

Chapter- VI

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Onset of the industry's decline: Identification of Its Reasons

Bengal was as great a manufacturing province of India as an agricultural one in the pre-colonial period. She was pre-eminently noted for her many rural handicraft industries. Among them, the cotton industry was the most important one. The cotton industry of Bengal was spread in every district of Bengal. In the districts of Burdwan, Birbhum and Hooghly, the industry flourished to a great extent. The districts were considered the important industrial hub for the production of cotton goods. The advent of European capital into the districts enhanced their productive potentialities in rural cotton industry to a great extent. A growing market in abroad, particularly in England and other European countries led to a large increase in the production of cotton piece-goods in the districts. But the traditional industry of the districts slipped away from its prosperity and began to decline at the turn of the eighteenth century. The decline proceeded rapidly in the early nineteenth century and by 1824 the industry totally collapsed.

Many economic historians addressed the issue of the decline of the Bengal cotton textile industry in the nineteenth century and pointed out the reasons behind the decline. As per the existing literatures, the reasons were - the industrial revolution or technological innovation in England, hostile British policy i.e. stringent tariff on Bengal goods in England, the oppressive measures on the Bengal weavers by the British and the loss of market after the fall of royal courts.

With this background, this chapter seeks to show the validity of the above mentioned factors claimed to be responsible for the decline of the districts' cotton industry and identify the actual reason(s) behind the decay.

The chapter is divided into four sections. Section I examines the reasons for the disappearance of court culture to assess its responsibility behind the fall of the districts' industry. Section II analyses the reason of the hostile British policy to evaluate its responsibility behind the decay of the districts' industry. Section III shows the effects of the British industrial revolution in the decline of the districts' industry. Section IV is the concluding part.

I

The disappearance of the court of the Mughal Emperor and their provincial rulers indicated that the costliest superfine muslins which were in demand by the nobles for State occasions or other ceremonial occasions were no longer needed. When the royal courts were abolished, the demand for those costly muslins dried up. After the abolition of the court, the class of nobles existed and their mode of living did not change suddenly and their demand for those muslins continued and to some extent it counterbalanced the loss of demand. But it did not last for long. After the abolition of royal court, the production of costliest muslins for royal use gradually declined.

In the first half of the eighteenth century, the costliest Bengal muslins had ample demand from the Mughal Emperors of Delhi and from their provincial rulers. Since the early seventeenth century, the European traders exported a considerable quantity of Bengal muslins. But those exported muslins were not as costly as the muslins used by the Royal class of India. The price of a piece of Dhakai *Jamdani*, a kind of muslin, was Rs 250 in Sirajuddaullah's time during 1756-57.²⁹⁰ The price of those *Jamdanie*s was Rs 450 per piece which was made for Muhammed Reza Khan, the *Naib Nazim* of Dhaka in the 1760s.²⁹¹ But the price of *Jamdanie*s per piece which was exported by the Dutch and the English varied between Rs 31 to Rs 43.²⁹²

²⁹⁰ Chaudhuri, S., *From Prosperity to Decline Eighteenth Century Bengal*, p.144.

²⁹¹ *Ibid.*

²⁹² *Ibid.*

During the Mughal period, many *karkhanas* (factories) were established for the production of costly muslins for the Emperors, for their provincial rulers and for their royal court. Those *karkhanas* were called by 'mulboos khas cooties'. The muslins produced in those *karkhanas* were called 'mulboos khas' i.e. royal clothing. Those were the finest plain muslin. The 'mulboos khas cooties' were established under the direct supervision of the Mughal government in different parts of the district of Dhaka viz. in Sonargaon, in Junglebarry and in Dhaka. Those *karkhanas* were running with high speed till the first half of the eighteenth century. At the decline of Mughal power and the power of their provincial rulers and expansion of British rule all over India, the weavers gradually pulled down the shutter of those *karkhanas*. Although, some *karkhanas* still existed even in 1800, their production became insignificant.

The royal workshops of the Mughal period gradually declined after 1757 when the British took administrative and political control over the economy of Bengal. Though, the European traders exported Bengal muslins, their export articles were not as good as the royal muslins in respect of both price and quality. The 'mulboos khas' muslins gradually lost its market when the European commerce grew in India. Thus the cotton industry for the production of high quality muslin was ruined and thereby the high skilled weavers gradually lost their profession as a result of the British colonial policy.

The royal muslins were produced only in Dhaka, Sonargaon and Junglebarry of the Dhaka district. In the colonial period, the total extinction of those muslin productions occurred on account of the shrinkage of demand due to the abolition of indigenous royal courts. The British rule caused the permanent injury to the cotton industry which was producing royal muslins. There is no reason to assume that the cotton industry of Bengal as a whole sustained permanent injury on account of shortage of demand for Dhaka muslins in the royal courts. In the districts of Burdwan, Birbhum and Hooghly, calicoes and some plain muslin were produced and royal *karkhanas* were not in existence. The abolition of royal power and thereby the royal court did

not have any impact on the aforementioned districts' industry. Rather, after the advent of European traders, particularly the English East India Company in Bengal gave enough impetus to the growth of the districts' industry temporarily. Thus the above cause cannot be held responsible for the decline of the districts' industry in early nineteenth century.

Hence, we can safely conclude that the disappearance of the noble court in no extent affected the growth of the cotton industry in Burdwan, Birbhum and Hooghly districts of Bengal.

II

The British East India Company started to trade in Bengal around 1615 and the cotton manufactures of Bengal were most important items of their trade. The Company used to export calicoes and muslins of Bengal to England and other parts of Europe. In the second half of the seventeenth century, the Bengal muslins and calicoes had flooded over the English and other European markets. It created potential threat to the textile producers of England who gradually lost their home market and claimed protection from foreign competition. John Pollexfen described that the industrialists of England gradually demanded Parliamentary intervention during the second half of the seventeenth century to mid eighteenth century, to protect the textile industry of their country when the importation of East Indian cotton and silk goods was declared to ruin the poor British manufactures.²⁹³ Subsequently, the British parliament gradually imposed tariff barriers on the import of Bengal goods to England for protecting their infant cotton industry from the competition of the Bengal cotton manufactures. On the other hand, the British in Bengal used many coercive or oppressive treatments on the weavers. The coercive measures discouraged production and the stringent tariffs on Bengal goods in England resulted in closure of many export outlets. These hostile policies depressed the growth of the cotton industry in the districts of Burdwan, Birbhum and Hooghly and the industry of Bengal as a whole.

²⁹³ Quoted in Marx, *New-York Daily Tribune*, July 11, 1853, P. 6.

In the post Plassey period, the British Company gradually captured the Bengal economy and became the main purchaser of the cotton manufactures of the districts. The Company established many *aurungs* in different cotton manufacturing centres of the districts. The employees of the *aurungs* like *gomostas*, *paikars* and *dalals* used to exploit the weavers in many ways. The *gomostas* were entrusted with power by the Company and very often they abused it to fulfill their self interest and exploited the weavers.²⁹⁴ The *gomostas* and other inferior servants of the Company used to take perquisites from the weavers which were quite illegal.²⁹⁵ The various methods of oppressing the poor weavers were fines, imprisonments, floggings and forcing bond from them. As a result, the number of weavers in Bengal decreased considerably.²⁹⁶ The servants of the Company used to give many orders to the weavers and if the weavers failed to follow those orders they had to suffer from corporal punishment.²⁹⁷

After production, goods were sent to Export Warehouse, where the *jassenders* or assorters used to determine the price of the goods supplied by the weavers. The price used to be lower by 15-40 per cent than the market price. It was an exploitation of weavers. The Warehouse used to impose penalty on the weavers if their supplied cloth showed any deficiency in quality. A coarse *garha* used to be 75feet X 2.25 feet and a fine one used to be 72feet X 2.25 feet and their prices were Rs 7 to 8 and Rs 9 to 11 respectively in 1792.²⁹⁸ For those *garhas* the penalty for deficient cloths was Re 1 each.²⁹⁹ Sometimes, the Warehouse rejected the deficient cloths and weavers had to sell the cloths to open market. Very often the weavers would not be able to sell the cloths and it was a dead loss to the weavers. Such losses instigated many weavers to

²⁹⁴ Verelst, H., *A View of the Rise, Progress and Present State of the English Govt. in Bengal*, p.85.

²⁹⁵ WBSA, *Proceedings of Board of Trade* (Commercial), 31 March 1815.

²⁹⁶ Bolt, W., *Considerations on Indian Affair*, P. 74.

²⁹⁷ WBSA, *Proceedings of Board of Trade* (Commercial), 8 May 1818.

²⁹⁸ WBSA, *Proceedings of Board of Trade* (Commercial), 7 Feb. 1792.

²⁹⁹ WBSA, *Proceedings of Board of Trade* (Commercial), 5 Aug. 1794.

give up their ancestral profession and they started motivating their family members to engage in agriculture to overcome the risks of suffering what they themselves had felt.³⁰⁰

In 1795, a group of weavers in Birbhum district directly refused to produce the *garhas* for the English Company. John Cheap, the then Commercial resident of Sonamooky factory prosecuted a number of unwilling weavers to set example for threatening others, but in vain. Cheap ordered the weavers to be present at the factory but the weavers disobeyed the order and challenged the Commercial Resident to prosecute them if he so liked.³⁰¹

The coercion on the weavers of the districts displaced many of them from their traditional profession and the prosperous cotton industry of the districts gradually declined.

Along with the coercion on the weavers, the British Parliament imposed high tariff on Indian cotton goods in England.

Since the last quarter of the seventeenth century, the textile industry (mainly the woolen and silk) of United Kingdom had lost their home market gradually due to large influx of Bengal cotton manufactures. Here the observation of O'Brien, Griffiths and Hunt is worth producing: "England's native woolen and silk interests first become politically active against Asian textiles as early as the 1670s, but agitation to prohibit the consumption of imported calicoes and wrought silks only became serious in the mid 1690s."³⁰² To protect the infant industry from the competition of Bengal cotton products, the British Parliament gradually enacted various acts to prohibit the Indian cotton products. It started from 1700 and the Act

³⁰⁰ Ibid.

³⁰¹ WBSA, *Proceedings of Board of Trade* (Commercial), 1 Sept. 1795.

³⁰² O'Brien, Griffiths and Hunt, 'Political components of the industrial revolution: Parliament and the English cotton textile industry, 1660-1774', *Economic History Review*, 2nd series, vol. XLIV, 3, 1991, p. 401.

prohibited the use of painted, dyed or printed calicoes of India in England.³⁰³ All Indian cotton products used to import to England after the Act only for re export to other European countries.³⁰⁴ An import duty of 15% ad valorem was imposed on Indian white calicoes and muslin.³⁰⁵ After the Act, the import of white calicoes to England increased to a large extent which was printed in England. So, another prohibitive Act was passed in 1720, according to which the use of printed Indian calicoes whether printed in England or elsewhere was prohibited in England. In spite of all such Acts, the export of cotton manufactures from Bengal and from India as a whole was little affected. So, before the period under review, the cotton industry of Bengal was performing reasonably well.

Since 1765, the Indian cotton piece goods imported to Great Britain had to pay an ad valorem duty of 45%, which exceeded by more than 100% than the duty on the raw materials imported from India.³⁰⁶ Yet an additional duty of five per cent was imposed in 1779 on manufactures imported into England and a further five per cent was added in 1782.³⁰⁷ In 1783, to stop smuggling due to high tariff, the British Parliament replaced all previous duties upon muslin, unrated muslin and calicoes and imposed a single import duty of eighteen per cent ad valorem and ten per cent on re-export.³⁰⁸

Since the early nineteenth century, the rates of duty on Indian muslins and calicoes gradually increased. In 1802, the British Parliament imposed around twenty seven per cent and around thirty per cent ad valorem duty respectively on the muslins and white calicoes of Bengal.³⁰⁹ The duties gradually increased and reached maximum in 1813.

³⁰³ Quoted in Ray, Identifying the woes of the cotton textile industry in Bengal, *EHR*, Nov. 2009, p.6.

³⁰⁴ *ibid.*

³⁰⁵ Sinha, J.C., *Economic Annals of Bengal*, p. 26.

³⁰⁶ Hamilton, *Trade Relations between England and India*, pp. 107-8.

³⁰⁷ *ibid.*

³⁰⁸ *ibid.*, p.162.

³⁰⁹ Baines, E., *History of Cotton Manufacture in Great Britain*, p. 76.

In 1813, the ad valorem duty on white calicoes reached around eighty five per cent which was around forty four per cent on muslins.³¹⁰ In 1814, the duties were reduced to sixty seven per cent on white calicoes and thirty seven per cent on muslins.³¹¹ Until 1825, the duty remained more than sixty per cent on the white calicoes and more than thirty per cent on the muslins.³¹² In 1826, the duty was drastically reduced to ten per cent ad valorem on calicoes and on muslins³¹³ and since 1826, the tariff rates were reduced. By 1826, the English cotton goods were able to successfully outclass the Indian cotton goods in the World market as well as in their home market.

Some Hindus of Calcutta complained against the encouragement given to the export from England to India for the growth of English cotton industry, while many thousands of the natives of India, who used to derive their livelihood by the manufacture of cotton goods, were without bread, as a consequence of the facilities provided to the manufacturing industry of England.³¹⁴ The export of English steam wrought manufactures to India, not only supplanted the native manufacture, but also the spinner of the twist. Weaving was too painful a fact to dwell upon in such places as Surat, Dacca and Murshedabad etc where the decay of native manufactures went on. It was not a fair course of trade but was an exercise of power of the stronger over the weaker to fulfill the English interest at large. Same rates of duty should be imposed in India on British manufactures as were levied in England on Indian manufactures,³¹⁵ but the British failed to do so.

³¹⁰ *Ibid.*

³¹¹ *Ibid.*

³¹² *House of Commons (PP 1831-32)*, vol. 10, Part-II, appendix 5, p. 594.

³¹³ *Ibid.*

³¹⁴ *Report from Select Committee on East India Produce together with the Minutes of Evidence, Appendix and Index, House of Commons (P.P. 1840, vol. 8)*, p. 275.

³¹⁵ *Ibid.*

The British introduced selfish commercial policy since the last quarter of the seventeenth century and continued it till 1825 i.e. over hundred years and by the third decade of the nineteenth century they successfully made India as an importer country of cotton and silk goods. The machine-made products of Great Britain were forcefully introduced into Indian market by the English Company. At the same time in England import of Indian manufactures were shut down by prohibitive tariff.³¹⁶ The political unjustness is understandable from the fact that the cotton goods which could be sold in Britain in 1813 at a price 50-60% less than the price of machine made cloth of England. In those times, the British Parliament levied 70-80% duty on Indian cotton products to drive them out from the British market.³¹⁷ Thus India got gradually reduced from a manufacturing country to an agricultural one.³¹⁸

Due to the aforementioned unjust treatments on the cotton goods of India by the British, the cotton industry of the district of Burdwan, Birbhum and Hooghly as well as the industry of Bengal as a whole gradually got destroyed.

III

The technology and production process of the cotton textile industry of England was more or less same to the Bengal industry before 1760. The English cotton industry started to use many modern power driven machines after 1760, as a result of the technological innovation. With the introduction of the technological innovation, the production process in Bengal and in England had become widely different. Bengal still followed cottage system of production where productivity was low. In England, whole character of the industry changed from the early domestic industry to a large factory based system. By 1800, many cotton mills were established by using new technologies. The spinning Mules provided strong and fine thread to the weavers. The weavers used to run their looms by steam engines. Thus, the English industry had

³¹⁶ Dutt, R., *The Economic History of India Under Early British Rule*, p. 261.

³¹⁷ Quoted in *Ibid*, p. 262.

³¹⁸ Quoted in *Ibid*, p. 262.

developed from a home – based cottage industry to a factory based industry housed in cotton mills. The wealthy merchants began to build mills for the production of cotton yarn and cloth and later it turned to be a profitable investment. Thus, the high productivity and large scale production in England reduced the cost of production and thereby reduced the price of their cotton goods.

In the documents laid before Parliament in 1832-33³¹⁹, there is a calculation regarding the cost of labour for producing yarns in Britain and in India for one pound weight, from No. 40 to 250, and likewise of the value of the labour and material combined. The document shows the great advantage in the cost of labour that England had over India. It shows that on yarn No.40, the cost of cotton in England was 1s. 6d., and for labour was 1s., making 2s. 6d; but in India the cotton costs was 3d., and for labour 3s. 4d.; the cost was therefore 3s. 7d.; on the next yarn spun, where the cost of labour in England was 1s. 6d., in India it was 5s. 8.5d.; on the next yarn, where it was 2s. 2d. in England, it was 8s. 10.5d. in India: and in a similar manner the comparison proceeds through the different qualities of yarn, until upon yarn No.250, where the labour cost was 31s., the labour in India was 83s. 4d. The low priced British yarn entered into the Bengal market since 1787. The spinning branch of the cotton industry began to get affected greatly due to this influx of low cost British yarn. Since then, the cotton weavers of Bengal started to use English machine made yarn extensively and the spinning branch of the cotton industry of Bengal started to decline rapidly. During 1818 – 1836 the export of cotton yarns from England to India increased in the proportion of 1 to 5,200.³²⁰

The weaving industry of Bengal had been affected similarly because the productivity of the English weavers grew considerably. In England the productivity of the weavers was much higher than that of India. According to Martin, one weaver in England

³¹⁹ *House of Commons* (P.P. 1840, vol. 8), op. cit., p. 276.

³²⁰ Quoted in Mukherjee, R., *The Rise and Fall of the E.I.C.*, p.236.

would produce more goods than six weavers in India.³²¹ Thus the weaving branch of the Bengal industry reached a state of crisis by 1830. In 1813 Calcutta exported to London 2 million sterling worth of cotton goods. The scenario completely got reversed by the year 1830. In 1830, Calcutta imported 2 million sterling worth of British cotton goods.³²²

As a result of high growth in productivity in English cotton industry, the prices of cotton products in Great Britain decreased and became much lower than that of Bengal in the first half of the nineteenth century. In 1818, the price of same cotton goods of 20 yds which was made in Haripal and Dhaka were 89 shilling and 155 shilling respectively but was only 55 shilling which was made in England mill.³²³

By the end of the second decade of the nineteenth century, the prices of British machine made cotton goods had become lower than that of Bengal. This price reduction was brought about by virtue of high productivity and large scale factory production, which were the direct outcomes of Industrial Revolution. Besides, the price reduction, the durability and handiness of cotton goods produced in England had increased considerably. These were the main causes for the success of English cotton goods in the World market.

The improvements and inventions of machinery through the Industrial Revolution made it possible for the English industry to outclass the Bengal cotton products from the world market as well as from the home market of India. The British cotton industry was able to produce muslin and calicoes in imitation of the Bengal at considerable low prices which successfully outclass Bengal cotton goods of same qualities. As a result, the cotton industry of the district of Burdwan, Birbhum and

³²¹ *House of Commons* (P.P. 1840, vol. 8), op. cit., p. 276.

³²² Quoted in Mukherjee, R., op. cit., p. 236.

³²³ Tripathi, A., *Trade and Finance in the Bengal Presidency*, p. 165.

Hooghly permanently lost their market at home and abroad and reached a ruinous state by 1824.

IV

The cotton industry of the districts of Burdwan, Birbhum and Hooghly achieved high growth rate in the eighteenth century by virtue of the export trade by the European companies. Under the influence of the European traders, mostly the English East India Company, a commercial transformation occurred in Bengal which integrated Bengal with the world market. The expansion of trade during this period on a significant scale yielded spectacular prosperity of the districts' industry in the period. This sudden boom of the industry did not persist for long. By the turn of the eighteenth century, the industry started to fall and its greatest catastrophe had occurred around 1824.

Among the causes for the decline of the districts' cotton industry, the disappearance of the court culture had no effect behind the decline. The hostile British policy i.e. stringent tariff on Bengal cotton piece goods in England and coercion on Bengal weavers by the British affected the industry to some extent. The hostile tariff restricted only the market for Bengal goods in England and did not restrict the markets in Asia and other countries in Europe. The districts as well as the Bengal cotton textile industry was not highly affected by the tariff policy although it checked the import of Bengal cotton manufactures to Great Britain only. The British Parliament started to impose tariff and prohibition of Indian cotton goods in English market since the last quarter of the seventeenth century. Since then, after a century, the export of Bengal cotton goods was considerable. When we describe the oppression on Bengal weavers in one hand and tariff protection to English cotton industry on the other hand, we can see the hostile British policies like tariff and oppression the growth of the Bengal cotton textile industry was remarkable for more than hundred years. So, the hostile British policy was not a very significant cause behind the decline of the cotton industry in the three districts. The policy had only some detrimental effects on the industry.

Since the first decade of the nineteenth century, the European market for the Bengal cotton goods decreased to a large extent due to the Napoleonic Wars. Napoleon banned the import of goods from England and its colonies into the European market.³²⁴ As a result, Bengal lost her vast market for cotton piece-goods. In those times, a large quantity of Bengal piece-goods was dumped in the Company's warehouses in England.³²⁵ Consequently, the English Company's export of Bengal cotton piece-goods reduced to a considerable extent and it compelled the Company to reduce their investment in the districts on cotton manufactures. At the same time, a complete cessation of silk import from Italy to England took place on account of the Napoleonic Wars³²⁶ as a result of which the demand for Bengal raw silk for the silk industry in England grew to a large extent. The decline of cotton goods export coupled with the rise in silk demand instigated the Company to invest on the procurement of raw silk from the districts and special attention was given on cultivation of raw silk. As a result, the total production of raw silk in Bengal nearly doubled in few years.³²⁷

By 1815, the European war had come to an end. After the conclusion of the war the English machine made cotton piece-goods started flooding the European as well as the world market which had been dominated by cotton manufactures of Bengal over a long period of time. Thus the Bengal cotton industry gradually lost its export outlets and for the lack of any patronage, the industry reached a state of crisis. The cotton goods of Manchester outclassed the Bengal cotton products from the markets of Great Britain and other European countries, America and Asia.³²⁸ At the same time, British machine made goods captured the home market of India by replacing the Bengal

³²⁴ Ray, I., Identifying the woes of the cotton textile industry in Bengal, *The Economic History Review*, Nov. 2009, vol. 62, issue 4, p. 11.

³²⁵ WBSA, *Proceedings of Board of Trade* (Commercial), 17 March 1809.

³²⁶ WBSA, *Proceedings of Board of Trade* (Commercial), Sept. 2, 1808.

³²⁷ WBSA, *Proceedings of Board of Trade* (Commercial), 22 April 1814.

³²⁸ Ghosal, H.R., *Economic Transition in Bengal Presidency*, pp. 30-31.

goods. In those days, Dubrajpur of Birbhum district was a big market of *garha* cloths which became a market of English piece-goods.³²⁹

This chapter analyses the effects of the disappearance of the court culture, the discriminatory British policies and the technological innovation in Great Britain on the cotton industry of Birbhum, Burdwan and Hooghly districts. This study observed that the disappearance of court culture did not have any effect on the districts' industry. The stringent tariff checked the import of cotton manufactures of the districts to Great Britain. The British Parliament started to impose tariffs and prohibitions on Indian cotton goods in English market since the last quarter of the seventeenth century. After a century i.e. up to the second decade of the nineteenth century, in spite of those tariffs and prohibitions, the export of Bengal cotton goods was considerable. When we analysed the oppression on Bengal weavers in one hand and tariff protection to English cotton industry on the other hand, we could observe that in spite of these hostile British policies the growth of the Bengal cotton textile industry was remarkable for more than hundred years. So, we cannot safely conclude that the hostile British policy was a very significant cause behind the decline of the districts' industry, although it certainly had some detrimental effects on the industry.

Thus the oppression and the prohibitive tariff were not the leading factors behind the decay of the districts' cotton industry. The point is that even if there had been no hostile tariffs and no oppression the decay of the industry could not have been prevented long on account of the mighty force set in motion by the mechanical revolution. It was the Industrial Revolution, which enabled England to supplant the cotton manufactures of the districts not only outside, but within our own country itself when improvements and inventions of machinery made it possible by the British industry to produce muslin and calicoes in imitation of the Bengal at much lower prices so that it enabled to surpass the Bengal cotton producers both in terms of prices and quality.

³²⁹ Sherwill, W.S., *Geographical and Statistical Report of the District of Birbhum*, p. 20.

The findings of the chapter, directs us to conclude that among the factors behind the decline of the districts' cotton industry, technological innovation was by far the most powerful.