

Agriculture, Trade, Commerce and Taxation in Post-Vedic Literature: A Socio-Economic Study

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Abstract-

The Vedas provide evidence of the livelihood of people in ancient times. The study of Vedic literature reveals that agriculture was the first livelihood of people. Although the Vedas discuss the agricultural economic system and trade of ancient India, the post-Vedic scriptures like *Manusamhitā*, *Yājñavalkyasmhitā* and *Arthasāstra* are also shed light on the agricultural trade and tax system in detail. It is clear from the study of post-Vedic scriptures that agriculture played an important role in the economic development of the society at that time. The traces of the agricultural system found at the Vedic stage can be seen in the post-Vedic scriptures as a sign of its modernity. The monarchy system is found of that time. The king was the head in the society. The king kept an eye on the advantages and disadvantages of people in agriculture, trade and commerce, etc. and collected taxes according to the rules. In agriculture, the king helped the farmers in various ways, coordinated between buyers and sellers in trade and commerce, preserved the goods, determined some rules for doing business abroad, and exempted poor traders and Brahmins from taxes. In this research paper, an attempt has been made to thoroughly shed light on the issues related to agricultural system, trade and taxation as described in the post-Vedic scriptures.

Keywords- Ancient, Agriculture, Scriptures, Monarchy, Trade, Taxation.

Introduction-

The Veda is the foundation of all religion and most of the ancient literature originated from it. All scholars and wise people have also recognized this statement. The Veda, being the main base of Indian culture, occupies an important place in the history of world culture and literature. In fact, the Vedas describe the four *puruṣārtha-s* (*dharma-artha-kāma-mōkṣa*) which are clarified by themselves and Vedangas. Vedangas are of six types - *Śikṣā*, *kalpa*, *vyākaraṇa*, *nirukta*, *chanda* and *vyotīṣa*. So, the importance of Vedanga is immense. It solves the contemporary problems of the human beings. *Dharmaśāstra*, *Smṛtiśāstra*, *Arthasāstra* etc also have the same role. The scriptural advice given in these literatures regarding the duties and responsibilities of every human being is helpful in building a healthy society. These scriptures emphasize agriculture as the mainstay of economic life since ancient times. The importance of agriculture in economic development is evident from the study of Vedic and post-Vedic scriptures (*Manusamhitā*, *Yājñavalkyasmhitā*, *Arthasāstra*). Realizing the importance of agriculture in financial development, various agricultural information and advices are spread throughout these scriptures. From the Vedic to post-Vedic period, the subsequent prosperity and the modernization of agricultural methods are also noticeable. Animal husbandry was of immense importance as part of economic development. Apart from agriculture and animal husbandry, trade also played an important role in economic development. These scriptures described in detail about trade and tax system. The focus on the rules and regulations related to trade within the city and the rules and regulations related to trade of merchants in foreign markets have been made by them. In the same way they described about the tax system and tax collections. The present research paper explores the importance of agriculture, trade and

taxation as the economic base at various times and their impact on modern society with sociological judgment.

Nature of Agriculture in Post-Vedic Age-

Vedic society was divided into four category- *Brāhmaṇa*, *Kṣatriya*, *Vaiśya* and *Śūdra*. This division was made on the basis of work and was done for the development of the society. Without any one of these four castes, the society cannot run smoothly. As for the sustenance of the society, the responsibility of financial development was on *vaiśya*. Basically agriculture, animal husbandry, trade etc. were the duties of *vaiśya*. Sufficient evidence is found in the post-Vedic literature on this matter. It is said in *Manusamhitā*- “पशूनां रक्षणं दानमिज्याध्ययनमेव च ।/ वणिकपथं कुसीदञ्च वैश्यस्य कृषिमेव च”¹ It was determined by the God that *vaiśya* would gain experience in agriculture and seed sowing techniques. The *Vaiśya*-s were responsible for observing land-related matters such as how to sow seeds to get good crops or how to produce more crops in the land. Even the *Manusamhitā* instructs that the king should be aware that *vaiśya*-s should not have such a desire that they do not do animal husbandry, agricultural trade, etc. because these activities are their self-religion. No other people of another caste will be eligible for this work- “न च वैश्यस्य कामः स्यात् पक्षेयं पशूनि ।/ वैश्ये चेच्छति नान्येन रक्षितव्याः कथञ्चन”²

Kaṭīlyā also depicted the social system of that time in his *Arthaśāstra*. In that society each of the four castes (*brāhmaṇa*, *kṣatriya*, *vaiśya* and *śūdra*) helped to advance the progress of the society through their respective scriptural duties. The *vaiśya*-s made their living through agriculture, animal husbandry and trade. The economic development of the country depended on them. Kaṭīlyā advises that the king should aim at increasing the treasury to maintain the economic status of the state. So, the king should pay special attention to the increase in crop production. He felt that the state can be secured by increasing and protecting the crop. But if a farmer agrees to do farming but does not farm the land designated for him, the king will take that land away from him and give it to other farmers- “अकृषतामाच्छिद्यान्येभ्यः प्रयच्छेत् ।/ ग्रामभृतक-वैदेहका वा कृषेयूः ।/ अकृषान्तोहवहीनं दद्युः”³

Agriculture has been recognized as the main livelihood since the Vedic period. However, subsequent development of agriculture is hinted in the post-Vedic scriptures. A study of the post-Vedic scriptures shows that agriculture is an integral part of society. The man's manners and duties are the main theme of the *dharmasūtras*. *Gautama*, *Baudhāyana*, and *Āpastambha dharmasūtra* give advice about human duties and rules. Various instructions on agriculture can also be observed there. This work has been prescribed for *vaiśya*-s since Vedic times. In the *Puruṣa-sūkta* of the *Rigveda*, *vaiśya* is associated with the thigh of *puruṣa*. Just as thigh carries the weight of the body, *vaiśya*-s also bear the responsibility of the sustenance and financial development of the society. The *Gautama dharmasūtra* states that the *vaiśya*-s gain wealth through agriculture, trade and animal husbandry- “वैश्यस्याधिकं कृषिवनिकपशुपाल्यकुसीदम्”⁴ These works are best for them and through this they can gain more wealth. It is also said in the *Baudhāyana dharmasūtra*. study, charity, sacrifice, agriculture, trade, animal husbandry

¹ *Manusamhitā*- 1/90

² *Ibid.* 9/328

³ *Arthaśāstra*- 2/1/3

⁴ *Gautama Dharmasūtra*- 2/1/50

are connected with the *vaiśya*-s. However, it is said that this rule is not applicable during crisis. A Brahmin can also save life by adopting the *vaiśya*-s profession in times of life crisis. But for this, Brahmins have to follow certain rules prescribed by the scriptures. If a Brahmin earns his living by agriculture, then he has to finish farming by noon. Similarly, *kṣatriya*-s can lead their lives by adopting the *vaiśya* profession during life crisis. Apart from this, various instructions related to agriculture are also found in *Āpastamba dharmasūtra*. Since agriculture was a major livelihood at that time, it was necessary to produce crops in the fields. According to the *Āpastamba dharmasūtra*, if a farmer is not careful in cultivating his land and as a result, if any crop is damaged, the equivalent value of the damaged crop must be returned to the owner of that land-“क्षेत्रं परिगृह्योत्थानाभावात्फलाभावे यस्समुद्भूत्स भावि तदपहार्यः” ॥⁵

It is noticeable that some cultivators took land from the landlord and did not cultivate it. Such persons were certainly punishable. The word ‘*kauddālī*’ has been used in the sense of farmer. A person who digs the soil with a spade and earns his living by producing the crops is called ‘*kauddālī*’- “कौद्दालीति जलाभ्यशे कुद्दालेन वा फालेन वा तीक्ष्णकाष्ठेन वा खनति वीजान्यावपति कन्दमूलफलशाकौषधीर्निष्पादयति ।/ कुद्दालेन करोतीति कौद्दाली” ॥⁶ A farmer practicing ‘*kauddālī*’ profession produces roots, fruits, vegetables, herbs by digging up the land near water bodies with a spade or a ploughshare or with a sharp pointed piece of wood and sowing seeds in it. So, the post-Vedic scriptures stated various things about the nature of agriculture and the agricultural system of that time.

Trade and Commerce System-

In the history of Indian civilization popularity of *śruti* and *smṛti* was great since ancient times. and culture since ancient times. The rule and discipline of *śruti* and *smṛti* has been influencing and guiding the spiritual, social and personal life of Indians in many ways. Ancient scriptures have discussed various codes of conduct and duties for the people of the society and penal codes to maintain balance. These scriptures also tell what should and should not be done by the people living in the society. The business and trade of the society at that time was also mentioned here. It is generally mentioned that trade was the occupation of the *vaiśya*-s. *Manusamhitā* enjoins that it is the duty of a *vaiśya* to have knowledge of trade goods- “सारासारञ्च भाण्डानां देशानाञ्च गुणागुणान् ।/ लाभालाभञ्च पण्यानां पशूनां परिवर्द्धनम्” ॥⁷ Determining the price of goods is an important issue for the purchase and sale of goods in business. The eight chapter of *Manusamhitā* mentions that it is very important to consider the price of goods before buying and selling them- “आगमं निर्गमं स्थानं तथा वृद्धिक्षयावुभौ ।/ विचार्य सर्वपण्यानां कारयेत् क्रयविक्रयौ” ॥⁸

According to *Manusamhitā* the state legislation was also strict in protecting the interests of buyers. To ensure that buyers were not deprived of their good’s actual quantity, the scales used by the king to measure different items were carefully monitored and checked every six months. So, no one may not be defrauded by the traders. In *Arthaśāstra*, there is a mention of a high-ranking royal officer called director of trade who was engaged in accurate buying and selling of these commodities. The director of trade used to keep an eye on the subjects so that there was no loss and that the merchants did not suffer losses while trading abroad. If a person greedily exports goods which the king has forbidden to export

⁵ *Āpastamba Dharmasūtra*- 2/11/1

⁶ *Baudhāyana Dharmasūtra*- 3/2/2/3

⁷ *Manusamhitā*- 9/331

⁸ *Ibid.* 8/401

abroad, he is punishable. The king has decreed that it is forbidden to sell spoiled goods as fresh or to sell it for less by weight or to keep away anything and sell it without showing it to the buyer. Violation of this rule is also punishable. “नान्यदन्त्येन संसृष्टरूपं विक्रयमर्हति ।/ न चासारं न च न्यूनं न दूरे न तिरोहितम्” ॥⁹

The *Yājñavalkyaśmṛti* also describes certain social regulations for trade and commerce. For example, after taking the price of the goods if the seller does not deliver it to the buyer, as a punishment the seller will have to deliver the goods to the buyer with the increase quantity in the same price. If the buyer is a foreigner, and takes the item back to the country and sells it, the buyer must also pay the profit made- “गृहीतमूल्यं यः पण्यं क्रेतुर्नैव प्रयच्छति । सोदयं तस्य दाप्योहसौ दिग्गामं वा दिगागते” ॥¹⁰

If the buyer does not accept the item after purchase, the seller will sell the item to another person. However, the loss caused by the first buyer for not accepting the item, will be recovered from him- “विक्रीतमपि विक्रेयं पूर्वक्रेतर्यगृह्णाति ।/ हानिश्रेत्केतृदोषेण क्रेतुरेव हि सा भवेत्” ॥¹¹ According to Yājñavalkya, all the merchants who trade together for profit, those merchants, who have paid the share, will get the profit according to the form of agreement they have made between themselves. Similar action will be taken in case of loss- “समवायेन वणिजां लाभार्थं कर्म कुर्वताम् ।/ लाभलाभौ यथाद्रव्यं यथा वा संविदा कृतौ” ॥¹²

As per the *Arthaśāstra* written by Kautilya, the administrative structure should be based on public interest and security oriented. The king was the administrative head and there was a large number of offices. But the most importance was given to the finance department. Finance and politics were deeply intertwined in *Arthaśāstra*. The *Arthaśāstra* is said to be ‘The science of political science’. The *Arthaśāstra* is also considered as the science of wealth and management system. The state must be established on a strong economic foundation. Management of economical status and administration are one of the main issues of any modern state. The *Arthaśāstra* has great economic importance. Revenue is one of the subjects of *Arthaśāstra*. Financial prosperity is the main goal of it.

Agriculture, cattle-rearing and trade constitute ‘*vārtā*’ which is very important, as it brings in crops, wealth, forest resources etc. According to Kautilya the *vaiśya*-s were engaged in these activities- “वैश्यस्याध्ययनं यजनं दानं कृषिपाशुपाल्ये वणिज्या च” ॥¹³ The economy of the country depended on them. They tried to control the prices of goods, thinking that they could cause hardship to the public by increasing them at will. References to the introduction of strict laws for this are found in *Arthaśāstra*. In *Arthaśāstra*, there is a reference to a high-ranking royal officer as Director of trade, who was engaged in proper buying and selling of these commodities. In *Arthaśāstra* there is a detailed discussion of the rules of conduct of the commodity manager.

Therefore, in this discussion of trade and commerce, it can be understood that trade and commerce in which originated the Vedic period, has developed to a unique level later.

Policy of Tax Collection-

In any state, a large amount of money is need for maintaining the subjects, conducting the administrative system, conducting the state, implementing public welfare programmes etc. That money comes from the

⁹ Ibid. 8/203

¹⁰ *Yājñavalkya-saṃhitā*- 2/254

¹¹ Ibid. 2/255

¹² Ibid. 2/259

¹³ *Arthaśāstra*- 1/3/1

king's treasury. That is why the king's treasury needs to increase in cash. In order to increase the wealth in the treasury, the king has to collect taxes from the subjects. But in this case, there are certain rules that need to be followed, as mentioned in various post-Vedic scriptures. Ācārya Manu enunciates a fundamental rule in tax collection in the *Manusamhitā*. A king will never collect more taxes than he was entitled to, he will be satisfied with the proper tax. Manu gave valuable advice on tax collection. He said the king will collect annual taxes from his subjects just as the leeches, calves and the bees drink blood, milk and honey little by little respectively- “यथाल्पाल्पमदन्त्याद्यं वार्योकोवत्सषट्पदाः ।/ तथाल्पल्पो ग्रहीतव्यो राष्ट्राद्राज्ञाद्विकः करः” ॥¹⁴ Manu said in the 7th chapter of *Manusamhitā* that the king will collect taxes from the merchants by considering price at which that goods were purchased. He has fixed how much profit they would make if they were sold, how far they were brought from, how much the merchants or traders spent on the accessories to bring these goods, and how much they spent on protecting them from bandits- “क्रयविक्रयमध्वानं भक्तञ्च सपरिव्ययम् ।/ योगक्षेमञ्च संप्रेक्ष्य वणिजो दापयेत् करान्” ॥¹⁵ Those who take the custom will fix the price according to the quality of the goods imported or exported from abroad and the king will take one twentieth of the profit from the trader as custom. In the *Yājñavalkyasamhitā*, states regarding the royal duties. Since the king determines the price of the goods, the king will take one twentieth of the profit earned from the sale price of the goods as custom. This tax stored in the treasury as the power of the king- “अर्धप्रक्षेपना द्विंशं भागं शुल्कं नृपो हेरेत् ।/ व्यासिद्धं राजयोग्यं च विक्रीतं राजगामि तत्” ॥¹⁶ Various types of taxes are discussed extensively in *Arthasāstra*. Kautilya also discussed extensively the issue of determining the custom on goods- “प्रवेश्यानां मूल्यपञ्चभागः । पुष्प-फल-शाक-मूल-कन्द-वल्लिक्यवीज-शुक्लमत्स्यमांसानां षड्भागं गृहीयात्” ॥¹⁷ Its means, one fifth of the value of the product should be taken as customs on the goods brought from abroad to the country and again from the township to the city within the country. But one sixth of the value of flowers, fruits, vegetables, roots, tubers, balls (fruits that grow on vines, such as grapes, pumpkins, etc.), grain seeds, dried meat and dried fish etc. should be taken as custom.

Again, the issue of tax exemption can be observed in the post-Vedic scriptures. Regarding tax exemption, Manu says that the king should not collect any tax from Brahmins who have Vedic knowledge, blind people, handicapped people, people aged seventy years and above and those who are beneficial to Vedic Brahmins. The *Āpastamba dharmasūtra*, says in this context that the wise *Kṣatriya*-s and Brahmins and will be exemption from taxes- “अकरः श्रोत्रियः” ॥¹⁸ Besides, females of all castes will be exempted from all taxes- “सर्ववर्णानां च स्त्रियः” ॥¹⁹ The boy shall be exempted from the tax until such time as he does not show signs of puberty- “कुमाराश्च प्राक् व्यञ्जनेभ्यः” ॥²⁰ Besides this, those who live in Gurukul for

¹⁴ *Manusamhitā*- 7/129

¹⁵ Ibid. 7/127

¹⁶ *Yājñavalkya-samhitā*- 2/261

¹⁷ *Arthasāstra*- 2/22/1

¹⁸ *Āpastamba Dharmasūtra*-2/10/25/10

¹⁹ Ibid. 2/10/25/11

²⁰ Ibid. 2/10/25/12

study are also exempted from tax- “ये च विद्यार्था वसन्ति” ॥²¹ Even the blind, dumb, mute, deaf and sick people will be exempted from tax- “अन्धमूकवधिरोगविष्टाश्च” ॥²²

Conclusion-

Ancient scriptures contain extensive discussions on how to control the society, how the king should administer the government and how to collect the taxes, along with various religious advices. To conduct any kingdom, money was needed, and for that, the king had to collect taxes. But in this case, there are certain rules to be followed. These specific rules have been described in detail by Manu, Yājñavalkya, and Kautilya.

Therefore, this brief discussion on the nature of taxes in the Vedic age hints that the kings collected taxes at the specified time from the subjects in various forms. Sometimes it was material, sometimes in cash, or physical labour. But then there must have been specific methods of tax collection, which evolved to a unique general level later.

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²¹ Ibid. 2/10/25/13

²² Ibid. 2/10/25/16