

## CHAPTER 4

## THE SILK MARKET - A SHORT NOTE ON THE EXTERNAL AND INTERNAL TRADE.

Silk was an old item of consumption in India. In the days of the Ramayana, the Mahabharata and in the Manusmriti we found the use of silk as a sacred dress material. In the medieval period silk industry had flourished and under the English and other European Companies Silk turned into an important trading commodity. It was noticeable that among the articles exported from Bengal to Asia and Europe till the operation of mature colonialism, silk occupied an important place. Initially, the western demand for silk fabrics was first met by imports from Persia and China. The Bengal silk market gradually came into prominence after it was originally opened to Europe by the Dutch.<sup>1</sup> The sea-route between Europe and India discovered by Vasco-da-Gama through the Cape of Good Hope facilitated the extension of the Bengal silk market to Europe.

## I

The English East India Company was founded on 31 December, 1600 with the blessings of Queen Elizabeth I for the purpose of trade to the East.<sup>2</sup> Sir Thomas Roe in his embassy to the 'Durbar' of Jahangir in 1615 presented silk cloths of Malda and Murshidabad to the Badshah and tried to get trading privileges in Bengal from him. But he was not successful in his mission.<sup>3</sup> Nevertheless, Bengal silk fabric continued to lure the English. Richard Hughes, the Chief of Patna Factory, reported in 1620 that the trade in Bengal silk would no doubt be lucrative. He informed the Surat Council that the Bengal silk could be easily procured in abundance in Patna at a price 35% cheaper than that of Agra. He further pointed out that at Murshidabad an infinite quantity of 'choicest stuff' could be had, at least 20% cheaper

than in any other place of India. Murshidabad had an extensive number of expert workmen and silk winders. Labour was also cheaper there.<sup>4</sup> Still, the possibility of trade of the English Company in Bengal raw silk had initially failed. It was only in 1651 after the E.I. Company received Farman from Prince Shah Suja and founded the Hugli factory that an extensive silk trade of the Company had started.

Though import of silk fabric was the prime concern of the Company till 1701, raw silk was the most important article of export in the Company's trade in Bengal since the beginning of the 18th century. In the first half of the seventeenth century, the demand of the English for raw silk was mainly met by the silk of France, Italy, Persia and China. The Dutch Company conducted the profitable trade, but in the middle of the Seventeenth century, the Dutch became more interested in the trade with Japan than with Europe. Moreover, the Dutch Company switched over to the trade of precious metals from Persia instead of Persian silk. The export of raw silk to Europe therefore became uncertain and obviously its supply had sharply declined. The English Company seemed to have been interested in the Persian silk trade in the early years of the seventeenth century and, therefore, it had to face a keen competition with the Dutch in addition to competition from the French and the Italian merchants. The monopoly of the Shah of Persia in the silk trade, and exactions and abuses practised by the officers of the Shah disheartened the English very much, and the Company, naturally, turned to Bengal, particularly to Malda and Murshidabad for the supply of raw silk. The opening of the Hugli Factory in 1651, the Kasimbazar Factory in 1658 and the Malda Factory in 1680 by the Company substantially helped them in conducting an extensive trade in Bengal.<sup>5</sup> In order to ensure steady supply of raw material the Company made strenuous efforts to augment the production of silk. The production and quality of silk mainly depended on the supply of fresh mulberry-leaves to the worms, and the Company, therefore, extended mulberry cultivation and

established silk factories and filatures in the silk districts of Bengal. They realised its importance, and that Bengal silk was an important item in the presents offered to Farrukhsiyar by Surman indicated its role in the consumer market. Kasimbazar was the most important centre of silk trade and a large quantity of silk piece goods and of raw silk was exported every year to the European markets from there. The price of silk varied from Rs.3 to Rs. 7 per seer according to quality and supply.<sup>6</sup>

There were several qualities of Bengal raw silk. John Kenn, the chief of Kasimbazar, wrote in 1661 that silk was wound into three sorts - 'head', 'belly', 'foot' i.e., first, second and third quality respectively. The English Company, generally, used to purchase the first two sorts which were known as 'patta' or of Short skein. The other kind of silk which was superfine in quality was known as puttany and it would cost Rs.5<sup>1</sup>/<sub>4</sub> to Rs 6<sup>1</sup>/<sub>4</sub> per seer. The silk purchased by the indigenous merchants for Agra was called 'Dolleria', in which the 'head', 'belly' and 'foot' were all mixed together. The Dutch Company used to mention the three sorts by the Portugese terms as 'Cabessa', 'bariga' and 'pee'. There were other kinds of silk such as 'floretta' yarn, 'punia' silk, 'punjah, silk, 'Goragaut' silk etc.<sup>7</sup>

Bengal silk was the cheapest of all Asiatic silks and throughout the seventeenth century it was much cheaper than even the Persian and Chinese silk.<sup>8</sup> The demand of Bengal silk was always high and the English Company was encouraged by the incredible profit it had earned in Bengal silk trade. In 1683 the Dutch Company made a profit of about 200% in Bengal silk.<sup>9</sup> The English Company too made a profit of over 250% in the sale of silk brought by Martha in 1695/96.<sup>10</sup> Considering the profitability of Bengal silk, the E.I. Company prohibited its servants in 1671 to deal in Chinese and wrought silk and again in 1682 prohibited all Englishmen from dealing in all kinds of raw silk so that the Company's monopoly could easily be extended.<sup>11</sup> In 1673/74, the Directors ordered about 470-570 bales of silk and during the

years 1674/75 to 1678/79, the orders varied between 600-900 bales. Thus the demand of Bengal silk began to rise sharply and in 1679/80, the order stood at 1,200 bales while in 1680/81 the order for Bengal silk went upto 1,800 bales, indicating a rise of demand by 50%. In 1681/82 the order for Bengal silk shot up unusually, as the Company ordered for 10,000 bales, each bale containing 160 seers. In 1682/83, the order for Bengal silk was further increased to 11,500 bales, and in the following year i.e., 1683/84, it stood at 11,200 bales.<sup>12</sup>

In fact, from the last quarter of the 17th century, the Court of Directors urged the Bengal factors to invest more and more in Bengal silk. And the East India Company's investment in silk became formidable by the time it reached the third quarter of that century. "In 1675 they asked the Hugly Agency to take up £20,000 by exchange and invest it in raw silk and repeated the instruction in their letter in 1676."<sup>13</sup> The Court wrote in 1677 that the Malda goods (cotton and silk stuff) had a great demand in the market and, therefore, it ordered to supply to the value of 80,000 or 100,000 rupees.<sup>14</sup> Thus a special emphasis was laid by the Company on the trade of raw silk from Bengal.

The most important centres of Bengal silk were Malda and Murshidabad. Silk was abundantly available in Murshidabad, "at least 20% cheaper than any other place in India and is of the choicest stuff, wound of into what condition you shall require it, as it comes from the worm; where are also innumerable silk winders, expert workmen, and labour cheaper by a third than elsewhere."<sup>15</sup>

The reputation and superiority of the Malda and Murshidabad silk were noticed by everyone, particularly of the English Company, which opened their silk factory at Kasimbazar in 1658. The Kasimbazar factory played a dominant role for more than two hundred years in the history of silk industry of Bengal. Since its foundation, the English made a rapid progress in silk trade inspite of the competition of the Dutch. Originally, the Dutch

Company was the main purchaser of Bengal silk, but the English Company took a definite lead in the second half of the 18th century.<sup>16</sup> The difficulties of communication and the immobility of labour had helped to make the rural sector of Bengal self-sufficient. Nonetheless, there was an extensive foreign and inland trade in which both the inhabitants of the province and the people coming from the outside participated. The export trade was carried on by a host of merchants who came from different regions of Europe, as also of Asia. People from other parts of India - Punjab, Gujrat, Sind, Agra and Marwar came to Bengal in search of wealth, and many of them were enriched beyond their expectation. Some of the merchant adventurers, like the 'Seths of Murshidabad', settled in the province and became the founders of a mercantile aristocracy.<sup>17</sup>

The outbreak of the European war interrupted the Turkish and the Italian silk trade and the demand for Bengal silk increased considerably. The Directors, therefore, urged upon the Bengal factors to send enormous quantity of Bengal silk. They expected that "Raw silk must continue as a commodity of great price as it is now in all parts of Europe."<sup>18</sup> But the English orders for raw silk in the first two decades of the 18th century were not consistent. The table 4:I for a six year period indicates that.

T A B L E - 4:I

Title: English demand of raw silk in the first two decades of the eighteenth century.

Year	I	Quantity	Year	II	Quantity	Year	III	Quantity
1702/3		60,000 lbs.	1708/9		110,000 lbs.	1714/15		600 bales
1703/4		190,000 lbs.	1709/10		50,000 lbs.	1715/16		600 bales
1704/5		190,000 lbs.	1710/11		20,000 lbs.	1716/17		600 bales
1705/6		50,000 lbs.	1711/12		40,000 lbs.	1717/18		300 bales
1706/7		75,000 lbs.	1712/13		180,000 lbs.	1718/19		300 bales
1707/8		160,000 lbs.	1713/14		120,000 lbs.	1719/20		150 bales
		725,000 lbs.			520,000 lbs.			2,550 bales
		i.e. an average of 121,000 lbs. approximate			i.e. an average of 87,000 lbs. approximate.			i.e. an average of 435 bales of 127,500 lbs. taking each bale to contain 4 mds. each md. of 75 lbs.

Source: S. Chaudhury, Trade and Commercial Organisation in Bengal, Calcutta, 1975, P.185.

On the contrary, Dutch orders for Bengal silk in the first two decades of the 18th century did not fluctuate sharply as could be found from the table given below (4:II). And the demand of the Dutch for Bengal silk was no doubt greater than that of the English.

T A B L E - 4:II

Title: Dutch demand of raw silk in the first two decades of the 18th century.

I		II	
Year	Quantity	Year	Quantity
1704/5	270,000 lbs.(Dutch)	1711/12	168,000 lbs.(Dutch)
1705/6	262,000 " "	1712/13	164,000 " "
1706/7	275,000 " "	1713/14	162,000 " "
1707/8	260,000 " "	1714/15	209,000 " "
1708/9	204,000 " "	1715/16	197,000 " "
1710/11	164,000 " "	1716/17	246,000 " "
1,435, 000 lbs. (Dutch)		1,146,000 lbs.(Dutch)	
i.e. an average of		i.e. an average of	
239,166 lbs. (Dutch)		191,000 lbs.(Dutch)	

Source: S. Chaudhury, Trade and Commercial Organisation in Bengal Calcutta, 1975, p.186.

However, compared to the supply of other commodities, the supply position of raw silk was not so good in the European market as was expected. For it was in the silk trade that the European Companies had to face the toughest competition from the indigenous merchants. Upto the first half of the 18th century, the indigenous and Asiatic merchants were the most formidable rivals of the European Companies in the silk market.

Silk industry of Bengal was improved considerably during this period and, so, it had certainly attracted the European Companies for securing raw silk and silk fabrics from Bengal, particularly of Malda and Murshidabad. The exports of raw silk from Bengal exceeded the import from China in England.

T A B L E - 4:III

Title: The quantities of raw silk imported from Bengal and China are given for decennial periods from 1701 to 1760.

Years	Raw Silk (Bengal)	Raw Silk (China)
1701-1710	514364 lbs.	317539 lbs.
1711-1720	578004 "	55180 "
1721-1730	1046861 "	85303 "
1731-1740	1416911 "	77063 "
1741-1750	896052 "	x
1751-1760	428072 "	1299538 "

Source: K.N. Chaudhury, Trading World of Asia and the English East India Company (1660-1760), Cambridge, 1978, pp. 533-535.

From 1701 to 1740 there was practically little import of raw silk from China in comparison with Bengal and in the next decade i.e. in 1741-50 no raw silk was imported from China. But the Anglo-French conflict and the wars with the Nawabs of Bengal upset this splendid trade. During the sixties i.e. 1751-60, the imports of raw silk from China rose three times more than that from Bengal. Bengal witnessed a very serious recession in this phase.

The Company's trade in Bengal raw silk and silk stuffs in the 17th and early 18th centuries made it clear that there was considerable export of silk goods from Malda and Murshidabad into

England. Because, the fine quality and cheapness of the silk fabrics of Malda and Murshidabad attracted the English customers and use of silk became so common amongst them in the last quarter of the 17th century that the British Parliament thought it necessary to enact laws for the protection and encouragement of the woollen industry at home. The act of 1701 declared "that from Michaelmas,<sup>19</sup> 1701, all wrought silks, Bengals, and stuffs mixed with silk or herbs, of the manufacture of Persia, China, or the East Indies, should be locked up in warehouses till re-exported; so that none of the said goods be worn or used, in either apparel or furniture, in England, on forfeiture thereof, and also of £200 penalty on the person having or selling any of them."<sup>20</sup> The act no doubt had a repercussion on the Bengal silk industry. Nevertheless, it was true that it could not affect the industry very seriously. The silk piece-goods began to be imported into England for re-export to other countries.<sup>21</sup> Further, there was a policy shift as much in the import items as in the manufacturing sector. "The point is that as there was an increasing demand for raw silk in the United Kingdom, sericulture received much more attention from the East India Company than the weaving of silk fabrics."<sup>22</sup>

Sericulture did not progress much in the first half of the 18th century as the indigenous workers were non-innovative and tradition bound. The Company also did not get sufficient encouragement from Home and as a result the efforts of the Company were also desultory. Moreover, the political turmoils of Bengal forced the factories to close.<sup>23</sup> The Maratha inroads into Bengal during the period between 1742-51 forced the workmen engaged in sericulture to run away at distant places. It had a depressing effect on the industry.<sup>24</sup> The Directors finally took interest in this regard and suggested that the Company should take steps in mulberry plantation, cocoon rearing and silk winding and it should be done in a safe place (another side of Podda) so that the attacks of the Marathas or any other country power could not easily be done.<sup>25</sup> In 1757, the Court of

Directors sent Mr. Wilder to Bengal for the improvement of silk winding and from that year the conditions began to improve.<sup>26</sup> Mr. Wilder successfully served the Company for four years and "died in harness" at Kasimbazar in 1761."<sup>27</sup> The Company got the 'Dewani' of Bengal in 1765. After the acquisition of 'Dewani' the Company took serious interest in raw silk business. Not only that, their business strategy too had changed overnight. The Court of Directors wrote on 17th March, 1769 to the Bengal Government that the silk manufacturers should be forced to work as silk winders to the Company's factories and not to work elsewhere "under severe penalties by the authority of Government."<sup>28</sup> The ryots were encouraged for the cultivation of mulberry plants and the waste lands were given to them rent-free for two years. A batch of skilled workmen was sent to India from Italy and France as we had already mentioned, to teach the Italian method of winding to the indigenous reelers.<sup>29</sup> For sometime the E.I. Company's effort in sericulture was infructuous. The terrible famine of Bengal occurred during this time which "swept away one-third of the entire population engaged in silk cultivation all over Bengal." After the famine had subsided the Company again tried its best to step up the raw silk production and established a number of reeling factories. The Company's first attempt to establish a silk-reeling factory at Budgebudge near Calcutta had failed. From 1770-75 some reeling factories were founded and the silk-reeling factory of Jungipur in the district of Murshidabad was established in 1773.<sup>30</sup> Simultaneously, the Company took interest in and put a stress on the cultivation of mulberry plants and it was extended upto Purnea and Bhagalpur in the province of Bihar.<sup>31</sup> From the year 1771, the seeds of the silk worms were obtained from China and the skilled factors like Platell, Baumgartner, Frushard, and Brigante were sent to Bengal in 1773 for the development of sericulture and silk weaving industry.<sup>32</sup>

Due to the above measures taken by the Company a satisfactory result was achieved by 1775 and the average export of raw-silk

to England during the following decade, rose to more than 5,60,000 'small pounds'<sup>33</sup> a year.<sup>34</sup> On the contrary, the total import of raw silk into England from the non-Indian countries like China, Italy and others during 1776-85 averaged only 2,82,304 'small pounds' a year.<sup>35</sup> The Company however had to sustain a loss in the silk trade during this time. On the other hand, the cost of production became high, on the other, the sale of the commodity in the British market had shrunk. The abrupt change in the profit margin is attributed to the procurement mechanism of the Company. It was known as the Contract System, contract being entered into by the Company agents in different Factories with the local suppliers to procure silk for the Company from rural manufactories. It would be clear from the Table 4:IV about the quantities of raw silk imported into England from Bengal and the quantities sold, the prime cost including duties, freight and charges; the sale amount with discount deducted and the loss sustained by the Company before the abolition of the Contract System.

T A B L E - 4:IV

Title: Raw Silk imported and the loss sustained by the Company.

Season	Imported	Sold	Total of Prime cost Duties, Freight and Charges	Sale amount Discount deducted	Loss
	<u>Small pounds of 16 ounces</u>				
1776	£515,913	£311,551	£409,851	£365,653	£ 44,198
1777	£563,121	£547,045	£440,877	£323,031	£117,846
1778	£602,964	£589,245	£472,114	£325,505	£146,609
1779	£737,560	£596,343	£421,899	£299,053	£122,846
1780	£235,216	£574,065	£288,933	£217,599	£ 71,334
1781	£785,673	£553,863	£629,438	£481,584	£147,854
1782	£ 77,610	£292,141	£ 64,160	£ 56,752	£ 7,408
1783	£611,071	£592,831	£480,515	£388,233	£ 92,282
1784	£1,149,394	£486,336	£874,097	£779,626	£ 94,471
1785	£324,307	£576,175	£252,617	£212,721	£ 39,896
Total	£5,602,829	£5,119,595	£4,334,501	£3,449,757	£884,744

Source: Milburn, Oriental Commerce, Vol.II, London, 1813, p.253.

With the hope to improve and make up the loss, the Company opened the silk trade to individuals enterpreneurs in 1783.<sup>36</sup> But the experiment failed. The 'adventurers' were interested in personal gains only.<sup>37</sup> The Company, therefore, placed the silk trade again in the hands of its own officers.<sup>38</sup> The agency system was adopted in 1787 for investment in silk. The adoption of the agency system no doubt made the prospect brighter and in the year 1792 the total value of raw silk exported exceeded twenty nine lakhs of rupees.<sup>39</sup>

The establishment of the agency system in Bengal not only ensured silk procurement but turned the silk trade again into a profitable proposition. The table 4:V shows the profitability of the new system.

T A B L E - 4:V  
 Title: The Agency System of the Company made  
 Silk trade profitable.

Season	Prime cost including Freight and Charges	Sale Amount	Profit	Loss
	£	£	£	£
1786	192,898	198,507	5,609	- - -
1787	133,795	145,712	11,917	- - -
1788	212,357	221,888	9,531	- - -
1789	276,732	289,271	12,539	- - -
1790	268,790	302,993	34,203	- - -
1791	290,159	320,395	30,236	- - -
1792	262,902	276,317	13,415	- - -
1793	274,553	221,329	- - -	53,224
1794	290,419	309,743	19,324	- - -
1795	378,512	381,385	2,873	- - -
1796	335,315	327,427	- - -	7,888
1797	262,917	258,644	- - -	4,273
1798	277,990	322,873	44,883	- - -
1799	324,460	390,149	65,689	- - -
1800	208,969	297,645	88,676	- - -
1801	262,428	395,410	132,982	- - -
1802	156,502	269,249	112,747	- - -
1803	195,117	292,659	97,542	- - -
<b>Total</b>	<b>4,604,815</b>	<b>5,221,596</b>	<b>682,166</b>	<b>65,385</b>

Source: Milburn, Oriental Commerce, Vol.II, London, 1813, p.257.

The net profit of the Company in silk trade for 18 years from 1786-1803 was £616,781, which on an average was £34,266 per annum or about 13 percent.

The French Revolutionary war in Europe made the future of silk trade uncertain. The Court of Directors wrote to the Bengal Government on 25th June, 1793 and painfully remarked that "as the Silk Trade was beginning to revive in Bengal, it should suffer a depression in Europe."<sup>40</sup> Therefore, the Directors thought it wise to reduce the quantity of raw silk import for some time.<sup>41</sup> There was a fall in the demand of silk all over Europe and the Company's sale price in London went down.<sup>42</sup> In the sale of September, 1793 the Company had a loss of more than four per cent on raw silk and many silk goods remained unsold.<sup>43</sup> In the early part of 1794 there was an attempt to sell the unsold silk stuffs at a reduced price which forced the Company to incur a loss of £47,746.<sup>44</sup> But the silk manufacturers of England in their memorial to the Court pointed out that the ready availability of Bengal raw silk would be beneficial to national interests if the surplus raw silk could be successfully brought to use at the silk factories of England.<sup>45</sup> The Court of Directors accepted the proposal and accordingly instructed the Bengal authority to increase their supply of raw silk. The quality of the Bengal silk was very high "so as to rival the most perfect productions of Italy."<sup>46</sup> During the year 1803 the supply of Bengal silk rose to nearly one hundred and fifty bales a year.<sup>47</sup>

To meet the future demands of the Bengal raw silk, the Court of Directors also suggested to the Bengal Government that it should send silk through the channel of private trade.<sup>48</sup> From the year 1803, the export of raw silk to England increased steadily.<sup>49</sup> But the silk supplied by the private traders was not good in quality, "being badly worked, foul and gouty, and partaking largely of those defects for which Bengal silk was formerly so much reprobated."<sup>50</sup>

The depression in the Company's silk trade had ended by 1807. The rigorous enforcement of the continental system by Napoleon I "occassioned an entire cessation of the customary importations of Italian raw silk into Great Britain."<sup>51</sup> It was a boon for the trade of Bengal raw silk. The demand of Bengal raw silk in the British market increased tremendoulusy. The Bengal Government was asked to augment the annual export of Bengal raw silk by four thousand bales.<sup>52</sup> To meet the demand filatures were increased in number in the Company's factories and as a result, a satisfactory out turn was achieved and it nearly doubled within a few years.<sup>53</sup>

This policy was reflected in the allotment of the total investment of 54 lakhs of sicca rupees in 1808 to different articles. In order of importance and of the total amount allotted, cotton piece goods came to be relegated to the second position.

T A B L E : 4:VI

Title : Company's Filatures and investment helped to increase the export of Bengal raw silk.

Items	Rs.	Annas	pie
Raw Silk	24,00,000	-	-
Piece goods	19,00,000	-	-
Sugar	4,93,418	3	3
Scunn	1,30,000	-	-
Hemp and Hemp seed	41,000	-	-
Worsted Carpet	2,500	-	-
Agent Commission	3,38,345	-	-
Export Ware Houses Charge	94,736	12	9
Total :	54,00,000	0	0

Source: Prog. Board of Trade, 10th June, 1808; Prog.No.27, Vol.221.

The development in the silk investment during this time was also noticed by Buchanan. He mentioned that in Purnea district about 47,000 persons got advances from the factories of Malda and Murshidabad and Jungipur for the supply of cocoons and Purnea supplied about 44,000 maunds of cocoons every year to the factories of Malda and Murshidabad.<sup>54</sup> Not only that, the indigenous workmen produced in their houses nearly two thousand maunds of filature silk and the value of that was about six lakhs of rupees.<sup>55</sup>

From the report of Buchanan we came to know that the production of raw silk in Sahabad district was enormous and silk worth rupees 3,15,000 was annually exported from Sahabad to the Maratha country in the west. A large quantity of raw silk was also produced in Ramgarh and Bhagalpur districts, but it was of tassar variety.

In those days important silk production centres were Kasimbazar, Jungipur, Malda, Kumarkhali, Rampur-Boalia, Rangpur, Radhanagore, Rangamati and Gonutea. From the beginning the Company had reeling centres in all these factories and the exception was Gonutea of Birbhum from where the Company received the supply of raw silk from Mr. Frushard, the agent of the Company for twenty years (1787-1807), and after his death in 1807 the Company purchased the Gonutea factory and placed that under the Resident of Sonamukhi. The factory during the six years ending in 1813 yielded more than six hundred maunds of silk annually. Of all the silk factories, Rampur-Boalia was the most extensive and productive. It supplied the demand of the Company and furnished "almost inexhaustible supplies of silk to merchants of all descriptions." In respect of the quality of the produce, Gonutea and Kumarkhali were the most famous. Regarding the silk of gonutea, the Court of Directors remarked in 1819 that it "proved in general of excellence in colour and quality, free tolerably clean, and excellent."<sup>56</sup>

The impetus given by the Charter Act of 1813 stimulated a remarkable increase in the export of Bengal silk.<sup>57</sup> Besides, the

conclusion of the Napoleonic wars and the slump in cotton textile market necessitated the revival of silk trade with India. The decline of the cotton industry and the fall in the export of Bengal cotton piece goods encouraged the Company to invest the major portion of their surplus money in the silk trade and Bengal raw silk became the most prominent item in the foreign markets. The average annual export of raw silk during the eight years ending in 1820-21 was worth nearly seventy five lakhs of rupees.<sup>58</sup>

In the year 1819-20 the export of raw silk reached its highest level and was valued at Rupees 94,10,743.<sup>59</sup> The export to England alone was more than sixty seven lakhs of rupees.<sup>60</sup> The Company established a new silk factory at Santipur<sup>61</sup> to meet the increasing demand of raw silk and the existing factories were enlarged by adding new filatures.<sup>62</sup>

Naturally, the Company's imports were much more than that of the Private traders. A parliamentary paper gave the report of the raw-silk imports into London during 1813-28. We came to know from it that the quantity of raw silk imported by the Company was three to six times more than that imported by the private traders.<sup>63</sup>

The statistical position would be clear from the table 4:VII which gave the reports on import of raw silk from Bengal in the years between 1792-1835.

T A B L E - 4:VII

Title: Raw Silk imported from Bengal by the Company  
and the Private traders.

Years	Company's Bengal raw silk imported	Private Bengal raw silk impor- ted warehoused by the Company	Total Company's import and pri- vate import warehoused by Company.
1792-1835	lbs.	lbs.	lbs.
1792	372,553	28,892	401,445
1793	677,988	91,885	769,873
1794	494,487	- - -	494,487
1795	379,543	12,984	392,527
1796	340,060	21,046	361,106
1797	88,219	- - -	88,219
1798	352,780	- - -	352,780
1799	643,803	1,618	645,421
1800	454,600	- - -	454,600
1801	310,368	- - -	310,368
1802	78,950	35,794	114,744
1803	336,189	68,904	405,093
1804	415,917	205,793	621,710
1805	460,303	375,601	835,904
1806	235,215	173,308	408,523
1807	225,984	267,601	493,585
1808	325,243	53,225	378,468
1809	116,124	46,623	162,747
1810	373,598	211,120	584,718
1811	258,953	145,803	404,756
1812	558,862	423,565	982,427
1813	831,891	252,459	1,084,350
1814	722,727	114,239	836,966
1815	522,810	279,476	802,286
1816	381,215	398,549	779,764

T A B L E - 4:VII (Contd.)

Years	Company's Bengal raw silk imported	Private Bengal raw silk impor- ted warehoused by the Company	Total Company's import and pri- vate import warehoused by the Company.
1792-1835	lbs.	lbs.	lbs.
1817	373,459	128,876	502,335
1818	758,116	420,860	1,178,976
1819	553,105	197,922	751,027
1820	811,875	259,572	1,071,447
1821	817,625	172,838	990,463
1822	845,382	197,235	1,042,617
1823	850,668	310,518	1,161,186
1824	660,012	271,637	931,649
1825	699,230	220,206	919,436
1826	88,388	338,635	1,237,023
1827	926,678	99,361	1,026,039
1828	1,039,623	6,686	1,136,309
1829	1,129,710	258,044	1,387,754
1830	1,096,071	90,092	1,186,163
1831	1,030,280	64,597	1,094,877
1832	750,828	205,625	956,453
1833	698,851	52,129	750,980.
1834	757,517	53,124	810,641.
1835	721,509	6,026	727,535

Sources: (1) J. Geoghegan, Some Account of silk in India,  
Calcutta, 1872, PP.4 & 10;

(ii) Reports and Documents connected with the proceedings  
of the East India Company in regard to the Trade,  
Culture and Manufacture of Raw Silk, London, 1836,  
PP.3-4.

The persons who came from England and built private filatures in Bengal failed in their attempts and had returned.<sup>64</sup> The high price demanded for cocoons was beyond the capacity of the British Private traders to pay.<sup>65</sup> Moreover, the rent of mulberry lands was charged four times higher than that of other lands.<sup>66</sup> It was complained that the Company kept the price high for avoiding the competition of the private traders. But the allegation was not true. The cause of its success has to be sought elsewhere. The Company was directly connected with Bengal and knew the pulse of the people. The experience and contact with the people helped the Company to run the business smoothly. That was the reason why progress in silk trade made by the Company was more satisfactory than that of the private merchants.

The quantity of silk piece goods exported by the Company were obviously less than that of raw silk. The silk manufactures exported to England were intended not for the British market but for re-export to other countries of Europe. In addition to it there was also demand for Bengal silk goods outside Europe and the demand steadily increased due to the fall of the cotton piece goods' trade.<sup>67</sup> After the Napoleonic wars, the export of Bengal silk goods to Europe increased inspite of the progress of silk manufactures in Italy and France.<sup>68</sup> A kind of unbleached silk called corah appeared to be in great demand in the markets of Europe. At the same time to check the import of Indian silk fabrics into England a duty of 20% was levied on it which ultimately diminished its import in England.<sup>69</sup> As a result of the restrictions imposed on the import, out of 3,10,000 pieces of corahs exported to Europe in 1838, only 16,000 pieces went to England and the rest to other countries where the duty was nominal.<sup>70</sup>

Finally, the Charter Act of 1833 compelled the East India Company to wind up its silk trade in Bengal and they had to withdraw in 1835. Presumably, the withdrawal of the E.I. Company had a serious adverse effect on the silk industry of Bengal. However, the silk business lingered in the hands of the private

companies,<sup>71</sup> as it did not seem to have totally collapsed immediately after the 1833 Charter Act.

The figures supplied by the Collectorate of Customs showed that the total quantity of silk exported by sea did not vary much during the period 1838-1871.

T A B L E 4:VIII  
Title: Quantity of Bengal silk exported during  
the period 1838-1871.

Period	Average export in lbs.
1838-39 to 1841-42	1,384,242
1842-43 to 1845-46	1,555.130
1846-47 to 1850-51	1,290,024
1851-52 to 1855-56	1,511,506
1856-57 to 1860-61	1,511,768
1861-62 to 1865-66	1,485,763
1866-67 to 1870-71	1,558,246

Source: Calcutta Customs House Records, 1871.

To this was added for three last periods respectively 41,552, 616,138 and 740,398 pounds in chussums or waste silk; and in 1870-71, 164,164 pounds of cocoons. Cocoons were exported for the first time in the silk trade then. While the exports from Bengal had been almost stationary, those of China had, since 1841 when the treaty ports were thrown open, increased enormously, and in 1859 Japan Silk began to come into the London market. The imports into London of the latter alone ran up to 2½ million pounds in 1863. While it had been admitted that "the prices of Bengal Silk undoubtedly rule below those of China and Japan and a fortiori below the better Italian and Bruttia silks,"<sup>72</sup>

import of Bengal silk was considerably reduced. This reduction can not be explained at all with reference to the operation of market forces. Nothing but the urgency of colonialism can account for the discriminatory treatment of the Bengal product.

## II

The internal silk market was flourishing for a long time and the silk trade of Bengal was a boon to many. The merchantmen of various groups conducted an extensive trade in Bengal silk piece-goods in different parts of the country. As the Hindu population of Bengal and other parts of India used indigenous silk cloths on ceremonial occasions, so silk had always had a large internal market. Bernier wrote in 1660 that Bengal was richer than Egypt. It exported in abundance cottons, silks, rice, sugar and butter.<sup>73</sup> The inhabitants of Malda drove a thriving trade in khassas, malmals, alachas, etc., with merchants from Agra, Benares and Gujrat, the goods being conveyed both by land and water.<sup>74</sup> The principal trade centres of Bengal in the 17th century were Malda, Rajmahal, Murshidabad and Dacca. Cotton and silk fabrics were exported to all parts of India, to Masalipatan, Goa and other parts and along the Coromondal Coast and to Agra by way of the Ganges and the Jamna.<sup>75</sup>

Till the first half of the 18th century, internal markets in the silk stuffs were undisturbed and it continued to flourish. The Indian traders from distant parts like Peshwar, Gujrat, Multan, Agra and Benares came to Malda and Murshidabad to collect silk fabrics for their business in and outside India. The indigenous merchants were said to ply between India and the Mediterranean countries to carry silk trade even before the establishment of the Roman Empire.<sup>76</sup> This trade, in no case, could have been

conducted on the basis of any product from Malda and Murshidabad.

Therefore, it is presumable that the European Companies had to face a keen competition in silk trade with the indigenous merchants. "The Dutch generally took, either for Japan or for Holland, 6,000 to 7,000 bales of it (silk), and they would have liked to get more, but the merchants of Tartary and of the whole Mogul Empire opposed their doing so, for these merchants took as much as the Dutch, and the balance remained with the people of the country for the manufacture of their own stuffs. All these silks are brought to the kingdom of Gujrat, and the greater part come to Ahmedabad and Surat where they are woven into fabrics."<sup>77</sup> The significance of the internal silk trade was that it not only affected the silk market it also affected the money market. "According as this silk ('Dolleria' from Bengal) sells in Agra, so the price of silk in Kasimbazar riseth or falleth. The exchange of money from Kasimbazar to Patna and Agra riseth and falleth as the said silk findeth a vent in Patna or Agra."<sup>78</sup>

There was an extensive internal trade of raw silk . Ten thousand bales of raw silk were carried annually by land from Kasimbazar to Surat and it was the expectation of the Bengal factors that more would easily be transported if 'the manufactory increases'.<sup>79</sup>

The demand of the indigenous merchants for Bengal silk mainly escalated the price of silk. The factors of Kasimbazar reported that there was a sharp rise in the price of silk in 1680, "more than one rupee in the seer than the last year." It was partly due to the fall of production and partly due to the fact that the Dutch were purchasing more. But the main cause for the rise of price was that "the Gujrat merchants buying up what fine silk" they could find.<sup>80</sup> Again in 1682, the Bengal factors

reported that they did not expect a rise of price in silk inspite of its failure in production as the "Gujrat merchants had no orders to make investment for Hindustan."<sup>81</sup> In the same year the Company placed an order for large quantity of silk and the Hugli factors wrote to Madras" ... it will certainly cause all manner of silk to rise, at least keep its price which otherwise might and was appearingly falling, the Gujrat merchants at present holding their hands by reason of the troubles ... "<sup>82</sup>

The price of raw silk fluctuated sharply from time to time. With the fluctuation of price, the quantity of raw silk exported from Bengal by the Company varied simultaneously. The keen competition which the Company had to face with the indigenous merchants and bad or good harvesting of silk were responsible for the change of price. In 1682/83, the price of raw silk went up to ₹ 298 per maund. In August 1682, the Hoogly factors ordered that the investment at Kasimbazar should not exceed £150,000 "considering Raw Silk is so much dearer as 50%."<sup>83</sup> But in the next years the price went down due to the fact that the Gujrat merchants did not compete in purchasing silk. "Among the merchants of the orient, the Armenians, the Moguls, the Lahoris and the Gujratis are prominently mentioned. The highest officials of the Government, the princes of the royal blood and members of the nobility often appeared as competitors in the field."<sup>84</sup> The Sannyasis and the Fakirs of Bengal had a wide organisation based on fraternity and conducted the internal silk trade travelling from place to place. In Benares, there were five hundred houses of Gosains who carried on an extensive trade and their numbers were about thirty-five thousand. In other places also there were Gosains, though small in numbers. Still a considerable amount of the internal trade was in their hands.<sup>85</sup> The merchants from the distant parts of India like Western

Provinces and Deccan also came to trade in Bengal and upto the first half of the 18th century, the internal trade conducted by the indigenous merchants was a great challenge to the English Company in procuring raw silk from Bengal and conducting silk trade to Europe. The trade of Bengal connecting Western Provinces, Deccan, Surat, Delhi, Agra, Madras etc. with the inland and inter-provincial trade of the country made her prosperous. The rich merchants regularly carried various commodities to Arabia, Persia, Basra, Ceylon, Coromandal Coast, Pegu etc. in collaboration with a host of merchants who came from the different countries of Europe and Asia and, thereby, the inland maritime trade helped in the expansion of commerce of the country. "The Ganges with its many tributaries and 'a hundred mouths' used to carry boats of merchandise throughout the province and supply the needs of north-western and Eastern India."<sup>86</sup> The commercial contact of Bengal with all parts of India and abroad contributed to the solvency of the country. Unfortunately, the post-Plassey East India Company's trade was depicted, "as the destroyer of indigenous industries, its finance as a medium of 'drain', its revenue policy as an incubus on agrarian development and its empire-building as the cause of the colossal India debt."<sup>87</sup>

### III

The battle of Plassey changed the political scenario of Bengal and the acquisition of 'Dewani' in 1765 made the English Company sovereign both in the political and economic spheres. The Company encouraged the production of raw-silk instead of silk piece-goods and as a result the silk weavers of Malda and Murshidabad were thrown out of employment. Before 1765, the Company had to depend on the Indian merchants for the supply of

money in conducting their trade. Now, the 'Dewani' made the Company economically solvent and with the few exceptions at the time of war, there was no need to depend on the indigenous merchants for their investment. Nor was finance obtained from England to continue the Bengal trade. The Indian merchants lost their position and could not compete with the Company and its servants. The famine of 1770 "carried off one third of the population of Bengal" engaged in silk cultivation. It caused the economic ruin of North Bengal.<sup>88</sup> The agriculture of the country broke down. The policy of the British Government and the trade policy of the Company with the famine of 1770 worsened the economic position of Bengal and ultimately India lost her economic stability. " ... upto the 18th century, the economic condition of India was relatively advanced, and Indian methods of production and of industrial and commercial organisation could stand comparison with those in vogue in any other part of the world."<sup>89</sup> And " ... it (the silk cultivation) provided employment for several years to many of those who had lost their occupation in cotton industry as a result of its decline."<sup>90</sup>

"upto 1830 India exported more woven silk goods than she imported, but since 1840 her silk goods have been gradually outsted from both the internal and external markets."<sup>91</sup> The once-flourishing silk industry of Malda and Murshidabad, which was the glory of India, became the worst victim of the British colonial and industrial policy and, thus, caused economic distress to the people of the country. The market forces once encouraged the growth of silk industry during the pre-colonial and early colonial phases and Bengal gained economic stability through this industry. But, in the phase of full colonialism India , which was the 'hub of a large part of the world's commerce', lost her position and the mulberry planters, the cocoon rearers, the silk-reelers, the weavers, the indigenous merchant men, all who were connected with this industry, also lost their financial base due to the economic dislocation caused by colonial economy under the Company.

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