

Industry and Administrative Policy: A Critique of Decline of Cotton Industry in Colonial India 1757-1857

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ABSTRACT

Before the coming of the regime of East India Company, the cotton industry enjoyed flourishing status as India held a global monopoly over the manufacturing of cotton textiles for more than three thousand years. Even during medieval ages, export of cotton textiles to Eastern and European countries was a magnificent achievement of India's industrial advancement. This generated a significant employment for skilled and unskilled labour all over the country and profoundly contributed to strengthening of Indian economy. Most of the regions of the country developed as the hub of the industry and famous for their standard and quality manufactures in India and abroad. It was one of principal industries organized on domestic basis. But with the establishment of the Company's rule 1757-1857 its bad days began as its exploitative policy gradually ruined the industry, its owners, weavers and employees. This overlooked aspect of Economic History of India is discussed and assessed in historical perspective in this study

Keywords : Cotton, Colonial, Industry, Trade, Rule, England.

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Introduction:

The Cotton Industry has a specific place in Indian Industrial System and Organization. The Industry is the ancient pride of India as it was one of the earliest organized industry in the country. (Buchanan 1934:194) During Harappan Civilization, cotton was spun into cloth and used by its people. (Manral 1983:67; Chaudhary 2005:34) According to Dr. R.C. Majumdar and V.M. Apte, the Aryan people used to go on sea voyages and had trade relations with Babylon and Western Asia. The export of cotton cloth was an important item. (Manral 1983:88) The weavers also made considerable progress during Vedic age. Finding of fired clays, bone spurs and tubes of yarn made it clear that spinning was sufficient. The weavers here wove clothes skillfully. (Nahar 1961:56) In Vedic Age, the Cotton Industry gradually flourished as women were also employed who used to knit and dye the clothes. (Manral 1983:98). The Industry flourished during Maurya and Gupta Ages (Chaudhary 2005: 168, 277) as many places developed as its centres across

India and provided employment to the lakhs of people. Even during Medieval India, before advent of East India Company and its Rule in the country, the Cotton Industry was one of the biggest industries in India (Datta 1961:81-82) and it was in a better situation because of availability of raw materials in abundance and a big market for its sale. (Mishra 1997:211) Even during Mughal rule manufactories (Karkhanas) were maintained at important centres for the manufacture of fine muslin. But with the advent East India Company Rule in India, the bad days of the industry have begun under its exploitative administrative policy that ultimately paved the path for its gradual decline.

Purpose:

Tracing the flourishing status of the cotton industry before the advent of Company's Rule, the present study explores the exploitative policies of foreign rule 1757-1857 that gradually damaged the flourishing status of cotton industry of India. It also focuses on adverse outcomes of Industrial

Revolution in England (1760-1820) especially on cotton industry with other industries in India. The Company administration emphasized on exporting raw cotton materials from India to England for its industries that gradually destroyed its owners, and weavers with its large number of employees in the country. (Thakur2003:265)

Methodology:

Published authored and edited books form basic sources for this study in Economic History of India under the Company Rule. Research papers published in various journals and proceedings are other main sources of the study. Writings and reports by noted scholars available on Google are included in sources that made available data and facts for tracing flourishing status of cotton industry before coming of English as well as exploitative policy of foreign rule during 1757-1857. These sources are available in various archives and libraries in India.

Literature Review :

In spite of abundance of edited and authored books on History of Modern India and Economic History of India, various aspects of cotton industry during Company's rule 1757-1857 were not traced and examined. Sridhar Pandey (1978), R. Palme Dutt (1979), G. Kaushal (1979), Sabyasachi Bhattacharya (1990), A.C. Banerjee (1992), Dhanpati Pandey (1994, 2016) Egnesh Thakur (2003), Abha Tiwari (2008), Bipan Chandra (2009), Ishwari Prasad (2016), Sailendra Nath Sen (2017) and other scholars wrote in brief on the cotton industry and not discussed its various aspects including gradual decline of the industry during Company's Rule 1757-1857 in India. K.S. Gill (1993) Sekhar Bandyopadhyay (2004), Bipan Chandra (2009), Suranjan Chatterjee & Sidhartha Guha Ray (2015) and Sailendra Nath Sen (2017) are noted few scholars before three authors (R.C. Majumdar, H.C. Raychaudhuri and K.K. Datta 1946) but in all their writings there is short or no discussion of the cotton industry during Company Rule 1757-1857 in India.

Cotton Industry and Company's Rule 1757-1857

Historically the cotton industry of India has a long and prosperous record as it was not only country's one of most flourishing industries but also played a central role in the global textile industry before the establishment foreign regime in India. It was one of important organized industries of India (Majumdar, Raychaudhuri & Datta 1946:895) and had its centres all over the country. (Banerjee 1992:366) Admittedly, the industry had global prominence in view of its magnificent quality and innovative craftsmanship. The flourishing handloom sector not only made cotton a major export commodity but also led establishment of multiple production centres in Gujarat, Tamil Nadu and its other neighbouring regions. Before the advent of foreign rule in India, the country had a thriving and dominant cotton textile industry as the industry was based on superior natural conditions and skilled handicraft production. As a result of this prominence the Indian textiles were in high demand worldwide in view of its standard and quality. With Silk manufacture and other industries, the cotton industry was included in most premier industries. It was organized on domestic basis in the country. (Banerjee 1992:367) Every weaver's house looked like a workshop and scarcely any village was without such weaving centres. Robert Orme (1805:409) rightly noted that "On the coast of Coromandel and in the province of Bengal, when at some distance from the high road, or a principal town, it is difficult to find a village in which every man, woman or child is not employed in making of a piece of cloth." (quoted in Datta 1961:82) Chanderi (Malwa), Mysore and northern parts of the Madras Presidency, Jaunpur, Banaras, and some other localities in the United Provinces, Bihar, Orissa and Bengal etc. were important flourishing centres of textile industry. (Banerjee 1992:366-367) People of all nations and all kinds of mercantile goods throughout Asia were found at Ahmedabad referred to as "the Manchester of India". With other required materials of daily use, stuffs of silk, linen

and cotton were manufactured at Ahmedabad. The printed calicoes of Ahmedabad were beautiful and fine. It was durable like those of Coromandel coast and were used in Java, Sumatra and the Molucca islands, Persia, Turkey and Europe. Surat was noted for its manufactures of finest Indian brocades, the richest silk stuffs of all kinds, calicoes and muslins. Nagpur, Masulipatanam, Godaveri, Chicacole, Ellora, Vizagapatnam, Bangalore, Coimbatore, Banara, Patna, Calcutta etc. places were known for fine manufacturing of plain long cloth, calicoes, coarser plain cloth, muslin, woollen carpets, silks, chintz etc. (Datta 1961:83-84). In short, the cotton industry was developed on a large scale throughout India. (Tiwari 2008:47-48) Dacca was one of famous centres of making of fine and superfine muslins in Eastern Bengal.

The 'woven wind' of Dacca was known to the Greeks under the name of Gangetika. (Kaushal 1979:238; Tiwari 2008:47) It was a matter of surprise to Robert Orme (1805) how cloths of extraordinary niceness could be produced in Bengal with few and humble mechanical tools. Robert Orme was further surprised when he found that at Dacca all the cloths for the use of the king and his seraglio were made. These were of such wonderful fineness as to exceed ten times the price of any linens permitted to be made for Europeans or others in the kingdom. (quoted in Datta 1861:84-85). According to the Dutch traveller Starvorinus, "Muslins are wove so fine, that a piece of twenty yards in length, and longer can be inclosed in a common pocket tobacco box. The whole is done with a very trifling apparatus and European are surprised to behold the perfection of manufacture, which is exemplified here in almost every handicraft, effected with so few and such imperfect tools." (quoted in Datta 1861:85). Dacca was also famous for excellent embroidery and flower works on cloths. The European travellers and factors like Bernier and Pelsaert and others with many foreign authors applauded cotton manufactures and pointed out the weaving manufactories were dispersed throughout the country and almost every district produced a special variety of cloth.

The foreign travelers and authors also pointed that women actively participated in embroidery and flowering, cloth printing and dying. These allied arts had great excellence also in other parts of the country. A noted historian K.K. Datta observed that "women of middle class and comparatively indigent families also engaged themselves in spinning thread and helped the cotton industry of the country as they did in silk industry by winding off the rags silk from the pod of worms." (Datta 1961:85) In the early years of the 18th century, therefore, the use of Indian calicoes in apparel and household manufactures became so universal in England as to be a great detriment to the woollen and silk manufactures of the Kingdom. The British Parliament passed various prohibitory and sumptuary laws for the protection of the English weaving industry. But Company Rule led to the decline of the Indian cotton industry by transforming India into a supplier of raw cotton and market for British finished goods. In 1769 the Court of Directors issued the following order, "Manufacture of raw silk should be encouraged in Bengal and that of manufactured silk fabrics should be discouraged and silk winders should be forced to work in the Company's factories and prohibited from working in their houses under severe penalties by the authority of the Government. It systematically led to gradual decline of Indian cotton industry.

The Company advanced money to the weavers through Gumastas and exercised a monopolistic control over them so that they were not permitted to work for others. Thus the weavers could not obtain a just price for their cloths. William Bolts, a senior servant of the Company, wrote in 1772 that weavers who dared to sell their goods to purchasers other than the Company were frequently seized and imprisoned, confined in irons, fined considerable sums of money and deprived in the most ignominious manner, of what they esteem most valuable, their crafts instances have been known of cutting off their thumbs, to prevent their being forced to wind silk. The result of such methods, as A.C. Banerjee observed, was wholesale abandonment of their occupation by the weavers and the decline of the weaving industry in Bengal. This was

accelerated by the rise of prices of cotton in Bengal which was due to the establishment of some kind of monopoly of Bombay and Surat Cotton by the Company. (Banerjee 1992:367) Moreover, by the Regulation of 1789, the weavers were forced to pay a penalty of 35 per cent on the advance taken if they defaulted in supplying the goods.

Thus the British turned India into a raw material supplier for mills in Britain. The forced sale of raw materials at low prices, the import of cheaper machine-made textiles and heavy taxation were main aspects of the policy of Company rule 1757-1857 that led to the gradual decline of cotton industry and adversely affected local artisans. The policy ultimately crippled the cotton industry and led to the impoverishment of weavers and workers employed in the industry. Natural calamities including the dreadful famine of 1770, also produced devastating effects in Bengal and Bihar. Consequently large number of the spinners, the weavers and cotton growers died. This was responsible, to some extent, for causing a rise in the price of cotton thread and a deterioration in the cotton manufacture. (Datta1961:117). Though the cotton industry struggled for years against adverse conditions, it could not withstand the onrush of the new economic forces generated by the first phase of Industrial Revolution during 1760-1820 in England.

The several mechanical inventions helped the growth of cotton industry in England as finances were largely supplied by huge remittances of private fortunes by Englishman from India. Historian Datta rightly observed, "The hand-made Indian products could not long compete with the machine-wrought goods of Europe, and gradually the Indian piece-goods of different classes were ousted from the markets of England and other foreign countries by thirties of the 19th century. They lost the home markets too, as the general people here began to prefer English machine-made fabrics chiefly because these could be purchased at low prices." (Datta1961:118) It is to be noted that the Charter Act of 1813, the outcome of the demand of new born British capitalism for fresh outlets, gave a fillip to private commercial enterprise of

Englishman who went on increasing the volume of the import of British manufactured cloths into India. In 1815, the Bengal Government reduced the import duty on British goods by 2.1/2 percent. In 1813-1814, the value of British cotton manufactures imported into Bengal was about 91,800 Sicca rupees only. With some decline for a few years following, the value of such goods, however rose to 50,61,861 Sicca rupees a year. (Datta1961:118-119). While the British goods were allowed to enter India with nominal duty, Indian goods were burdened with heavy duties for entry into Britain. In 1813, the British Parliament again imposed an increased consolidated duty on home consumption of calicoes and muslins. In 1824, a duty of 67.5 per cent was levied on Indian calicoes and a duty of 37.5 per cent on Indian muslins. According to Sen(2017) in some cases, duties were levied as high as 400 per cent. The imposition of such prohibitive import duties and development of machine industries crippled Indian economy. As a result, Indian exports to foreign countries fell rapidly. (Sen2017:162) Admittedly the steam-loom of Manchester and Lancashire and other cities in England gradually flourished on gradually declined cotton industry because of Company's exploitative policy of exporting raw materials to satisfy her growing capitalistic need in England. In 1832 Governor-General wrote, "Cotton piece-goods for so many ages the staple manufacture of India seem ...for ever lost."(Datta1961:119-120)

Moreover, the rapacious private trade of the Company servants and the shortsighted policy of making quick large profits dug the roots of the industry and severely affected the Indian economy. This led to a progressive decline in the share of Indian cotton goods in the Company's investments from Rs. 92,68,770 in 1705 to Rs. 90,51,324 in 1799 and Rs.25,50,000 in 1810. The value of cotton piece goods exported on Company account from Bengal declined from Rs. 61,67,851 in 1792 to Rs. 3,42,843 in 1823. It is obvious that the colonial policies of forced sale of raw materials at low prices, the import of cheaper machine-made textiles and heavy taxation etc. ruined the industry during 1757-1857.

Conclusion:

Thus the exploitative policy of the Company Rule resulted in the near-total collapse of the once-dominated Indian cotton industry by 1857. It systematically dismantled the Indian cotton industry and the country was transformed into a supplier of raw cotton for Britain with a captive market for its machine-made textiles from England. Successfully converting India from a manufacturing country into a country exporting raw produce was mentioned in a petition of the East India Company before the Select Committee in 1840. Exploitation and forced suppression of local weavers, heavy import duty on Indian goods imposed in England, official emphasis on favouring British exports to India, gradual and regular decline of demand for handloom products, increased poverty of weavers, forced coercion and exploitation by Company agents, official favour to British interests and exploitative land revenue policies of the Company regime etc were no less responsible for gradual decline of cotton industry during 1757-1857.

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