

**British Interventions in the Eastern Himalayan Trade
(1774-1904):
Its Impact on Socio-Economic and
Political Conditions in the Region**

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By

Jigme Wangchuk Bhutia

Department of History

School of Social Sciences

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Abstract:

The Eastern Himalayas are one of the important geomorphological units of the larger Himalayas. It covers the regions of Sikkim, Bhutan, eastern Nepal and southeastern Tibet. The socio-cultural tradition that has evolved through the ages indicates that the region has a special significance among the Himalayan belt. The entire length and extent of the Eastern Himalayas are dotted with innumerable ethnic communities and this uniqueness was reflected largely on their polity, culture and economy. The trade that developed during the pre-colonial period was well organized and was the cornerstone of the regional economy. This trade was carried on by the assorted indigenous trading communities prior to the mid eighteenth century. The British intervention in the Eastern Himalayan trade after 1774 began with various British official missions which changed not only polity but the economy as well. Political control over the Himalayan states ensured economic intervention which resulted in growth of Himalayan trade.

By and large the purpose of the thesis is to understand how trade in the Eastern Himalayas was intervened by the British in the mid eighteenth century and how this intervention transformed the structure of its economy. The main objectives of the study are:

1. To examine the nature of the Eastern Himalayan trade and how the regions were a singular entity of commercial enterprise.
2. To analyze the region's inhabitants, particularly the trading communities, their mode of operation, their customs and traditions associated with their commercial enterprise.

3. To probe when, why and what enticed the English to initiate economic relationships with Tibet and its surrounding kingdoms and the contemporary political scenario existing among the kingdoms of the Himalayas.
4. To evaluate the trading pattern and the mode of transaction during the colonial period prior to 1875.
5. To understand how the British systematized the Eastern Himalayan trade after 1875 and what were its results

The pre-colonial Eastern Himalayan trade was vital to the region's economy. Here Bengal, Nepal, Bhutan and Sikkim developed close commercial link with Tibet since antiquity. The resources of the region were highly famed particularly its mineral wealth hence, explorations began as early as fourteenth centuries by Jesuit missionaries and western merchant adventurers. The intermediaries of this Himalayan trade were the indigenous trading communities who created a successful trade network, which extended up to Calcutta and beyond. The British necessity for an outlet to their manufactures and their desire to enter Chinese and Central Asian trade led to the commissioning of official missions towards the Eastern Himalayan kingdom. The information collected through the official reports from these Missions greatly helped propel colonial trade in the region. Consequently, trade increased enormously as highlighted in the official records from 1875 onwards.

The categorization of the Himalayas was a British concept borne out of need for formulating its foreign policies towards Tibet, Nepal, Bhutan and Sikkim as Eastern Himalayan kingdom. In this region, due to its ruggedness and topographical constrains trade became an important instrument for its economic growth. Geographical proximity along with porous border provided a huge

advantage in commodity exchange and a widespread *Lamaistic* Buddhism and its entrepreneurship created a diaspora of trade network in the region.

The Eastern Himalayan trade during the pre-colonial period had its epicentre in Tibet, which had significantly risen to power particularly during the seventh and the eighth centuries. Historically, North India, Bhutan, Nepal and Sikkim had always maintained a close commercial link with Tibet since time immemorial. The reason for this was Tibet's vast mineral resources especially its gold and salt deposits, that were important commodities in this trade during pre-British period and on the other hand, Tibet was a gateway to Central Asian trade.

In regarding the commercial links between Tibet and India, the trade was existed since ancient period as mentioned in the Vedic texts. The presence of cowries shells in Kham region in eastern Tibet suggests ancient trade with cultures around Bay of Bengal. This interaction continued up to the tenth and the eleventh century. Commodities such as conch shells, sandalwood, rice etc. were highly sought after in Tibet as it had certain religious value. Traders and pilgrim merchants moved in and out of Tibet without any restrictions.

Similarly, the trade between Tibet and Nepal continued since ancient period. This trade relation became even imperative after the introduction of Banepa-Kuti trade route during the reign of King Amsuvarma (595-621 AD). Trade between them was conducted at local and national level along the eighteen passes under the different smaller sovereignties within Nepal. The salt-grain trade between Tibet and Nepal was very vital as it supplemented the basic requirement of its inhabitants. The Nepal-Tibet commercial treaty of 1640 made the Kuti and Kerong routes to Lhasa very important due to its large volume of transaction and of the duties collected from these

two routes. Nepal was commissioned to mint coins for Tibet but issues of debasement often led to confrontations between them.

The state, monasteries and merchants conducted the Tibet-Bhutan trade. Here merchant caravans traversed through its mountain passes through its four primary trading routes. Trade between Tibet and Sikkim developed along with its political relations since the mid seventeenth century. This trade was carried through the Nathu-la, Jelep-la, Cho la, Lachung, Lachen, Donkia and six other minor passes.

European adventurers and Jesuit missionaries since the fourteenth century explored the region and by the early eighteenth century, Tibetan resources and trade were well known to the western world. As the explorers gathered information on the geography, polity, trade and customs of the Eastern Himalayan region its commercial reputation also grew.

In the Eastern Himalayan trade, the trading communities played an important role in the regional economy. They influenced not only the economy but also the society and polity; as they had little prospect for extensive agriculture they had to engaged in trade for sustenance. Trade was practiced by almost all sections of the community and was important source of earning livelihood. There was no restriction on commercial interaction and the trade was duty free.

The cross border trade was mainly conducted by the communities residing on the fringes; most of them were pastoralist and agriculturist who engaged in salt-grain trade. The principles of Buddhism were entrenched in every aspect of life and even trade. The official trade was carried by the state executives and High Ranking *Lamas*. This suggest ecclesiastical involvement where the monasteries influenced trade flows, organized trade fairs and sometimes even led to

formation of towns. Monasteries as entrepreneurs employed peddlers who were serfs and tied to monasteries who led the caravans on the behalf of the monasteries. The trading community of the Kham region in western Tibet emerged as a powerful force in influencing the polity and economy in the region.

In Nepal, the most significant trading communities were the Newars of the Kathmandu Valley who were mostly engaged in Nepal-Tibet trade at an institutional level along with the Marwaris and the Tibetans. Trade from Kathmandu to Lhasa was exclusively under the Newars who even influenced the Kathmandu court; since they were Buddhist the Newars had influence among the Lhasa elites and even intermarried with the Tibet women. They even had banking facilities in Calcutta. There were also indigenous traders from the Karnali province who carries the Nepal-Tibet cross border trade. They specialised in the salt-grain trade and used caravans for transportation. Similarly, the traders of the Dhaulagiri region operated in Mustang and through the valley of Kali and Gandaki Rivers. The Thakalais were a renowned trading community of this region along with the Tarangpurians who were specialist in impression management, which was crucial for conducting business. There were also trading communities from the Gandaki region who were primarily Nyishangbas or the Manangis who in the Twentieth century had shifted their trading network towards India, Burma and Malay Peninsula. In region of Kuti and Kerong the *Lamas* of Helambu conducted trade with Tibet and were exempted from payment of taxes. There were also Khumbu Sherpas of Olangchung along with the Tibetan trading communities in Nepal of who mostly belonged to the Kham region.

In Bhutan, institutional trade was mostly carried by the government officials and high ranking *Lamas*. In Bhutan there existed a custom where a particular community monopolized a given

stretch of trade route such as the merchants of Bumthang and the merchant of Punakha who pushed commodities from one point to another. Their external trade was mostly conducted with the kingdom of Cooch Behar, Assam and even Arunachal Pradesh. The Brokpas who were a community of pastoralist developed an ingenious way of having *Nepos* or village hosts, which helped the community trade in adjacent villages. In Bhutan, too the Khampa Tibetan traders conducted most of trade with Assam through the *Duars* in the *terai* or the foothills.

The Sikkim trade was mostly conducted as an entrepot between India and Tibet. The indigenous communities engaged in trade were Lepchas of the Dzongu region who conducted cross border trade. The Lachungpas and Lachenpas of the Bhutia community of North Sikkim were pastoralist also conducted cross border trade with the inhabitants of Khambazong in Tibet. There was also Tromopas trading community who became active with the opening of the Indo-Tibet trade through Sikkim. The Tromopas were specialist in transport and were very dexterous in their profession. The Newars who had settled in Sikkim as early as 1868 were primarily engaged as mining activities and were later allowed to mint coins for the Sikkimese kingdom. Apart from this, there were also Marwari trading community who came from the plains of India and were engaged in usury and trade.

These trading communities had an enormous role in the Himalayan trade once the trade became extensive by the involvement of the British. The British in the beginning sent several missions to various kingdoms of the Eastern Himalayas.

British contemplations over establishing commercial relations with the Eastern Himalayan Kingdom began as early as 1771. It sought to renew the ancient Tibet-Bengal commercial relations, as the epicentre of the pre-colonial trade lied in Lhasa and in addition offered a

possibility of entering the Chinese market through Tibet. The Company envisioned that the financial dereliction and exploitation of Bengal, which had run its economy dry, could be replenished only with a new commercial venture. To secure information on the socio-economic and political conditions of the region, British official missions were deployed starting from 1774 to 1904.

George Bogle led the first Eastern Himalayan official mission. This mission was intended to reach Tibet but its actual official journey started from Bhutan. His visit initiated commercial interaction with Bhutan through numerous trade fairs. In another mission, Alexander Hamilton resolved some frontier disputes with Bhutan and followed by it Samuel Turner commandeered another mission to Bhutan to renew the friendship between the two powers. Babu Kishen Kant Bose and Captain RB Pemberton's mission further improved trade activities between Bhutan and Bengal. However, the missions could not convince Bhutan in accepting the British trade policies. Here onwards, the Bhutanese relation with British gradually declined. After Ashley Eden mission, Anglo-Bhutanese War in 1865 broke out and led to the Treaty of Sinchula, which was beneficial for British trade.

Some of the British missions to Bhutan continued to Tibet. George Bogle established a good relation with the Panchen Lama of Tashi lhungpo Monastery. The Report submitted by Bogle set in motion waves of Company's policies in the coming years. His report describes the nature of trade, its pattern and suggested possibility of introducing western manufactures. However, it also highlighted that the political influence of China over Tibet was strong and the Tibetans were apprehensive on British commercial inroads. Following this mission, Samuel Turner tried to develop commercial links between Bengal and Tibet, despite of the obstacles put by the Chinese.

However, the Tibetans realised the benefits of the trade with Bengal. Purangir Gossain and Thomas Manning also visited Tibet to improve trade relations.

With regard to the Kingdom of Nepal, the nature of the British Official missions was more political and military than commercial. After the Kinloch Expedition, which hampered the trade flow, the British sent several mission under James Logan, George Foxcroft to establish friendly relations with Nepal. The Nepalese were averse to improve trade relation with the British since they were closely following the colonial ambition of the British in India. That is why many missions failed. Finally, a strong and stable trade relation was ensured only after the defeat of the Gurkhas in the Anglo-Nepalese War of 1814.

After this War, the British missions began towards Sikkim. Captain Loyd was sent to Sikkim to settle some boundary disputes, which eventually led to the appropriation of Darjeeling. Later a scientific expedition was led by Campbell and Dr. Hooker leading to their detention; it was followed by two military expeditions. Consequently, the Treaty of Tumlong was signed in 1861, which allowed free trade and maintenance of road by Sikkim, which was constructed by the British. However, the Sikkim military expedition in 1888-89 led to the Anglo-Chinese Convention in 1890, which opened three trading marts at Gyantse, Yatung and Gartok. These trading marts greatly boosted the trade, especially the Tibetan wool trade. The Tibetan encroachment at Giangong and the obstruction on Yatung trade led to the commissioning of Younghusband Mission. The Treaty of 1904 ensured free trade and the establishment of a Residency in Chumbi Valley for the successful operations of the trading marts. Tibetan Government was made responsible of maintaining the roads, which eventually increased the trade.

The above commercial missions helped to build a storehouse of information, which later helped to enhance the trade in the region. The commercial interaction with Bhutan began as early as 1775. The Bengal-Bhutan trade became active through annual trade fairs promoted by the Company officials for the encouragement and exchange of merchandise, this benefit was however, discontinued in 1831-32. As per the reports of British officials, the Bengal-Bhutan trade had great potentiality, but the restrictions on Indian traders to enter Bhutan and Tibet obstructed its growth.

Nepal with no access to the sea also confined its commercial relation mostly with Tibet in the north and India in the south, while some of its commodities found its way to China through Tibet. However, it had always been an important centre for the Eastern Himalayan trade and its importance grew even more after the Treaty of Betarwati. Bengal-Nepal trade was conducted through numerous trade marts located at the foothills known as *Terai*, which were dotted along the Indo-Nepal border locally known as *Golas* and *Mandis*. In 1795, a British official informed that the trade was worthy to the British and therefore, the Company should increase the number of warehouses for the extension of trade.

As for Bengal trade with Tibet is concerned commercial interaction began by 1860. However, the volume of trade was very less. Notwithstanding of the opposition of the Tibetan and Chinese officials, the British were persistent to continue this trade and the reason for this was to reach Central Asia through Tibet as they feared a plausible Russo-Tibetan alliance and subsequent Russian advancement towards the Himalayas.

Commercial inroads for Bengal-Sikkim trade gained momentum after 1860 when the Government of India had connected Darjeeling with mainland India. Again, after the Treaty of

Tumlong in 1861 and its favourable agreements encouraged the British to focus their attention towards the construction of roads between Lhasa and Darjeeling. By 1870, the British realised that the existing trade with Sikkim was profitable with the strong possibility of trade extension and that could link Tibet effectively through Sikkim. As Darjeeling district became a trading hub the Bengal–Sikkim trade was mainly conducted through it.

However, generally most of the trade was unregistered because the frontier lines were widespread and trade found its way through abundant outlets. Statistical information on trade prior to 1875 was recorded only in correspondence letters and Reports of the British officials and there were no specific trade reports in this regard. This led to many inaccuracies of trade statistics. From 1875, the government tried to record the data more accurately through the Registration of trade.

Similarly, the trade of Bengal with Nepal after 1875 was carried out through different marts located in Calcutta, and the districts of Champaran, Bhagalpur, Purnea, Dharbanga, Muzaffarpur, Saran, Darjeeling and other places. It mentioned that there were a total of 27 trading routes through which traffic registration was carried out. The statistics shown in Chapter 5 for the years 1879-80 to 1893-94 highlights growth in trade. However, there was a decrease in import trade during the years 1888-89 due to crop failure. Among various commodities in the trade of this region, the cattle trade marked the highest.

Trade between Bengal and Tibet were registered at Kalimpong and Rhenock trade stations. There were also instances of unregistered trade, despite of the trade blockade in 1866 and 1888 commercial exchange continued through different routes. Sikkim became an important entrepot in the Bengal-Tibet trade, which was conducted mostly through the district of Darjeeling.

Whenever, there was a standstill in trade due to the skirmishes between British and Tibetan forces, smuggling of various commodities particularly tobacco was noticed which indicates that trade did not cease entirely.

The Bengal-Bhutan trade was registered at Buxa, Hantupara and Ambari stations at Jalpaiguri District and Pedong and Labha stations at Darjeeling district. There was a decrease in trade during 1880-81 due to the outbreak of small pox and again in 1885-86 by some internal disturbances in Bhutan but eventually the trade was restored.

Duties were not levied upon imports or exports in Sikkim or Bhutan. However, one to five percent duties were levied at Phari upon non-resident Tibetans traders. In case of Nepal the authorities levied duties in the form of *khurchappa*, *lag* and *sayer* in all commodities at certain rates per cart, per bullock or at *ad valorem*. These duties were collected either by contractors (*Thikadars*) or by the State directly at the frontier. These duties lacked uniformity in collection and in rates and the British Indian traders often complained of excess realization. Conversely, the information provided by the British officers in the frontier district regarding custom duties levied by the Nepalese authorities was vague and contradictory.

The British intervention in the Eastern Himalayan trade necessitated change in communication network. Traditional trade routes were now registered, broadened, metalled and made into fair weathered roads. The Bengal-Bhutan trade was carried through Buxa, Lakhimpur, Balla, Chamurchi and Kumargram *Duars* located in the Jalpaiguri district. Trade between Nepal and Bengal was primarily conducted via, six districts namely Darjeeling, Purnea, Bhagalpur, Durbanga, Muzzaffarpur and Champaran districts and its corresponding routes. The Bengal-Sikkim trade was conducted through Namchi, Sadam, Zeeme to Goke, Tramduc. The Tibetan

merchants entered Darjeeling via Chola, Yekla, Nathey, Cumra and Dangsa. All these met in Sikkim through which they entered Darjeeling via Gangtok and Dikling. After 1861 trade was conducted via two main routes, one ran through Gangtok and the other through Kalimpong.

The preceding text highlights, that the Eastern Himalayan trade that existed prior to British intervention was the lifeline to its economy and its prosperity was well known to the Europeans. This trade not only had an economic aspect but cultural and political too and the protagonists of this catenation were the trading communities. The British were aware of this trade network in its northern borders and deployed Missions to explore commercial possibilities by mid-eighteenth century. These Missions produced vital information, which helped them set colonial trade and register commodity movement. As a result, trade increased dramatically and the resources of the region found a wider outlet.