part of the Urban set up. It made efforts to protect the
interest of the merchants by the abolition of toll and road tax. The cloth trade, the economic growth and the availability of employment opportunities, promoted internal migration of population. That in turn led to the need for the rise of the aggregate agricultural output. It accompanied a proportionate increase in the volume of crops-raw materials. Therefore, the urban artisans had the tendency to raise the volume of their finished products to buy them. Those circumstances necessitated the unhampered flow of goods from place to place. So, the improvement of communication system became obligatory. Hence, economic growth, improvement of communication and urbanization were inter-related.

The usual means of transportation during the period of our study were the Camels, Horses, Bullocks, Bullock Carts, Mules and litters. The use of elephants as a means of conveyance was reserved for the sovereign. Camels were much better suited for both personal conveyance and transportation of goods. Horses were used by the European elites. Among the natives only the Right Hand Caste people had the right to use horses. However, lesser native people seem to have used horses. Several factors contributed in making bullock a convenient and important means of transport. They were suited to carry heavy loads of goods or drive wheeled carriages. Individuals, traders or merchants, who transported grains and salt from surplus to deficit areas, employed them as beast of burden. Hence, the network of transport system helped cloth trade.

The European authorities used the Palanquins. A few natives like the dubash, were authorized to use Palanquins. The Palanquin bearers belonged to a particular caste of Hindus called Kallars. They used their free time in performing porters jobs.

In this urban center, the transport system played a deciding role in the location of an urban community, as suggested by Cooley and Le Corbusier. There is evidence to show that the French took interest in the construction and maintenance of that part of the roads, which passed through Pondicherry.

The Communication system was improved due to cloth production and cloth trade. Dhoolies, catamarans, boats, Catamarans and ships were also used to send goods and messages. There were messengers of cloth production, trade, military, administration and individuals. Peons, sepoys, Brahmins and other trusted persons were used as couriers and spies. They sometimes escorted. They used camels, horses or dhoolies. Sometimes they
traveled in disguise. Whenever they brought good news, they were rewarded, besides their usual salary. They met with dangers, which either happened accidentally or sometimes caused by the enemies. The speed, safety and the success of the arrival of the message depended very much on the fidelity of the messengers. It also depended very much upon the nature of the roads, the robbers and natural causes, such as rain, flood etc. The importance of the message decided the messengers. Wax seal was used to ensure secrecy. All those communication facilities contributed to the smooth and successful functioning of administration, cloth trade and trade of the company. 194

Mostly the news bearers from the south used camels. When they met the governor and handed over the news, the governor honoured them with a turban and gave them sugar, if it were good news. People brought news hiding it in their turban also. If any spies or news bearers of other political power were caught, they were punished severely.

The Brahmins were considered to be loyal messengers. They were mostly used to carry important letters from or to the head of governments. They enjoyed the confidence of their masters. 195 Letters used to be sent through ship from Europe or from Karaikal. Letter bearers used Catamarans also. The commandant of Karaikal sent letters here by Catamaran men.

A significant progress was made in the field of communication in this period. On 27th July 1738, the administration established a daily post between Tanjore, Pondicherry and Karaikal, to facilitate communication between those places. 196 Sometimes people wrote letters on Palmyra leaf. Kanagaraya Mudali received one such letter. 197 Sometimes persons like the peons or Brahmins transacted messages. Such messengers sometimes traveled on camels. 198 In 1741, a courier, traveling on a camel brought at letter from Chetpattu to Chanda Sahib’s residence in Pondicherry. 199 A camel courier from the Nawab of Arcot brought a letter in 1746. 200 Camel Couriers were mainly from or to the Muslim rulers.

From September 1746, letters, bearing the Governor’s or his wife’s seal, were carried by the mail. 201 The Governor attended to the fulfilling of the formalities of sending letters himself. Dupleix used a wax seal to authorize his letters that were sent to Madras. The Governor, usually furnished each letter with a ticket, bearing his seal, impressed on wax. 202
There were dangers for the letter carriers on the way. When the administration anticipated such circumstances, a set of two or four Brahmans was engaged to take a letter to Mahe or distant places. The Governor took precautious measures to see the letters reach safely. Ten musketeers were sent with those Brahmans as far as Ulundur. When the letter carriers had passed that place, those who went to escort them returned, as the messengers passed the danger zone.

Letters were sent in tight security, lest it should fall into enemy's hands. At the same time arrangements were made to tap the enemy's letters. Enemy's letters were seized and brought to the Governor. They were considered precious. The person, who brought an enemy's letter, was rewarded. Near Avali Salem, company's peons had met a Brahman with an English letter, which they seized and brought to the Governor. The Governor gave them twenty rupees. That amount was equal to five months salary of vakil Subbayan.

Informers for messages, which were political and economic in nature, were set up almost all over the region. Thirty peons, with a Chakram each, were posted out as far as Chetpattu. Chakram was the official identity medal given to those messengers. They were appointed to bring in news frequently. If the letter bearers were intercepted and suspected to be enemies, they were put in prison.

It is interesting to go through the intercepted letters. The following letter is an example. Mutyalu Nayakan and Pandari were the spies of the English. A letter written by Mutyalu Nayakkan to Pandari was intercepted and got by the French peon. It had the following news: “Please see that no supplies and help are sent to Pondicherry, send help to the English at Madras and Fort St. David.”

There were personal letters, business letters, fake letters, and official letters. Personal letters were between people in the higher strata of the society especially Europeans. Venkata Krishna Ayyangar brought letters from Main Ville at Sendamangalam to the Governor, to Ranga Pillai and to Madam Dupleix.

The integrity of the postal system was at times questioned. Madananda Pandit, a Brahmin, had been accusing Ananda Ranga Pillai of substituting one letter for another, in order to favour certain persons. We do not know the truth of the allegation of
Madananda Pandit. If that allegation was true, the trustworthiness of the courier service of that day was questionable.

Sometimes letters arrived in-group. Wax cloth was used to protect the letters from rain. Three Chobdars arrived with three packets of letters wrapped up in wax cloth and sealed in the period of Lenoir. On some letters from Europe, instruction, regarding the date of opening the letter, was written. In the letters received from Europe on 4th October 1759, there was a packet, which was ‘not to be opened till October 15’. There was also another packet, which was ‘to be opened on the 2nd or 3rd January 1760’. It took nine days for letters to reach here from Mahe. Letters from Europe were received from Mahe.

Message communication was not quick and safe due to the poor road system and dangers caused by the enemies and the robbers. However, security was provided to the messengers. Extensive actions were taken to counter the activities of the enemies’ spies, who intercepted letters.

The communication system contributed to the strong administration, increase of cloth production, development of trade and commerce, increase of population in general and artisans in particular, development of chavadies, change of the structure of the society, besides the exchange of news and sentiments. Hence, it helped in the urbanization of Pondicherry.

3.6. BANKING FACILITIES, CLOTH TRADE AND URBANIZATION.

This section deals with the availability of banking facilities and their contribution to cloth trade and hence to the urbanization of Pondicherry. The cloth production and cloth trade was a major economic activity of Pondicherry, which transformed Pondicherry from a rural center to an urban center. The capitalists, contractors, merchants, agents, creditors, debtors, shroffs and the intermediaries connected with cloth trade, naturally, happened to be at different places such as Madras, Karaikal, Masulipatnam, Alambarai, Sadras, Porto Novo and South arcot. It was not safe, hence not prudent, to take the amount of money involved in the trade by the individuals from one place to the other. So, the hundies, bills, bills of exchange, bonds, authorization letters and drafts, which played the role of money, was the banking facility that was in vogue. The use of such banking facilities for trade purposes ensured safety in money transactions, encouraged trade and its allied activities, and there by gave employment to the artisans, shroffs,
intermediaries and merchants, provided scope for the investment in trade and assets and hence contributed to the urbanization of Pondicherry.

In Pondicherry, the hundi-system of payment for the goods, which were bought, existed. The historian Sujan Raj Bhandari describes the hundi-system as follows. There were dangers on the routes, through which the merchants had to carry money. If a person could not convey sums of money to a near or distant place, the Shroffs took it from him. They gave him a piece of paper written in the ‘Hindvi’ Characters, without a seal or envelope. It would be addressed to their agents, who had their shops in the various towns. That paper in the language of this country was known as hundi. The agents of those dealers paid out the money, in accordance with that document, without any argument or objection. That system of payment through a hundi was called the hundi system. Though that document was nothing more than a piece of paper, it was sold for the sum that it specified, if its possessors wished to sell it at a place, other than the one, where the payment was promised. The purchaser, obtaining a small amount from the seller, received the sum mentioned in it, at the promised place.\(^{213}\)

The rate of discount or premium on a hundi determined the real rate of exchange, depending upon the balance of payments between the place of issue and maturity. It was also determined by the rate of interest for the period between its issue and redemption. The hundi itself specified whether it was to be payable on sight, or payable at the end of a particular period after its presentation to the drawee.\(^{214}\) Bussy sent a hundi for three lakhs of rupees to the merchants.\(^{215}\) Promissory notes were also honoured.\(^{216}\)

A hundi could be confidently purchased, in the knowledge that in the event of the drawee's failure, the amount of the principal could be claimed from those, who had discounted earlier.\(^{217}\) The negotiability of hundies led to a situation, in which a large number of hundies were simply drawn and honoured against other hundies without the intermediation of actual cash payments.\(^{218}\)

During the 17\(^{th}\) century the system of book settlement of hundies already existed. The hundies served as alternative media of payment. The issuing of bills probably developed owing to the “scarcity of cash” that originated from the fluctuations in the output of the mints of the 18\(^{th}\) Century.\(^{219}\)
The company sent a hundi drawn on Kasidas Bukkanji's shop to Masulipatnam for 16½ lakhs including the amounts he borrowed in 7th July 1751. 220

The payment of loan through a draft, which was always safe in economic transactions, was in vogue. Imam Sahib sent in April 1738 a draft on account of loan to the French by the Imam. That draft was sent to Alambrai for encashment. 221 The draft carried the name of the drawee, date of drawing, the amount and the date of maturity. 222

Payment through bill of exchange, like the cheque-system, in a simple form, existed in 1747. Ranga Pillai gave the Governor a bill of exchange for thirty thousand rupees for Tarvadi on Guntur Balu Chetti of Madras. Ranga Pillai wrote an order to Dulaurens, the finance officer and the Governor signed it. Ranga Pillai gave it to Guntur Balu Chetti. Balu Chetti gave it to Dulaurens, who examined it and gave 32,240 rupees – 32,000 for that bill and 240 rupees for the cost of remittance. The office of the Governor functioned like a bank, the Governor being the banker received amount and arranged payment for bills. 223

A bill, which was the instrument of payment, contained both the figure of the sum and the period for which it was agreed upon. It was prepared and sent to the individual concerned. Guntur Balu Chetti gave a bill for 10,000 rupees on Gundu Ramanujalu Chetti of Madras on 29th November 1747 in Barthelemy’s favour at eight days sight. The governor along with a letter sent it to Madras to Gundu Ramanujalu Chetti. 224

Giving authorization power to somebody, through the power of attorney, was customary in that period. When Dumas went to Europe in 1723, Ranga Pillai’s father gave Dumas a power of attorney to receive the money that he owed from Kermain, Arnault and Nyon. 225

Bills were sent to other towns through peons as in February 1748. The procedure for sending bills was as follows. The Governor had an order written for the payment of 2015 pagodas. He had got the money through the second. That amount was of 2000 pagodas, for the bill of exchange given by Tarwadi for dispatch to Karaikal and fifteen pagodas, for the cost of remittance. Ranga Pillai prepared the bill. He then put the bill of exchange in the cover and gave it to two of Malayappan’s peons, to take to Karaikal, and catch up the Chidambaram runners. 226 Christopher Beyly in his book 'Empire and Information' has argued that the system of information helped sustain the British Empire.
Therefore, the system of messengers, runners, and spies helped French colonization and colonial trade.

Sometimes bills were sent with standing instructions as on March 4, 1748. The conditions for payment would be the instructions that were given. Ranga Pillai had sent Lucas a bill of exchange for 2000 rupees, by his man Sakkrai Pillai, with letters to the merchants asking them to pay Lucas the money, only if he had made purchases. The bill couriers were not only paid their usual payments, but also gifts, if they safely and promptly delivered the bill on time. That encouragement speeded up the payments and business transactions.

Bills were drawn payable at any place in India, where merchants had trade relations. In August 1748 Tarwadi gave a bill of exchange on Masulipatnam for 10,000 Arcot rupees. Bills were paid at maturity, though they were presented earlier. Tarwadi drew a bill at 15 days sight and gave it to the Governor. The Governor accepted it and gave it back to Tarwadi. The Governor paid the amount, when he brought the bill again at maturity. The place of payment was also at times mentioned in the bill, if the payer’s agent was there. If his agent was not there, the payer bore the risk of paying. In August 1748 Ranga Pillai asked Tarwadi for a bill of exchange for 30,000 rupees payable at Madras. However, Tarwadi could not pay, for he did not have an agent there. However, later, Tarwadi agreed to deliver the money at Madras at his own risk.

The exchange rate of pagodas, pagodas into rupees or the reverse, differed from time to time. Merchants and contractors of cloth production and trade underwent that stage of money transactions. The exchange rate of 1 star pagoda was equal to 3.2 rupees as on March 18, 1748. The exchange rate of 1 Porto Novo chackram was equal to 20 rupees. In 1750, the bazaar rate of exchange of pagodas in Pondicherry was 360 or 361 rupees. The exchange of rupees and pagodas was usually quoted at so many rupees per 100 pagodas. The value of rupees decreased in 1760, since there was more demand for the Pagodas. As the European Councilors were changing rupees into pagodas, the rate had fallen from 360 to 367 rupees.

There was bargaining on the brokerage percent in exchanging types of rupees. There were French intermediaries also. On August 22 1748, Guillard proposed first three
-- quarters (3/4) and then one and a quarter (1 ¼) percent for the exchange of Pondicherry rupees into Bunder rupees. 235

The tradition of giving loans was prevalent in the ruling class and in the merchant class. For the ruling class, besides the interest it brought, the loan secured some favours to the creditor. In the case of the merchants, it helped trade and commerce. The French Company to start with won favour from local kings and income by lending money in South India. In order to help Sher Khan Lody, François Martin lent him money at the rate of 18% interest p.a., which was very reasonable rate in India. 236 The French lent Rama Raja 6,000 chacaras, which were 16000 livres, at the rate of 18%. He left the French the customs and other revenues of Pondicherry till the extinction of his debt. Ram Raja undertook to help and protect the French from their enemies, the Firman of 7th June 1690. 237 Rama Raja proposed to François Martin in 1693 to lend him six thousand pagodas to buy for French, the full ownership of the Pondicherry Town and its dependencies. 238

The Banking activity of lending and exchanging had been taking place here. In 1748, Kandappan paid 1000 pagodas to Riche on Desfresnès account, at the rate of 24 panams per Pagoda and obtained a receipt. 239 The market rates of exchange between pagodas, rupees and panams were constantly fluctuating. Therefore, unless the coin of payment was specified, the debtor might evade part of his debt. It was usual to specify the coin of payment. 240 Several credit transactions took place using bills, bonds and papers. They were subject to changing exchange rates. Khan Bahadur owed Ranga Pillai 12,340 rupees, including interest up to November 15. Ranga Pillai showed the notables the papers. 241

Simple interest was calculated for the sum lent, but compound interest was not calculated. A capitalist class emerged in Pondicherry. The moneylenders, besides profiting due to money lending, helped merchants to invest in cloth production and trade. There was an amount due from Khan Bahadur. The sum 1000 pagodas was found on his bond executed on November 13, 1742, with interest for six years up to November 13, 1748, at 10% per annum, 600 pagodas. 600 pagodas was the simple interest for six years. 242
There were custodians to the bond, who were authorized to execute the bond. Imam Sahib owed Ali Dost Khan 9,800 gold mohurs and 20,000 Madras pagodas by bond. Ananda Ranga Pillai had in his custody that bond of 9,800 gold mohurs and 20,000 pagodas. It belonged to the Nawab Ali Dost Khan, and was repayable to the government on demand.

Discussion between merchant parties was held about the disputed amount of business, in the presence of mediators like Seshachala Chetti. When they came to terms about the disputed amount they signed the bond, prepared by a bond writer like Muhammed Khan. There were men, who were exclusively bond writers. Those types of bonds not only solved the existing business problems but also helped the merchants to undertake new business. Guntur Venkatachala Chetti came to an agreement for 400 rupees and Seshachala Chetti told them to go to Muhammad Khan and get the agreement written.

On behalf of the company, the exchange of currencies was executed on Governor’s orders. In December 1756, the Governor signed an order on the Pondicherry Mint, for the exchange into Pondicherry rupees, of the 25,000 Arcot rupees, issued to him.

In emergency situations, the wealth in ships was taken by force against bills payable in Europe. A bill on Europe was given, and the money, gold and silver worth two lakhs of rupees was taken over from a Dutch ship in August 1758. The French King had made an agreement in Europe to the effect, that ships belonging to any nation might be seized and the gold and silver money might taken in return for bills payable in Europe, including the profit.

Thus the cloth production and cloth trade led to a lot of huge money transactions, both in and out of Pondicherry. Carrying huge amount of money from one town to the other, for purchase and payments, was not safe. Hence, safe economic and banking measures, such as hundies, bills, drafts, bonds, bills of exchange and authorization letters, were practiced in Pondicherry in the 18th century. They avoided risks of money and trade, but gave impetus to trade and commerce, and profit and security to the trade of the merchants. It promoted a class of affluent merchants, intermediaries and agents of trade in Pondicherry. The merchants and their investments helped the urbanization of Pondicherry.
CHAPTER III

CLOTH TRADE AND URBANIZATION.
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