CHAPTER V

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The first cotton mill in India was erected in 1818 in Calcutta. The first mill in Bombay, which was destined to be the cradle of the cotton mill industry in India, started working in the year 1854.\(^1\) There was a great demand for the Indian cotton in British markets because of the American Civil War in 1861 and the merchants and cotton exporters of Bombay benefitted much from the cotton trade.

The cotton boom experienced in Bombay was also felt in Madras. The price of cotton per candy (500 lbs) which was Rs.59/- in 1860-61 shot upto Rs.270/- in 1863-64. Simultaneously, the total quantity of raw material exported also increased, swelling the value figures of the exports of cotton. The benefit of this windfall profit must have accrued to the cotton growers of Tinnevelly and Coimbatore. It was inferred that at least a major part of these cotton profits went into the construction of new mills in those parts.

EARLY ATTEMPTS TO ESTABLISH COTTON MILLS:

The then Governor of Madras, Lord Napier suggested the establishment of cotton mills not just in one place but"... that manufacturing centres might be advanta-
geously established in two cotton producing districts 
i.e., Tinnevelly on the Tambraparany and in Coimbatore 
on the Cauvery."2 History proved that these centres 
were capable of containing thriving mills. Coimbatore 
became one of the cradle of the industries in later years.

The foresight of the Governor or a competitive 
spirit due to the fact that Pondicherry ran a cotton 
mill or a genuine interest in the development of the 
country in the industrial sphere could have made him 
to come up with this revolutionary suggestion. He 
strongly proclaimed that "India was not a preserve of 
Manchester" and warned that the Government and the 
people of England would repudiate a calculated neglect 
of the industrial capacity of the country. 3

2. Minute No.230 by H.E. the President, 10.6.1870.
3. Ibid.
H.E. Lord Napier made a visit to Tinnevelly district in the month of August 1869. Then he brought out the capacities and resources of the river Tambaraparany to the notice of the Council for the establishment of a manufacturing industry. He considered the five factors to be taken into account for starting a manufacturing industry. 1. Motive power, 2. Access to raw materials, 3. Access to market places, 4. Labour supply and 5. the capital. He noted, "In all these respects the site of Papanasam. in Tinnevelly where Tambaraparany issued from the ghats appear to me to offer great encouragement for the erection of cotton mill." 5

In a minute the aptness of the State policy adopted was considered and the stand taken by Lord Napier was also clarified. It read: "It is not the legitimate function of the Government to support manufacturing establishments except perhaps exceptionally in the interest of the fine arts and it would plainly be wrong to foster them by a protective or prohibitive

4. Minute No.118 by H.E. the President, 12th August 1869.
5. Ibid.
system; it will, however, hardly be affirmed that a
Government may not rightfully point out to the
attention of private parties to new avenues of
speculation and enterprise and afford them some kind
of aid in the outset. Even the expedient of bounties
is not absolutely excluded by the less rigid economists.
Should the undertakings which I now advocate prove to
be capable of yielding profit and acceptable to
practical men I do not contemplate a greater measure
of state assistance than would be involved by the
gratuitous concession of water power and building
sites, the improvement of roads, the exoneration of
imported machinery from duty, the purchase of
manufactured articles for public purposes with due
regard to price and quality and similarly occasional
indirect good offices which may be indulgently extended
to an incipient attempt." He concluded, "The increase
of cotton manufacturing in India would undoubtedly tend
to restrict importation of some of the same articles
of England." On the basis of all the above facts a
recommendation was made to the Council to propose
Mr. Dural, an engineer from French territory, who
possessed a competent knowledge of machinery and
manufacturing processes to proceed to Tinnevelly.
The Collector of Tinnevelly was advised to afford Dural all the information and assistance conducive to the proposed machinery. Dural reached Palayamkottai on 5th October 1869 and visited the places on the banks of the river Tambaraparany. On 7th October 1869 he started his work. Then after having studied all the possibilities of establishing a factory, he submitted a report of the recommendations and results of his work to J.I. Maichin, Acting Chief Officiating Secretary to the Government.

In his report, Dural made estimates that the capital to be invested was Rs.4,00,000 and that the cotton mill would produce a profit of 35% on invested capital. The last para of the report read, "The Mercantile Community both European and native of Madras, of Tinnevelly and in fact of all parts of the country having all been led to consider the advantage of the project I have described in this report, it would be easy to raise capital necessary for the establishment of a factory of the proportion laid down by Lord Napier."


7. Dural's letter to the Chief Secretary to Government, 28th February 1870.
Lord Napier sent this report to the Madras Chamber of Commerce for remarks. They replied the government that it was a premature one to send Dural to examine the sites of the Tambaraparany and Cauvery rivers until the government was satisfied that it was feasible to spin yarn from Madras cotton that can vie with the finer yarns of mixed staples that were imported from Europe. Moreover, in the face of hostile attitude of the European commercial interests, the good intentions of the far sighted Governor were bound to be futile.

THE COTTON MILLS:

The boom in cotton prices caused by the American Civil War swelled the profits of many Bombay Cotton dealers and the capital accumulated in the boom was sunk in the construction of mills in Bombay. The Southern cotton growing districts in Tamil Nadu were already supplying cotton to the Bombay mills. So, it was not surprising that some Bombay merchants thought of locating new mills in Madras itself. In 1874, the

first mill in Madras was built by a Bombay Parsee Company in the name of "the Southern India Spinning and Weaving Company Limited" with a capital of Rs.5,00,000 and it was located near Elephant Gate, Madras. Though it was called a Spinning and Weaving Mill, it confined its attention to spinning alone.  

The second mill was opened in Madras in 1875, by a Bhatia entrepreneur, Sundardas Moolji who owned mills in Bombay and Gujarat, and it was called the Madras United Spinning and Weaving Company Ltd., popularly known as Choolai Mills. In 1876, Messrs. Binny and Company started their own mill at Perambur near Madras which was the third mill in Tamil Nadu and it was called Buckingham Mill Company. It was the first mill which had 600 powerlooms in 1893. Carnatic Mill and Company, was the fourth, started in 1884. It was built on a site adjacent to


10. Ibid.


Buckingham Mills. This was the first combined Mill started in Tamil Nadu with both spinning and weaving sections. In 1920, the two Mills Buckingham and Carnatic Mills were amalgamated into one company.

The fifth mill was called "Tinnevelly Mills" started at Papanasam in 1865, driven by water power, represented a great advance on an idea put forward by Lord Napier in 1869, the then Governor of Madras. Harveys, who had been involved in the business of exporting cotton from the southern districts, started "Coral Mills", the sixth, at Tuticorin in 1888.

Messrs. T. Stanes Company started the Coimbatore Spinning and Weaving Limited Company in 1890 at Coimbatore, the first in the Coimbatore district. The "Koilpatti Mills" at Tuticorin was started by some Muslims as a Limited Company with a capital of


Rs. 5,00,000 in 1892. The Madura Mills in Madura was started sometime later in 1892 with 36,344 spindles. For a span of fifteen years no mill was started owing to the severe drought in this part of the country. But in 1906, the Kaleswar Mill was floated in Coimbatore. It was followed by the Lakshmi Mills in 1910 in Coimbatore. The establishment of a number of spinning and weaving mills in this part of the country, also had its effects on the import and export of the handloom cloths.

**Imports of Cotton Piece Goods:**

Various Acts were passed from time to time between 1833 and 1853 by the Indian Legislature to regulate Trade and Navigation and to fix the Tariff. The import duties which were levied in 1852 on cotton and silk piece goods imported from Great Britain to India was 5 per cent while, those of the same kind from foreign


was 10 per cent. The import duty for cotton twist, and yarn from Great Britain was 3 per cent while from other foreign countries to India was 7 per cent. 20

In the year 1855-56, the British cotton piece goods imported into Madras amounted to 23 lakhs of rupees. Lord Canning, the Governor General of India, in 1859, on account of the heavy financial pressure after the mutiny abolished all different tariffs and increased duties on articles including cotton piece goods which was raised to 10% and those on cotton twists and yarn to 5%. Sir. Charles Edward Trevelyan, the Governor of Madras adopted the same policy in the Tamil country. Notwithstanding the increase of duty in 1859-60 from 5 to 10 per cent, the import of piece goods to Madras rose to 61½ lakhs of rupees in 1860-61. Mr. James Wilson, the first Finance Minister of India, reduced the 20 per cent duty on luxuries to 10 per cent and raised 5 per cent duty on cotton twist and yarn to 10 per cent, so that the import tariff consisted of a uniform rate of 10 per cent ad valorem. But, because of the protest from the Lancashire manufacturers on

the new tariff policy in India, the duty on cotton goods was reduced to 5 per cent in 1862. Therefore, the value of import of cotton piece goods into Madras port rose to 101 lakhs in 1863-64.\textsuperscript{21} Three Tariff committees were formed in 1860, 1867 and 1869. Finally Lord Mayo, the Governor General of India passed the Tariff Act of 1870 in the Indian Legislature. The act fixed the import duties of 5 per cent on piece-goods and $3\frac{1}{2}$ per cent on twist.\textsuperscript{22} Further, some changes were made in the following year. According to the Act XIII of 1871,\textsuperscript{23} the rate of duties remained the same and the import duty on the colouring materials was fixed at $7\frac{1}{2}$ per cent. Because of the reduced Tariff valuation, the valuation rate of cotton piece goods was reduced to 125 lakhs of rupees though there was an increase in quantity of piece goods in 1870-71.

For the next five years the imports averaged 147 lakhs of rupees. In 1875-76 Tariff valuations were again lowered but this circumstance was more counter-

\textsuperscript{21} Manual of Madras Administration, (Madras, 1885), p.347.  
\textsuperscript{23} Ibid.
balanced by the additional impetus given to trade thereby, and the imports during the years 1875-76 and 1876-77 amounted to a little over 143 lakhs of rupees. The value of imports of piece goods fell to Rs.114 lakhs in 1877-78, and it further reduced to Rs.105 lakhs in 1878-79, due to the terrible and widespread famine the severest and most fatal distress that prevailed in Madras during the three years from 1876 to 1879. But it showed a light increase in 1879-80 that it rose to Rs. 132 lakhs. In 1879, Lord Lytton, the Governor General of India, abolished the import duty on all imported cotton goods, though there was a strong protest from the majority members of the Council of the Governor General. The government gave practical effect to this policy in March 1879. It was approved by the House of Commons in the following resolution, dated 4th April 1879.


"That the import duty on cotton goods, being unjust alike to the Indian consumer and the English producer, ought to be abolished, and this House accepts the recent reduction in these duties as a step towards their total abolition, to which Her Majesty's Government are pledged."

Hence from 1879 onwards, no duty was levied on imported cotton goods into India. Therefore, the import of cotton goods to Madras Port increased year after year. The value of imports of cotton goods amounted to Rs.157 lakhs in 1880-81, Rs.169 lakhs in 1881-82 and it suddenly increased to Rs.201 lakhs in 1882-83 and Rs.203 lakhs in 1883-84. It declined to Rs.184 lakhs in 1885-86 due to famine in the districts of Tamil Nadu and also there was a stock in the previous year's import. But in 1886-87 it rose to Rs.263 lakhs. Between 1886-87 and 1890-91, an average of Rs.265½ lakhs worth of piece goods were

imported into Tamil Nadu. In 1894, the Government imposed a 5 per cent duty on cotton goods. So, the import was reduced to 195 lakhs of rupees in 1895-96. The import of cotton goods went on decreasing due to the prevalence of famine in Tamil Nadu. So, the Government decided to reduce the import duty from 5 per cent to 3½ per cent. Nevertheless, the imports in 1898-99 showed a great decline and it was only 51 lakhs in value. The sudden decrease was attributable to various causes; viz. rise in exchange, fall of price of American Cotton, heavy imports in previous years, scarcity in certain districts which had not fully recovered from famine and above all the cheaper local supply. In 1899-1900, the imports again rose to 184 lakhs and it was partly due to rise of cotton which enhanced the cost of piece goods, but the actual imports largely exceeded those of the previous years.

33. Section 6, Cotton Duties Act of 1896.
Since the inception of cotton mill in Tamil Nadu in 1874, they produced only yarn. From 1900 onwards more than 10 weaving mills began to produce cloths also. So it fell heavily on the importation of piece goods which reduced to Rs. 34 lakhs in 1911.\textsuperscript{34}

**EXPORTS OF PIECE GOODS:**

While the import of piece goods were encouraged in every possible way by the Madras Government, the exports of piece goods was suppressed by imposing heavy export duty. In the Parliamentary enquiry of 1840 it was reported that Madras Cotton goods exported to Great Britain paid 10 per cent duty, 20 per cent for silk goods and 30 per cent for woollen goods.\textsuperscript{35} Four years after that, i.e., in 1844, all duties on Madras cotton exported to England were abolished since mills in Lancashire and Manchester were in need of raw cotton.\textsuperscript{36} The export of cotton goods in 1850-51 amounted to 30 lakhs and there was a rapid fall in

\textsuperscript{34} Statement of Imports and Exports for the month of April, 1911 for the Port of Madras, (Madras, 1911), pp.15, 20.


export in 1855-56 to only about 21.45 lakhs. Lord Canning undertook a great reform in Indian Tariff. His proposal to equalise the duties on British and foreign merchandise failed due to the action by Lord Strangely, the Secretary of State for India. But in 1860, James Wilson, the first Finance Minister, not only abolished all duties on Madras raw cotton, but also reduced import duties and there was every possibility of importing more piece-goods than the export. So, the export of piece goods from Madras stood only at 20.75 lakhs of rupees in 1860-61. In the year 1862, the import duty on cotton piece goods was further reduced to 5 per cent. So the export further dwindled to 15.60 lakhs in 1864-65 and it was owing to the American Civil War. There was a change in the Government's Policy on Tariff. The Indian Government passed the Tariff Act XVII of 1870.

Alexander John Arbuthnot, Governor of Madras, pleaded to check the importation of piece goods and to encourage the export by exempting it from the existing duties. But his efforts yielded no fruits.

In the same year the export duty of 3 per cent was levied on cotton goods. In 1871-72, the export amounted to Rs.25.14 lakhs and it slightly rose to Rs.27.72 lakhs in 1875-76. It further fell to 24.89 lakhs in 1878-79 and 22.52 lakhs in 1879-80. The export declined in value in these years due to the terrible famine and plague and the weavers migrated to other provinces to eke out their life. It resulted in the decrease of the manufacture of cotton piece goods. The export now includes all kinds of coloured piece goods and handkerchiefs. The trade was declining and the prices had fallen considerably owing to the decadance of the weaving industry and the competition from Manchester piece goods which was increasing due to the total abolition of the import duty in 1882 on British piece goods.

Nevertheless, the export rose to Rs.33.12 lakhs, in 1883-84 and Rs.39.76 lakhs in 1884-85 with an


increase of 3.3 per cent.\footnote{41} The trade in coloured handkerchiefs, grey and other sorts of piece amounted to Rs.42.35 lakhs in 1885-86 and it rose to Rs.45.85 lakhs of rupees in 1886-87.\footnote{42} Even though, Tamil Nadu was heavily affected by the famine of 1890-92, there was a light increase in the export of piece-goods in 1893-94 that amounted to Rs.59.26 lakhs, and it further increased to Rs.71.93 lakhs in 1895-96.\footnote{43} The increase in handloom production was because of the encouragement given by the Nattukottai Chettiar at Salem, who were traders in cloths and they advanced money to the weavers to continue their work at the time of famines, when the price of yarn was increased owing to the excise duty of 3½ per cent imposed by the government in 1896. As Mr. Anand Charlu, a trader from Madras, pointed out before the Indian Industrial Commission, that the excise duty on coarser goods was an injustice done to the home manufacturer. Even at


this critical time the export in 1896-97 was estimated to Rs.72.65 lakhs and in 1898-99 it was Rs.75.67 lakhs. In 1900-01, it amounted to Rs.86.50 lakhs and it declined to Rs.78.50 lakhs in 1901-02 and it further went down to Rs.70.03 lakhs in 1902-03. After 1903, the export never exceeded even 10 lakhs. It went on decreasing and in April 1908, only Rs.5.62 lakhs worth of both cotton yarn and cotton piece goods and in April 1909, 6.20 lakhs and in April 1911, Rs.5.58 lakhs were exported from Madras. Thus at the end of our period of study, the export of cotton piece goods from Tamil Nadu totally perished. It will be apt to quote here R.C. Dutt's observation in 1903.

"As an instance of fiscal injustice, the Indian Act of 1896 is unexampled in any civilised country in modern times. Most civilised governments protect their home industries by prohibitive duties on foreign goods. The most


thorough of Free Trade Governments do no excise home manufactures when imposing a moderate customs duty on imported goods for the purposes of revenue. In India, where an infant industry required protection, even according to the maxims of John Stuart Mill, no protection has ever been given. Moderate customs, levied for the purposes of revenue only, were sacrificed in 1879 and 1882. Home manufactured cotton goods which were supposed to compete with imported goods, were excised in 1894. And home goods, which did not compete with foreign goods, were excised in 1896. Such is the manner in which the interests of an unrepresented nation are sacrificed.  

It is expected of any civilised government to help home manufactures. But the Madras government failed in their duty to protect the home manufactures thereby helping the submerged classes like weavers to revive the ancient weaving industry in Tamil Nadu.

DECLINE OF THE INDUSTRY:

The decline may be attributed in some measures, to the introduction of machinery in the west which enabled the European manufacturer to produce large quantities of cloth at an extremely cheap rate. In the case of the medium fabrics required by the majority of the people, the foreign machine-made goods were sold at about half the price of the indigenous product. Foreign competition first drove out Indian manufactures from the external markets. Moreover, British piece goods began to invade Indian markets in increasing quantities. The process became accelerated after the passing of the charter Act of 1813 when the company was deprived of its monopoly and the English traders were allowed to compete for Indian trade. Within a few years, the imports of British rose from about half a lakh of rupees to nearly 5 lakhs in 1822-23 and more than 10 lakhs in 1850-51. 48 The rapid extension of cultivation of cotton in America

also enabled the British manufacturers to buy the Indian cotton at a lower rate. The local demand which was reduced owing to the influx of cheap foreign fabrics, became further restricted because of the agricultural depression which prevailed at that time. At the same time, as many of the substantial ryots were both farmers and merchants who financed this industry, the advances which they had formerly been making to the weavers were not withdrawn, and this resulted again in a decline in production.

To a considerable extent, the decay of the handloom industry was due to the state policy. The exports of piece goods were handicapped by excessive Transit Duties, and the Moturpha tax. On the other hand, British cotton piece goods imports received every encouragement. Further the company during its active participation in trade had imposed various restrictions on the freedom of the weavers as stated in appendix I. There were also other hindrances to

49. Letter from the Collector of North Arcot to the Board of Revenue, dated 7.10.1844.
trade, such as the absence of proper conveyance, the excessive cost of transport and the absence of insurance etc. To some extent, the decay of the industry, and especially of the manufacture of the finer sorts, was attributable to the decline of zamindars, princes, and the local chiefs. Another factor which contributed to the decay, was the emancipation of the slaves in 1835, when the negresses, it is stated, refused to wear the red cloths of the Tamil country.

One of the most momentous consequences of the establishment of British Supremacy in India was the disruption of the centuries old 'union between agriculture and manufacturing industry' as a result of the progressive decline and destruction of the Indian town handicrafts and village artisan industries.

The Industrial and commercial organisation, the methods of production in India were relatively advanced in India upto the 18th Century and they were equal in


comparison with those in vogue in any other part of the world. But at the end of the 19th Century, most of the indigenous industries of India had either ruined beyond recovery or were on the road to ultimate ruin. R.C. Dutt observed that this displacement of Indian manufactures by foreign products formed one of the saddest chapters in the history of British India, for it indicated that "the sources of wealth in India have been narrowed, and the livelihood of people had been made more precarious."

The Indian leaders believed that the British authorities were determined under pressure from the British merchants and industrialists to encourage the rising manufactures of England regardless of the consequences to the Indian manufactures and even at the cost of Indian manufactures. According to them the dual aim of the British policy in India was to make the country available a market for the products

of the British industry even if it meant taking drastic and varied measures to crush Indian handicrafts.\textsuperscript{56}

H.H. Wilson, the historian, commented 'the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms.\textsuperscript{57}

'A Parliamentary enquiry Committee was set up in 1813 and in 1833 to submit a report on the condition of the Indian Industries. But, the sole purpose of the Parliamentary Enquiry Committee was to discover ways and means of replacing indigenous produce by British manufactures in the Indian markets.\textsuperscript{58} According to the Indian traders, the most important method discovered to achieve this end was the use of discriminatory custom duties. While the English market for Indian manufactures was progressively narrowed through prohibitions and extremely high tariffs, the Indian market was thrown wide open to British manufacturers by imposing free trade on India.\textsuperscript{59}

\textsuperscript{56} The Hindu, 16th January 1885.
\textsuperscript{57} Mill, History of British India, Book I, Ch.VIII.
The internal trade of India was also restricted and shackled by the maintenance of a system of inland custom and transit duties, which discriminated against indigenous goods in their own markets. 60 The East India Company also used its political power to acquire monopolistic control over weavers and other handicrafts, men and to coerce them to produce goods at cheap and uneconomic prices, thus compelling them to abandon their ancestral professions. 61

There is very considerable truth in the complaint that foreign trade has affected prejudicially the handloom industry in Tamil Nadu and impoverished the classes engaged in them. The spinning as a separate profession was rapidly disappearing. Large section of the agricultural population used the coarse cloths made of country yarn which was more durable and warmer when compared with the machine made cloth. Moreover the coarse thread was spun by the agriculturists themselves and given to weavers who had woven them into cloth on being paid about one rupee or its equivalent in grain

60. Ibid., pp.303-08.
61. Ibid., p.VIII.
for each cloth. These cloths were extensively in use in the districts of Coimbatore and Salem where the cold climate in the winter months was severe than in other parts of the Tamil Nadu.  

The decadence of handloom industry was brought about not only by the Manchester competition but also by the growth of Indian mills. For the whole of India the total production of cotton was estimated in 1869 at 7.1 million cwt., of which 5 millions were exported and 2.1 million cwt., consumed in India - ¼ million of the Indian mills and 1.8 million by the handlooms. In 1888-89, the total production was estimated at 9½ millions cwt., of which 5½ millions were exported to foreign countries, 3 millions were consumed by the Indian Mills and 1 million by the handlooms in India. This shows that the hand-spun yarn was being rapidly superseded by yarn made in the Indian mills. Thus the rise of Indian Mill industry also caused the decline of handloom industry.

62. S.S.R. Iyengar, Memorandum on the Progress of the Madras Presidency during the last forty years, 1893, Madras, p.94.

The English manufacturers looked the rise of Indian mill industry with disfavour because Indian mill could produce cheaper goods with their abundant cheap labour and availability of cotton near the place of production. A committee appointed by the Manchester Chamber of Commerce to enquire into the causes of the rapid development of the mill industry in India reported that the main cause which had favoured the increase of mills and enabled them to a great extent to supply yarn to China and Japan formerly shipped from Lancashire, was their geographical position which placed them in close proximity to the cotton fields on the one hand and the consuming countries on the other. The good prospect of Indian mill industry excited the greatest alarm among the Manchester manufacturers. The President of the Blackburn Chamber of Commerce echoed this concern when he said, "the manufacturers of Lancashire should carefully watch the doings of the Indian manufacturers, or they will find not only that the coarse yarn trade has gone, but that the medium yarn trade will go also." 64

64. Ibid., p.162.
The Board of Revenue made enquiries about the handloom industry in the Madras Presidency in 1871 and again in 1890. The enquiries revealed that, the number of looms at work in 1871 was nearly 2,80,000 or 42% higher than the number at work between 1856-57 and 1860-61. But the Board estimated the real increase would be between 20 and 25 per cent as the returns of the earlier years were not to be relied fully and the increase of 20 to 25 per cent also because of the abolition of the vexatious and inquisitional Moturpha tax. It is stated that the total quantity of twist worked up into cloth was estimated at 31\(\frac{1}{2}\) million lb of which 11\(\frac{1}{2}\) millions were imported and 20 millions spun in the country.

In 1889 the number of looms at work was ascertained to be 3,00,000 exhibiting an increase since 1871 of 7 per cent, while the increase in the population was 14 per cent. The failure of the proportionate increase in the number of looms was mainly due to the policy of the government.

Though it must be admitted that the handloom was benefitted by the spinning mills which had cheapened the price of yarn and created a new demand for the hand woven cloth, it could not be denied that the hand-loom
suffered a lot from the competition of weaving mills, since the establishment of power weaving created more unemployment among weavers and in many cases a fall in their earnings.

The changes in the tastes and ideas of fashion of the people had also led to the decline of the industry. Thurston visited various places in the Madras Presidency and noted that as in England fashion played an important role in connection with native dress both male and female in Tamil Nadu. He was surprised to see a native student with pork-pie cap, the unstarched white shirt, patent leather boots, and white socks of the Bengali Babu Clerk and the replacement of the turbans with foreign cap by the Todas and Badagas of Nilgiris and man with loin cloth of white imported fabric. As regards the fashion of the female dress, he added that the shape of the Sari, jacket and petticoat had been remained unaltered but a radical change had taken place in both design and colour owing to the widespread introduction of cheap imported printed fabrics.\(^{65}\)

\(^{65}\) E. Thurston, Monograph on Cotton Fabric, pp.5-6.
Moreover it was found out that 'both in fine and more specially inferior cloths, the spread of western ideas has had more prejudicial effects on the industry than the mere cheapness of the European goods'.

Formerly Rajas, Zamindars, Courtiers and local chiefs patronised hand weaving which supplied celebrated muslins, sateens, palampores and other fine fabrics. Then the persons in liberal professions, the merchants-princes and industrial magnets who occupied a high social position had become patrons of cheap foreign fineries and pseudo-works of art. This aspect has been much deplored by many writers. The imports of foreign

66. E.B. Havell, Journal of Indian Art 1890.

67. Mr. D.R. Gadgil wrote as follows in his Industrial Evolution in India, (p.45). "The next class which was the natural successor to the position of the nobles was the newly created educated class. This was mostly an urban and professional class, somewhat corresponding to the professional section of the "bourgeoisie" of the west. This new class might have been expected to patronise the handicrafts. But it may be said that the demand from this class did not amount to even as much as the demand from the Europeans. Indeed with a few exceptions they entirely turned their back on the indigenous arts. One of the most harmful effects of foreign rule in the imposition on the conquered people of the ideals of the conquerors and the newly created Indian "bourgeoisie" showed itself during the latter half of the last century (nineteenth century) extremely ready to accept European Standards and pour scorn on everything Indian. This was especially so in the case of the art. To follow European fashions was considered the hallmark of enlightenment. Consequently the products of indigenous industries suffered."
piece goods are meant simply to satisfy their demand. Thus because of the change in the tastes of the rich and the ideas of respectability prevailed among the masses of the urban and semi-industrial population who cared more for cheapness than for art and more for show than for equality, mill production advanced and the hand-loom industry suffered a severe set-back.

It must also be admitted that the decay of the industry was due to wasteful and slow preparatory processes adopted by the weaver. Ancient and primitive types of tools were used by the weavers who were averse to adopt economical preparatory processes and to increase their production by introducing small labour-saving appliances. The weavers persisted in the slow, labourious, wasteful and costly methods in their preparation of warp. No doubt the processes were crude and wasteful and the division of labour was rough. Thus he lacked the technical efficiency in improving the loom. Hence it was his crushing poverty that was the bane of his life. Therefore, the technical deficiency of the weaver also occupied as the other cause of the decline of the industry.
There were other causes which had also led to the loss of patronage and decline of the industry. The merchants were the worst culprits who met the outside competition by sacrificing the quality of weaving. The use of bastard reeds, irregular weaving, false description of cloths, absence of standardisation and the failure to observe time deliveries were the factors which led to the loss of patronage. Moreover the merchants in handloom products cared more for trading profit than for industrial development. As one Master weaver told the Indian Industrial Commission, in 1916, that 'Weavers are not in such a flourishing condition, but the traders are in a somewhat flourishing condition.'

According to Professor Gadgil, the decline of the industry was, owing to the establishment of an alien rule, the influx of the many foreign influences and the change in the nature of government and the competition of a more highly developed form of industry. Moreover, the laissez faire policy pursued by the British in India

was another reason for the decline of the industry. After having placed their manufacturing industry on a sound footing at home by protecting them through the imposition of import duties, they suddenly turned protagonists of free-trade and in the words of R.C. Dutt, "their fixed policy in the nineteenth century was to make India subservient to the industries of Great Britain and to make the Indian producer grow raw material for the looms and manufactures of England. Prohibitive tariffs excluded Indian cotton and silk goods from England; English goods were admitted in India free of duty or on payment of a nominal duty." The construction of railways helped the replacement of home-made by foreign goods and facilitated the export of raw material. The handloom industry was doomed further on account of this.

The disproportion between the imports and exports of the Fort St. George amounted to about Rs.2,40,00,000 and Rs.1,27,00,000 respectively. The total number of

foreign ships which visited the ports of the Madras Presidency in 1855-56 was 1173 of which 1036 were British. 70 The rest included 102 French ships and 35 ships belonged to several other nations like America, Denmark, Portugal and Sweden. 71

Finally the system of import and export duties prevailed in Great Britain and certain other European countries offered a hindrance to the progress of the industry. 72

GOVERNMENT'S ATTEMPTS AT REVIVAL:

About the middle of the 19th century the combined effect of the invention of the spinning jenny, the powerloom and the chemical dyes dealt a serious blow to the handloom industry and threw it completely out of gear. Manchester, Lancashire and Glasgow mills exported goods to Madras and other places in India. Cheaper yarn as well as cheaper cotton piece goods, English and German aniline and alizarine dyes of

70. Ibid., p.393.
71. Ibid.
cheap bright colours began to flood the markets in handloom centres. And by 1900 Indian mills began to compete with English mills in producing yarn and cotton piece goods. The result was the export of handloom cloth dwindled, import of mill made cloth increased, hand spun yarn gave place to English and Indian mill-made yarn, chemical dyes drove out indigenous dyes and European fashions, which came with European piece goods, made grievous inroads into Indian homes. It was for these reasons that the prospects of the handloom industry suddenly became dark. And if this were not enough, the famines that ravaged Tamil Nadu during the second half of the 19th century wrought untold havoc among the weavers.73

The gradual languishing of the industry was noticed with great concern by many a thoughtful observer and well-wishers of our country, and they alarmed that unless something was done to revive this ancient art industries, they would soon sicken

and die. \(^74\) All this compelled the Madras Government for the first time to look into the condition of handloom industry. They approached the Board of Revenue and the Board twice conducted enquiries, once in 1871 and again in 1890 and on both these occasions came to the conclusion that the chief causes of the decline of the industry were the competition with the mill industry and the collapse of the spinning industry. \(^75\) The Madras government, also, appointed some special officers, E.B. Havell, Edgar Thurston, Edwin Holder and Edward Balfour to study the conditions of the industry and these special officers who had a real love for Indian art did not fail to depict clearly the gloomy picture of the industry in all its aspects. \(^76\)

On the basis of the reports submitted by the Special Officers, the Government in 1900, appointed Sir Alfred Chatterton to study the conditions of the weaving industry and suggest remedial measures for

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the revival of the industry and for the amelioration of the weavers who were hard hit by mill competition. He suggested to introduce D. Churchill's (an American expert), new handloom, a very simple construction, in which the slay can be easily worked with one hand and the shedding motion is controlled by pedal levels. As a result of Sir A. Chatterton's report, the government established the handloom weaving section with half-a-dozen fly shuttle looms in a shed in the Madras School of Arts and Crafts in 1901 with the object of getting experience as to their working capacity and data regarding their possibilities and to produce greater output of cloth than the country hand thrown shuttle loom. 77

At the outset, Madras Handkerchiefs were taken up for weaving. At the same time certain improved methods of sizing, chief hank-sizing were tried. Hank-sizing was however, given up as the results of the experiments were found unsatisfactory, but weaving by fly shuttle looms was continued to be experimented upon. It was

77. G.O.No.491, Development Department, 20 March 1929 - See Memorandum on the Textile Industry by D.M. Amalsad.
realised that the manufacture of Madras Handkerchiefs was not much of a success in the beginning, gradual improvement were effected. These experiments, first with the Madras Handkerchiefs and subsequently with the other classes of cloth such as sarees and dhoties, yielded results which left no doubt as to the practicability of turning out a much larger percentage of cloth on a fly shuttle loom than on an ordinary country loom. For 2 or 3 years the weaving department of the School of Arts and Crafts made several attempts to induce the weavers to leave their homes in order to receive free training in the working of these improved looms. Weaving competitions and practical examinations in fly shuttle weaving were then held amongst the weavers and prizes were awarded with a view to stimulate their interest.

As the weavers from Southern districts of Tamil Nadu were not able to have easy access to Madras because of greater distance from their place, Mr. Chatterton advised the government to start fly shuttle weaving factory either

at Salem or at Madura. Since there were 8000 hand weavers in a chronic state of poverty in Salem and the climate was considered suitable and finally because it was conveniently situated in regard to access from Madras - a matter of some importance in connection with the supervision of the factory, the Salem town was selected. So, a weaving factory was established in 1906 at Salem. In this weaving factory, the improved handlooms in the place of country handloom were built in order to enable the weaver to produce a greater length of cloth in a given time without in any way sacrificing the essential characteristics of the native hand-woven goods. By introducing the factory system among the weavers, they might work under the management of men with commercial and manufacturing experience and so that capital and organisation might be introduced into the industry and


improved preparatory processes to diminish the cost of preliminary warping and sizing.\footnote{82}

Much difficulty was experienced in getting together a sufficient number of local weavers to work in the factory.\footnote{83} Good wages and regular continuous employment were offered but the attendance was unsatisfactory. This was mainly because, the weavers prepared to work in their houses assisted by their women and children and showed great dislike to the discipline and regular hours incidental to factory life. Moreover, most of the weavers were in the hands of the master weavers and cloth merchants who viewed the system with suspicion and directed their influence against it. In Conjeevaram, a large weaving centre, also, with the consent of Board of Revenue, six fly shuttle looms were sent to popularise but this endeavour also failed.\footnote{84} Nevertheless, by dint of patience, improvements were effected and in a few years the financial results showed a progressive

\footnote{82}{G.O.No.3, Revenue Department, 2 January 1906; A. Chatterton, Op.Cit., p.4.}

\footnote{83}{Appendix to the Report on Indian Industrial Commission, 1916-18, p.III.}

\footnote{84}{A. Chatterton, Op.Cit., p.9.}
improvement and indicated that, if properly managed, a
handloom factory might be a success. Thus the factory
aroused considerable interest and was the direct cause
of numerous small private factories being started.
Subsequently investigations showed that most of these
factories failed sooner or later because of the lack
of technical knowledge on the part of the management,
because of the inability of the Directors to work
harmoniously together and because of the dislike of
the weavers themselves towards the discipline and
control. But, all these factories helped to popularise
the fly-shuttle looms.85

The factory then turned its attention to the
improvement of the preparatory process in order to
diminishing the cost of preliminary works such as winding,
warping and sizing. A complete plant of warping and
sizing machinery was secured from England in 1907.
The machinery, however, proved to be unsatisfactory and
had to be finally scrapped. As sizing which constituted
the most important of these processes, could not be

replaced by any indigenous device which would be operated by hand, it had to be given up altogether and attention was turned to the introduction of hand driven warping mills of the type used in European countries to replace the second preparatory processes viz., the peg or stick method of warping. But only negative results were obtained in the Salem factory. Yet the Salem factory did one thing. That is, it popularised the fly-shuttle loom. A weaving competition was arranged at Madras in 1908 as well as the work turned out by the Salem factory showed that the fly-shuttle was cheaper than the ordinary loom and that the fly-shuttle gave a greater out turn, its out turn relative to country loom being nearly double in the case of coarse counts, more than 50 per cent greater with medium counts and rather less than 25 per cent greater with finer counts ranging from 80s to 150s.

86. D.M. Amalsad, Memorandum on Textile Industry, 1929.
Meanwhile the Salem factory was worked on a commercial scale. Besides cotton goods, silk cloths were manufactured. Chatterton was appointed as the Director of Industries in 1908. Now he was planning to establish five more weaving factories like that of Salem factory. But, the British manufacturers instigated the Secretary of State for India to stop the encouragement showed by the Madras Government in developing the handloom industry lest their own manufacture would affect in future. So, Lord Morely, the Secretary of State for India, condemned the policy of attempting to create industries by the Madras Government and in his dispatch No.50, Revenue, dated 29 July 1910, directed the government to close the Salem weaving factory. Consequently, the Salem factory was closed in 1910. Thus it was at the time when the fly-shuttle looms began to get momentum among the weavers, the British Government ordered the Madras Government to close the Salem weaving factory.

88. G.O.No.2921, Revenue Department, 20 October 1908.

89. G.O.No.3446, Revenue Department, 27 October 1910; G.O.No.141, Home (Edu.), 7th February, 1917 - See Mr. Inn’s notes, p.19.