

A NOTE ON PRE-CAPITALIST ECONOMIC FORMATIONS IN THE KANDYAN KINGDOM

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It has been surmised that late Kandyan land tenure and its accompanying dues, 'are clearly in a state of disintegration', and less representative of the older Sinhala system than those obtaining in the Littoral under Portuguese and Dutch rule.¹ The reason is that the economy of Kandyan times was primarily a 'natural' one, based on barter and personal service, and differed radically from the monetized economies which existed in the heyday of the hydraulic societies of the Dry Zone, when gold coin was in circulation. At that time, a considerable non-agricultural population had to depend on the hinterland for food supplies purchased for cash. Hence the very existence of hydraulic societies was threatened by failure of harvests caused by flood and drought. Indeed, repeated crop failures depleted the granaries, led to debasement of the currency, and disintegration of the monetized economy. A regression to the 'natural' economy in the Wet Zone kingdoms was accompanied by a smaller 'urban' population disengaged from primary agriculture than appears to have been the case in the hydraulic societies of antiquity. In the Littoral however the Kotte kings, the Portuguese and Dutch, continued the traditional system, basing it on silver currency, which penetrated into the interior in small quantities and circulated alongside other silver coin minted locally.³

From the mid-seventeenth century to the nineteenth, the evidence indicates that the velocity of circulation of money was negligible, although there may have been primitive accumulation of specie. Knox noted the scarcity of money of all kinds, grain being used as a unit of account and a medium of exchange. A century and a half later, Andrews in his diary of an embassy to the Court of Kandy in 1795, was struck by the scarcity of specie in circulation, barter being the basis of commerce.⁴ Bertolacci, who officiated in various administrative capacities under the British in the Littoral between 1778 and 1814 observed that during this time the use of currency was becoming general both in the Littoral, and in the Kandyan territories. But he also conceded that, either from want of capital or from attachment to ancient customs, barter was ver-

1. H.W. Codrington, *Ancient Land Tenure and Revenue in Ceylon*, (Colombo, 1938), 63.
2. Even in the capital city of Kandy (which was really a built up village) every cultivable plot of land was converted into paddy fields. After the British accession it was reported that Ahelepola's paddy fields opposite his house in Colombo Street, were flooding the road. Persons performing royal service were not paid wages, but held land outside the capital.
3. Knox, *Ceylon* (1681), 1911 ed., 156-7, mentions a Portuguese coin designated *tangamassa* in Sinhala; the *poditangam* was worth half as much, and the 'king's proper coin' was known as *panama*.
4. Robert Andrews, *Diary of an Embassy from the Government of Fort St. George to the Court of Candia in the Year 1795*, ed., J. P. Lewis, *JCBRAS*, XXVI, 70 Part iii, 1917.

much resorted to in many economic transactions, and that there were all manner of transactions besides the cash-nexus.⁵ Thus an inventory of a man's debts included 20 pieces of silver (*ridi*), 76 *amunam* and 8 *lahas* of paddy, 6 bags of millet (*kurakkan*), 10 *kurni* of *meneri* seed, 1 piece of *tupotti* cloth, and a Jaffna kerchief.⁶ It is evident that some money figured in many economic transactions. For instance, a plot of land was transferred for 10 pieces of silver and 6 *amunam* of paddy,⁷ but in some cases impecunious persons transferred land instead of money as consideration for appointments, and such transfers were legally valid.⁸

Although day-to-day business may have been transacted, at least in part, by bartering grain and commodities, there appears to have been a considerable hoarding of coin. There was a disinclination to produce and hoard excessive quantities of paddy owing to risk of deterioration on account of damp, which might have rendered the grain unfit for consumption, and therefore of little value.⁹ Besides, a proportion of the crop had to be paid as tax. A good harvest therefore gave the opportunity for increasing merit by almsgivings to monks (*pinkam*), and/or cultivation of less land (and the exertion of less labour) in the following season. A pervasive ethic of indolence, supported by limited material wants, led to equalized subsistence opportunities. 'For what should they do with more than food and raiment, seeing that as their estates increase, so do their taxes also... Neither have they any encouragement to industry, having no vend, by traffic and commerce, for what they have got', observed Knox. Two centuries later Sri James Emerson Tennent, in a Report on the Finance and Commerce of Ceylon, dated 22 October, 1846, stated :

like the natives of all tropical countries, where the soil and climate supply almost without the form of labour every necessary of life, the inhabitants of Ceylon are distinguished, in a remarkable degree, by that inert and contented apathy which is the conjoint result of an absence of all artificial wants, a constitutional dislike to labour, and a marked aversion to all innovations or change of ancient habits or modes of life. The climate, by rendering food abundant and clothing superfluous, fuel useful only for cooking, and even a roof unnecessary except for purposes of shade, has contributed to reduce the wants of the great mass of the population to the smallest conceivable amount. Agriculture is their sole pursuit, and this not even to the very limited extent which is required to supply the consumption of their own families and immediate dependents. Manufactures, down to

5. Anthony Bertolacci, *A View of the Commercial, Agricultural and Financial Interests of Ceylon*, (London, 1817), 209. In evidence before the Hume Committee (1849-50) it was said that 'money in Kandy has been, till a very late period *utterly unknown* because it has never been the habit of the Kandyans to produce anything for sale.' Vimalananda, ed. *The Great Rebellion of 1818*, (Colombo 1818), lxxvii. This is as much an exaggeration as the statement that the king and the Court were the *only* possessors of money (per James Gay, 17/2/1817, (CO 21/III).
6. Muddenaikē Rala's Case, 24/3/1817, (NASL 23/2).
7. Muddenaikē Rala's Case, 6/8/1817, (NASL 23/3).
8. Mahala Sobielle Unnanse's Case, 4/9/1817, (NASL 23/3).
9. Early in 1820 the British found that a large amount of paddy in the government stores in Four Korales was 'deadweight' since it was affected by damp (NASL 21/118). The practice of parboiling paddy in the husk increased its storeability, but that was a late innovation, and raw rice *kekulu* was widely used. The practice of parboiling was certainly unknown in Uva in the present century, though practised in the Central Province.

a very recent period, were almost unknown... Imports of manufactures from India and Europe only to the small amount required by the demands of a people who may be almost said to have no wants of dress, furniture, or luxuries of any kind. In the absence of the three great sources of internal wealth, agriculture, manufactures, and commerce, the great mass of the people were equally destitute of minor sources of employment; the coasting trade was a mere trifle; and in the absence of roads, the carrying trade to the interior employed only a few men and bullocks. Exports there were none...

The climatic factor had been cogently stressed earlier by Robert Boyd one of the Commissioners of Revenue:

The inhabitants of Ceylon are by no means exempt from that indolence which is so prevalent in warm climates, and until they can be brought to such a state of moral improvement as to contend successfully against that disposition to inactivity, which is the predominant feature of the generality of Asiatics, it would be vain to expect any permanent increase of cultivation, let the encouragement be what it may. If a man can secure as much from the produce of one crop as will be sufficient for the subsistence of himself and his family until the next Harvest, no prospect of making an addition to his income will, I fear, stimulate him to any further exertion—should he however chance to have more than sufficient for the purpose specified, instead of laying it out in extending the cultivation of his land, he would probably either convert it into some gold ornament or expend it in procuring to himself the only luxury on which an Indian sets any value, the luxury of being idle—that is of neglecting his cultivation for the season or of hiring some one to work in his stead.¹⁰

The peasant with surplus grain was ever ready to lend to less fortunate neighbours, for it was an insurance against his own impoverishment in the future. It has been estimated that nine-tenths of agricultural produce was consumed where it was grown.¹¹ Hence, except in the royal stores and in the small domestic barns (*bihī*), there were insufficient 'buffer stocks' to prevent famine in times of scarcity, especially in peripheral areas in which transport from the Centre was difficult. At such times the king fixed the price of paddy, and retail sales were made from the royal granaries. But villages located at a distance from the granaries were at a disadvantage owing to problems of transport, the pack-bullocks being the monopoly of the Moor-dominated transport department (*madige*). Consequently, while there was difficulty in selling paddy in times of abundance, prices were inordinately high in times of crop failure,¹² so much so that the last king had to enforce price control. In 1812, the controlled price of a *pala* (2 parras) of paddy was one silver coin (*ridi*). 'Every man who has 2 *bihī* of paddy, is compelled to sell one at the above price, and paddy is sold at the same from the Bandara (king's) stores'. Prices of other essential commodities were also controlled. 'The order is that if the people of the lower country do not choose to sell the cloths and salt at fixed prices, the Kandyans must make no disturbance, but tell them to go and sell their wares elsewhere, & the king will supply them with both in Kandy at the same rates'.¹³ This indicates that in times of scarcity rice was sold from 'buffer stocks' in the royal stores. In normal times however, people preferred to use grain as a medium of exchange if they had a surplus, rather than part with coin.

10. Boyd's Report, July 1813, (CO 416/2).

11. G. Turnour, 2/9/1829, (CO 416/20).

12. In 1841 rice in the Badulla bazaar was 7sh. 6d. — three times the normal price — on account of the partial failure of crops in Vellassa, and restriction of slash-and-burn (hen) cultivation by the British (NASL, 18/II).

13. D'Oyly, *Diary*, 16/6/1812, (Codrington's ed. 1913), 115.

Even in a regime of primitive accumulation, a more stable and durable unit of account than grain was necessary, and the principal monetary unit in late Kandyan times was the silver *ridi*, resembling a fish-hook, which private citizens were allowed to mint. The purity of the silver was established by pouring water on a coin heated red-hot, "and if it be not then purely white, it is not current money".¹⁴ At that time the precursor of the *ridi*, known as *tangam massa*, was worth nine English pence. There was a remarkable monetary stability and the *ridi* was worth eight pence at the time of the British accession in 1815 – over a century and a half – and remained the same a decade later.¹⁵ Money in the possession of householders was probably stored in wooden chests (*pettagam*)¹⁶ which contained the family valuables including jewellery and palm-leaf or copper deeds, or simply buried in earthenware pots to be unearthed for some extraordinary purpose, such as payment to a chief on appointment to office, or for hearing a law suit, or for purchasing non-recurring items which could not be procured by barter, such as land or cattle.

References to economic transactions reveal that coin was hoarded especially, but not exclusively, by the chiefs. At the time of his arrest by the British in 1818, Ahalepola was found to have 8000 *ridi* in copper coin.¹⁷ This large amount of copper coin (*salli*)¹⁸ suggests that much of it was received from villagers of small means by way of dues paid in coin of low denominations. At that time Hulanguve of Matala had 500 star and *porto novo pagodas*, and 600 Surat rupees.¹⁹ An official of the transport department (*madige vidan*) borrowed one thousand *ridi* from the Dehigama household in 1811, and paid interest of 496 *ridi*.²⁰ Pilima Talayva received 1300 *ridi* from the incumbent of the office of Kodituvvakka Lekam on the latter's appointment.²¹ At the time of the British accession the *Disava* of Sabaragamuva netted over ten thousand pieces of silver per year as perquisites of office. A *mohottala* had to pay as much as 500 *ridi* on appointment, and 25 at his annual 'appearance'

14. Knox, *op. cit.*, 156.

15. Davy's *Ceylon*, London, 1821; 245, is correct in stating that the *ridi* was worth 7 pence English. 100 *ridi* being equal to £3-6sh-8d, it follows that 1 *ridi* = 8 pence. (Morangoda's Case, 1/9/1825, (NASL 23/16); cf. also D'Oyly, *Diary*; 1913 ed., under *massa* or *ridi*. 3 *ridi* = 1 Dutch rix dollar in 1817 (cf. Bd. Comm., 7/5/1817, (NASL 23/2).

16. Curiously, Ananda Coomaraswamy in his comprehensive monograph on *Medieval Sinhalese art*, (1908) fails to mention these chests. Even if they owed their latter form to the Dutch, the 'Dutch chests' were as common as the obviously foreign couches which Coomaraswamy mentions and reproduces in his plates. The latter were introduced into other Dutch dependencies, particularly the present Indonesia.

17. At 4 *salli* to the *pice*. Bd. Comm., 17/11/1818, (NASL 23/3).

18. The value of the *salli* seems to have fluctuated; alternatively there may have been more than one kind of *salli*. There are reference to 4 *salli* in a *ridi*, as well as 64 to a *ridi*. In 1817 the British declared 3 Dutch or 4 English *salli* to be equivalent to one fortyeighth of a six dollar, that is 16 *salli* = 1 *ridi*. Note: the term *salli* was used to refer to money in general. In Thailand too the lowest denomination of coin, the *satang* is used for money in general. Likewise the Hindi *paisa*.

19. Bd. Comm. 17/II/1818, (NASL 23/3).

20. Udagabada Nilame's Case, 16/8/1817, (NASL 23/4).

21. Puswelle Mohottala's Case, 16/8/1817, (NASL 23/3).

(*penuma, dakuma*).²² The office of *korala* cost 300 *ridi*.²³ These figures reflect the generally increased rate at which, according to statements made by the *disavas* in 1824, the minor offices were disposed of during the previous 30 or 40 years; offices rated at 500 *ridi* were actually disposed of for three or four times as much, and others in proportion.²⁴

There are indications that the possession of money was not confined to officials. Knox resorted to trading in the interior districts north of Kandy in order to reconnoitre the terrain prior to escaping to the Dutch territories in the Littoral. We have to reconcile his statement regarding the scarcity of money and the prevalence of barter, with the fact that he was readily able to sell the wares he had laden himself with, even in the wildernesses of Dambulla and Nuvarakalaviya. The merchandise for which he found ready buyers in those districts included tobacco, pepper, garlic, combs and ironware.²⁵ Some prices prevailing at the time can be computed in terms of the later *ridi*: rice in the 'city' of Kandy, where it was dearest, cost half a *ridi* for six quarts; six hens cost the same, as did a fat pig; 4,000 arekanuts cost one *ridi*; a fat goat was 3½ and a fat hog about 5 *ridi*.²⁶ In 1812 the last king issued orders for fixing prices of all marketed commodities — one *ridi* for a *pala* of paddy (the market price was four or five times this),²⁷ one copper *salli* (i.e. one — sixteenth of a *ridi*) for a fowl, the same for a coconut, the same for a cubit of cloth, and for a measure of salt. Five years later a she-buffalo was bought for 26 *ridi*, computed partly in kind (12 *ridi* in cash, a copper dish valued at 8 *ridi*, and 1½ *amunam* of paddy valued at 6 *ridi*).²⁸ A proprietor paid a thousand *ridi* to the royal treasury (*maha aramudala*) for a copper deed.²⁹ It is almost impossible to compute the price of land. For one thing there were few outright sales,³⁰ every purported sale being a veiled mortgage.³¹ Furthermore prices would have varied according to situation and fertility. In the mid-seventeenth century Knox paid 25 *larins* (i.e. *ridi*) or 5 rix-dollars, "a great sum of money in the account of this country", for his piece of land at Eladatta, including paddy fields on three

22. Raph Pieris, *Sinhalese Social Organisation*, (Colombo, 1956), 132—133.

23. Case of the Priest of Malwatta Viahra, 23/8/1817, (NASL 23/3).

24. H. Wright, *Report*, (NASL 18/8).

25. Knox, *op. cit.*, 246.

26. *ibid.* 155.

27. D'Oyly, *Diary*, 16/6/1812. It is difficult to reconcile the units of measure. Two weeks later, on 30/6/1812 D'Oyly reports that the king set the price of rice at one sixteenth of a *ridi* per *naliya*. For an account of Sinhala measures cf. Ralph Pieris, *op. cit.* 87-92.

28. Botale Lekam's Case 3/10/1817, (NASL 23/13). It is characteristic of the imprecise monetary calculations that this was totalled by the measurer (*manana*) as 25 *ridi*.

29. Gabada Maduve Manik Rallege's Case, 7/5/1819, (NASL 23/5).

30. 'Scarcely an instance is known of a Kandyan selling his lands, such proceedings being regarded as disgraceful', (Government Agent, Sabaragamuva, 13/10/1829, (CO. 416/2).

31. cf. Ralph Pieris, *Title to Land in Kandyan Law*, *Sir Paul Pieris Felicitation Volume*, (Colombo 1956), 100-101.

sides, 8 coconut palms, and many fruit trees.³² Shortly after the British accession an *amunam* of land near Kandy was valued at 200 *ridi*,³³ but no generalizations can be made from this transaction.

What can be concluded from the foregoing account of economic transactions in the Kandyan period is that money did not circulate freely and that economic transactions were as far as possible, on a barter basis. Even the maintenance to which a widow was entitled from her husband's estate (so long as she remained single) was computed in kind - $4\frac{1}{2}$ *amunam* of paddy and two cloths a year. Again a husband who divorced his wife while she was pregnant or had a child alive, was obliged only to give her provisions for six months.³⁴ Lawrie remarked that the exorbitant rate of interest (120 per cent in the Kandyan country) was proof of the scarcity of floating money.³⁵ The cultivator who borrowed paddy repaid in grain at the rate of 50 per cent per year for the first two years, after which no further interest accrued. Hence lenders were constrained to be present at the harvest, and after the crop was collected, creditors scrambled to get what they could. It was in the interest of the borrower to postpone payment beyond two seasons, and the small landholder commonly did not have enough to pay even half of what he owed.³⁶ The moneylending relatives of the Nayakkar kings did transact business, as did the migratory 'Moormen' (*marakkala*), who were authorised to charge 20 per cent interest by the king; a reduction from 40 per cent, on popular complaint.³⁷

There being no regular circulation of money, its petrification into a hoard by discrete individuals was precisely what distinguished primitive accumulation from capitalist economic activity which is propelled by augmentation of capital: 'exclusion of money from circulation would also exclude absolutely its self-expansion as capital' (Marx).³⁸ Consequently in a pre-capitalist order, money was not used to create more money through profit-maximization, and the earning of it was marginal to economic transactions, rather than an end in itself.³⁹ Landless wage labourers (*kulikarayo*) were few, and ranked low in the social scale. In peasant communities aversion to trade, and the low esteem in which trade was held, was an important factor which perpetuated subsistence agriculture, and prevented the transition from primitive accumulation to proto-capitalism, which was confined to the trading communities such as the Moormen and the Chettiyars.

32. Knox, *op. cit.*, 155.

33. Wategama Punchi Rala's Case, 27/6/1822, (NASL, 23/6).

34. (NASL 21/110; 30/12/1816).

35. Lawrie MSS.

36. Knox, *op. cit.*, 163, 239.

37. Davy, *op. cit.*, 185.

38. Marx, *Capital*, Ed. Engels, 185.

39. *ibid.*

In these circumstances credit and marketing institutions which increase the division of labour between production and trade (and concomitantly between town and country) were of a rudimentary nature. Hence the 'undifferentiated unity of town and country' which Marx, in his *Grundrisse*, supposed to be typical of Asia.⁴⁰ Knox states that there were no markets in the mid-seventeenth century⁴¹ but the weekly fairs (*pola*) might well have existed. In the early nineteenth century it was averred that the chiefs 'wish that no man should have any kind of possession that did not emanate from themselves; they would discountenance any Kandyan who erected a shop. There were very few Kandyan villages which have a bazaar attached to them.'⁴² The merchandise that existed in the few shops in the 'cities' of the seventeenth century included cloth, rice, salt, tobacco, limes, drugs, fruits, swords, steel, brass and copper, but villagers preferred to procure the few non-essentials they wanted - notably salt, cloth, salt - fish and tobacco - by barter.⁴³ Prominent among the tradesmen were Muslims from the Indian coast who settled in some of the sea ports and in settlements on the trade routes inland. Chettiyars from South India also ventured into the interior and set up boutiques in the villages.⁴⁴

To the extent that the pre-capitalist order was non-monetized, state expenditure for social welfare was minimal. Health and education had no support from the Centre, nor was there state provision for the care of infants and old people. Education was imparted in temple schools. There were no hospitals and the services rendered by medical practitioners were paid for by the patient, often in kind. Even prisoners incarcerated in the Great Jail had to be fed by their relatives. There were no permanent roads and paths had to be hacked through forest when the chiefs went on circuit. In the circumstances, the annual cash revenue of the last king was estimated to have been the equivalent of a mere 1,500 pounds sterling.⁴⁵

40. In the English usage of the mid-seventeenth century Knox used the terms 'town' and 'village' interchangeably.

41. Knox, *op. cit.*, 155.

42. Hume Committee evidence, 1849-50. Vimalananda ed. 1970, *cit. supra*; lxxvi; also James Gay, 7/2/1817, (NASL. 1, 21/III).

43. Knox, *op. cit.*, 155.

44. Knox Mss, in Arasaratnam, 'The Kingdom of Kandy: Aspects of its External Relations and Commerce', 1648-1710, (CJHSS. 3/ii. 1960).

45. Davy, *op. cit.*, 246.

Abbreviations

Bd. Comm. — Board of Commissioners.

CJHSS — Ceylon Journal of Historical and Social Studies.

CO — Colonial Office Records, Public Record Office, London.

JCBRAS — Journal of the Ceylon Branch, Royal Asiatic Society.

NASL — National Archives, Sri Lanka.