



## Market and Internal Trade in Nineteenth Century Bengal: An Interrelationship

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A significant feature of the socio-economic history of Bengal is the numerous *haats*<sup>1</sup> and markets.<sup>2</sup> On an average across Bengal there was one *haat* or market in every town like Burdwan, Murshidabad, Calcutta, Hoogly, Dacca and other popular places since the Nawabi period in Bengal.<sup>3</sup> The *haats* of village Bengal were established by the zaminders<sup>4</sup> of Bengal and were their one of the main source of income. The market was held one or two days in a week. All these *haats* used to sell Bengali agricultural products imported foreign goods. The first market for 75% of Bengal's agricultural produce is the farmer's home.<sup>5</sup> Most of the agricultural production was sold by hawkers<sup>6</sup> from the farmer's house. However, in the case of the large farmers, most of the agricultural production went to the markets or *haats*.

At the time under the discussion, the two main products of Bengal's internal trade were jute and paddy. Jute was purely a commercial product i.e. jute was mainly grown for sale. On the other hand paddy was the main agricultural commodity i.e. most of the crops produced were produced for the subsistence needs of the people of this country. 44% of the total rice produced came to the market. The demands of Bengal's jute products depended on foreign markets. If there a demand for jute in the foreign market, the price of jute in the Bengal market would increase and if the demand for jute products in the foreign market is low, the price of jute in Bengal would decrease. In addition to the decline in the demand for jute in foreign markets, the jute market in Bengal was such that jute farmers were deprived of the fair price of jute. The reason for this was that the jute farmers used to grow jute for cash and because of the high cost of this cultivation, the jute farmers were forced to take loans or advance from moneylenders. As a result, the jute farmers were force to sell jute to money lenders at a lower price than the market price. As a result the farmers were affected.

The structure of the rice market was similar to the jute market of Bengal. The wholesale traders<sup>7</sup> used to go from village to village to collect paddy or from the markets. The paddy or rice collected in this way was sold by such wholesalers to the traders. Then the traders would take it to the moneylenders<sup>8</sup>. Such moneylenders sold the collected paddy and rice to the big businessmen or mill owners of Calcutta. It is necessary to mention in this context that at each level the traders used to keep a portion of their profits. In fact, the rice farmers would not have benefitted from this system. Most of the paddy farmers had to sell the paddy cheaply during the harvest.

The economic condition of a country largely depends on the market and communication system of that country. The main economic centers of Bengal in the nineteenth century were Calcutta, Burdwan, Murshidabad and Dhaka. Apart from these major cities, many other minor and relatively less important cities were connected to different parts of the country by road. During this period, agricultural production in Bengal was very good and internal trade was increasing but the amount of money needed to properly manage this trade was not sufficient in the market. The reason for this was the economic exploitation of the colonial rule. After paying revenue to the company, the supply of money in Bengal market would have become so low that financial transactions would have almost stopped for lack of money. Farmers, laborers, artists, artisans would not get fair price for their labor and their savings would also be less. Due to the lack of surplus money, it was not possible to develop new business, trade, agriculture and industry by individual initiative.

Apart from Calcutta, Burdwan, Patna, Murshidabad, Dhaka there were many haats, and bazaars everywhere in Bengal.<sup>9</sup> There were special commercial rights in products such as salt, betel nut, tobacco, opium, lime etc. At this time the purchasing power of the people of Bengal was low because the income of the people was low. All the savings were spent on buying the daily necessities of life. Bhagwangola in Murshidabad was a big market since before the 19<sup>th</sup> century. In this market mainly grains, oil, ghee were sold at wholesale rates. Rajnagar in Dhaka was another such wholesale market. In addition, Shibganj, Swarupnagar and Jamalganj were among the notable markets in Natore's zamindari in East Bengal. Dhaka could be reached from Calcutta through Jessore and Faridpur. Jessore and Faridpur were the prosperous markets of East Bengal. There were major roads from Rajnagar to Suri via Katwa and Murshidabad via Katwa. Katwa and Rajnagar were large markets. Calcutta's communication with these small and big markets was usually by road. Shobhabazar, Shyambazar, Janbazar, Bagbazar were the growth markets of Calcutta.

Communication with different villages, haats and bazaars of Bengal was not only through road, but waterways also played an important role. The two main ports of Bengal, Calcutta and Chittagong were not the only ports of Bengal-through these two ports, trade was carried on with others parts of India. It should be remembered in this context that the British Government wanted to improve the transport and communication system of Bengal for their financial interest. The improvement of Calcutta and Chittagong ports became absolutely necessary for the company. Several markets existed around the port of Chittagong.

After the establishment of the colonial rule in Bengal, company's employees built a structure of internal trade with local traders. The wholesaler traders travelled from village to village to buy goods from local producers. Besides, this class of traders used to collect goods from village, haat, bazaar and fair and supply them to merchants and brokers. Wholesalers sometimes took advance money from traders or sometimes brought products with their own capital and took commission. Traders and brokers sold their collected goods to moneylenders. They take advance money from moneylenders to buy goods. The moneylenders sold their collected produce to big traders, mill owners and exporters. So it can be said that the market of Bengal was formed with producers – wholesalers or brokers and merchants - moneylenders and mill owners and exporters. Sometimes the producer sold the produce directly to the local mahajans or mill owners and for this they took advance payment from the mahajans.<sup>10</sup> Thus, the internal trade of Bengal did not follow the above structure. Usury and banking by moneylenders and big merchants was a distinctive feature of the internal trade of Bengal in the nineteenth century. But this trade was not confined to Bengal alone but was closely connected with other provinces of India.

Among the waterways and land routes that were particularly important in the internal trade of Bengal at the time of discussion were Dhaka, Narayanganj, Bakharganj, Sirajganj, Kusthia, Kalna, Katwa, Bhadreswar, Asansol, Rajnagar, Burdwan etc. various products were brought and sold from these trading centers. For example, jute from Dhaka and Narayanganj, rice from Bakharganj, jute oilseeds and tobacco from Sirajganj and coal and iron from Asansol and Raniganj were exported. The main products of Bengal internal trade were rice, pulses, wheat, barley, raw silk, cloth, salt, sugar, tobacco, jute, spices, indigo, precious stones etc. Calcutta was an important commercial centre in Bengal at the time under the discussion. The total import-export volume of inland trade from Calcutta port was steadily increasing throughout the nineteenth century. Among the products that were imported from Calcutta port were jute, tea, coal, oilseeds, vegetables, silk etc. and salt, cotton cloth, sugar, pulses, spices, were sent from Calcutta port to different parts of Bengal.

Bengal's prosperous economy was linked to advanced communication systems and markets. These markets were developed from one end of Bengal to the other. However, the internal market of Bengal was not free at this time. Merchants had to pay taxes on internal trade. From the beginning of the eighteenth century, the employees of the company took control of the internal trade of Bengal, as a result of which the trade of Bengal began to decline from the second half of the eighteenth century. Golam Hossain, the author of *Siyar-ul-Mutakherin*, 'lamented that no one of the various branches of trade was free, and that the employees of East India Company had axed them all.' The absence of free competitive markets led to a decline in internal trade in Bengal after the establishment of British rule.

A notable feature of Bengal's internal is the presence of small capital itinerant merchants. Traders from different parts of India like North India, Patna, Nepal, Bhutan etc. used to sell their goods from one of Bengal to another. Among the products sold by such itinerant traders were various types of cloth, Himalayan vegetable crops, herbal products etc. Besides, there were another two types of itinerant merchants in Bengal. Among them were boat-based merchants' classes in Eastern Bengal and itinerant merchants known as feriwalas in West Bengal. In the second half of the 19<sup>th</sup> century, the increase in foreign demand for Bengal's agricultural products increased the pace of Bengal's internal trade. Bengal's rice, cotton, wheat, jute gained a special place in the international market, as a result of which Bengal's trade continued to grow.

Agricultural products were the main trade products of Bengal during the period under discussion. Among the agricultural resources, rice was the most important commodity in the second half of the century that was traded from one part of the country to another.<sup>11</sup> Rice from various districts of Bengal came to Calcutta because there was a substantial demand for rice in Calcutta to meet the needs of the urban population and the growing industrial workers. Several districts of East Bengal, such as Noakhali, Chittagong, Bakharganj sell their own high-quality rice at high price and import relatively cheap rice from other districts for their own consumption.<sup>12</sup> Apart from the district of East Bengal, the same feature can be observed in other districts of Bengal. Salt was an important commodity in domestic trade. The main center of salt industry was Medinipur, 24 Parganas, Noakhali, and Chittagong. Salt from all these districts was exported to Calcutta. But the monopoly of salt was in hands of the government and the government employees were corrupted. As a result, small salt traders would have suffered severely. Jute was one of the products of the Bengal's internal trade at the time under discussion. Mainly most of the districts of East Bengal, Nadia, 24 Parganas districts were major centers of jute production. Jute was exported from these regions to the jute mills of Calcutta.<sup>13</sup>

A clear idea of the internal trade of Bengal can be obtained by taking into account the import and export of the important markets of Bengal during the period under discussion. Rice and jute were exported from various markets of East Bengal like Sirajganj, Jamalganj, Shibganj, Faridpur, Jessore etc. On the other hand, sugar, ghee, salt, oil and spices were imported in these markets. Food grains and pulses were exported from Pabna in East Bengal and potatoes from Ranjpur to Calcutta. Pabna was one of the bases of communication between Calcutta and East Bengal. Apart from food grains, the district's own exportable products were jute, cloth, leather, tobacco and indigo. By the end of the 19<sup>th</sup> century, considerable quantities of rice from Nadia district came to Calcutta. By the end of the 19<sup>th</sup> century, leather was collected from several districts of East Bengal through brokers and exported to Calcutta.<sup>14</sup>

Burdwan was an important market and trading center in 19<sup>th</sup> century Bengal. Among the products exported from this district were rice, pulses, jute, sugar, salt, domestic and foreign cloth. On the other hand spices, coconut oil were imported. Imports and exports of this district were almost equal.<sup>15</sup> Surplus rice was exported from Bankura, a neighboring district of Burdwan. The manufactured goods of Mednipur and Bankura were exported to other districts including Calcutta. Rajnagar, Suri and Rampurhat were prominent among the markets in Birbhum district. Rice and oilseeds were usually exported from these markets to other districts of Bengal. Productive silk of the district was exported to Mumbai, Surat and Ahmedabad<sup>16</sup> and salt, tobacco was imported to the district.

Jute, indigo and various vegetables were exported from Nadia, another district of Bengal. However, cotton, pottery and brassware were exported in small quantities. Coal, wood, umbrella, salt, betel nuts were imported here. Jessore district of East Bengal was famous for exporting sugar and indigo. Usually two types of sugar were produced in this district, one is red sugar and another is white sugar. Besides sugar and indigo, forest resources such as wood, honey, wax were exported. Salt and foreign cloths were imported into this region. Salt was brought from Calcutta by water boats and sugar was exported in the same boats on the way back. Cotton, betel nuts from Tripura, salt and coconuts from Mednipur were exported to Mymensingh district of East Bengal. Thus, the different districts of Bengal were depended on each other during the period under discussion and economic and cultural contact was maintained between them through the exchange of goods.

It can be easily deduced from the above discussion that the internal trade had a deep relationship with the different markets of Bengal. Bengal's internal trade was based on small and large markets in different districts. During the period under discussion, this internal trade of Bengal had to face several

difficulties. The biggest problem was the customs system, which created barriers to the movement of goods. Added to this was the coercive taxation of the Company's employees, which created obstacles to native merchants.<sup>17</sup> Besides, it would not have been possible to import and export goods on time due to the difficulty of the transport system. However, in the second half of the 19<sup>th</sup> century, there was an unprecedented improvement in the transport system. After the introduction of railways, the communication and transportation system improved and the rapid expansion of railways in Bengal facilitated domestic and foreign trade.

The internal trade of Bengal suffered greatly in the first decades of the 19<sup>th</sup> century due to the Company's imposition of taxes. To bring any goods from North India to Calcutta, one had to pass through more than one hundred customs posts and at each customs post one had to pay taxes. Thus the imposition of taxes at various places leads to an increase in the price of goods on the one hand and unnecessary delay in the movement of goods on the other hand. In India cotton was taxed at 17.5%, leather goods at 15% and sugar at 15%.<sup>18</sup> As a result, the internal trade of Bengal was severely affected, but the internal trade was facilitated by the removal of internal customs duties by the government in the second half of the 19<sup>th</sup> century. In the second half of the 19<sup>th</sup> century, this progress of trade was also reflected in several periodicals. *Tattwabodhini Patrika* made several recommendations for the advancement and security of the internal trade of the country.<sup>19</sup>

Throughout the 19<sup>th</sup> century, Bengal developed close commercial relations with various regions of India. In particular, Bengal had commercial relations with Kanpur, Allahabad, Bareilly, Farukabad, Agra, Delhi, Saharanpur, Meerut, Gwalior and the wider region of Central India. A report of 1887-78 shows that indigo, salt and opium were sent from Bengal to various parts of India and abroad.<sup>20</sup> Towards the end of the 19<sup>th</sup> century, Bengal developed close trade relation with the Karamandal and Malabar coasts. Bombay and Madras contributed the most to Bengal's coast import trade towards the end of this century.

A notable feature of Bengali economic and social history is its numerous haats and markets spread across the country. Haats were established by the zaminders because they were a source of income for the zaminders. The agricultural products of Bengal were sold in all these haats. The two main products of Bengal's export trade were jute and paddy-rice. The jute was grown purely for sale as commercial products. On the other hand, paddy was the main agricultural commodity i.e. most of the crops produced were planted for the livelihood of the country. 44% of the total rice produced in Bengal came to the market for various reasons. More than half of the total jute produced in Bengal was used in the jute mills

located on both sides of the Hoogly river and the rest was exported abroad. Bengali merchants played a role in the Bengali internal trade of the 19<sup>th</sup> Century. Bengali merchants were actively involved in the import-export trade of Bengal. From the late 19<sup>th</sup> century, European and non-Bengali merchants began to establish themselves in the Bengali trade by displacing the Bengali merchants.

### References:

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2. Markets- A place where buyers and sellers can meet to naturalize the exchange of goods.
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4. Zaminders- Land Lords
5. Bose Sugata, *Agrarian Bengal: Economy, Social Structure and Politics, 1919-1947*, Cambridge University Press, 1987, P-70
6. Hawkers- A person who travels to sell goods or advertising the goods by shouting.
7. Wholesale Traders- Wholesale trade is compose of buy and selling goods or retailers.
8. Moneylenders: A person who business to lending money to others who pay interest.
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