

## 3 Industrialisation in the Colonies

Let us now move to India to see how a colony industrialises. Once again we will look not only at factory industries but also at the non-mechanised sector. We will limit our discussion primarily to textile industries.

### 3.1 The Age of Indian Textiles

Before the age of machine industries, silk and cotton goods from India dominated the international market in textiles. Coarser cottons were produced in many countries, but the finer varieties often came from India. Armenian and Persian merchants took the goods from Punjab to Afghanistan, eastern Persia and Central Asia. Bales of fine textiles were carried on camel back via the north-west frontier, through mountain passes and across deserts. A vibrant sea trade operated through the main pre-colonial ports. Surat on the Gujarat coast connected India to the Gulf and Red Sea Ports; Masulipatam on the Coromandel coast and Hoogly in Bengal had trade links with Southeast Asian ports.

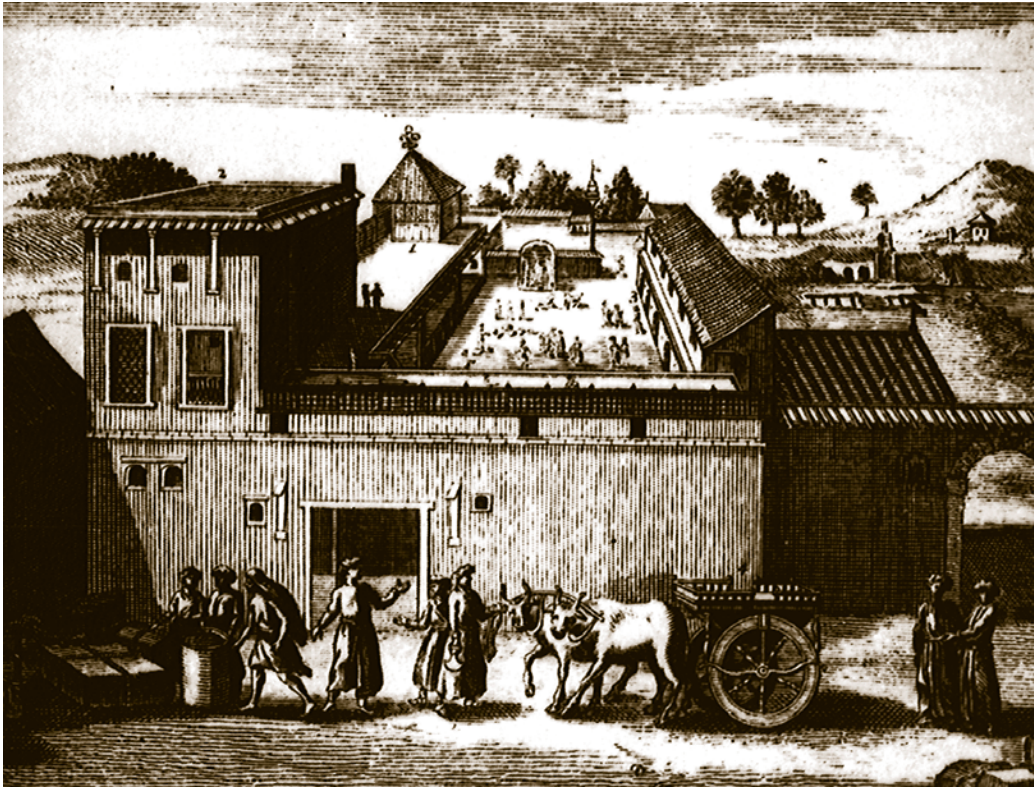
A variety of Indian merchants and bankers were involved in this network of export trade – financing production, carrying goods and supplying exporters. Supply merchants linked the port towns to the inland regions. They gave advances to weavers, procured the woven cloth from weaving villages, and carried the supply to the ports. At the port, the big shippers and export merchants had brokers who negotiated the price and bought goods from the supply merchants operating inland.

By the 1750s this network, controlled by Indian merchants, was breaking down.

The European companies gradually gained power – first securing a variety of concessions from local courts, then the monopoly rights to trade. This resulted in a decline of the old ports of Surat and Hoogly through which local merchants had operated. Exports from these ports fell dramatically, the credit that had financed the earlier trade began drying up, and the local bankers slowly went bankrupt. In the last years of the seventeenth century, the gross value of trade that passed through Surat had been Rs 16 million. By the 1740s it had slumped to Rs 3 million.

### Activity

On a map of Asia, find and draw the sea and land links of the textile trade from India to Central Asia, West Asia and Southeast Asia.



*Fig. 13 – The English factory at Surat, a seventeenth-century drawing.*

While Surat and Hoogly decayed, Bombay and Calcutta grew. This shift from the old ports to the new ones was an indicator of the growth of colonial power. Trade through the new ports came to be controlled by European companies, and was carried in European ships. While many of the old trading houses collapsed, those that wanted to survive had to now operate within a network shaped by European trading companies.

How did these changes affect the life of weavers and other artisans?

### 3.2 What Happened to Weavers?

The consolidation of East India Company power after the 1760s did not initially lead to a decline in textile exports from India. British cotton industries had not yet expanded and Indian fine textiles were in great demand in Europe. So the company was keen on expanding textile exports from India.

Before establishing political power in Bengal and Carnatic in the 1760s and 1770s, the East India Company had found it difficult to ensure a regular supply of goods for export. The French, Dutch,



*Fig. 14 – A weaver at work, Gujarat.*

Portuguese as well as the local traders competed in the market to secure woven cloth. So the weaver and supply merchants could bargain and try selling the produce to the best buyer. In their letters back to London, Company officials continuously complained of difficulties of supply and the high prices.

However, once the East India Company established political power, it could assert a monopoly right to trade. It proceeded to develop a system of management and control that would eliminate competition, control costs, and ensure regular supplies of cotton and silk goods. This it did through a series of steps.

First: the Company tried to eliminate the existing traders and brokers connected with the cloth trade, and establish a more direct control over the weaver. It appointed a paid servant called the *gomastha* to supervise weavers, collect supplies, and examine the quality of cloth.

Second: it prevented Company weavers from dealing with other buyers. One way of doing this was through the system of advances. Once an order was placed, the weavers were given loans to purchase the raw material for their production. Those who took loans had to hand over the cloth they produced to the *gomastha*. They could not take it to any other trader.

As loans flowed in and the demand for fine textiles expanded, weavers eagerly took the advances, hoping to earn more. Many weavers had small plots of land which they had earlier cultivated along with weaving, and the produce from this took care of their family needs. Now they had to lease out the land and devote all their time to weaving. Weaving, in fact, required the labour of the entire family, with children and women all engaged in different stages of the process.

Soon, however, in many weaving villages there were reports of clashes between weavers and *gomasthas*. Earlier supply merchants had very often lived within the weaving villages, and had a close relationship with the weavers, looking after their needs and helping them in times of crisis. The new *gomasthas* were outsiders, with no long-term social link with the village. They acted arrogantly, marched into villages with *sepoys* and *peons*, and punished weavers for delays in supply – often beating and flogging them. The weavers lost the space to bargain for prices and sell to different buyers: the price they received from the Company was miserably low and the loans they had accepted tied them to the Company.

#### New words

Sepoy – This is how the British pronounced the word *sipahi*, meaning an Indian soldier in the service of the British

In many places in Carnatic and Bengal, weavers deserted villages and migrated, setting up looms in other villages where they had some family relation. Elsewhere, weavers along with the village traders revolted, opposing the Company and its officials. Over time many weavers began refusing loans, closing down their workshops and taking to agricultural labour.

By the turn of the nineteenth century, cotton weavers faced a new set of problems.

### 3.3 Manchester Comes to India

In 1772, Henry Patullo, a Company official, had ventured to say that the demand for Indian textiles could never reduce, since no other nation produced goods of the same quality. Yet by the beginning of the nineteenth century we see the beginning of a long decline of textile exports from India. In 1811-12 piece-goods accounted for 33 per cent of India's exports; by 1850-51 it was no more than 3 per cent.

Why did this happen? What were its implications?

As cotton industries developed in England, industrial groups began worrying about imports from other countries. They pressurised the government to impose import duties on cotton textiles so that Manchester goods could sell in Britain without facing any competition from outside. At the same time industrialists persuaded the East India Company to sell British manufactures in Indian markets as well. Exports of British cotton goods increased dramatically in the early nineteenth century. At the end of the eighteenth century there had been virtually no import of cotton piece-goods into India. But by 1850 cotton piece-goods constituted over 31 per cent of the value of Indian imports; and by the 1870s this figure was over 50 per cent.

Cotton weavers in India thus faced two problems at the same time: their export market collapsed, and the local market shrank, being glutted with Manchester imports. Produced by machines at lower costs, the imported cotton goods were so cheap that weavers could not easily compete with them. By the 1850s, reports from most weaving regions of India narrated stories of decline and desolation.

By the 1860s, weavers faced a new problem. They could not get sufficient supply of raw cotton of good quality. When the American

#### Source C

The Commissioner of Patna wrote:

'It appears that twenty years ago, a brisk trade was carried on in the manufacture of cloth at Jahanabad, and Behar, which has in the former place entirely ceased, while in the latter the amount of manufacture is very limited, in consequence of the cheap and durable goods from Manchester with which the Native manufactures are unable to compete.'

Quoted in J. Krishnamurty, 'Deindustrialisation in Gangetic Bihar during the nineteenth century', *The Indian Economic and Social History Review*, 1985.

Source

#### Source D

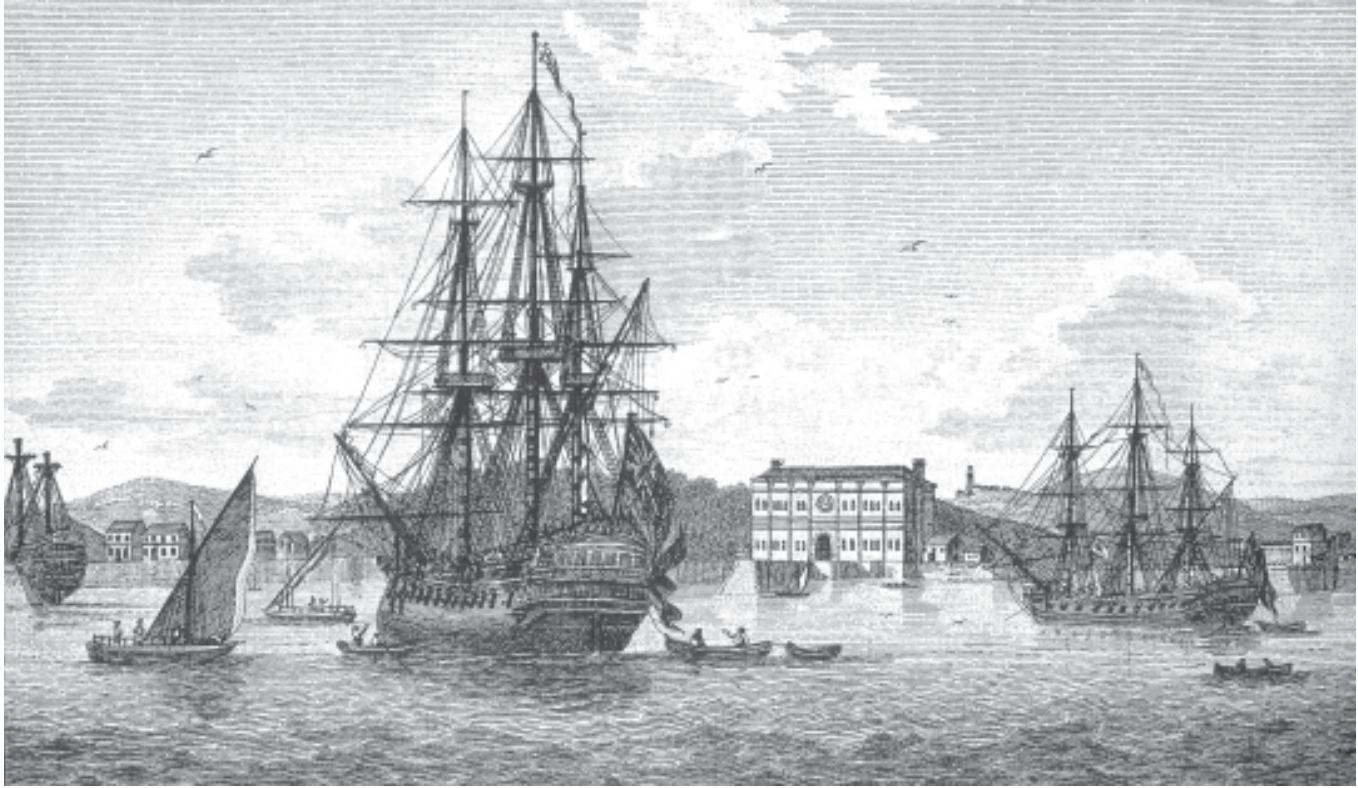
Reporting on the Koshtis, a community of weavers, the *Census Report of Central Provinces* stated:

'The Koshtis, like the weavers of the finer kinds of cloth in other parts of India, have fallen upon evil times. They are unable to compete with the showy goods which Manchester sends in such profusion, and they have of late years emigrated in great numbers, chiefly to Berar, where as day labourers they are able to obtain wages ...'

*Census Report of Central Provinces*, 1872, quoted in Sumit Guha, 'The handloom industry in Central India, 1825-1950', *The Indian Economic and Social History Review*.

Source





**Fig. 15 – Bombay harbour, a late-eighteenth-century drawing.**

*Bombay and Calcutta grew as trading ports from the 1780s. This marked the decline of the old trading order and the growth of the colonial economy.*

Civil War broke out and cotton supplies from the US were cut off, Britain turned to India. As raw cotton exports from India increased, the price of raw cotton shot up. Weavers in India were starved of supplies and forced to buy raw cotton at exorbitant prices. In this, situation weaving could not pay.

Then, by the end of the nineteenth century, weavers and other craftspeople faced yet another problem. Factories in India began production, flooding the market with machine- goods. How could weaving industries possibly survive?