Markets and the trading groups involved in the trading activities played a crucial role in the agrarian world of the region. Not only did they link various elements in the rural structure but they also connected different rural structures through their trading networks. At a higher level the markets brought the rural economies into contact with wider commercial networks. The market forces while involving various groups of agrarian structure in the trade, some directly and some indirectly, determined the nature of agrarian relations also. At another level the markets formed a crucial link between the agrarian sector and the state.

As Polanyi puts it, a market is a centre which involves some kind of exchange in which various social groups perform differentiated functions. According to him market trade involves a double movement of goods in opposite directions paving through a supply-demand price mechanism.

In Masulipatnam district also markets operated at various levels of the economy involving different groups from the level of a village to the international level. These markets varied widely in size from place to place. At each level, the nature of the trade differed depending on the groups that were involved in it and also depending on the groups to whose needs it catered.
Actively involved in these markets were different trading castes, each group specializing in a particular form of trade. The major trading castes in Masulipatnam district for instance, were Komatis, Balijas and Banjaras.

The major marketing centre in the district of Masulipatnam was Masulipatnam town itself which was involved with regional and international trade. Masulipatnam being a port town acted as one of the major centres for long distance trade not only for the district but for the entire Northern Coromandel region. In the absence of proper transport networks, especially in the hinterland, the port towns and towns near irrigation sources came to develop as major trading centres in the region. It was, in fact, for these reasons that most of the important trading centres were located on the coast line which had maintained links with the rural markets through various networks.

Besides Masulipatnam there were other prominent market centres at taluk level which were located in places like Eluru, Bezwada, Jaggkhpet. Connected with these markets at the taluk level, there were several small marketing centres operating at the village level. The number of these markets seems to have depended on the necessities of the locality and also their distance from the major markets. Some of these markets in taluks like Gudiwadaj Bandar, Pedanah, Oivi, Bezwada, and Gundagolanu were located in different places as shown in the table 9.1:

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Village Markets : Santalu and other Fairs:

The markets at the village level were called santalu. A santa was like a fair and was usually held once in a week and was not a fixed market like the bazaars or bigger market centres like Bandar, Eluru or Bezwada. One chief commodity of trade in these santalu was grain of various kinds. Besides grain, articles like cloth and vegetables were also sold in santalu. After the consumption needs of the cultivators were met, the extra grain

<table>
<thead>
<tr>
<th>Taluks</th>
<th>Villages in which markets were situated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gudiwada</td>
<td>Gudiwada, Guraga, Vemavaram.</td>
</tr>
<tr>
<td>2. Bandar</td>
<td>Gunduru</td>
</tr>
<tr>
<td>5. Pedanah</td>
<td>Pedanah, Gokavaram.</td>
</tr>
<tr>
<td>4. Divi</td>
<td>Avanigadda.</td>
</tr>
<tr>
<td>5. Bezwada</td>
<td>Mylavaram, Kondapalli</td>
</tr>
<tr>
<td>6. Gundagolanu</td>
<td>Pulla</td>
</tr>
</tbody>
</table>

Source: F.W. Morris, Deputy Director of Revenue Settlement, Krishna district to H. Newill, Director of Revenue Settlement, Madras, 23.2.1861, Krosur, 'Report on the Assessment of the Masulipatnam Portion of the Krishna District 1861-1865'. SRMG, p. 55.
usually found its way into these markets and also other markets or fairs.

Besides these village markets, another place where trading activity took place to a considerable extent was in fairs which were held during almost all religious festivals of the region known by different names in different localities. Next to the village markets it was these religious fairs that attracted different trading groups and these were most common in almost all places of worship. Commenting on the popularity of these markets and also the traders, R.D. Lushington opined that:

People never lose sight of the shop, they carry it into all their concerns, religious and civil, and all their holy places and resorts for pilgrims [there] are so many fairs for the sale of goods of every kind; religion and trade are in India sister arts, the one is seldom found in any large assembly without the society of the other.

The village markets mainly catered to the minimum needs of the people. Generally the market operations at village level had very little impact on the fortunes of landlords. This was because in these markets the transactions were at a minimum and grain or any other article on a large scale definitely found its way to larger markets located in principal Casbah towns like Eluru, Bezwada and Jaggiahpet. Any fluctuations in these major markets inevitably had an impact on the land owners and producers of the marketed commodities. The spatial location of marketing centres in early nineteenth century Masulipatnam district are mapped in Map.9.1
The machinery of internal trade was carried on by certain castes whose hereditary occupation it had been for ages. In Masulipatnam district also there were certain trading castes who were linked together through a system of hierarchically organized markets. These trading castes in the region generally and Masulipatnam in particular were mostly Komatis, and Setti balijas. Besides these two groups another nomadic group which actively participated in the trade of specific commodities in Masulipatnam district was that of Banjaras.

The products of the rural areas reached not only the rural markets but even major centres through these merchants. The traders bought the produce from the rural areas and marketed it in the port towns, taking their commodities in barter or at a price. In these transactions the Komatis by themselves or their servants travelled into the country gathering commodities.

Referring to Masulipatnam town as a major trading centre, William Oram the President of the Circuit Committee, reported that it was once the resort of merchants from every part of India and the residence of many opulent Persians, Armenians, Mohammedans, Komatis, Bania, and Sahukars in the pre colonial regimes. As the importance of the town declined and trading activity
slowed down only a few Armenians and some sahukars remained as they found it useful to finance Zamindars.

Besides the Komatis, another important and organized trading group was that of Setti balijas in the region who had an efficient organization under a headman who regulated all the dealings.

Another extremely useful community of traders or carriers of trade were the Banjaras also most commonly known as Lambadas. They carried the commerce between Madras, Hyderabad, and Mysore. They mainly supported themselves by carrying salt from the coast to the interior of the country and cotton and wheat from the interior to the coast. They were a wandering tribe moving with their families in tents and were supposed to be the camp followers of the Mughal emperors. These tribes used to have an elected rank to regulate their itinerary and bargains. There were certain restrictions placed on their movement in Masulipatnam district. As no proper roads existed in the region, usually traffic passed through the fields. When the Lambadas crossed certain districts with their packed bullocks entire grain fields used to be spoiled. So in places like Masulipatnam they were allowed to travel only in certain specific periods of the year generally ranging from September to June. The Lambadas seemed to have enjoyed exceptional privileges like immunity from attack in times of war, exemption from duties on their goods and also guarantee of protection from the government. Generally shroffs
and other inhabitants were also prohibited from taking any fee or taxes from them.

The special privileges the Banjaras enjoyed were obviously directed towards encouraging them in trade. In periods of war and political chaos which preceded the Company's take over of the region the Lambadas were probably the only people who had the courage to engage in the transport of goods over long distances. As they performed this vital function, they were allowed several concessions.

The custom of levying and collection of certain duties on the merchants and the traders was followed even under the Company rule. A variety of taxes were levied by the Zamindars on the merchants and the merchandise that passed through their estates. Inscriptions contain references to rural markets and weekly shandies where commodities were bought and sold in large quantities and taxes were also imposed on these shops and markets.

Under Vijayanagara rulers various taxes were collected from merchants and traders. A tax called mulavise which the merchants paid to the state amounted to 1/6 of the capital. Instead of being collected in a lump sum, it was collected in the form of duties on commodities sold in the market. The sunka or the toll was an excise duty payable on all retail goods passing from one place to another. These tolls were collected generally at con-
venient places like Vasanta Garuvulu, water sheds, market towns, and roads leading to pilgrim centres. The Sthala sunkam was again an excise duty collected on goods that were imported into the region. Apart from these many more taxes like Maliga sunkam, Addagada sunkam, Kara sunkam, Margadaya, Viraalam were collected from merchants. An interesting feature was that many of these taxes seemed to have continued even under the Company administration. But they were collected by Zamindars under several names apart from those regularly collected by the Company.

Under the pre colonial regimes there was strict administration at various levels of market operations. Several officers were appointed by the government to regulate the markets. For instance, in the town of Eluru the government appointed a officer called Nirkee who regulated with banias the daily prices of every article. For the services he rendered he enjoyed a monthly pay and also land grants. Every week the rate of grains was fixed by the market officer who instructed the headmen of the trade. The rates were also submitted for the information of the king.

Heavy punishments were also imposed on the shop-keepers who had violated the rules fixed by the officers of the government. Often, the people also inflicted their own punishment. For instance, if there was any difference in rates or weight, the headman was compelled to ride on the donkey and the shops where the difference had occurred were looted.
The chaudhuri was the head of the traders in each bazaar who was selected amongst the merchants and was recognized by the government. There were several officers appointed and attached to markets and toll stations to collect customs and duties from the merchants. Mutasaddies were clerks appointed for this purpose. They were to see that the prices of grain were kept low in the market and were held answerable for high prices. Passes and permits were regularly issued for the commodities coming in and out of the place. For a constant vigil over the markets and its administration officers called Piyadas were appointed to work under the supervision of Kotwal.

Under the Nizams, the rule was that once any businessman paid the amount of tax on goods at any one place and obtained a receipt, then he need not pay tax at other places or points. The government believed that taxation at many points might lead to discouragement of businessmen and unnecessarily enhance the prices of goods. Even if a merchant could not sell his goods that whole year and if he moved to another place, in that case one half of the tax was collected.

**Customs Collections:**

Apart from the regular custom duties levied by the Company, Zamindars used to collect extra duties in the names of sunkams from traders. These duties varied from one Zamindari to another.
and were highly arbitrary. The sunkams formed a considerable amount of revenue to the Zamindars and these were arbitrarily collected by Zamindars who appointed several men to collect these amounts. The sunkams consisted of Munna rusums, Gadi and Addadi customs. Some of these duties existed even in the pre colonial regimes and were continued even in the Company's rule based on the strength and power of the Zamindars who collected them. Apart from these, different village officials like Oeshpande, Kanakapillais and Karanams collected rusums from merchants, and traders.

Sayer was the original duty instituted by the government and was collected only by its own servants at one chowki on each public road. Prior to the settlement of 1802, the right to collect this duty was enjoyed by the Zamindars in their estates. But after 1802 under the Permanent Settlement as the peishkash on the Zamindaris was fixed exclusive of the sayer collections, government itself took the right to collect this duty.

Munna rusums was a private assessment introduced by the Zamindars towards the end of the old regimes in the region on the merchants passing their districts. The duty was publicly admitted when the sunkams were estranged from the circar and left entirely in the Zamindars hands on their engaging to pay an additional sum annually amongst them. These rusums sometimes exceeded even the sayer duty collections and it was collected
upon the articles which the policy of the government had permitted to pass duty free.

The Gadi customs seemed to have been established by Zamin-dars and collected particularly upon inhabitants and others moving from one market to another and arose from the fee they paid on the receipt and delivery of their certificate and from a tax for remaining a whole night in any village. The addadi was levied from those who take their produce by roads.

These duties became so many and so heavy on the merchants that even the Company had viewed their collection seriously. William Oram the President of the Circuit Committee commenting on the increase of customs houses and also the duties reported that new duties were introduced under the pretext of charitable donations, fee for account keepers, protection money to Zamin-dars, presents to sunkam holders. The Zamindars besides collecting rusums in their parganas instituted a further fee of three pagodas on every 100 head loaded bullocks. In addition, even salt, hitherto free was taxed. In fact under the Company salt revenue was one of the major sources of income to the government.

The Zamindars of Mustafanagar and Eluru also collected duties from the Lambadis coming from other places to buy salt besides Foujdar's fee on wheat. Green gram and Tamarind which they bought on their carts.
Apart from these, officials from the level of village like Karanams to district officials like Kanakapillais and Deshpandes collected various taxes from traders. But these differed from Zamindari to Zamindari, for every Zamindari had a set of chowkies where the duties of sayer were collected. Generally the Zamindars rented these rights to collect customs to different headmen who being under no check, extracted always in advance whatever duties they pleased without adhering to the usual rates. The administration at these chowkies were so disorganized that some of the principal chowkies for instance of Nuzividu Zamindari were located in the estates of other Zamindars and sometimes even in the Haveli lands.

Even on social occasions of these various groups taxes were collected by village officials. For example, in the marriages of Banias each house was supposed to give the Karanam two rupees. But these fees were extremely fluctuating and depended on the size of the village and also the economic position of the parties involved each paying according to his ability.

As a common feature of the many agrarian economies, customs and long followed usages played an important role in the pre modern trade and in fact continued under the Company. Trading castes formed no exception to this. For instance, each caste had certain dependent or begging groups attached to them and generally the economically stronger groups supported these castes
as it was a long drawn custom. For instance, the Viramushtis or religious beggars following Vira Shaivism were attached to Komati caste. The merchants paid certain amount of fee of these maths maintained by the viramushtis for their maintenance. Some times even on account of temples also duties were collected from passing merchants. Like in Mangalagiri a tax of one dub per bag was collected on all grain brought into the town account of the temple situated there. Earlier this fee must have been collected for maintenance or repair work. But it was never withdrawn and became a part of the traditional custom of the place.

By the 1802 treaty the free use of the port of Masulipatnam was granted to the Nizam of Hyderabad with the privilege to establish a factory there. The free transit of goods was allowed between the territories of the two parties, for exchanging their produce and manufactures, abolishing the undefined sayer or rahadari duties except the imposition of a 5 percent duty on the Hyderabad frontier on articles from the Company's territories and 5 percent duty payable to the Company on all articles purchased in Hyderabad for export into the Company's territories. Under the decree, duties were to be levied at Masulipatnam or at one or more places according to the convenience of the merchants of the Nizam's territories. But these conditions were to apply only to traders under both the governments but not to the foreign merchants.
Customs Collections under the Company:

Two important duties collected on the traders in Masulipatnam district as elsewhere was Moturfa and sayer. The Moturfa tax was levied in two ways in the district—Visabadi and Carrabadi assessment. While visabadi was fixed on the entire village and collected as a whole, carrabadi was an individual assessment. The moturfa tax was by no means uniform either as regards the same classes of persons or the same trades. It varies to a great extent in different tanahs and in many instances in different villages of the same tanah and generally was raised or lowered according to the comparative prosperity or otherwise of the party assessed.

The sayer duties comprised of duties on Arrack, measurable articles such as grain of all descriptions, duties on weighable goods as Jaggery, Oil, Betel nuts, duties on Tobacco, Opium and Ganja. The contribution of extra revenue collections, however fluctuated greatly depending on their nature and Company’s policies. For instance, during 1800-1835 Sea customs collections had declined due to the abolition of Masulipatnam factory. The effect of such an abolition was increase in Moturfa collections, because the weavers were again forced to pay loom tax, which was a major component of the Moturfa tax. The variations in extra revenue collections from 1800-1835 are illustrated in Table A 11 and Graph.9.1.
In levying customs duty on grain, the method followed was tedious and laborious in the region. Before levying customs duty on each passing bullock loads of goods, exact quantity of grain was measured before the assessment instead of levying the duty per bullock load. The produce of one district generally paid the duty on entering the limits of another district. The chowkies for the collection of sea and land customs in the region were situated at Masulipatnam, Nizampatnam, Pachamoogally and Peda Ganjam.

Certain commodities were listed as luxuries and were taxed at higher rates. These included betel, tobacco and opium. But generally the consumption of these articles was high among the lower classes. The cultivation and sale of betel were free, but it was subjected to a duty in passing the customs houses. Generally the duty was levied at the rate of six annas per hundred bundles, each bundle containing about 300 leaves. Tobacco was liable to a duty at the customs house of about fifteen rupees per candy.

The duties were levied at the rate of six annas per hundred bundles. Each bundle consisted of 300 leaves. Each Bullock load of Tobacco consisting of one maund and twenty seers paid custom at the rate of nine rupees. If the Tobacco was brought loose it was subjected to a custom of Rs. 3/4 per maund. The merchants after they paid customs duty at the chowkies received a receipt
from the chowki. The receipt carried the details of the merchandise, merchant's name and number of duties they paid on their way.

For instance, in Nuzividu Zamindari, the merchant Yanagadati Nagaraju carried 7 1/2 bullock loads of Jonnalu from Maiduru to Kotturu village. He discharged munna rusums, a duty collected by Zamindars at Perkaveti chowki. In addition he paid Munna rusum duty again in Kondapalli, foujdari fee in Maiduru, Sayer, and gaddie duties in Nunestalum. Thus the collection of custom duties varied from Zamindari to Zamindari and the merchants were subjected to various duties as they passed through the Zamindaris. Some of the names of the other merchants who carried on the trade in Masulipatnam were Mulaparru Janakiramudu, Manchikunte Kamaraju, Konnapalli Ramavadhanlu.

Table 9.2

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Names of Estates</th>
<th>Customs duties in MPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Nandigama Zamindari</td>
<td>- 300</td>
</tr>
<tr>
<td>2.</td>
<td>Devarakota Zamindari</td>
<td>- 1363</td>
</tr>
<tr>
<td>3.</td>
<td>Bezwada</td>
<td>- 549</td>
</tr>
<tr>
<td>4.</td>
<td>Mylavaram</td>
<td>- 607</td>
</tr>
<tr>
<td>5.</td>
<td>Medurgutta</td>
<td>- 50</td>
</tr>
<tr>
<td>6.</td>
<td>Jammulavayi</td>
<td>- 162</td>
</tr>
<tr>
<td>7.</td>
<td>Munagala</td>
<td>- 339</td>
</tr>
<tr>
<td>8.</td>
<td>Lingageri</td>
<td>- 5</td>
</tr>
</tbody>
</table>

In many of the chowkies like those situated in Mugitala, Jayenti, Narasimhula gudem, Vemureddi palli the charges, collected were disproportionate to receipts. The Collector felt that as they were not situated in prominent places it would be sufficient to maintain minimum establishment and also chowkies like Yaturu and Mukannavari gudem were abolished as there was not much traffic. The Chintalapudi chowki was the principal station on the road to Nagpur. Madavaram another chowki was situated on the road to Hyderabad and the traffic on this line to Nizam's territories was heavy. Salaries were paid to the revenue servants according to the importance and work in each chowki.

The main chowkies in the Jaggiahpet taluk of the district were six located at Jaggiahpet, Panchotra, Madavaram, Narsimhula-gudem, Lingagery, Malkapuram, and Kambhampadu. Each chowki depending on the functions importance of it had a gradation of officers like Peishkar, two Muddutgars, Shroffs, Duffadars, Appraiser, two Paigasties and peons numbering ten.
Table : 9.3

Customs Collections in Masulipatnam district in 1844 and 1845

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Names of Chowkies</th>
<th>Collections in 1844</th>
<th>Collections in 1845</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>1.</td>
<td>Jaggiahpet Punchotra</td>
<td>7,553</td>
<td>29.345</td>
</tr>
<tr>
<td>2.</td>
<td>Madavaram</td>
<td>3,207</td>
<td>3,179</td>
</tr>
<tr>
<td>3.</td>
<td>Narsimha gudem</td>
<td>-</td>
<td>95</td>
</tr>
<tr>
<td>4.</td>
<td>Lingagery</td>
<td>183</td>
<td>60</td>
</tr>
<tr>
<td>5.</td>
<td>Malkapuram</td>
<td>773</td>
<td>693</td>
</tr>
<tr>
<td>6.</td>
<td>Kambampadu</td>
<td>-</td>
<td>430</td>
</tr>
</tbody>
</table>

Nandegama Taluk

| 1.    | Aluru chowki                  | 248                  | 41                   |
| 2.    | Mooktala chowki               | 93                   | 35                   |
| 3.    | Jayenty chowki                | 625                  | 45                   |
| 4.    | Yaturu chowki                 | -                    | 1                    |
| 5.    | Bezwada chowki                | -                    | 108                  |
| 6.    | Pullur chowki                 | -                    |                      |

Tirwoor Taluk

| 1.    | Tirwoor panchotra             | 1298                 | 891                  |
| 2.    | Wutturu chowki                | 344                  | 184                  |
| 3.    | Vamureddipalli chowki         | 530                  | 126                  |
| 4.    | Chinnammapeta chowki          | 336                  | 157                  |
| 5.    | Chintalapudi chowki           | 1760                 | 1097                 |
| 6.    | Wootasumudram chowki          | -                    | 314                  |
| 7.    | Mukkunavarigudem chowki       | -                    | 13                   |

Source: R.J. Porter, Collector Masulipatnam district to the BOR, 14.5.1845. MDR. v.6331. pp.73-77.

The main objectives of the Company in continuing chowkies at each taluk seemed to be that the trade of the district should not be unequally taxed. The second objective was that people on the traders should not travel a long distance without paying a
duty. The Company also believed that if the distance between two
chowkies was long, the trade which circulates within such space
would escape taxation and thus result in loss of revenue to the
Company. Perhaps it was for these reasons the chowkies were
set up in each taluk and many others for collection of sea cus-
toms and other taxes.

In the district of Masulipatnam, many chowkies were set up
at taluk level to collect customs from the merchants trading in
various commodities. These chowkies were mainly located in
Bandar, Challapalli, Divi, Bezwada, Jaggiahpeta, Tirwoor, Golla-
palli, Eluru, Relanghy, Pentapadu and Gudiwada. At these
chowkies duties were collected on number of articles passing
through these chowkies like Tobacco, Betel, Opium, Oil, Betel
nuts, Tamarind, Gingely Oil seeds, Sugar, Jaggery, Coconuts,
Indigo, various kinds of grain, Pepper and Cardamom. Among these
articles commodities like Tobacco, Betel and Opium were catego-
rized as luxuries and charged at higher rates whereas grain was
charged with minimum duty. For the import and export duties
collected by the Company in Masulipatnam see table A 12.

But this, by raising prices, would have conflicted with the
other functions of the Company, Revenue versus Commerce. It is
also interesting that the Company, a representative of Capitalist
enterprise for profit, should reinforce pre modern structures,
which actually impede commerce. This could be an example of
colonialism preserving pre capitalist modes of production.

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## Table 9.4

**Land Customs Collections on Betel and Tobacco at Masulipatnam**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Betel 1205F</th>
<th>Tobacco 1205F</th>
<th>Betel 1206F</th>
<th>Tobacco 1206F</th>
<th>Betel 1207F</th>
<th>Tobacco 1207F</th>
<th>Betel 1208F</th>
<th>Tobacco 1208F</th>
<th>Betel 1209F</th>
<th>Tobacco 1209F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st-12th</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Jul</td>
<td>49-40-0</td>
<td>258-2-3</td>
<td>43-2-9</td>
<td>216-4-3</td>
<td>52-16-3</td>
<td>329-13-0</td>
<td>73-11-9</td>
<td>400-15-6</td>
<td>43-15-3</td>
<td>107-8-6</td>
</tr>
<tr>
<td>2 Aug</td>
<td>100-1-9</td>
<td>933-12-9</td>
<td>66-4-9</td>
<td>252-2-9</td>
<td>91-1-0</td>
<td>455-6-0</td>
<td>109-2-0</td>
<td>218-9-3</td>
<td>116-12-0</td>
<td>518-1-3</td>
</tr>
<tr>
<td>3 Sep</td>
<td>110-0-0</td>
<td>277-10-3</td>
<td>75-11-6</td>
<td>1089-4-6</td>
<td>115-10-0</td>
<td>338-8-3</td>
<td>129-1-0</td>
<td>650-2-6</td>
<td>104-10-0</td>
<td>691-10-9</td>
</tr>
<tr>
<td>4 Oct</td>
<td>95-12-6</td>
<td>561-3-0</td>
<td>86-1-3</td>
<td>493-7-3</td>
<td>69-13-9</td>
<td>420-2-3</td>
<td>112-7-1</td>
<td>519-5-9</td>
<td>113-11-9</td>
<td>650-1-0</td>
</tr>
<tr>
<td>5 Nov</td>
<td>101-4-3</td>
<td>452-13-0</td>
<td>80-9-0</td>
<td>152-8-0</td>
<td>91-13-0</td>
<td>721-7-0</td>
<td>122-15-0</td>
<td>445-2-3</td>
<td>99-13-3</td>
<td>351-7-6</td>
</tr>
<tr>
<td>6 Dec</td>
<td>87-13-9</td>
<td>164-12-6</td>
<td>89-1-6</td>
<td>586-14-6</td>
<td>125-2-3</td>
<td>760-2-6</td>
<td>129-15-0</td>
<td>569-0-0</td>
<td>95-11-3</td>
<td>305-11-3</td>
</tr>
<tr>
<td>7 Jan</td>
<td>81-5-0</td>
<td>484-9-3</td>
<td>104-1-9</td>
<td>440-11-0</td>
<td>109-0-9</td>
<td>456-8-0</td>
<td>114-10-9</td>
<td>362-6-6</td>
<td>92-0-6</td>
<td>459-0-9</td>
</tr>
<tr>
<td>8 Feb</td>
<td>72-2-6</td>
<td>368-3-3</td>
<td>76-13-9</td>
<td>115-13-0</td>
<td>124-13-3</td>
<td>225-15-9</td>
<td>704-1-0</td>
<td>575-5-6</td>
<td>77-7-3</td>
<td>342-6-3</td>
</tr>
<tr>
<td>9 Mar</td>
<td>89-3-0</td>
<td>279-1-6</td>
<td>96-5-9</td>
<td>230-7-3</td>
<td>138-11-9</td>
<td>440-10-0</td>
<td>143-6-6</td>
<td>296-3-6</td>
<td>128-12-0</td>
<td>266-8-3</td>
</tr>
<tr>
<td>10 Apr</td>
<td>53-4-0</td>
<td>259-7-9</td>
<td>86-3-3</td>
<td>613-10-9</td>
<td>144-3-6</td>
<td>483-14-3</td>
<td>133-1-3</td>
<td>518-6-0</td>
<td>124-1-0</td>
<td>498-16-3</td>
</tr>
<tr>
<td>11 May</td>
<td>100-5-3</td>
<td>646-14-9</td>
<td>78-13-9</td>
<td>401-8-0</td>
<td>118-6-0</td>
<td>534-4-9</td>
<td>126-5-9</td>
<td>398-15-6</td>
<td>109-12-9</td>
<td>752-5-9</td>
</tr>
<tr>
<td>12 Jun</td>
<td>68-1-9</td>
<td>537-13-0</td>
<td>87-12-6</td>
<td>405-0-3</td>
<td>136-14-6</td>
<td>606-10-6</td>
<td>82-0-3</td>
<td>750-13-3</td>
<td>130-1-6</td>
<td>660-0-6</td>
</tr>
<tr>
<td>13 Jul</td>
<td>38-6-0</td>
<td>179-6-3</td>
<td>32-3-9</td>
<td>-2-0</td>
<td>29-4-9</td>
<td>346-12-3</td>
<td>42-14-9</td>
<td>9-4-9</td>
<td>43-1-9</td>
<td>41-0-4</td>
</tr>
</tbody>
</table>

1044-15-9  5403-13-6  1003-50  5040-13-16  1137-8-9  6120-2-6  1583-12-0  5714-10-3  1279-14-3  6235

**Source:** Collector Read Masulipatnam district to the BOR, 10.11.1800, MDB, 2998, p.15.
Company's Attitude towards Traders:

The Company made a distinction among the traders of British dominions and foreigners. The duty to be paid on goods imported by persons trading under the privilege of being British subjects had been fixed at 6 percent to be regulated by a tariff according to the average market prices and the export duties to be paid by such persons at the subordinate stations had been regulated at the same amount.

For making a distinction between the foreigners and British traders in India a duty was levied on goods exported by foreigners and on the goods which they would import at the subordinate stations. The rate of duty on the former was fixed at 2 percent and on later at 8 percent on the value of goods.

In 1802 it was decided that the collection of the inland duties would be done under the denomination of frontier and town duties. By this mode goods conveyed from other states in India into the Company's territories were subjected once to the payment of the duty on their passage of the frontier. The goods had to pay a further duty when brought into towns at the principal stations for consumption. In contrast the amount of duties formerly collected under the denomination of sayer and the inland trade were charged with a duty of 6 percent at the frontier stations.
Influence of Markets:

The existence of as many markets as there were towns and ports each one with its own money, its own weights and measures, with its own customs was an important feature of the pre-modern Asian trade. These factors in the absence of proper communication networks and transport facilities isolated the village markets from the bigger ones thus creating a wide gap between various market forces. But the influence of big markets generally located in Casbah towns and port towns on the neighboring village markets to an extent reduced these differences in prices, weights and measures.

For instance, the influence of Masulipatnam market was far and wide, grain being brought to it from twenty to thirty miles. The small local fairs, however, important they might be in their general influence on the trade and prosperity of the country had little influence on the sale of grain. Mostly the surplus grain in large quantities always found its way to bigger markets like Masulipatnam and Eluru.

The markets situated in Casbah towns generally ruled the prices of the taluks in which they were situated and half the neighboring taluks. Bandar and Pedanah taluks were fully influenced by the Masulipatnam market whereas for Gudiwada and Kaikalur taluks when compared with Bandar and Pedanah the influence of
Masulipatnam was less. The influence of a market on its neighbouring ones depended on the distance between them. Perhaps it was one of the reasons how the prices in all these markets though showing certain variations were limited to a minimum extent. In the absence of proper trade networks because of the influence of big markets on the smaller ones prices did not vary greatly. Where the influence of Masulipatnam market grows weak, the influence of next neighboring markets situated in Casbah towns conditioned thus maintaining a sort of equilibrium in all marketing activities in the region.

How was the Grain Marketed?:

As there were no specific and regular markets on a large scale at the village level how was the surplus grain marketed by the cultivators? In Masulipatnam district the wholesale transactions of the cultivators in agrarian produce was concluded generally at the villages itself. The sahukars or the local bania mostly acted as an intermediary between the actual producers of these products and the exporting merchants at large. These sahukars were also responsible for supplying these products to the markets at taluk level at Eluru, Bezwada and Jaggiahpet. In the absence of interior transport facilities the merchants generally made use of water sources nearest to the villages or carried the grain on strings of bullocks. All the trading activities in the internal markets were mainly oriented towards local demand.
Who were the Beneficiaries of Grain Trade?

The merchants and the sahukars purchased the surplus at a low price at the wholesale markets, but managed through creation of an artificial scarcity to sell the commodities at an inflated price. Thus the benefits accruing from the trade flowed not to the actual producers but to the merchants.

Thus internal regional commerce and the wholesale stock markets which supplied both the retail and the bazar were always specialized in the purchase and sale of articles which constituted the products of the agrarian economy and generated a large inland customs duties to the Company.

Any change in the prices of these commodities had a drastic effect on the fortunes of those who were the actual producers but not on those who transacted these products. It seemed to be a general practice among the merchants to purchase the surplus at a very low price at the wholesale trade markets and thereby create an artificial scarcity in the economy, that consequently raised the prices of these products. In both ways, the ultimate beneficiary was the merchants and the trading community. As there were no inland canal or river navigation from Masulipatnam the trade of the country was mainly carried by bullocks.
The chief articles of export were manufactures at Masulipatnam and in its immediate neighbourhood. There was no direct export from Masulipatnam to foreign countries like London. The Collectors opined that the only aid the government could afford to the foreign trade was by taking off all restrictions and making the public burdens as light as possible. The charges of boat hire shipment was Rs.3 1/4 per trip for a boat capable of carrying 120 bags.

However the successful conduct of long distance trade depended crucially on several inter related factors such as transport costs, the pattern of demand and supply, the ability of merchants to hold stocks, price elasticities and finally the position of natural harbours to trade. If merchants and traders were not able to establish some sort of equilibrium between and within each of these variables trade was characterized by a random mix of commodities, sudden appearances of excess supply on demand leading to violent price movements and rapid rise or decline of particular markets.

Apart from the intra regional trade there was considerable inter portal trade among Calcutta, Pegu, Burma, Yanam, Chittagong. The Principal articles of import from Arracan and Chittagong consisted of Paddy and Rice. For instance, value of imports of Paddy to Masulipatnam port from Arracan and Chittagong in 1833
were Rs. 14,99,609 and 944, Whereas value of Rice imports were Rs. 7,19,980 and 1,15892 respectively. The value of exports from Masulipatnam port to Arracan, Chittagong and Moulmein were worth only Rs. 39,240. The goods consisted of White piece goods, Pepper, Gingely Oil, and Ghee.

The imports in 1844 show a decrease below the average of the preceding ten years while there was a rise in the prices of Rice and Paddy in 1844-45 above that of 1845-44 by Rs. 2-0-2 and Rs. 8-11-0 per candy respectively.

The Board opined that while by the imposition of restrictive duties on the importation of grain and paddy the small export trade existing was not likely to be affected, those duties might doubtless be expected to have the effect of checking importation and thereby keeping the prices of grain above those currently obtained and thus securing a fair return for agricultural produce of the country. But it must at the same time be recollected that in seasons of drought or failure of produce the proposed duty might operate injuriously on the people particularly the poor. Notwithstanding the late depression of prices in the market value Masulipatnam drew from the Eastern ports large supplies of Rice and Paddy both for its own consumption and sometimes for exportation by land into the interior for the supply of the Nizams dominions.
The major articles of import from Arracan in the decade 1854-35 to 1843-44 were paddy and rice. However there were other articles like Pittoo rice, Cowries, China ware, Honey, Pitto Paddy, Wood oil, White piece goods, and Tamarind which formed part of the imported goods to Masulipatnam. But when compared with Paddy and Rice they were in small quantities. For instance, in the decade the quantity of Paddy imported was 19036 Madras garces, whereas the quantity of Pitto rice was 254 maunds and 52 Pitto paddy was 43 maunds.

The articles of import at the port of Masulipatnam from Chittagong were Rice, Paddy, Mentulu, Beaten rice, Ghee, Coconut oil, Lamp oil, Gingely oil and Kandulu. But except Rice all other articles were in insignificant amounts. However when compared with imports from Arracan, from Chittagong the articles of import were less. For example, the value of imports in the decade from Chittagong into Masulipatnam were worth Rs. 1,15042 whereas from Arracan the value of imports stood at Rs. 22,22,766.

Regarding the exports of agricultural produce 1854-35 to 1843-44 there was not much export from the port of Masulipatnam. Only articles like Ghee, Coconut oil, Lamp oil, small quantities of Wheat, Gingely oil, Kandulu, were exported to Arracan. The exports to Chittagong included Onion, Pepper, Coconut oil, in very small quantities. Though there were no imports from Moulmein to Masulipatnam district little quantities of Ghee, Coconut oil,
Onion, Opium were exported besides white piece goods, printed 54
piece goods.

The customs duties were levied on Rice imported from other
countries. For instance, under the act 6 of 1844 on 54482 garces
of Paddy, imported into Masulipatnam a duty of Rs. 3405 was
levied at the rate of one Anna per maund. Whereas for 19,444
garces of Rice imported into Masulipatnam port a duty of Rs. 1215
was collected.

There was considerable amount of trade between Masulipatnam
and Nizams territories. The exported articles from Masulipatnam
included varieties of grain like Jonnalu, Paddy, Rice, Kandulu,
Horsemgram, Bengal gram. But it was Jonnalu that was exported in
large quantities.

Table : 9.5
Exportation of Grain to Nizams territories from Masulipatnam in
1847-48

<table>
<thead>
<tr>
<th>S.No</th>
<th>Grain</th>
<th>Quantity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rs - A - P</td>
</tr>
<tr>
<td>1</td>
<td>Jonnalu</td>
<td>273-277-5 5/16</td>
<td>34155-3-1</td>
</tr>
<tr>
<td>2</td>
<td>Paddy</td>
<td>2-248-1 10/16</td>
<td>238-8-11</td>
</tr>
<tr>
<td>3</td>
<td>Rice</td>
<td>12-67-0</td>
<td>2728-4-2</td>
</tr>
<tr>
<td>4</td>
<td>Kandulu</td>
<td>1-240-6 10/16</td>
<td>140-4-0</td>
</tr>
<tr>
<td>5</td>
<td>Horse gram</td>
<td>15-72-1 10/16</td>
<td>1518-2-0</td>
</tr>
<tr>
<td>6</td>
<td>Minumulu</td>
<td>10-302-7 5/16</td>
<td>1569-3-0</td>
</tr>
<tr>
<td>7</td>
<td>Bengal gram</td>
<td>5-237-5 5/1</td>
<td>769-5-0</td>
</tr>
<tr>
<td>8</td>
<td>Green Pesalu</td>
<td>4-341-2</td>
<td>646-15-3</td>
</tr>
</tbody>
</table>

Source: R.J. Porter, Collector Masulipatnam to the BOR, 16.6-
1848. MDR. v. 6401, p.233.
Price Fluctuations and the Position of Rural Groups:

The period 1750-1850 is interesting for the study of price fluctuations. In the absence of well linked trade networks and proper inland transportation, the movement of prices and the price fluctuations varied widely within the region. This situation of price fluctuations in the period 1750-1850 when the Company was coming to terms with the regional economy and negotiating to appropriate the maximum benefit tried various revenue systems and settlements from time to time, a study of price fluctuations and their impact on the economy assumes great significance. The impact of the price fluctuations on different elements of the economy was different and it deeply influenced the working of the agrarian world.

Agricultural prices and the constant variation in their prices in fact constituted an important feature of the economy because of the share of the agrarian sector in the economy. Generally the fluctuations in prices were caused by local scarcity of the food supplies, so their effects were not widespread. There were wide fluctuations over time in one place and also great difference in prices at different places at any particular time. For instance, tables 9.6, 9.7, and 9.8 show that in certain years how the prices of grain like Jonnalu, Kandulu and White Paddy varied in different taluks of Masulipatnam district.
Prices of Jonnalu in some Taluks of Masulipatnam district

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Names of Taluks</th>
<th>1794</th>
<th>1795</th>
<th>1796</th>
<th>1797</th>
<th>1798</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kondapalli</td>
<td>7-0-0</td>
<td>4-40</td>
<td>3-0-0</td>
<td>3-27-0</td>
<td>4-0-0</td>
</tr>
<tr>
<td>2.</td>
<td>Gundur</td>
<td>7-0-0</td>
<td>5-13-0</td>
<td>5-20</td>
<td>6-4-0</td>
<td>6-0-0</td>
</tr>
<tr>
<td>3.</td>
<td>Akulamannadu</td>
<td>7-18-0</td>
<td>5-13-0</td>
<td>5-0-0</td>
<td>6-0-0</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Inuguduru</td>
<td>6-18-0</td>
<td>5-13-0</td>
<td>4-27-0</td>
<td>6-0-0</td>
<td>5-27-0</td>
</tr>
<tr>
<td>5.</td>
<td>Pedanah</td>
<td>6-18-0</td>
<td>5-13-0</td>
<td>4-27-0</td>
<td>6-4-0</td>
<td>5-24-01</td>
</tr>
<tr>
<td>6.</td>
<td>Divi</td>
<td>6-9-0</td>
<td>5-9-0</td>
<td>5-9-0</td>
<td>6-18-0</td>
<td>7-0-0</td>
</tr>
<tr>
<td>7.</td>
<td>Six Islands</td>
<td>6-9-70</td>
<td>5-9-0</td>
<td>5-9-0</td>
<td>6-18-0</td>
<td>7-0-0</td>
</tr>
</tbody>
</table>

Source: Read, Collector Masulipatnam to the BOR, 8.11.1800, MDR,v.2998,p.22.51,69.90,107.and 117.

The price fluctuations of Jonnalu in 1794 in the seven taluks of Masulipatnam clearly show that the price of Jonnalu in neighbouring taluks had little variations. Whereas the prices varied as the distance of the taluks increased. For example, in 1794 the prices in Kondapalli and Gundur were same whereas they varied in the taluks of Divi, Six Islands, Pedanah, Akulamannadu and Inuguduru. The prices in 1797 clearly shows the difference. In Kondapalli the prices of Jonnalu was 3-1/2 MPs whereas it was 6-1/2MPs in Six islands. Perhaps the difference must have been due to either local supply of the commodities or nature of seasons.

The prices for Kandulu and White Paddy also show similar variations.
Table 9.7
Prices of Kandulu in some Taluks of Masulipatnam district

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Names of Taluks</th>
<th>1794</th>
<th>1795</th>
<th>1796</th>
<th>1797</th>
<th>1798</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prices in MPs./candy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Kondapalli</td>
<td>11- 0-0</td>
<td>9-0-0</td>
<td>6-31-40</td>
<td>5-18-0</td>
<td>6-13-40</td>
</tr>
<tr>
<td>2.</td>
<td>Gundur</td>
<td>8- 0-0</td>
<td>8-31-40</td>
<td>8- 0-0</td>
<td>7-31-40</td>
<td>7-31-40</td>
</tr>
<tr>
<td>3.</td>
<td>Inuguduru</td>
<td>8- 0-0</td>
<td>9-0-0</td>
<td>8- 0-0</td>
<td>7-27-0</td>
<td>8-0-0</td>
</tr>
<tr>
<td>4.</td>
<td>Pedanah</td>
<td>8-18-0</td>
<td>9-0-0</td>
<td>8- 0-0</td>
<td>8-18-0</td>
<td>8-18-0</td>
</tr>
<tr>
<td>5.</td>
<td>Divi</td>
<td>8- 1-10</td>
<td>8- 0-0</td>
<td>8- 0-0</td>
<td>6- 9-0</td>
<td>8-0-0</td>
</tr>
<tr>
<td>6.</td>
<td>Six Islands</td>
<td>8- 7-70</td>
<td>8- 7-0</td>
<td>8- 0-0</td>
<td>6- 9-0</td>
<td>8-0-0</td>
</tr>
</tbody>
</table>

Source: Read, Collector Masulipatnam to the BOR, 8.11.1800, MDR, v.2998, p.22,51.69.90.107, and 117.

Table 9.8
Prices of White Paddy in some Taluks of Masulipatnam district

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Names of Taluks</th>
<th>1794</th>
<th>1795</th>
<th>1796</th>
<th>1797</th>
<th>1798</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prices in MPs./candy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Kondapalli</td>
<td>7-18-0</td>
<td>8-9-0</td>
<td>5-13-40</td>
<td>4-27-0</td>
<td>5-31-40</td>
</tr>
<tr>
<td>2.</td>
<td>Gundur</td>
<td>7- 4-40</td>
<td>6-13-40</td>
<td>5- 2-20</td>
<td>5- 4-40</td>
<td>5-24-60</td>
</tr>
<tr>
<td>3.</td>
<td>Akulamandudu</td>
<td>7- 0-0</td>
<td>6- 1-10</td>
<td>5- 0-0</td>
<td>4-30-60</td>
<td>5-13-40</td>
</tr>
<tr>
<td>4.</td>
<td>Inuguduru</td>
<td>7- 0-0</td>
<td>5-31-40</td>
<td>5- 4-40</td>
<td>4-33-0</td>
<td>5-18-13</td>
</tr>
<tr>
<td>5.</td>
<td>Pedanah</td>
<td>7- 9-0</td>
<td>6- 2-20</td>
<td>5- 5-50</td>
<td>5- 2-20</td>
<td>5-14-5</td>
</tr>
<tr>
<td>6.</td>
<td>Divi</td>
<td>9-16-70</td>
<td>6-18-0</td>
<td>4-10-10</td>
<td>5- 9-0</td>
<td>6-0-0</td>
</tr>
<tr>
<td>7.</td>
<td>Six Islands</td>
<td>9-16-70</td>
<td>6-18-0</td>
<td>4-10-10</td>
<td>5- 9-0</td>
<td>6-0-0</td>
</tr>
</tbody>
</table>

Source: Read, Collector Masulipatnam to the BOR, 8.11.1600. MDR, v.2998, p.22,51.69.90.107, and 117.

An interesting feature in the prices of Paddy was that in 1794 when the price was seven Madras Pagodas approximately in the Kondapalli region, in Divi and six Islands the price was nine Madras Pagodas, whereas in 1795 in Kondapalli the prices were
eight Madras Pagodas, whereas in Divi islands it was six Madras Pagodas. These fluctuations continued till 1798 within the region. Owing to the uncertainty of the monsoons and the difficulties and high cost of transport there was an extreme inelasticity of the supply of food grains.

According to Sarada Raju, the produce of each locality had generally to find a market within that place and there was not much prospect of import or export in case of scarcity or glut. The result was that prices would be very low in one place, while famine prices ruled in another place a few miles away.

Fluctuations in the prices of agrarian products had a deep impact on the fortunes of different local structures. The impact of these price fluctuations on each group differed from the way they were structurally placed in the social or economic hierarchy. So the existence of direct correlation between the agricultural prices, rural groups and the revenue structures makes it necessary to analyze the prices and their fluctuations during this period.

The prices of agrarian products over a period of time were analyzed in this chapter taking selective commodities. To study the annual fluctuations in prices and their impact on the economy and vice versa among Paddy first and second varieties and Rice first and second varieties were taken. Movement of paddy prices for the period 1807-1834 are shown in Graph 9.2.
Paddy was largely for export purposes and Rice was mainly consumed by the rich. Bajra, Jowar, Corn, Ragi, prices were taken as they formed the staple diet of the masses and Gingelly oil seeds an item of export. A study of the price movements of these products, as illustrated in Graph.5, would help to identify the possible beneficiaries of such economic fluctuations or to consider how forces determined price movements and influenced the level of economic activity.

The land owners had to sell their products whatever might be the demand and this created arrears in their revenue payments and led to their decline. According to Burton Stein, the revenue measures of the Company especially over assessment and over collections, poor communications with agricultural markets and insufficient support to irrigation were a set of factors that influenced greatly the price movements.

The annual price indices worked out by the Company for various agrarian products shows severe fluctuations in prices. For instance, Graph 9.2 shows, from 1807-1811 the prices of Paddy of both varieties were rising. Graph 9.3 shows, along with the Paddy prices the grain prices of Jonnalu, Mokkajonna, Ragi, and Sajjalu were also on the increase. The year 1806 being a famine years the prices rose in 1807 but they steadily increased till 1811. The rise in prices sometimes was steep and sometimes from year to year they were gradual increase.
Graph : 9.4
Grain Prices in 1812
Seasonal Variations

Graph : 9.5
Grain Prices in 1815
Seasonal Variations

485
Graph : 9.6
Grain Prices in 1818
Seasonal Variations

Graph : 9.7
Grain Prices in 1820
Seasonal Variations
Graph: 9.8

Grain Prices in 1824

Seasonal Variations

Rupees per Gairee

1 2 3 4 5 6 7 8 9 10 11 12

+ Jonnalu ○ Kanclu Δ Minumulu × Gingelly
Graphs 9.4, 9.5, 9.6, 9.7, and 9.8 show that in 1812 the prices of Paddy, Bajra, and Hawruck were reduced whereas the prices of Jowar, Corn, and Ragi steeply increased. But this kind of fluctuations could be accounted for, as above mentioned prices were affected by the vagaries of the monsoon. The effect of monsoon differed from crop to crop. For when the rains continued heavily and for long the Paddy fields alone were productive. The produce on the higher grounds was rotted by the damps or running water. When the season was deficient of rain then Jonnalu was the only product which was brought to perfection.

When there was steep rise in prices of grains like Jonnalu and Ragi the impact on the poor people was more direct and deep. With the decrease in prices of Paddy and other grains, the revenue payers were affected in another way. The Zamindars who mainly depended on wet grains which yielded great revenue for revenue payments were affected. As the prices of these commodities decreased, the Zamindars could not pay their revenue punctually and this under the Permanent Settlement led to sale of estates. In fact the first lapse of the Zamindari occurred in 1812 only. Though decrease in prices of agrarian products was not the only reason for the fall of the estates it was one of the major reasons.
From 1812-1814, the prices of all agrarian products fell except those of Jonnalu, Ragi, Bajra in 1814. But in 1815-1817 prices of all agrarian products increased and in 1818 prices of all agrarian products drastically fell. The years 1819-20 had mixed seasons. Prices rose in case of Paddy, whereas for Jowar prices steeply increased and for other products like Bajra Ragi, and Mokkajonna prices declined.

From 1821-23 prices of all grains increased, and from 1824-27 prices declined. Though in 1828 prices showed some increase in the next two years there was again a decline. In 1831 the prices of all agricultural products almost doubled and continued in the next year also. But this was due to the severe famine conditions in Guntur which affected Masulipatnam region also badly.

Regarding the decline in prices in 1827-28, the Board opined that in some measure the decline in prices had to be attributed to a decay of the manufactures of India occasioned by the unequal competition which it had to sustain with British goods. The result of this competition had been not only a diminished competition of those manufacturers in foreign lands but also their exclusion in some degree from the markets of India itself owing to the higher classes of natives having adopted the use of articles of British fabric to a considerable extent.
This severe fluctuations in prices affected the peasants very badly as rent payers. At least before the 1802 settlement though the Zamindari system existed, in the bad seasons the cultivators were given certain revenue concessions. But under the new system of contractual terms the Zamindars demanded the regular payments from the ryots, as the Zamindars were not given any concession by the Company. The ryots could not pay and this most often resulted in ryots taking recourse to sahu-kars and permanently becoming indebted to them. Thus one of the groups which benefited from the increasing prices were the money lenders and traders.

Though a number of fluctuations occurred from 1807-1826. the prices never fell beyond the price level of 1807. After 1826 the prices of second variety of Paddy fell beyond that of 1807 and reached the lowest in 1830. But after 1830 the Paddy prices rose steeply and touched the maximum level and this was due to famine conditions. This was the same case with other grains also.

The decade 1841-1852 witnessed severe fall in the prices. Table 9. 9 shows the prices fluctuations of some of the agrarian products during this period.
The decade 1841-1852 shows decline in the prices of almost all the agrarian produce. Except for 1845 in which the prices of agrarian products showed some improvement the prices continued to decline throughout. According to Dharma Kumar, one important reason for the fall in prices was almost certainly the sustained outflow of specie. But on the contrary the Company officials argued that the increase in agricultural output was partly responsible for the fall in prices. Yet another possibility was that prices fell partly because the transport costs also fell.

The price indices worked out by the officials during this period were not accurate. In fact the Collectors themselves

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Years</th>
<th>White paddy</th>
<th>Black paddy</th>
<th>Alasandalu</th>
<th>Corn</th>
<th>Ragi</th>
<th>Varagu</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1841</td>
<td>75</td>
<td>57</td>
<td>50</td>
<td>45</td>
<td>54</td>
<td>51</td>
</tr>
<tr>
<td>2.</td>
<td>1842</td>
<td>66</td>
<td>49</td>
<td>50</td>
<td>33</td>
<td>44</td>
<td>35</td>
</tr>
<tr>
<td>3.</td>
<td>1843</td>
<td>64</td>
<td>47</td>
<td>33</td>
<td>25</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>4.</td>
<td>1844</td>
<td>64</td>
<td>49</td>
<td>68</td>
<td>25</td>
<td>46</td>
<td>37</td>
</tr>
<tr>
<td>5.</td>
<td>1845</td>
<td>115</td>
<td>102</td>
<td>158</td>
<td>100</td>
<td>111</td>
<td>84</td>
</tr>
<tr>
<td>6.</td>
<td>1846</td>
<td>90</td>
<td>78</td>
<td>140</td>
<td>100</td>
<td>65</td>
<td>76</td>
</tr>
<tr>
<td>7.</td>
<td>1847</td>
<td>82</td>
<td>70</td>
<td>91</td>
<td>75</td>
<td>67</td>
<td>70</td>
</tr>
<tr>
<td>8.</td>
<td>1848</td>
<td>76</td>
<td>64</td>
<td>70</td>
<td>57</td>
<td>62</td>
<td>60</td>
</tr>
<tr>
<td>9.</td>
<td>1849</td>
<td>82</td>
<td>71</td>
<td>56</td>
<td>56</td>
<td>65</td>
<td>66</td>
</tr>
<tr>
<td>10.</td>
<td>1850</td>
<td>87</td>
<td>66</td>
<td>81</td>
<td>75</td>
<td>78</td>
<td>67</td>
</tr>
<tr>
<td>11.</td>
<td>1851</td>
<td>73</td>
<td>57</td>
<td>79</td>
<td>78</td>
<td>54</td>
<td>64</td>
</tr>
<tr>
<td>12.</td>
<td>1852</td>
<td>75</td>
<td>50</td>
<td>–</td>
<td>80</td>
<td>70</td>
<td>50</td>
</tr>
</tbody>
</table>

acknowledged that cent per cent accuracy was lacking as they had to depend mainly on the local officials for these data and there was every possibility of village officials producing wrong accounts. Nevertheless one could draw broad inferences about the impact of the price movement on the rural structure thus affecting the economic activity.

While the annual variations depended on the supply for the whole year, the monthly changes in prices were regulated by the progress of the crops. Prices were at their highest during the period of sowing and lowest immediately after the harvest and usually there was a regular or irregular rise and fall within these periods. Graphs 2,5.4.5 clearly show the price fluctuations in a year. Table 9.10 shows how the prices of different agrarian products varied over a year.

**Table 9.10**

**Seasonal Price Fluctuations of Agrarian Product in Masulipatnam district in**

<table>
<thead>
<tr>
<th>Grains</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apl</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>256</td>
<td>280</td>
<td>280</td>
<td>275</td>
<td>284</td>
<td>282</td>
<td>285</td>
<td>304</td>
<td>305</td>
<td>315</td>
<td>342</td>
<td>233</td>
</tr>
<tr>
<td>Paddy</td>
<td>113</td>
<td>128</td>
<td>127</td>
<td>124</td>
<td>128</td>
<td>129</td>
<td>131</td>
<td>165</td>
<td>145</td>
<td>140</td>
<td>147</td>
<td>113</td>
</tr>
<tr>
<td>Bajra</td>
<td>126</td>
<td>132</td>
<td>134</td>
<td>133</td>
<td>140</td>
<td>146</td>
<td>221</td>
<td>150</td>
<td>158</td>
<td>149</td>
<td>155</td>
<td>60</td>
</tr>
<tr>
<td>Corn</td>
<td>113</td>
<td>119</td>
<td>119</td>
<td>119</td>
<td>133</td>
<td>125</td>
<td>117</td>
<td>118</td>
<td>131</td>
<td>129</td>
<td>137</td>
<td>-</td>
</tr>
</tbody>
</table>

**Source:** Statement of Price Current of Grains in Masulipatnam district during 1809-1826', *Miscellaneous Records* (General, Prices, v.241.)
The table 9.10 clearly shows that there was great rise in prices in certain months. For instance, in May prices of all agrarian produce were high. As the cultivating operations generally commenced in early June ryots procured seed and other necessary items in May itself. The rise in prices at seed procuring time indicates that the majority of the cultivators because of their poverty depended on the moneylenders for seed and loan. During the harvesting season prices steeply fell. The cultivators who were not economically in a bargaining position had to sell the produce immediately. As the markets were glutted with produce the prices fell. The ryots had to sell most of the produce in order to pay the revenue rents and the money borrowed from the sahukars. In fact, their position deteriorated when money rents were introduced in the region. In order to make up the revenue rent they had to sell most of the produce and could not even retain grain required for sowing in the next year.

The Zamindars had to pay revenue kists to the Company in four installments that is in June, September, December and February. The Zamindars generally resorted to collections from the cultivators, so the prices in February, June, September were also high when compared to previous months and it was only in December that prices showed a decline.

Though the price rise affected almost all groups, their effect on the agricultural labourers was somewhat different. Though agricultural labourers were the group who were drasti-
ally affected the impact of price fluctuations on different groups of labourers was different.

As one group of the agricultural labourers known as Palekapus were attached to land owner's farms and were employed on an annual basis, they were not affected the same way as the agricultural labourers. The annual labourers received their salary in kind mostly. They were given certain measure of grain, clothes and little money. So the rise in prices did not really affect them directly as the grain and minimum necessaries of life were met by the Zamindars. However, there was the possibility that under adverse conditions as agricultural operations ceased their services were terminated. But during the seasons of slight fluctuations their position was not altered much.

But the daily wage labourers were the worst hit. They were given seasonal employment. When there were no agricultural operations they did not have any work. Even if they were given work, as the bargaining power was in favour of the employers they were employed at low wages. In the event of high prices, their wages were not enough to meet even the minimum necessities of life.

After 1820s though the estates were divided and put up for sale for arrears of revenue they were purchased by other Zamindars, but they did not pass into the hands of the government.
There is a direct link between the fall in prices and fall of estates. The years in which the prices were low were the years in which some of the estates were subdivided and put up for sale. As the price fluctuations were not the same throughout the region and varied widely the estates in which the prices were low were defaulted and put up for sale. Though there were several other factors that contributed to the fall of the estates, price fluctuations also was one of the important factors.

As already noted a decline in the prices of almost all the agrarian products could be seen in the decade 1841-1851. Except for few fluctuations in 1845 the prices declined steadily during this period. In fact the impact of the price depressions during this period was very deep on the Zamindari and proprietary estates. In the previous decades when Zamindaris were put up for sale at least there was some competition in the land market. But after 1840s many of the estates reverted back to the government for lack of bidders. In the event of such price fluctuations and price decline there was no incentive for the purchaser to invest on the land. The Zamindars were in deep trouble to buy the estates and for outsiders land did not hold any attractive incentive during the depression and for ordinary people it was out of their power to aim at such investments in land.
When the fortunes of agricultural groups were affected in this manner what was the impact on the merchants and the moneylenders? Actually it was the money lender and trader in agrarian produce who benefited most. During such periods the hold of the money lenders on the cultivators generally increased. As for the traders in fact it was they who sometimes were responsible to create artificial scarcity in the market and benefited. One of the causes for the hike in prices could be the activities of the grain dealers who mostly tried to corner the market in grain to increase the profits. When there were indications for an impending famine the grain dealers much before hoarded the stock and created artificial scarcity conditions which would enhance the prices. So the rise in prices before the famine years perhaps was an indication of that though failure of crops could have been the other reason.

What was the attitude of the Collectors during such situations of price fluctuations? The evidence suggests that the Collectors were always trying to keep the prices low. Though the Company contended that it was their main duty to keep the prices low in order to ensure food supplies to mass of people, their immediate concern was to procure supplies without any interruption for its military establishment. In case of any price rise the Company was also affected as it had to spend much more than the regular expenditure.
What is the source of these fluctuations? Changes in marketed supplies of food grains and other agricultural products were primarily the result of changes in yields per acre. Year to year changes in yields per acre in turn were primarily the result of fluctuations in weather patterns. When weather patterns were favourable, yields per acre would be high, marketed supplies would be high and prices would be low. On the contrary, when weather patterns were adverse yields per acre would be low, marketed surpluses small and prices high.

High transport costs effectively prevented movement of bulk commodities overland in any regularly organized trade. While there was some trade in grain along the coast and major water ways, as well as some carriage of grain by the banjaras, such trade tended to be episodic rather than regular. In the absence of the significant market oriented trade in bulk commodities like grain, there was no regular and predictable relationship between the prices of agricultural products in one of these isolated markets and the prices of the same products in another such market.

Markets and trading networks served to knit together the rural hinterland with the wider world, and also linked the various elements in the agrarian world. These commercial networks were also mediatory mechanisms between the state and the rural producers. However, during this period a unified market did not
emerge, as was the case elsewhere in Northern Circars. Due to the absence of well-developed transportation systems, and other infrastructural facilities, prices in the region displayed wide variations.
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(21). Ibid.


(28). Mockton, Acting Chief Secretary to government to George Strachey Secretary BOR, 5.10.1815. PBOR, v.705. pp.15-17.


(30). Ibid., p.9238.

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(51). Ibid.

(52). Ibid. p. 353.


(59). For a detailed discussion on the land market see chapter 7.

(60). Extract from a General Letter from the Court of Directors in the Territorial Finance Department, 2.11 1831, PBOR. V. 1328, p. 5992.


(64). The District Collector's reports to the BOR dealing with statistical details suggest that there was no cent percent reliability on the statistics as they were mainly taken from the accounts of the Village officials.


(66). Edward Saunders to Archibald Campbell, Secretary BOR, 15.2.1787. MDR. v. 3009. p. 110.
(67) Collector Guntur district to the BOR, 11.11.1800, PBOR, v.519, p.3071.

(68) F.W. Morris, Deputy Director of Revenue Settlement, Krishna District to H. Newill Director of Revenue Settlement, Madras. 23-2-1861, Krosur, Krishna district, 'Report on the Assessment of the Masulipatnam portion of the Krishna district 1861-1865, SRMG, pp.2-6.

(69) For the details of the estates which reverted to the government for lack of bidders see table A 19.

(70) For further reference regarding the attitudes of Merchants and also Company's famine policy and its attitude towards merchants see chapter 10.


(73) Ibid. p.885.