The Discriminatory British Policies and the Decline of Bengal Cotton Industry

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Abstract: The actual date of cotton-spinning and weaving in Bengal cannot be arrived at, though there is little doubt about its antiquity. During the early trade of Europe with India, the calicoes and muslins of Bengal were well accepted by the people of the different parts of the World. Bengal textile manufactures of several varieties flooded the European market in the seventeenth and eighteenth centuries, reaching its peak in the mid eighteenth century. The English cotton manufacturers were the main competitors of Bengal in the World market. The cotton textile industry of Bengal was running under severe competition with the cotton textile industry of England and was defeated by the first half of the nineteenth century. 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. This article seeks to show how far the hostile tariff on Indian goods in England in one hand and the coercion on Bengal weavers on the other hand which occurred simultaneously from the mid eighteenth century to the mid nineteenth century were responsible for the decline of the Bengal cotton industry.

Keywords: cotton industry, weaver, calicoes, muslins, aurang, dadni, East India Company, import duty, act, British Parliament, Bengal, England

Introduction

Before the British rule in Bengal, the Hindu Kings and latter the Mughal emperors, their Subadars and the member of their noble court were great patrons of Bengal cotton manufactures. In those days the cotton textile industry of Bengal had developed by the state protection. When the British had come in Bengal, the cotton textile industry here was highly developed and the cotton goods of Bengal beside its home consumption also exported to the different parts of India and the World. Around 1615, the English East India Company started to trade in Bengal where the cotton manufacture was most important. They used to send the products to their home country as well as to the other parts of the World. From the second half of the seventeenth century, Bengal muslins and Calicoes were spread in the market of Britain. In this time the English parliament gradually gave different protections to their cotton textile industry to protect them from the competition of the Bengal cotton manufactures. On the other side, the British in Bengal used to apply many coercive or oppressive treatments on the weavers. In this background, this article seeks to show how far the hostile tariff on Indian goods in England in the one hand and the coercion on Bengal weavers on the other hand which occurred simultaneously were responsible for the decline of the Bengal cotton industry.

There are three sections in what follows. Section I describes the coercive measures by the British on the cotton weavers of Bengal. Section II discusses the hostile tariffs in England on the Indian cotton manufactures. Section III is the concluding part.

I

After the win in the Battle of Plassey in 1757 and asserting the political authority in Bengal, the English East India Company became the main purchaser of the Bengal cotton manufactures. Since then the English applied all possible measures to outclass other European or native traders from the business in Bengal. So, the English implemented a series of regulations in the second half of the eighteenth century. In spite of these, the English East India Company could not ensure monopoly in cotton trade in Bengal. The French and the Dutch company...
were the main rivals of the English. So, several foreign nations and indigenous merchants were engaged in considerable trade in Bengal cotton manufactures in the period under review despite the efforts made by the English Company to eliminate its potential competitors.

After 1757, the indigenous traders or ‘dadni merchants’, for whom the weavers used to weave clothes, gradually disappeared from the investment business. Since then the English East India Company adopted the new system of advances under which the weavers were bound to give their entire produce to the company only. The company started to employ many ‘gomostas’, ‘paikars’ and ‘dalals’ at every factory or aurung in order to impose strict control over the weavers. After the victory of Plassey the aim of the East India Company was to capture as much wealth as possible through internal and external trade in Bengal. According to Sinha, by 1780's the British made an attempt to create an Indian market for Bengal products and also for European imports (Sinha, 1961, 110). As Sinha further observes, “The entire economy of Bengal was dominated by the needs of the European market in the 1760's, 1770's and 1780's” (Quoted in Sinha ibid. 111). After 1757, the powerful Moghul domination in India came to an end and it was then replaced by the Maratha domination. The Marathas were averse to the luxurious mode of living like the Mughal. So, the demand for Bengal cotton goods had nearly disappeared in different provinces of India. Sinha also mentioned that the British domination in Bengal and Maratha ascendancy in many other parts of India combined to bring about the steady decline of the flourishing Indian market for Bengal goods (ibid.).

By capturing the economic as well as the administrative power of Bengal the English East India Company started to invest money to procure cotton goods. The company’s method of investment was conducted by the Export Warehouse keeper and the company’s servants at the subordinate factories. Many aurung or factory were established in different cotton manufacturing centres of the then Bengal for the procurement of goods. In an aurung one Resident or Company’s European officer was appointed. He was the executive head of an aurung and under him one head gomosta, one mohuree or clerk, one cash keeper and some peons were posted. Gomastas used to give instruction to the dalals and paikers along with the weavers. When the weavers received money, they had to sign an agreement paper. According to Bolt, the gomastas made them sign a bond for the delivery of a certain quantity of goods within a certain period of time at a certain price and then only the weavers were given a part of the contract-money in advance. The asset of the poor weaver was in general not deemed necessary for the gomastas when employed on the Company’s investment frequently made them sign what they pleased (Bolts, 1772, 193).

The woven cloths used to store in warehouse and every branch of cloth were marked by the producer or weaver’s name. Here, on behalf of the gomasta, a person who was called jassendar or assorter was appointed to fix the price of each piece of cloth. Bolt describes that the rougery practice in that department was beyond imagination, but all terminated in the defrauding the poor weaver; for the prices which the Company’s gomastas and in confederacy with them, the jassendar fixed upon the goods in all places at least fifteen percent and in some cases forty percent less than the money the goods so manufactured could bring if they would have sold in the public bazaar or market without any restriction or compulsion (ibid). In this system the weavers were paid low price. So, they frequently resorted to selling their cloths to others, mostly to the Dutch and the French merchants. The company’s gomasta used to punish the weavers for such practices. According to Bolt, at that time the English Company’s gomasta set his peons over the weavers to watch him and not infrequently to cut the piece out of the loom when nearly finished (ibid). If a weaver was unwilling to engage himself in East India Company’s business as he was not paid fair price from the Company, the force was applied on him mercilessly.

In the letter of Nov. 11, 1768, the court of directors observed “they (the weavers) are unwilling to engage in the Company’s business as he was not paid fair price from the Company, the force was applied on him mercilessly. In the letter of Nov. 11, 1768, the court of directors observed – “they (the weavers) are unwilling to engage in because we (the English Company) do not pay them a fair price. The gentlemen at Dacca say the foreigners give 20 or 30 percent more than we do but the fact that comes the strongest to the point is the sale of ferrit and damaged goods which sold at public auction from 10 to 100 percent advance, a clear proof of the injustice done to the weavers” (Sinha ed., FWHC, 1768, 139). J. C. Sinha quoted the proceedings of April 12, 1773 which states that the two annexed papers which the President had formed from an examination into the complaint made to him by the weavers of Santipore and which he had every reason to believe to be authentic, would show the then miserable situation of the weavers, since it appeared that the prices given to them for the clothes provided on account of the Company’s Investment, amounted to be no more and in some instances less than the cost of the materials and their labour was extracted from them without any repayment. They at the same time suffered the pain of corporal chastisement and were forbidden to work for private merchants or to make any other assortments but those ordered for the Company’s investment. As a result they had no other means of living but by sinking a part of the advances made them in irrecoverable balances and by embezzlements and clandestine sales of their cloths to foreigners other than the British (ibid, 138).

The oppressions on the weaver can be understood by a letter date Nov. 11, 1768 where the court of Directors wrote that they could ascribe the Company's difficulties to nothing but the oppressed state the weavers had been in for some years, which had occasioned many of them to fling up their looms (ibid.). The price usually paid by the English East India Company to the weavers was arbitrarily fixed and was lower than the offered price of the other European rivals. So the Company forced the unwilling weavers to work for them. Besides this, the
Company’s *gomastas* used to abuse their power which was another mode of oppression on the weavers. Verelst observes that the *gomastas* or agents of the Company were necessarily entrusted with powers, which they frequently abused to their own emolument; and an authority given to enforce a just performance of engagements, became, notwithstanding the utmost vigilance of the higher servants, a source of new oppression (Verelst, 1772, 85).

Due to the oppressions, a large number of weavers gave up their age old profession. Besides this, a great famine occurred in Bengal in 1770 which caused death of a large number of weavers and spinners. So, a crisis of weavers aroused in Bengal.

In 1773, Hastings declared the freedom of trade to the weavers. According to this proclamation, now a weaver got the liberty to engage himself to a business with any person or company. (WBSA, Proc. of B.O.T Commercial, 9 May 1775). Then most of the weavers refused to make business contract with the English East India Company and even who received the company’s advances, refused to deliver goods and disobeyed the whip of the Company’s *gomastas*. To stop the audacity of the weavers, ‘Coercive Regulations’ were enacted in 1775 (ibid, 5 Sept. 1775). According to the ‘Regulations’ the weavers who used to take advances from the Company had to deliver goods accordingly; they had to deliver goods in time and they did not sell cloth to any other company. If a weaver disobeyed the above ‘Regulations’ he would be punished in a regular process in the Judicial Court.

Many measures were taken in between 1782 and 1787 to get the product in time and to stop open market selling by the weavers.

Though different Regulations were imposed by the English East India Company on the rival mercantile groups and gave utmost effort to eliminate them from competition, they did not succeed in true sense.

As per the Charter Act of 1793, the Company had to allow three thousand tons of shipping annually to the private merchants for their trade in the East (Ghosal, 1939, 206). Unlike the period prior to 1793, the trade in cotton manufactures was now done both by the English East India Company and by the private traders. In the closing decade of the eighteenth century a large number of European private agency houses started their export trade from Bengal. One of the important items of their trade was cotton goods.

The coercion on the weavers and absence of any state protection in the period under review made it possible to displace the cotton weavers of Bengal and the glorious Bengal industry had started to ruin. The severity of oppression can be understood by “the story of weavers’ thumb” as described by J.C. Sinha (Sinha, 1927, 84). According to Sinha, there are two versions of the story. One is that the servants of the East India Company and their agents went to the length of cutting off the thumbs of weavers. The other is that the weavers themselves severed their own thumbs to avoid being forced to weave cotton items for the company. According to William Bolt, various and innumerable were the methods of oppressing the poor weavers, which were regularly practiced by the Company’s agents and *gomastas* in the country. Such modes of oppressions included fines, imprisonments, floggings, forcing bonds from them and because of that the number of weavers in the country had been greatly decreased. The severities practised towards those people were scarcely described, for it frequently happened, opined Bolt in his observation (Bolt, op cit, 74). The *gomastas* and other lower class servants used to take perquisites from the weavers which were quite unlawful (WBSA, Proc. of B.O.T Commercial, March 31, 1815). The Company’s servant used to give whips on the weavers and if they failed to follow that they had to suffer from corporal punishment (ibid., May 8, 1818). The Commercial Residents were empowered to punish the ‘acts of unwarrantable severity’ but the ignorant weavers did not bring these incidents to the notice of the Resident and if they did the *gomastas* and other subordinates suppressed them (ibid, March 31, 1815). Sometimes the weavers complained to the Board of Trade but in vain. At last when they became helpless they left their houses and looms to get relief (ibid.).

II

Now, we want to describe the state protection to the cotton textile industry of England when the Bengal cotton industry faced various oppressions by the English East India Company. Since the last quarter of the seventeenth century, Bengal cotton goods had rapidly captured the English market for which the textile industry (mainly the woolen and silk) of United Kingdom had lost their market gradually at home. According to O’Brien, Griffiths and Hunt, “England’s native woolen and silk interests first became 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” (O’Brien, Griffiths and Hunt, 1991, 401). During 1696 - 1720, the structure of English legislation to regulate the entry of Asian clothes into the English market was important for the survival and long-term growth of the British domestic cotton industry (ibid.). To protect the infant industry from the competition of Bengal cotton goods, the British Parliament from time to time enacted various Acts to prohibit the Indian cotton goods. It was started from 1700 with the Act prohibiting the use of painted, dyed or printed calicoes of India in England (Ray, 2009, 857-892). All such goods were imported for re-export only after the Act came into being (ibid.). White calicoes and muslin proper did not come under the purview of the abovementioned Act and were subjected to an import duty of 15% ad valorem (Sinha, J.C., 1927, 26). After the
enforcement of the Act, the import of white calicoes increased to a large extent which used to print 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 were prohibited in England. In spite of all these, the export of cotton manufactures from Bengal as well as from India was not stunted. So, prior to the period under review the cotton industry of Bengal had been performing well.

After the Battle of Plassey the economic environment of Bengal started to be dominated by the whip of the British. The English East India Company acquired the ‘Diwani of Bengal’ in 1765. Since then the Indian cotton products 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 (Hamilton, 1919, 107-8). 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 (ibid). 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 (ibid). From 1797 onwards, fresh duties were imposed by the British Parliament on articles imported into United Kingdom (Dutt, 1960, 293). As shown in Table 1, we can infer that the duty gradually increased from 1802 and reached highest level in 1813. In 1813, the duty was about 44 per cent on muslins and around 85 per cent on calicoes.

The rates of duty per cent on Indian muslin, calicoes and on other cotton manufactures can be clearly understood from the following tables:

Table 1: The rates of duty per cent on Indian muslin, calicoes and on other cotton manufactures

<table>
<thead>
<tr>
<th>Year</th>
<th>White Calicoes £ s d</th>
<th>Muslins and Nankeens £ s d</th>
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<td>1802</td>
<td>27 1 1</td>
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<td>1803</td>
<td>59 1 3</td>
<td>30 18 9</td>
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<td>1804</td>
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<td>1805</td>
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<td>1806</td>
<td>71 6 3</td>
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<td>1809</td>
<td>71 13 4</td>
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<td>1813</td>
<td>85 2 1</td>
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From the above table, it is observed that 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. The duties gradually increased and reached maximum in 1813. In 1813, the ad valorem duty on white calicoes reached around eighty five per cent which was around forty four per cent on muslins. In 1824, the duties were reduced to sixty seven per cent on white calicoes and thirty seven per cent on muslins. Until 1825, the duty remained more than sixty per cent on the white calicoes and more than thirty per cent on the muslins. In 1826, the duty was drastically reduced to ten per cent ad valorem on calicoes and on muslins 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.

Once Montgomery Martin replied to the questions of the members of a select committee where the Hindus of Calcutta complained that every encouragement was held out to the exportation from England to India of the growth and produce of foreign as well as of English industry, while many thousands of the natives of India, who, only a few years before, had earned their livelihood by growing cotton, and by manufacturing cotton goods, were then without bread, in consequence of the facilities that had been afforded to the produce of
America, and also to the manufacturing industry of England. He also mentioned that by the exportation of their steam-power based manufactures to India, the British not only supplanted the native manufacture, but also the spinner of the twist and the grower of the cotton. The decay and destruction of Surat, Dhaka, Murshidabad, and of other places, where native manufactures were carried on, were, in fact, very unfortunate. Martin was not ready to consider that as a fair practice of trade; he thought it had been the power of the stronger exercised over the weaker, and it would have been for the stronger's interest. On moral grounds, Martin was in favour of imposing the British duty, to be levied at the same rate as in India on British manufactures as had been levied in England on Indian manufactures (H.C.P.P., 1840).

Martin observed that the high rate of duty was imposed on Indian cotton manufactures while it was imported into England; on the other hand, the British cotton goods were exported into India at a low rate of duty. Thus the British cotton manufacturers in Glasgow and Manchester had supplanted the Indian native manufacturers from the market of India and abroad (ibid.).

Martin also observed that England had evidently nothing to be afraid of competition with the Hind labourers. If England had acted with justice and admitted the cotton manufacturers of British India on the same terms upon which the cotton manufacturers of England were admitted to British India, then the unjust treatment for a quarter of a century might have been compensated or avoided (ibid.).

III

Bengal cotton textile industry was not highly affected by the coercive measures by the British on the cotton weavers of Bengal and the high tariff policy. Although the high tariff checked the importation of Bengal cotton manufactures into Great Britain. The British Parliament started to impose tariff and prohibition of Indian cotton goods in English market as early as 1700. Since then after a century hence i.e. up to the second decade of the nineteenth century, the export of Bengal cotton goods was considerable. But due to technological innovations when the English cotton textile industry became highly developed, its high productivity and large scale production caused the decrease of the price of their cotton products, the export of Bengal cotton products was on the wane (Bhadra, 2014, 13). Besides these, the cotton goods of England became long lasting and handy for use. This was why cotton goods of England successfully outclassed the Bengal cotton goods in the World market as well as in the indigenous market of India in the first half of the nineteenth century.

References