Abstract

Research on the Nattukottai Chettiars has centred mainly on Madras, Burma and Ceylon. Not much by way of detailed research has been done on their activities in Malaya. Clichés such as moneylenders or a merchant banking caste have often been associated with them.

However, archival sources at Madras, Ceylon, Burma and Malaya have also classified the Chettiars as private financiers. For that matter, merchant banks or mercantile exchange banks hiring employees focused mainly on government deposits hardly existed in these areas until the 1920s. Likewise moneylenders had a tendency to utilise only their own funds as a source of capital often within local communities.

In contrast, the Chettiars were neither mercantile bank employees nor did they possess only personal moneylending capital confined to local areas of operation. Their vast local and regional operations enabled them to accumulate a variety of capital from multiple networks. This was certainly evident irrespective of whether they were sole proprietors, partners and agents of bigger parent firms. They had diversity in their operations, networks and capital giving them mobility and autonomy as independent itinerants.

Having arrived in Malaya before Ceylon and Burma, the Chettiars often financed ships, commodities and land as chief merchants of the Portuguese, Dutch and English colonial regimes. Their arsenal of finance included loans and a proprietary monopoly to collect taxes on revenue farms. They also underwrote agreements on chetty’s insurance bond, mortgages, moneychanging, legal conveyance, gold pawnshops, private government contracts, hotels, limekiln factories and bullock carts. Equally significant was their involvement in opium, saltpetre, firearms, gunpowder, marijuana and prostitution.

From their activities, it was apparent the Chettiars resembled compradors operating as middlemen in unregulated informal financial bazaars at the Indian Archipelago and Malay Peninsula from a very early period. They had networks spanning from colonial officials to Sultans, penghulus, towkays, nacodahs, traders, shopkeepers and farmers. In essence, they were private financiers and network compradors in Malaya from 1786 to 1946.