

Mohur, rupee, dam: Indian trimetallism



In this essay, we examine the ‘trimetallic’ initiative operated in India during the early Mughal period.

In his ‘The Currency of India’ from 1886, William Douglas informs us that the ‘ancient standard’ (whatever is meant by this nomenclature) of the ‘Hindoos’ was gold, with copper for small coinage. The ‘Mohammedan Emperors,’ apparently, were the first to introduce silver coinage in volume into northern India. Douglas’ commentary has a greater element of (perhaps unintended) deception than truth even though overall it seems quite innocuous. This is to do with the ‘legal aspect’ of money implied in his commentary but this will not be developed here.

It would be fairer to describe the monetary arrangement by the Mughals as free ‘trimetallic’ – meaning that gold, silver and copper coins circulated together without any form of relationship being somehow imposed between them by ‘state’ authorities. A relationship being ‘imposed’ between them pre-supposes that such an imposition is possible; which it isn’t and the most (or least) cursory of investigations confirms this †.

Akbar the Great (1542 – 1605) formalised the coinage circulating at the time into the 169 troy grain gold ‘mohur,’ 178 troy grain silver ‘rupee’ and the 323 grain copper ‘dam’ or ‘paisa.’ The relative ratio of exchange between these coins at a particular ‘place’ was left entirely to the market(s) at the ‘place’ to establish. Silver rupees minted in the current or previous year were known as ‘sikka’ rupees and had a premium over older, potentially worn, coins. However, this premium was not determined by the market but controlled by imperial money-dealers or ‘sarrafs.’ Taxes and dues could usually only be paid in ‘sikka’ rupees; and were the imperial treasury running low, this premium could be increased to induce holders of old coins to have them re-minted thus creating revenue. This arrangement was not looked on favourably by the people at all, as one might imagine. But in comparison to European currency ‘evolution,’ such unfavourable aspects were utterly marginal ‡.

Having free exchange ratios between gold, silver and copper coins in some places (i.e. within the subcontinent) but not ‘others’ (i.e. outside of the subcontinent) presented potential problems. One such example was in 1657, when an increase in the demand for copper around Surat changed the rupee/paisa ratio to 1:40, while in 1642 it has been 1:56. The port officer at Surat ruled that all copper being brought into Surat should be taken directly to the mint and coined into paisa. Furthermore, the removal of copper from the city was banned until 1659. Such action from the authorities was not a result of problems to do with free trimetallic organisation but rather that free trimetallism was not operated *globally*; in particular, it wasn’t operated *outside* of the Indian subcontinent.



The idea of free trimetallism will be developed in subsequent essays and extended to ‘N’-metallism beyond ‘gold,’ ‘silver’ and ‘copper.’ There are subtle aspects that need to be thoroughly developed when expanding on such an organisation: ‘which’ coin should be used for one’s account? What would be the result of changing one’s account? What issues arise when the account is ‘one metal’ but the usual method of payment is ‘another metal?’ ††

† For the ‘state’ to somehow ‘fix’ the exchange ratios between the coins to prescribed rates would mean that the ‘state’ would need access to *limitless* quantities of the metals to change the ‘market’ exchange rate back to prescribed rates. This is patently impossible and needs no further elaboration.

‡ For example, the English silver ‘penny’ went from c.1.5g to c.0.5g from the C9th to C19th. Such an episode didn’t happen with the silver rupee – which remained of the same weight and fineness up until 1919.

‡‡ Payment to the imperial staff was quoted in copper paisa but disbursed in a mixture of copper paisa, silver rupees and gold mohurs. What's the nature of the problems that could arise from such action and could they be avoided?

Bibliography

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