

## **Chapter I**

### **Introduction**

Jute was the backbone of Bengal industries prior to the Independence of India in 1947 and it continued to be so for a couple of years thereafter. A number of studies have indeed been made on the historical perspective of this industry. But this dissertation has its own novelty what we have highlighted in Section I. Section I also gives a brief description of the industry's importance in the contemporary economy, and reviews the existing literature to identify the gaps in it. Section II provides the chapterisation of the study along with their brief descriptions. Section III highlights the research questions that are sought to be investigated in this dissertation. Section IV discusses the methodological issues.

#### **I**

The development of modern jute industry since the mid-nineteenth century rejuvenated the contemporary economy of Bengal from a moribund state. Traditional industries like cotton textiles, indigo, salt, shipbuilding etc. were all lost in market competition during the first half of the nineteenth century. Indigenous capital was, therefore, invested in agriculture largely bypassing the industrial projects. At that critical juncture of her industrial economy, the infusion of British capital in Bengal's jute industry created a new horizon of industrialization in this province. It should be noted that the development of this industry also promoted the interest of British capitalists. For about a century from its inception, the industrial revolution in Great Britain generated substantial capital without corresponding

expansion of her domestic market. As a result, the British capital could not find out vents for investment during the second half of the nineteenth century. By providing investment opportunities in Bengal, the jute industry largely sub-served the interest of British capitalists.

It should be noted that although the modern jute industry first developed at Dundee in the U.K, Bengal had accommodated jute processing in the cottage scale from a remote past. There is no detailed description about the industry in the existing industrial historiography. We seek to bring out the details of the cottage jute industry in Bengal. It is also a point of curiosity that how Bengal's modern jute industry could make out its position in the global packaging market, which was predominated by various packaging materials such as hemp, flax and tow. Also England had her own position in jute. It is, therefore, pertinent to investigate how Bengal jute could successfully penetrate into that highly competitive global packaging market during the second half of the nineteenth century. This study seeks to settle this question by a thorough study of comparative advantages between Dundee and Bengal in this line of production. We also seek to bring out the welfare implications of the industry by way of discussion on various aspects of its employment structure.

In this backdrop, it appears that Bengal's jute industry during 19<sup>th</sup> and early 20<sup>th</sup> century should be studied from the following viewpoints: i) the genesis and growth of the cottage jute industry in Bengal; ii) the development of the modern jute industry at Dundee, that subsequently led to the decline of Bengal's cottage jute industry; iii) the development of the

modern jute industry in Bengal, which subsequently reduced Dundee mills into insignificance; and iv) job opportunities in Bengal's modern jute industry. Let us now review the existing literature to see that to what extent these issues have been taken care of.

There are a number of studies on the antiquities of jute. The pioneer study in this field is 'The dictionary of the economic products of India' by Watt<sup>1</sup>. This book also describes the preparation of soil and the cultivation of jute, the separation of fibre as also its bailing and spinning. A brief outline of the initial development of jute mills in Bengal is also available there.

For the cottage jute industry in Bengal, a report was prepared by Kerr at the behest of the British Parliament in 1872<sup>2</sup>. In addition to its industrial aspect, the report also focuses on the production of this crop in each district of Bengal and its marketing network. The history of cottage jute industry in Dinajpur is, however, available in Martin's book on 'The history, antiquities, topography and statistics of Eastern India comprising the district of Dinajpur'<sup>3</sup>. Ahmed Martin Uddin also deals with the early history of this crop in his article 'The rise and fall of jute as a commercial crop'<sup>4</sup>. He discusses its marketing and production before the establishment of modern mills in Bengal.

A good account of the genesis of modern jute mills at Dundee is found in Dennis Chapman's article on 'The establishment the jute industry: A

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<sup>1</sup> George Watt, The Dictionary of the Economic Products of India

<sup>2</sup> Hem Chunder Kerr, Report on the cultivation of and Trade in jute in Bengal and on Indian fibred

<sup>3</sup> Montegomery Martin, The history, Antiquities, Topography and statistics of Eastern India comprising the districts of Dinajpur, Vol.-III

<sup>4</sup> Ahmed Martin Uddin, The rise and fall of jute as a commercial crop 1850-1945

problem of location theory?<sup>5</sup> He showed that how the French revolutionary war and the Napoleonic war escalated the price of flax and thrive for cheaper raw materials induced the use of jute as a substitute for hemp, flax and tow. The article 'International Competition and Strategic Response in the Dundee Jute Industry' by Masrani also touches upon the history of Bengal jute mills<sup>6</sup>. Although it focuses mainly on the effects of the global competition on Dundee jute industry during the inter-war and the post-war periods, the competition of Bengal mills prior to the World War I has also come up in his discussion. The Report of the Tariff Commission (1905)<sup>7</sup>, which is based on the evidences before the Commission and available literature in its field, also gives an account of the industry in various countries, including India. A number of studies are, however, available on the labour movement in Scotland. We may refer in this context the study of Gordon, especially in respect of women's participation in it during 1850-1914<sup>8</sup>.

The classical work on the history of Bengal jute industry is Wallace's 'The Romance of Jute'<sup>9</sup>, which elaborates various aspects of the industry right from its beginning in 1855. The topics of discussion include, *inter alia*, the industry's ownership pattern; employment opportunities, marketing, cartel formation, as well as the booms and slumps that the industry faced during 1855-1909. In a later edition (1928), however, the period of analysis

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<sup>5</sup> Dennis Chapman, The Establishment of the Jute Industry: A Problem of Location Theory?

<sup>6</sup> Swapnesh k Masrani, International Competition and Strategic response in the Dundee jute industry during the inter war (1919-1939) and post war (1945-1960s)

<sup>7</sup> Report of tariff commission, 1905, vol-2

<sup>8</sup> Eleanor Gordon, Women, Work and Collective action: Dundee Jute Workers 1870-1906.

<sup>9</sup> D.R. Wallace, The Romance of Jute

has been extended to 1927. Another contemporary work on jute is 'Economies of Jute' by Sengupta<sup>10</sup>, which deals with the commercial profitability of this fibre. We should also mention the book 'Location of Industries in India', by Sharma<sup>11</sup>, which analyses how the Bengal jute mills got an advantage from its location.

A number of studies have been undertaken after the partition of Bengal in 1947. Those studies have sought to evaluate the impact of the partition on this industry which used to draw its raw materials earlier from the erstwhile East Bengal. We may mention in this context the studies like Sengupta's 'The Indian Jute Belt'<sup>12</sup>, Chattopadhyaya's 'A Socio Economic Survey of Jute Labour'<sup>13</sup> and Deb's 'A Comprehensive Study of jute'<sup>14</sup>. All these studies have been undertaken in the 1950s. There is also a contemporary report, viz. Report on the marketing of jute and jute products (1952) on the history of the handloom jute industry in Bengal and also her modern jute mills.

There is no serious study on the history of the jute industry during the following three decades. Scholars, however, have started studying it again from the early 1990s. Studies in this phase concentrate mainly on the issue of labour although there are variations across the dimension of the problem. We may cite in this connection the work of Sen on 'Women and Labour in Late Colonial India: The Bengal Jute Industry'<sup>15</sup>, that of

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<sup>10</sup> Sengupta, Economics of Jute

<sup>11</sup> Tulsi Ram Sharma: Location Of Industries In India (1946)

<sup>12</sup> P.Sengupta, The Indian Jute Belt

<sup>13</sup> K.P.Chattopadhyay, A Socio economic survey of jute labour

<sup>14</sup> Pijush Kanti deb, A Comprehensive Study of Jute.

<sup>15</sup> Samita Sen, women and labour in Late Colonial India: The Bengal Jute Industry

Chakraborty on 'Rethinking Working-Class History: Bengal'<sup>16</sup>, that of Ghosh on 'Colonialism, Class and a History of the Calcutta Jute Mill-Hands: 1880-1930'<sup>17</sup>, and the edited works of Hann and Sen on 'A Case for Labour History: The Jute Industry in Eastern India'<sup>18</sup>. The last one, however, incorporates as many as eight articles. In her article Ghosh has analysed the labour productivity and income in jute industry. She has found that a lion's share of profit went to the owners prior to the Great Depression, leaving low returns to labour and raw materials. The composition of the working-force in the industry has been discussed, among others, by Hann and Sen. They have noted that the dominance of Bengali labour in the industry waned since the late 1870s, giving rise to migratory workers there. Hann has discussed in particular about the reasons behind the emerging pattern of migration, and also the labour market segmentation and the participation of female workers in the industry. He has also studied the history of eight families working at the Titagarh Jute Mill. Similar subjects have also been taken up by Sen with greater emphasis on the gender issues among the working class population. A detailed discussion on riots and strikes in jute mills is found in the articles of Chakraborty<sup>19</sup>, Basu and Ghosh<sup>20</sup>. The central thesis of these articles is that economic issues apart, religious and community sentiments played an important role in the course of labour tension in the industry during the late nineteenth and early

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<sup>16</sup> Dipesh Chakraborty, *Rethinking Working Class History Bengal 1890-1940*

<sup>17</sup> Parimal Ghosh, *Colonialism, Class and a History of the Calcutta Jute Mill hands 1880-1930*

<sup>18</sup> Arjun De Hann and Samita Sen, *A Case For Labour History: The Jute In Eastern India*

<sup>19</sup> Dipesh Chakraborty, *Communal Riots and Labour: Bengal's Jute Mill-Hands in the 1890s*

<sup>20</sup> Parimal Ghosh, *Colonialism, Class and a History of the Calcutta Jute Mill hands 1880-1930*

twentieth century. Basu<sup>21</sup> has sought to analyse in particular the process of labour recruitment, the imposition of longer working hours, the nature of managerial control and the intervention of state in the affairs of labour relation. We may add here that various facets of migrant jute workers are also found in Hann's article on 'Unsettled Settlers: Migrant Workers and Industrial Capitalism in Calcutta' published in *Modern Asian Studies*<sup>22</sup>. Goswami has also studied the industry's labour problem in his article on 'Multiple Images: Jute Mill Strikes of 1929 and 1937 Seen through Other's Eyes'<sup>23</sup>. In 1906, however, Foley undertook a detailed investigation in respect of migration and working conditions in jute industry in his report on 'Report on labour in Bengal, 1906'<sup>24</sup>.

There are three recent works on the general aspects of the jute industry in Bengal. Those are Sarkar's 'Jute in India: An Economic Analysis'<sup>25</sup>, Stewart's 'Jute and Empire: The Calcutta Jute Wallahs and Landscape of Empire'<sup>26</sup>, and Sethia's 'The Rise of the Jute Manufacturing Industry in Colonial India'<sup>27</sup>.

We thus find that there are the following gaps in the existing literature:

- i) There is very little deliberation on the cottage jute industry in Bengal. In particular, the literature fails to identify a) the status

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<sup>21</sup> Subho Basu, *Strikes and Communal Riots in the 1890s: Industrial Workers, Bhadrakol Nationalist and the Colonial State*

<sup>22</sup> Arjun De Hann, *Unsettled Settlers: Migrant Workers and Industrial Capitalism in Calcutta*

<sup>23</sup> Omkar Goswami, *Multiple Images: Jute Mill Strikes of 1929 and 1937 Seen through Other's Eyes*

<sup>24</sup> B. Foley, *Report on labour in Bengal, 1906*

<sup>25</sup> Goutam Kumar Sarkar, *Jute in India: An Economic Analysis*

<sup>26</sup> Gordon T. Stewart, *Jute and Empire: The Calcutta Jute Wallahs and Landscape of Empire*

<sup>27</sup> Tara Sethia, *The Rise of the Jute Manufacturing Industry in Colonial India*

of its development, b) the period of the commencement of its decay;

- ii) There is no discussion in the literature about the competition between Bengal's cottage jute industry and the emerging mills at Dundee;
- iii) There is a lack of discussion on how the modern jute mills in Bengal won over the triangular competition that prevailed in the contemporary global market; and
- iv) There is also an inadequate deliberation on the welfare implications of the industry in the contemporary society of Bengal.

The present study seeks to fill up these gaps in the existing literature.

## **II**

In addition to this introductory chapter, there are six chapters in the dissertation, as follows:

Chapter II: Cottage Jute in Bengal the genesis: A cottage organisation of production.

Chapter III: Jute Mills At Dundee: The Archrival of Bengal Mills.

Chapter IV: Jute Mills in Bengal: The Emerging Phase of 1855-1892.

Chapter V: Modern Jute Mills in Bengal: Drive to Maturity during 1890-1914.

Chapter VI: Employment Scenario and Industrial Relation.

Chapter VII: Summary of observations and conclusions.

We discuss in a nutshell the contents of each chapter below:

After a brief introduction about the antiquity of the jute, Chapter II discusses about the types of jute plants that were cultivated in Bengal. It analyses various aspects of jute cultivation in this province and its preliminary processing, using district-wise data and information. It also gives an idea about the availability of raw jute at the regional level, and throws light on the status of the cottage jute industry in Bengal during the nineteenth century. The discussion covers the dispersal of the industry across various districts, its marketing organisation and its sale in overseas markets.

Chapter III discusses the courses of dramatic changes that took place in the packaging world in the early nineteenth century, keeping Dundee and Bengal at the foci of discussion. It brings out the historical events relating to the use of jute as a substitute of other packaging materials like hemp, flax and tow, along with the course of technological development at Dundee mills. This chapter helps us to understand how Dundee jute industry dominated Bengal's cottage industry in the global market. It also analyses the comparative advantages that underlined the development of modern jute industry in Bengal during the second half of the nineteenth century, despite the long footings of Dundee mills.

Chapter IV discusses the growth of modern jute industry in Bengal amidst stern competitions. It reveals that the industry faced competition from the domestic handloom jute industry, which had long been dominating the markets in India and abroad. From the point of view of raw material

costs and labour, the handloom sector was no inferior to modern mills. Also, it had definite advantages over the latter because of its low overhead costs. The modern sector competed exclusively on the strength of technology and organization, which ensured better quality of products and timely delivery of bulk orders. Equally strong was, however, the competition from modern jute mills in other countries, especially from those at Dundee. Though Bengal mills enjoyed in this market a sharp competitive edge in respect of costs, the mills at Dundee had developed a strong grip over Bengal's raw jute market where many intermediary interests were involved. It took time for Bengal mills to gain command over the supply chain of raw materials. This chapter analyses how Bengal jute mills got over those competitions in several markets during the second half of the nineteenth century. In particular, this chapter examines the competitive struggle between the mills at Dundee and Bengal in the global markets and shows how the latter's won by the close of the 1880s in a triangular competition from the domestic traditional jute industry and Dundee's modern jute mills.

Chapter V seeks to analyse the latter phase of the industry's development from three viewpoints: a) the industry's growth in terms of the number of firms, their capacity creation in respect of looms and spindles, as well as the levels of investment and employment; b) the growth of its market, both in India and abroad, as also the changes in the product profile of the industry; and c) the role of different associations, particularly the Indian Jute Mills Association (IJMA), in the development of this industry.

Chapter VI delves into the employment opportunities of the industry. Since the creation of employment hinges on the state of technology in an industry, we briefly review the industry's technological aspect at the outset. We then proceed to analyse the growth of its employment generation highlighting the composition of employment, both in respect of gender and age. Wherever possible, a comparative study has been made between Bengal and Dundee mills in these respects. The qualitative aspect of employment is evaluated by taking into account the rates of wage, prevailed in the industry, and also the number of working hours.

Chapter VII sums up the major findings and conclusions.

### III

The following research questions will be studied in this thesis:

1. What was the development status of the cottage jute industry in Bengal during the nineteenth century?
2. When and why did the industry collapse in Bengal?
3. In what circumstances did the modern jute mills emerge in various countries, especially at Dundee in the U.K and in Bengal?
4. How did Bengal jute mills won over the triangular competition that prevailed in the global packaging market? and
5. How did Bengal jute contribute to the labour welfare in the contemporary society?

#### IV

This study is primarily based on archival materials. While secondary data have been used to survey the existing knowledge and ideas relating to the industry, the archival sources are utilised to verify those knowledge and also to modify and extend them, where ever necessary. The documents that have been extensively used in this study are Administrative Report of Bengal (various issues), Moral and Material progress (various issues), Annual statements of the Sea-borne Trade and Navigation of Bengal Presidency with foreign countries and Indian ports (various issues), Annual Report on the working of the Indian Factories Act (various issues), Annual Report of the Indian Jute Mills Association (various issues), Statistical Abstracts Relating to British India (various issues), Census of India (various issues) and also various contemporary government reports such as Report on the Marketing of Jute and Jute Products, Report on Labour in Bengal, Royal Commission of Labour, Report of Tariff Commission, Report on the Cultivation of and Trade in Jute in Bengal. Cross verification of the data and information gathered from different sources has been made to ensure their reliability.

This study has gathered time series data on certain aspects of the industry. Those have been suitably processed and presented accordingly. In some cases, statistical tools like the Regression Analysis, the Testing of Hypothesis etc have been used.