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The Expansion of British Capitalism in the Economy of Travancore

Dr. Subhash. S

Travancore became a subsidiary ally of British government after signing the treaty of 1805. Even before there existed trade relation between Travancore and British government. The influence of finance capitalism and free trade became dominant by the second half of 19th century in Travancore. The British government very much interested in supporting British capitalist to invest in plantation in Travancore. Moreover, they also encouraged free trade in Travancore. This paved the way for connecting Travancore economy with European metropolitan capitalism. The metropolitan capitalism transformed the economy of Travancore to the status of a periphery. The reclamation of wasteland was encouraged by the British government in Travancore to expand the plantations of the colonial capitalists. They introduced railway, postal system and modern means of transport to expand the tentacles of capitalist exploitation in Travancore. Mention may be made in the context about the dominance of British interest in Travancore administration to facilitate British capitalism. For instance, the inter portal trade convention passed by British government in the second half of 19th century. Thus, the economic impact of British rule indirectly subordinated the economy of Travancore for colonial interest.

Keywords: Colonialism, Periphery, Capitalism, Travancore, Under development.

Introduction

British Imperialism, as in other parts of India extended its control upon Travancore also. When it became a part of the colonial structure it was subordinated to the metropolis and other features of colonial system. From its earliest beginning capitalism has always been an international system. And it has always been an international system with the one more leading metropolis at the top, completely dependent colonies at the bottom, and many degrees of superordination and subordination in between (Baron and Sweezy 1966, 319). The subordination of Travancore to colonial economy began with the beginning of British maritime trade. The discovery of gold and silver in America, extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginning of the conquest and plunder of India, and the conversion of Africa in to a preserve for the commercial hunting of black skins, are all things which characterize the dawn of the era of capitalist production (Marx 1979, 915). Colonial modernization in India involved the transformation of not only the economy but also the patterns of social, political, administrative and cultural life (Chandra 2009, 29). The transformation occurred in the economy was basically through appropriation of all kinds of natural resources in Travancore after a well-organized exploration and survey by British experts. The appropriation is accomplished through the action of immanent laws of capitalist production itself, through the centralization of capitals. (Marx 1979, 929). The strengthening of links between Travancore economy and British metropolitan economy gradually led to backwardness and stagnation. It (colonialism) is a well – structured “whole”, a distinct social formation (system) or sub formation (sub system) in which the basic control of the economy and society is in the hands of a foreign capitalist class which function in the colony (or semi-colony) through dependent and subservient economic, social, political and intellectual structures whose forms vary with the changing conditions of the historical development of capitalism as a worldwide system (Chandra 2009, 53). The historical process that led to this colonial integration, or this pattern of modernization, inevitably, led to the under development of India or ‘the development of under development’ to put it in the apt and vivid manner of the pithy

phrase of Andre Gunder Frank (Chandra 2012, 257). The economy of Travancore got a periphery status of the world system ever since the beginning of pepper trade from Vizhinjam and Angengo. It was very long before the industrial revolution in Britain. Non the lest during the mercantilist stage of capitalist developments before the industrial revolution and on the basis of simple commercial trade, the Europeans had no product of their own to offer the industrially more advanced and self-sufficient Chinese and Indians. (Gunder Frank 1978, 19). Ever since the mercantilist trade relation of Britain with Travancore there were structural changes in the pattern of economy. In fact, throughout the Indian social structure, new relations and new classes- a new internal class structure – evolved which were the product of, and fully integrated with colonialism (Chandra 2009, 54).

The Travancore government and rulers directly or indirectly involved in the expansion of British capitalism in Travancore. Marthandavavarma who was the prince of Neyyattinkara signed an agreement with British in 1723 after the Attingal Revolt. It gave trading concession to British in Travancore. Instead, British helped Marthandavarna in his policy of expansionism. The battle of Kolachal destroyed the very foundation of the Dutch trade intention in Travancore, at the same time it gave more space to British to expand their trade. Karthikathirunal Ramavarma and his Diwan Raja Kesavadas maintained cordeal relation with British. During the fag end of his rule, he entered into a treaty of perpetual alliance with English East India Company in 1795 AD (Kumar 1994, XV). Lord Wellesley found the treaty as a magic card to play upon Travancore to make it a subsidiary ally. The treaty gave more chance to expand British treading interest in Travancore. Later the treaty was modified in 1805. The Travancore government was not infavour of the modification of the treaty in of 1805, but it was forced upon it by threat of military intervention. (Cladwell 1881, 262). Dewan Velu Thampi who played a pivotal role in negotiating the treaty of 1805 became a ribel to the British. Col. Munro who became the Resident Diwan was of Travancore gave all kinds of trading concessions to both British traders and missionaries. He initiated waste land reclamation in Travancore. Later, British planters secured vast areas of land in Travancore. In 1824, an imperial resolution was passed by

the court of directors asking the Madras Government to make forest land available to the European for the proposed commercial ventures. (Raman 1997, 20). The British secured trade privileges in Travancore during the period of Swati Thirunal. Gen Cullen who was then the Resident made arrangements in this regard. In the period of Ayilyam Thirunal, certain changes were made in the Inter portal trade convention. Its most important amendment was the admission of Travancore produce into British India ports free of all duty, excepting for opium, salt, wines and spirit. (Aiya 1999, 542). It was some what beneficial to Travancore trading policy. The Travancore chamber of commerce was inaugurated by M. E. Watts, the Dewan of Travancore during the period of Regent Sethu Lekshmi Bhai. It opened membership to European and Indian firms. The Travancore government invested huge amount of money for industrialization during the period Sri. Chithira Thirunal and number of mechanized factories had been opened.

The two major British policies of modernization through under development were free trade and finance. The sole purpose of parliamentary enquiries of 1830 was to discover ways and means of replacing indigenous produce by British substitutes in the Indian market. Ever since the time of Marthandavarma trade was the monopoly of the state. In October, 1743, Marthandavarma declared trade in pepper a state monopoly. State also monopolized trading in tobacco and salt. To augment the resources of the state and stabilize the prices of pepper and other commodities, which were in great demand, state trading was organised by the state. The state trading monopoly brought huge profit to the exchequer. The British in Travancore used the term 'Reconstituting the State'. The term reconstituting is used to describe the state re-formation, politically and sociologically, in the context of Thiruvithamkur's subordination to the British political power in the early 19th century (Mohan 1996, 23). The state monopoly over pepper declined after the signing of pepper contract between British government and Travancore state in 1793. It was also declared that the 'Pepper contract of 1793 that obliged Thruvithamkur to supply 3000 canty of pepper annually to the company for ten years would continue in perpetuity (Mohan 1996, 12). As the supply of pepper

became scarce, the European companies consented to pay higher price for pepper. By no means all profit – making enterprises with capital accounting are doubling oriented to the market in that they both purchase means of production on the market and sell their products there (Parsons 1964, 201). Moreover, there emerged an indigenous capitalist class before the linkage of Travancore economy with the world capitalist system. Though very small there was a growing capitalist class in Kerala (Balaram 1973, 19). Most of them accumulated capital by playing the role as intermediaries between the agriculturalists and the foreign traders. ThachilMattutharakan, Sankara Narayanan Chetty, Ittikkuruvila Tarakan etc were some of the indigenous Capitalist. Mention may be made once Mathu Tarakan lend Rupees Fourteen Lakhs to the Travancore government. But the provincial bourgeoisie suffered from many handicap- a low command over land, limited availability of capital and foreign exchange, a narrow market for their products etc. The penetration of foreign capital coupled with the abolition of state monopoly over trade gradually passed the way for the ruin age of indigenous capitalist class. We may describe these changes as an outcome of the process of intense commercialisation concomitant to the integration of region in to the world market (Mohan 1996, 51). The Madras Government took keen interest in abolishing pepper monopoly and abolished it in November 1860. Moreover, Maltby's instructions when he came as Resident in 1860 was to achieve the abolition of the Sirkar monopolies which brought annoyance to the Madras government and off to the free – trade principles of the age (Jeffrey 1992, 96). In 1853, the Board of Trade in London agreed to admit the produce of Travancore in to the United Kingdom as the same rate of duty as that from the English East India Company (Resident's Letter, 1853, 16453). In 1865, Travancore was compelled to sign the Interportal trade convention. The essence of the treaty was that Travancore was required to follow the British Indian tariff rates for all its imports and exports (Pandyan 1976, 74). The convention caused heavy loss of revenue from trade to Travancore. According to an exercise simulated in the early 1940s, Travancore would have earned, in the absence of the Interportal convention, an amount of Rs. 60 lakhs annually as revenue from import duties (Pandyan 1976, 75). According to the convention, export duty

charged at Thiruvithamkur ports could not exceed five percent or go below the British Indian rate. No import could be charged by Travancore on goods produced in British India or on a foreign goods first landed in British India and brought to the state. Similarly, the Thiruvithamkur produce reaching British Indian ports would be admitted free (Mohan 1996, 54). Though free trade policy initiated by the British ruined Travancore economy, it gave a fillip to rise of retailers in certain depressed sections like Ezhavas, Nadars etc. Local traders were now free to buy pepper from inland royts and sell in the best market (Jeffrey 1992, 96). The demand for coconut tree products increased tremendously.

It was obviously a lopsided development, the economy of Travancore ever since the Interportal convention was an economy of underdevelopment. This throttled all possibilities of industrialization in Travancore and destroyed the existing local industries to a considerable degree (Pandyan 1976, 76). In 1925-26, there were 68 foreign companies doing business in Travancore; in it four of these were engaged in banking business, eighteen in insurance, two in navigation, one in railways, eighteen in trading and manufacture, twenty-one in planting, three in mining and one in missionary work. (Administration Report 1926, 112). Capital investment in plantation sector in Travancore was an important area of economic exploitation. For this purpose, the British compelled the Travancore government for waste land reclamation. In 1824, an imperial resolution was passed by the court of Directors asking the Madras Government to make forest land available to the Europeans for the proposed commercial ventures. (Raman 1997, 20)

As part of the process of commodification of land, some of the most fertile areas were branded 'waste lands' - a euphemism that legitimised the sequestering of the lands by the Europeans who had been quick to spot their commercial value (Raman 1997, 20). The introduction of plantation adversely affected the economy of Travancore and once again Travancore was minimized to the position of periphery in the world economic system. It is surly not accidental that the 'rights of private property' are thus at the bottom of the whole constitutional and juridical super structure which centuries of law

making have erected upon the basis of commodity production (Marx 1979, 57). The inevitable result was an acceleration of the sweeping transition of the periphery: forest lands which were officially labeled as 'waste land' were first made available to the European planters as free grants; large scale forest plunder was virtually legalised and land was increasingly appropriated ; tribes were displaced; workers were recruited and made captive; plantations were thus established, first with coffee (punctuated by a transient involvement with cinchona and gold) which later gave way to tea the raizond'etre of British colonialism in India (Raman 1997, 21). The expansion of coffee plantation in Travancore increased the export of coffee by 35 % but the profit was mainly appropriated by the Europeans. Tea plantation were started in Travancore for the first time in Peerumedu in 1864 (Aiya. Vol. III 1989, 21). Tea export increased by 88% by 1890. The Travancore government auctioned land to planters at a low rate. At first it was one Rupee for one acre and in 1874 it became 10 Rupees for one acre. Sometimes the European planters followed a policy of encroachment, for instance one European planter grabbed 114 acres land but the government did not take any action against him. For the furtherance of expansion the planters quick initiatives for building railway lines in Travancore. For example the railway line from Thirunalveli to Kollam via Chenkottai. The British government opened the railway line due to the mounting pressure from the planters. The railways, however occupies a unique place in the history of capitalism. During the second half of nineteenth century and first years of twentieth century, the building of railway networks directly absorbed enormous amounts of capital (Baron, Sweezy 1966, 217). The Thirunalveli- Kollam railway line was extended to Thiruvananthapuram in 1910 which helped to open up hither to inaccessible hinter lands still for the expansion of plantations (Raman 1997, 53). Colonial penetration through plantations adversely affected the agricultural pattern of tribal people particularly Muthuvan, Kuruchya etc. The policies of planters and British officials adversely affected the shifting cultivation of Tribals. To strengthen communication the planters pressurised the British government and introduced the imperial postal system in Kottayam and Peerumedu in 1878. In the last quarter of nineteenth century huge investment was made in plantation sector by four big Sterling

Companies from England and Scotland with a paid-up capital of 27-32 lakhs of rupees. The Thiruvithamkur state patronized the planting community by providing it with the highest number of seats – four to seven in the Sri Moolam Assembly during the period from 1905 to 1914 (Raman 1997, 85). The abolition of slavery and the introduction of land legislations created a favourable atmosphere for the availability of labourers to the planters – most of the labourers in the plantation were from the Dalit communities. Not only men but also women and children of these communities became labourers in the plantations. Most of the plantations, women exceeded men as labourers. On of the ‘most shameful aspect of industrialization in Britain was exploitation of little children (Thomson 1963, 349). The planters in other regions also drew upon such low –castes as the Pulayars, Parayars , Pallar and other tribal groups in places like Peerumedu, Devikulam, morethan one-third of them were from Tamil Country side in 1931 (Census Vol. XII 1931, 154). Apart from the members from these communities many number of Nadars from South Travncore also got employment in plantations. The condition of workers in the plantation was very deplorable. Severe punishments were inflicted for even minor crimes. One of the severe punishments was ‘Ducking’. The offending workers were punished by lowering them in to shallow, muddy water while they choked and struggled for breath (Raman 1997, 143). These adverse conditions compelled workers to organized Labour Associations and Trade Unions. The Travancore Labour Association founded in 1922 was the first association of labourers in Travancore. The all Travancore Estate workers’ Union was the second important one. The fate of peripheral labour is primarily determined by its position in the world capitalist system and the way in which capital man oeuvres labour (Raman 1997, 247). The salaries of European servants of the state as well as their pensions, interest and profits on the foreign capital invested in the Quilon Railway and the plantations on the hills, the cotton and oil mills, the coir manufacture and other industries due to foreign enterprise may all be taken to form a tribute which this country pays to British India or the United Kingdom. (Aiya Vol. III 1989, 193).

In 1935-36, there were 390 joint stock companies in Travancore, of it 271 companies were engaged in money lending and other financial transaction and rest of them in planting activities, trading, printing publishing. There were only fifteen companies engaged in manufacturing proper. An analysis of the character of the registered joint stock companies in Travancore during the 1930s shows this lack of industrialization in the state (Pandyan 1976, 76-77). Not only did industrialization not take place to any considerable degree in Travancore, but the existing indigenous industries were ruined as well (Pandyan 1976, 77). The handloom industries in Kottar, an important center of handloom textiles declined due to the flow of English cotton goods to Travancore. Mention may be made in the context, due to the persistent efforts missionaries and British government, secured permission to wear upper cloth to Nadars in South Travancore. Simultaneously, the inter-portal Trade convention had been signed and there was an outflow of cotton goods to Travancore from England. The thirst to wear cloths instilled the locals to purchase British cotton cloths. But after the convention there was a flood of English cotton piece goods into Travancore, the impact of which was noted as the country looms are fast ceasing to work before the results of machinery in Europe, which enable cloth of superior texture to be landed on the coast at a price fully within the reach of even the poorest classes (Pandyan 1976, 77). Thus the missionaries facilitated conducive atmosphere for the growth of British capitalism, by modernizing the Travancore society through education medical aid and other social reform activities.

The metropolitan hegemony of the British colonialism could be seen in monetization also. Monetization by itself formed an aspect of metropolitan hegemony, concomitant that it was to the extraction of the tribute and later, to the commercialization of the economy (Mohan 1996, 55). The market exchange rate of British Indian currency was much higher than official exchange rate. As a part of the flourishing finance capitalism, metropolitan technology was exported to Travancore. The first metropolitan technology product to enter Thiruvithamkur was the infantry soldiers light gun (Mohan 1996, 75). Followed by this, printing press, pump sets iron plough share, tea drier

etc. were imported to Travancore from Britain. Pump sets were imported from Geo-Brunton and Company which had already established business in Kochin state. The company which introduced iron plough share was Massy & Company. Jackson's self-acting tea drier was the most popular drier in the tea plantations in Travancore. Coir industry was modernized with spinning wheel and textile industry with steam-powered loom.

Travancore government extended full support for the infrastructure development projects basically helpful to the expansion of metropolitan capitalism. For instance, a sum of Rs. 53 lakhs were given for the extending railway line from Quilon to Trivandrum (Legislative Council proceedings Vol. II 1922, 5). In 1924, the Travancore government sent some representatives to attend the British Empire Industrial Exhibition held in London under the auspicious of British capitalist. There emerged reactions against it from different corners. Madhava Varier, a member in the Travancore legislative council remarked 'the British people have organized the exhibition with a view to ascertain the resources of the Empire and exploit them with organized skill. The exhibition will do immense good to Britain and other industrially developed and commercially advanced parts of the Empire which are ever on the alert exploit industrially backward countries. It is this policy which has ruined our industries and impoverished us in the long run (Legislative Council proceedings Vol. II 1923, 524). European capital intervention paved the way for great stagnation in indigenous industries. For instance, in 1903-04, Darrah Smail's coir mats and matting factory employed 1103 hands daily, whereas Ibrahim Thampy Adima's factory, the biggest coir weaving works under local ownership employed a mere fifty workers.

The Travancore government introduced shipping and road transport system was mainly with the help of British company. In 1871-72 the annual tonnage of shipment was 77000 and it trebled by 1900. Shipping enabled European capitalist to export cheap manufactured goods to Travancore. Expansion of shipping necessitated the building of roads connecting ports and industrial areas and plantations. It was during this period in 1877-78 the Main Central Road was built but motor vehicles were brought to Travancore in the

20th century. The first motor lorries arrived in 1912. In 1909, the Travancore government with the co-operation of Geo-Bruntion Company introduced a motor bus for the first time for the public transport between Trivandrum and Nagarkoil. The route was not connected by water transport. All these developments basically helped the foreign capitalists in Travancore in their production and trade. In 1938, state transport service was inaugurated at the same time bought more than a dozen of lorries to transport tea product in Kannan Dewan plantations to the Kochi port at low rate of four annas per ton per mile (Raman 1997, 52). Thus, there was considerable set back in native industrialization, trade and commerce. The basic fact is that the same social, political and economic process that produced industrial development and social and cultural progress in Britain, the metropolis also produced and then maintained economic under development and social and cultural backwardness in India, the colony (Chandra 2012, 259).

Conclusion

British imperialism altered the economic fabric of Travancore. Travancore feudal economy was transformed into a capitalist economy. It was subordinated to a metropolitan capitalism. It was evident since the time of British Martin trade with Travancore. Finance capitalism and free trade introduced by British adversely affected Travancore economy. There was a stagnation in Travancore trade and commerce after British intervention. All these policies indirectly brought about colonial modernization. Thus, the economic policies of British government in Travancore created a new situation called 'the development of underdevelopment'. The impact of British colonialism also could be seen in the land tenure system of Travancore. The plantations of Travancore particularly owned by colonial capitalists altered the life of the tribal people in Travancore. The Travancore government introduced infrastructural development projects basically to support the expansion of metropolitan capitalism.

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