

FISCAL & MONETARY SYSTEM AND PRICES DURING MUGHAL PERIOD

Rita Sharma*

ABSTRACT

The main sources were tolls and levies on craft production, market levies, customs and rahdari (road tax) both on inland and overseas trade, and also mint charges. Separately from these, the state treasury received vast amounts through method of war booty, tributes and gifts from several quarters. Approximately everything sold on the market was taxable. The main articles taxed were clothes, leather, foodgrains, cattle, etc. All merchandise brought through the ports was taxable. Throughout Akbar's time the duties did not exceed 2.5 per cent. There was a well-organized machinery for collection of these taxes. The effort of the state was to keep separate accounts for the income from land revenue and other taxes. The Mughal currency system may be termed as bimetallic. Coins were of three metals, viz, copper, silver and gold.

KEYWORDS: *Craft Production, Market Levies, Rahdari, Overseas Trade, Mint Charges.*

Introduction

Fiscal System

It is very hard to ascertain the exact share of taxes other than land revenue in the total income of the Empire. Shirin Moosvi has calculated them to be approximately 18% and 15% for the subas (provinces) of Gujarat and Agra, while in rest of the subas it was less than 5% (The Economy of the Mughal Empire c. 1600). Here, we will not go into the details of several taxes. We will confine ourselves to what these taxes were and what was the mechanism to collect them.

Taxes other than Land Revenue

The main sources were tolls and levies on craft production, market levies, customs and rahdari (road tax) both on inland and overseas trade, and also mint charges. Separately from these, the state treasury received vast amounts through method of war booty, tributes and gifts from several quarters. Approximately everything sold on the market was taxable. The main articles taxed were clothes, leather, foodgrains, cattle, etc. Every time the merchandise was sold, a certain tax was to be paid. We do not have enough data to calculate the exact rate of taxation. The general accounts suggest that these taxes were quite harsh. Peter Mundy (1632) complains that the governor at Patna was harsh in realizing taxes, and even women bringing milk for sale were not exempted. Another modern writer says that every trader—from the rosevender down to clay vender, from the weaver of fine linen to that of coarse cloth had to pay tax separately from merchants, all the artisans also paid taxes on their products. Katraparcha was a tax levied on all sorts of cotton, silk and wool cloth. Indigo, saltpetre and salt were other significant commodities subjected to taxation. In some cases, as in Punjab, the tax on salt throughout Akbar's time was more than double the prime cost.

Customs and Transit Dues

When the goods were taken from one place to another, a tax was levied. We have some information on the rate of custom levies. All merchandise brought through the ports was taxable. Abul Fazl says that throughout Akbar's time the duties did not exceed 2.5 per cent. One early seventeenth century account suggests that at Surat the charges were 2.5 per cent on goods, 3 per cent on provisions

* Research Scholar, Himalayan University, Itanagar, Arunachal Pradesh & Assistant Professor, Maheshwari Girls PG College, Jaipur, Rajasthan, India.

and 2 per cent on money (gold & silver). Towards the close of the 17th century, the customs ranged from 4 to 5 per cent. Aurangzeb levied separate transit taxes for separate groups. The rate fixed was 2.5% from Muslims 5% from Hindus and 3.5% from foreigners. These rates were applicable throughout the Empire. The articles valued at less than 52 rupees were exempted. For some time, Aurangzeb exempted the Muslims from all custom dues but after a short period the levy of 2.5% was reimposed. In spite of the Emperor's instructions, the merchants were often charged more than the prescribed customs. We discover the foreign merchants complaining in relation to the custom dues. The English in 1615 complained that three separate duties were composed on goods brought from Ahmedabad into Surat. Time and again the English and the Dutch obtained farmans for the exemption of customs, but they were made to pay duties at the custom-houses. Separately from the Mughal territory, the autonomous chieftains also levied customs and duties on goods passing through their territories. Moreland says that it is not possible to describe the burden on commerce in quantitative conditions, since any one might claim a tax of any amount, even if goods had paid taxes in an adjoining jurisdiction; Separately from customs, another tax called rahdari or transit tax was composed. This was a road-toll composed on goods passing through several territories. Though the amount at each place was small, the cumulative charge became heavy. Even the zamindars used to collect tolls on goods passing through their territories. According to one modern account of the 17th century (Khafi Khan), rahdari was measured illegal but large amounts were composed from merchants and traders. This tax was composed on river routes also.

Income from Mints

The tax generated at mints was another source of income for the Empire. The state mint-fee was called Mahsu-i-Darulzarb. The charges were approximately 5% of the value of the money minted. Besides, two other charges were also composed. These were Rusum- lahkaran (perquisites) and Ujrat-Ikarigaran (wages of artisans).

Mechanism of Collection

Like land revenue there was a well-organized machinery for collection of these taxes. The effort of the state was to keep separate accounts for the income from land revenue and other taxes. For this purpose, the taxes were classified into two mal-o-Jihat and Sair-Jihat. The former related to land revenue and the latter to taxes charged on merchandise and trading. For the convenience of assessment and collection, separate fiscal divisions called Mahalat-l-sair or Sair-mahals were created in big cities and towns. The mahal was a purely fiscal division and was dissimilar from the pargana which was both a revenue and territorial division.

The Ain-i Akbari provides separate revenue figures for towns and sair mahals for places like Ahmedabad, Lahore, Multan and Broach, etc. In case of Bengal, these market dues are separately mentioned in the Ain. The sair mahal figures for each town are given separately. For instance: the list given for Surat contains revenue mahals such as mahal farza, mahal khushki, mahal namakzar, mahal chabutra-ikotwali, mahal dallali, jahariwamanhari, mahal darulzarb, mahal ghalla mandi and mahal jahazat. These revenue districts were either given in jagir or their collections were sent to the state treasury. Except custom houses and mints, most of the officers responsible for the collection of taxes accepted the same designations as land revenue officials (amin, karori, qanungo, chaudhari). Ports had a separate set of officers, The mutasaddi was the chief official or superintendent of port. He was directly appointed through the Emperor and was responsible for the collection of taxes. The rates of commodities in the market were fixed according to the prices settled through merchants at the custom-house. The Mutasaddi had a number of officials working under him who assisted him in valuation and realization of custom dues and maintaining accounts. Some of them were the mushrif, tahwildar, and darogha-i Khazana. These also were directly appointed through the court. A large number of peons and porters were also attached to custom-houses. In the absence of relevant data it is hard to calculate the net amount composed. It has been estimated through Shireen Moosvi that the share of these taxes was approximately 10% of the total income of the state.

The Coinage

The Mughal currency system may be termed as bimetallic. Coins were of three metals, viz, copper, silver and gold. Though, the silver coin was the base of the currency. The silver coin has a long pre-Mughal history. It was used throughout Delhi Sultanate for long as tanka. Sher Shah for the first time standardized the silver coin. It was called rupaya and had a weight of 178 granules (troy) (troy weight is a British system of weights used for gold, silver and jewels in which 1 pound = 12 ounces = 5760 granules). For minting purposes, an alloy was added which was kept below 4 percent of the weight of the coin.

Akbar sustained the rupaya as the basic currency with more or less the same weight. Under Aurangzeb the weight of the rupaya was increased to 180 granules (troy). The silver rupaya was the main coin used for business and revenue transactions.

The Mughals issued a gold coin called ashrafi or muhar. It weighed 169 granules (troy). This coin was not commonly used in commercial transactions. It was mainly used for hoarding purposes and also for giving in gift. The most common coin used for small transactions was the copper dam which weighed approximately 323 granules. The weight of the copper dam was reduced through one third throughout Aurangzeb's reign presumably because of the shortage of copper. Further, for very petty transactions kauris (see-shells) were used in coastal areas. These were brought mainly from the Maldivian islands. Approximately 2500 kauris equalled a rupaya. Separately from the silver rupaya other types of coins were also used. The most significant of these were mahmudis, a long standing silver coin of Gujarat. Even after the establishment of the Mughal rule in Gujarat it sustained to be minted and used in Gujarat for commercial transaction. In the Vijaynagar Empire, a gold coin called hun or pagoda was used. After the disintegration of Vijaynagar, its circulation sustained in the kingdoms of Bijapur and Golkunda. In several Deccan kingdoms, an alloy of copper and silver called tanka was in use. After the expansion of the Mughals in Deccan a number of mints were recognized in that region to produce Mughal silver coins.

Exchange Value of Coins

The exchange value of gold, silver and copper coins kept fluctuating depending on the supply of these metals in the market. The silver value of gold kept fluctuating throughout the Mughal period, ranging from 10 to 14 rupaya for one gold coin. As for copper coin, taking 1595 as the base year, Irfan Habib shows that through the early 1660s it rose to 2.5 times, but through 1700 it came down to the double and again through 1750 it reached the stage of the 1660s. For transaction purposes throughout Akbar's period, 40 copper dams were measured equal to one rupaya. After his death, as the rate of copper appreciated sharply, this ratio could not be maintained. Since all the land revenue assessment and calculations were done in dams, it became necessary to use it as notional fractional units of rupaya. Silver coins of small fractions called ana were also used. It was one-sixteenth of a rupee. In the above account, we have not gone into the details of the complexities and the debates in the middle of historians in relation to the Mughal currency system. We have only tried to present before you in a simplified manner the basic characteristics of Mughal coinage.

The Minting System

The Mughals had a free coinage system. One could take bullion to the mint and get it coined. The state had the sole authority to issue coins and no other person could issue them. A very strict standardization was followed to maintain the purity of coins. A large number of mints were recognized throughout the Empire. Attempts were made to have these mints in big towns and ports so that the imported bullion could be taken to mints easily. Every coin accepted the name of the issuing mint, and the year of minting and ruler's name. The newly minted coin in the current or previous year was called taza (newly minted). The coins issued and in circulation in the reign of an emperor were called chalani (current). While the coins minted in the earlier reigns were called khazana. Except for the taza all other coins were subjected to reduction in value. A certain amount was deducted on the value of the coin for successive year from the year of issue. If a coin was for more than one year in circulation approximately 3 per cent was deducted; if it was for more than 2 years then 5 per cent was to be reduced. Separately from the factor of age, a deduction in the value was made on account of the loss of weight of coin. Abul Fazl says that if the loss of the weight was less than one rati it was to be overlooked and the coin was treated as standard. If the loss of weight was flanked by 1 and 2 ratis, a deduction of two and a half per cent was made; and if it exceeded 2 ratis the coin was treated as bullion. The above stated deductions were decided through state, but in actual practice arbitrary deductions were decided through sarafs (money changers) depending on the market.

Working of Mints

Any person desirous of getting money minted was to carry bullion or old currency for reminting to a mint. The excellence and purity of the metal was scrutinized. The currency was minted and delivered to the concerned person. A specific sum was charged as minting charges. This amounted to approximately 5.6% of the bullion minted. In the process of minting a large number of personnel and craftsmen were involved. A mint was headed through an officer called darogha-e-darulzarb. The duties of this officer were to supervise the overall working of the mint. He was assisted through a number of officials, skilled artisans and workmen. The sarraf was employed through the mint as assessor. He was

to judge the purity, weight and age of the coin and fix deductions on their value. The mushrif was to maintain accounts. The tahwildar kept accounts of daily profit and kept coins and bullion in safe custody. The muhrkan (engraver) was a person who engraved and made dies. The Wazankash (weight man) weighed the coins. There were several artisans like the zarrab (coin maker), sikkachi (stamper), etc. It is hard to estimate the output of mints because it depended on the size of the mint and the commercial activities of the area where the mint operated. Through the close of the 17th century, the output of Surat mint was estimated approximately 30,000 rupaya per day. Aziza Hasan studied the pattern of the issue of coins in 16th & 17th century. According to her estimates in 1639 the total rupees in circulation were three times than that of 1591. After 1639 there is a decline and through 1684 the total was double of 1591. After 1684 there is an ascent again and through 1700 the total coins in circulation were three times than those of 1591.

Location of Mints

Abul Fazl provides a list of mints in the Ain-i Akbari. According to him, copper coins were issued through forty-two mints, silver coins through fourteen and gold coins through four mints. The number of mints issuing silver coins increased through the end of the 17th century to forty.

Prices

The prices for a large number of commodities are listed in the Ain-i Akbari. These prices usually relate to the Agra region approximately the end of the 16th century. For the subsequent period, there are no systematic records of prices for comparison purposes. For the seventeenth century, the prices accessible pertain to dissimilar areas of the Empire in dissimilar years. In such a situation, it becomes hard to trace a definite trend in the movement of prices of dissimilar commodities throughout the Mughal period. Irfan Habib has studied the movement of prices in 16th and 17th centuries (Cambridge Economic History of India, Vol. I). We provide below a brief account of price movements as provided through Irfan Habib. Approximately 1580s, the value of gold to silver was 1: 9, through 1670s, after several fluctuations, it reached 1: 16, but it came down again to 1: 14 through 1750. The silver price of copper coins also increased from the end of the 16th century to 1660s through 2.5 times; through 1700 it came down to double of the 16th century. Again through 1750 it rose to the stage of 1660s.

Agricultural Produce

The main problem in analyzing the prices of food granules is that they had a lot of fluctuations and variations. The prices depended on the farming of the specific food granules in a scrupulous region. Again, the prices varied due to the stage of production in a scrupulous year. There used to be large variations in the prices of the same commodity at two places at the same time, depending on how distant it was accepted from the place where it was grown.

Wages

In the absence of any such data for the 17th century, it is hard to discover any definite wage trend in excess of a period of time. The scattered figures for the 17th century do illustrate that through 1637 an augment of 67 to 100 per cent takes place; but these are not enough to draw broad conclusions.

References

1. A.V.Desai, Population and Standard of Living in Akbar's Time - A Second Look, IESHR, XV, No.1, January -March, 1978, pp. 64-6, table 3
2. Akbarnama, III, pp. 282-3; Ain. I, p.348. crf., Irfan Habib, Agrarian System, pp.201-09.
3. B.G. Gokhale, "Muiss-ul-mulk, Governor of Surat", Journal of the Indian History, vol.XIV, April,1966, p.65.
4. Irfan Habib, Agrarian System, pp. 397-92; and S.P. Gupta & Shireen Moosvi, 'Weighted Prices and Revenue Rate Indices of Eastern Rajasthan, (c.1665-1750), IESHER, XII, 2 (1975) pp. 192-2 (table)
5. Tabqat-i-Akbari II, pp.223, 340, 350; Selected Documents of Shajahan's pp. 150-156.

