CHAPTER IV

METHODS OF PRODUCTION
CHAPTER V

EAST INDIA COMPANY AND THE INDUSTRY

India's trade relations with the European countries go back to the ancient days of the Greeks. During the Middle Ages trade with the European countries was mainly through sea while the western ghats were the main trade route to the Arab countries. But the fall of Constantinople in the hands of the Ottoman Turks in 1453, and consequently the closure of the old trade routes, necessitated the Europeans to discover a new route to the Eastern Countries. In 1498, Vasco da Gama of Portugal discovered a new sea route to India, and this was followed by other European settlements in India.

BRITISH EAST INDIA COMPANY:

On the last day of December, 1600, Queen Elizabeth issued a Royal Charter to the British merchants to trade with East and it was known as British East India Company.¹ Captain Hawkins arrived at Jahangir's Court on August 24,

1608 to obtain Royal favours. As his attempt was not successful, Sir Thomas Roe came to Jahangir's Court in 1615. By his efforts, he got permission in 1618 to establish factories on payment of an export duty of 3½% on all shipments. Accordingly, in 1619, they established a factory at Pulicat, Surat, Goya and Cambay and in 1623, at Ahmedabad and Agra.

**SETTLEMENT AT MADRAS:**

Conditions in the South were more favourable to the English as they did not have to face a strong Indian Government here. The great Vijayanagar Kingdom was overthrown in 1565 and its place was taken by a number of petty States. By overawing their power, the English opened their first factory in the South in Masulipatnam in 1611 on the Coromandal Coast. Francis Day, a member of the Masulipatnam Council, with the help of the Portuguese, got a plot of land to the north of San Thome from Chinnappa Naick of Chingleput to build a fort. Mr. Day agreed to pay an annual rent of

£ 600 and to call the new Settlement by the name of the Naick. So it was, in 1639, popularly called Chennapatnam but the English called it Madraspatnam — that is Modern Madras.

Without waiting for instructions from the Court of Directors, Mr. Day proceeded to construct a fortress. The fort was called Fort St. George. Mr. Day built a wall round the Cooum island and no one but Europeans were allowed to live on the island, and this settlement was known as White Town. A large native settlement arose outside the island formed by weavers and other people of the country, and this was styled as Black Town. Both white Town and Black Town were included under the general name of Madraspatnam or Madraspatam. In 1652, it was raised to an independent Presidency. By 1658, it reached the status of the headquarters of the East Coast and Bengal was declared subordinate to it. By the end of the 17th Century the English

6. Ibid.
Company was claiming full sovereignty over Madras. Interestingly enough, the Court of Directors also encouraged the Company merchants by writing letters to fight in defence of the claim.  

ANGLO-FRENCH RIVALRY IN INDIA IN THE 18TH CENTURY:

The French East India Company formed in 1664, adopted the same policies of the British East India Company. The rivalry and the enmity between England and France in Europe also spread to their settlements in India. The Seven Years War (1756-63) proved the supremacy of the English over the French and consequently the failure of the French in Carnatic Wars made them quit South India. Once the English succeeded against their European rivals, they now turned against the local chiefs in their effort to acquire more territories.

COMPANY'S ACQUISITION IN TAMIL NADU:

Kongu Nadu, the region comprised Salem, Dharmapuri, Coimbatore, Satyamangalam and most of Dindigul, formed


a part of Mysore Kingdom under Hyder Ali and Tipu Sultan. The English fought four major wars to bring the Kongu region under its control. During the First War (1767-69), the company failed to occupy it. During the Second War in 1780, they occupied Coimbatore, Karur and Dharapuram, but restored them to Mysore in 1784, when the treaty of Mangalore was signed. The English obtained the Tamil districts of Dindigul, Salem and Baramahal at the end of the Third Mysore War (1790-92). In the Fourth Mysore War (1798-99) Tipu died while fighting. So, the English annexed Karur, Erode, Dharapuram and Coimbatore. As a result of Third and Fourth Mysore Wars, the entire Kongu Nadu came under the control of the English.

The Company was having an eye on the Maratha Kingdom of Tanjore. Soon after the successful conclusion


of the Mysore War in 1799, Lord Clive, Governor of Madras, directed Mr. Torin, the Resident to make settlement for the annexation of Tanjore. Accordingly, a treaty was concluded with the Raja Sawaiji on 25th October 1799 by which the Company took over the Tanjore administration. However, the Raja was given one lakh star pagodas every year by the Company.  

The rising power of the Company and waning authority of the Nawab of Arcot created a situation favourable for the establishment of British influence in the Carnatic. The English discovered at the Srirangapatnam palace, a voluminous secret correspondence of Umdat-ul-umra, who became the Nawab of Arcot in 1795, with Tipu Sultan, the enemy of the English. Lord Clive asserted that the Nawab cherished hostility towards the British. On these grounds, Clive suggested the assumption of the administration of the Carnatic by the Company.  


Umatul-umra died on 15th July 1801 and his son Ali
Hussain protested against Clive's action. So, the
Madras Council deposed him and concluded a treaty on
31st July 1801 with one Azim-ul-Doula. Azim became
new Nawab without any power but he was given one fifth
of the net revenue of the country.\textsuperscript{16} By the Treaty
of 1801, the Carnatic, which consisted of the Present
districts of Tinnevelly, Madura, Ramnad, Trichy,
North Arcot, South Arcot and Shevaganga territory,
was acquired by the company.\textsuperscript{17} Thus with the
acquisition of Kongu Nadu from Mysore, Tanjore from
the Marathas and the Carnatic from the Wallajahs, the
English gained possession of entire Tamil Country.

**THE GOVERNMENT AND ORGANISATION OF THE COMPANY'S FACTORIES:**

The East India Company in Madras, after having
fought with the rival companies, gradually grew in
power. By a treaty concluded on 31st July 1801 between
Governor and the Nawab of Carnatic, the entire civil

\textsuperscript{16} Madras Council, Political Despatches to England,
17 February 1802, Vol.6, pp.39-41.

\textsuperscript{17} The Fifth Report from the Select Committee of the
Affairs of the East India Company, 28 July 1812,
p.117.
and military government of Carnatic was vested in the Company for ever. The Collectors of various districts were asked to take over the administration of the revenues from the Nawab's servants. Moreover, the revenue servants were requested to receive proper instructions from the Collector. Thus the Company in Madras had acquired the status of sovereign state in Madras.

The organisation of its factories in Madras too changed and developed accordingly. A factory of the company was generally a fortified area within which Warehouses (Stores), Offices and the houses of the Company's employees were situated. It is to be noted here that no manufacture was carried on in this factory.

WEAVING VILLAGES:

The merchants of the Company used to collect the manufactured goods from the weavers and send the same to the Company's factories for export. The

notable merchants in Madras were Thambu Chetty and Pachayappa Mudaliar. Thambu Chetty complained in 1731 that it was difficult to secure the manufactured goods from the interior districts of Tamil Country to Madras due to bad state of roads. Further there was a shortage of goods for export due to famine and scarcity of grains that resulted in migration of the weavers and stoppage of production. The merchants, therefore, pleaded the then Governor Mr. Pitt to establish some weaving villages in and around the Madras town.

Accordingly, the Governor, in order to develop the supply of calico and other goods, resolved to encourage manufactures in Madras by establishing some weaving villages. But it was felt that the only prerequisite for the weaver to settle down in a place seems to have been the availability of shady trees. So, Mr. Pitt cast his covetous eyes on Sunka Rama's extensive garden making 340 yards by 500 yards which contained trees of 15 yards growth and enjoyed a good supply of water. Mr. Pitt decided to invite and settle the weavers here as desired by the merchants.
Moreover, the Governor passed orders to create a small village for the weavers in Madras. On the Southern bank of the Cooum river, streets were laid out without reference to caste distinction. The construction of the village was completed in 1735 and it was called Chinthadripettah. 20

To settle the weavers here, Mr. Pitt proposed the conditions of settlement which were agreed by the Council. The conditions were as follows: "None but the spinners, weavers, painters, washers and dyers with priest and attendants for the temple will be admitted to the new village". Accordingly, several hundred families of spinners and weavers were imported and settled here. 21 Another name for the place had been suggested as the original viz., Chinna Tari Pettai (the village of small looms). 22 Because, the weavers used only small throw shuttle looms for the manufacture of textile goods. The manufactured goods from their

21. Ibid.
village were chiefly Gingham's, moorree for Chintzes, Longcloth, Beeteelas, Romal fine, Dimities and Salemores. Moreover, the Governor took care to plant shady trees in the villages of Tiruvottiyur, Ningumpakkam and Vysarpadi, in the vicinity of the city of Madras, where the weavers were asked to settle by utilizing the interest free loans given by the Government. Thus the weaving villages were established and the establishment helped the merchants carry easily the manufactured goods to the port for the shipment than before. On the model of these villages, weaving villages were established around the Company's factories in Tamil Nadu. The coarser stuffs were generally produced in these villages. However, the production of special and export varieties was confined to particular towns. To mention a few, the Madras Handkerchiefs were very famous. The most valuable part of the Company's investment which comprised of longcloth, calicoes both plain and coloured came from northern circars.

Turning to the South, to quote Dodwell, some way back from Madras lay the principal centres for the manufactures of fine goods, beetalas and muslins. 23

Factories were established by the British East India Company at Cuddalore. The weaving villages nearby Cuddalore produced brown cloths, gingham\textsuperscript{24} and calicoes that were dyed blue at Porto Novo. Buchanan noted that the Commercial Residents of Madura, Tinnevelly, Ramanad and Salem factories collected fine and coarser clothes from the weaving villages around their factories concerned.\textsuperscript{25}

**INDUSTRIAL ORGANISATION:**

A study of industrial organisation of the handloom industry will show us how it was organised for production, marketing and how far its organisation was defective in establishment. The system by which this industry was carried on may be divided into four divisions, namely, 1. The independent weaver, 2. The native merchants and the Sowcars, 3. Dependent weavers who worked under master weavers, and 4. The Company's Investment System.

1. **THE INDEPENDENT WEAVER:**

He comes first in the historical sequence. He was the commonest unit in Tamil Nadu as he was elsewhere.

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\textsuperscript{24} Report on External Commerce, 1811-12.

He was characteristically independent of the merchant and merchant capital. He was found in centres (a) where the industry was unorganised, (b) where weaving was the secondary means of livelihood of the agriculturists and (c) where there was not enough work in the locality to attract middle men i.e., the capitalists. The system was also in vogue in respect of products which had a ready local market. The weaver invested his small savings in the business. He used to purchase the yarn from local yarn merchants. He owned his loom and worked in his own house. The members of his family assisted him in winding, warping, sizing and occasionally in weaving too. The women helped him in warping and in winding the yarn for pirns. The children helped him in bobbin winding. Then the weaver put the sized warp into the loom and wove the cloth. He unilaterally decided, when, how much and what kinds of cloths to make. When the cloth was ready, he took it to the nearest bazaar every evening or every week for sale. While selling his cloth he fixed the price of the cloth which included the cost of the yarn, wages for the labour of all the members of his family who helped him in production and of his own labour. Thus he was
independent and free from any outside agency such as money-lender or the middlemen. 26

2. THE NATIVE MERCHANTS AND THE SOWCAR:

The native merchants and the sowcars (Money-lenders) who engaged in cloth business frequently made advances to the weavers to manufacture cloths. This system was most commonly prevalent in places where the weavers were financially weak, and where they could not have easy access to the consumer due to distant market. The sowcars or the native merchants were the persons who were ready to advance them loans without any valuable security. Loans were advanced usually against looms because the weaver had no other property than the looms. These loans were given without interest for three months but if the period exceeded, an interest of 3/4 % a month was charged. 27 Moreover these persons endeavoured to keep the weavers constantly in their debt. As long as the weavers were indebted to a sowcar or a native


merchant they could not work for other merchants and hence were to deliver their goods at a low rate. If any other merchant wished to engage a new weaver, he must advance the sum owing to the former employer. With this, the weaver could pay off his old contract, but now he was bound to work for the persons who advanced him the money. Generally the advance was half but at some times the whole price of the goods, when there was a heavy demand.

This system had different local variations. In some cases where the money-lender was also the cloth dealer and merchant, he had direct contact with the weaver by giving yarn and wages. The weaver wove the yarn into cloth and returned it to the merchant. In some places the merchant instead of dealing directly with the weavers, financed the middlemen-contractors. The middlemen received the yarn from the merchant which they in turn distributed to the weavers. Each middleman had his group of weavers in villages, to whom the yarn was given and fixed wages were paid on delivering the

finished cloth. Here the merchant financed the industry, the middlemen-contractor organised the production and brought together the producer and the capitalist. 29 This system was most commonly found in the trade of the Madras handkerchiefs, lungis and saris in all the places of Tamil Nadu.

3. MASTER WEAVER AND DEPENDENT WEAVER:

The master weaver was a weaver as well as a merchant and the capital required for the industry was invested by him. He was the owner of the business. Purchase of yarn, warping and sizing was done by the master-weaver. He set up looms in his house and invited the dependent weaver or the cooly weaver to work in his house. The weavers here were mere wage earners. They were paid wages on piece work and occasionally on time basis. 30 Here the weaver was selling only his labour. There were no regular hours of work and the weaver had no guarantee of employment. Those workers who were not indebted to the master-weaver were at liberty to determine their contract of

30. Ibid., pp.67-68.
labour at will but the others had no freedom of employment. They were bound to work for him at least so long as some work was given. While the master-weaver was becoming rich by getting huge profits, the dependent weaver was paid only a very meagre wage with which he found it very difficult to eke out his livelihood.

4. COMPANY'S INVESTMENT:

The method of providing the investment was in vogue since the foundation of Madras in the 17th Century. The method is that certain merchants were selected for their wealth and probity. They were called before the Council, and contracted individually for the provision of specified sorts and quantities of cotton piece goods. They received the advances from the company and passed it on through the gunasthas to the weavers in the villages. On the arrival of the cloth, it was examined and sorted, and credit given accordingly to the merchant responsible. 31 In Madras,

31. Dodwell, Calendar of the Madras Despatches, (Madras, 1920), Introduction, p. XVI.
these gunasthas or agents received a commission of 2½% to 5% according to the risk and responsibility borne by them. 32

The method of investment was changed later as there was abuse of advance found on the side of merchants. Now, the investment was made through their own servants, called Commercial Residents, to the weavers. The advances were received from Commercial Residents by the weavers and these were called Company weavers. On the delivery of cloths, credit was made and again advance was given. If the weavers objected to the rate, the Board of Trade decided the matters according to its own judgement. 33 Moreover, it appears from the evidence of Commons Committee in 1813 that the weavers were compelled by the Commercial Residents to enter into Company's investments. 34 By passing regulations, the company weavers were controlled that they should on no

32. Milburn, Oriental Commerce, 1813, Table of Rates of Commission in Madras.

33. Minutes of Evidence etc., on the Affair of the East India Company (1813), p.532.

34. Ibid., p.153.
account give the cloths to any other person. If there was any delay, peons were placed on him to make quick delivery of cloths. When the Company became bankrupt for the investment, the Chettiar of Madras rendered financial assistance and some of them became company's merchants and agents.

THE COMPANY AND THE INDUSTRY:

Though there were wars and turmoils in the late 18th Century in Tamil Country, there was no suspension of weaving activity in the villages. As the Company itself was the main client of the weaving industry, it gave every encouragement to the weavers. They were encouraged by exempting them from vexatious imposts and obnoxious Moturpha. Their lands were moderately assessed and exempted from tree tax. They were given grain allowance during famines at free of cost.

The Company thus assiduously developed the handloom industry even during the early part of the 19th Century.


37. A tax on looms, See Appendix No.I.
In the first decade of the 19th Century, it maintained Commercial Residents at Salem, Ramnad, Cuddalore, Nagore, Tinnevelly and North Arcot.\textsuperscript{38} These Commercial Residents supervised the arrangements for dispersion of timely advances to the weavers and collected the cloths for homeward investment.

The Company claimed in a report of 1814 that they have done much to improve the condition of the weavers “Under the native Governments, the weavers and their workmen were subject to innumerable vexations, rising out of the imposition of occasional and undefined taxes, from which they are now free, such as arbitrary assignment upon the marriage of a Zamindar’s daughter, compulsory, receipts of grain at an advance price in barter for their cloths, extorted loans of money, taxes suddenly laid upon thread”.\textsuperscript{39}

In spite of all these advantages, the Company’s service was not popular. The district Collectors and

\textsuperscript{38} Public Consultations, 23 October 1812.

\textsuperscript{39} Dodwell, Madras Weavers under the Company, Indian Historical Records Commission, 1922, Vol. IV.
Commercial Residents reported about the dissatisfaction prevailed among the weavers. Gumasthas and the Head weavers became corrupt and they deducted a part of the advances, either as a commission or as a bribe for not undervaluing the finished products. The authorities had taken some steps but the checks against gumasthas and brokers were inoperative. The result was that the weavers got less price for a cloth than its cost price.

Early in the 19th Century the Committee of Reforms reported that the weaver derived no gain by working for the Company, but had to live with meagre earnings. The private manufacture was more profitable than the Company's and those who worked for the latter did so more out of compulsion than from choice, stated the Commercial Residents. Infact, the private traders were not so strict, about quality or dimensions. Moreover, while the price of raw materials fluctuated, the Company's standard price remained the same. The profits of the Company's weavers were thus both low and uncertain.

40. Letter from Munro to Read, 23 November 1792.
41. Letter from Munro, 23 November 1792.
43. Letter from the Board of Trade to Government, 27 May 1802.
In order to cope with the competition from private traders, the Company adopted stringent measures. The weavers were forbidden to work for private traders until the Company's orders were completed.\textsuperscript{44}

Meanwhile, the British Cotton textile industry which was started during the closing decades of 18th Century was well established and threatened to invade India itself. In addition, the new Charter Act of 1813, threw open all branches of Indian trade to everyone, made the Company to think about investment with suspicion. In 1814 they ordered that the Commercial Department was to stand entirely on its own feet; it was not to be mixed up or concerned with revenue matters so that there might be no doubt as to whether it was worth maintaining or not.\textsuperscript{45}

For a considerable length of time, the company continued to make up the investment with diminishing profits. But, finally, the Madras Government reported that commercial establishments would be gradually reduced.

\textsuperscript{44} Letter from the Board to the Collector of Coimbatore, 27 November 1804.

\textsuperscript{45} Commercial Despatches from England, 9 February 1814.
The factories at Nagore were abolished in 1815 and they were amalgamated with Cuddalore factory in the next year. The factories were closed down one by one and the Board of Trade was abolished in 1824 and its place was taken by a single person known as Commercial Superintendent.

In spite of these economy measures, the Company's textile trade was not yielding profits. This made the Company in 1828 to consider seriously whether they should continue to carry on the trade at a certain and increasing loss. The Commercial despatch dated 29th October 1828 reviewed the course of events. Even six years earlier in 1822 it had been found necessary to consolidate the factories for white piece goods into a single establishment. At that time 'Georgian Cotton Wool' was sold in England at 12 dollars per lb, the Indian cotton at 6 dollars to 9 dollars per lb and the Indian longcloth fetched 27s to 29s per piece. That had given the Company a profit


47. Ibid.

of about 2s in England for every Madras Rupee spent in India.\textsuperscript{49} As the cotton goods were produced by handloom and as the chief value of the stout and heavy Madras Calicoes lay in the raw material employed, the Company thought the investment was worth continuing with the hope that the price of raw cotton might increase again.\textsuperscript{50}

The Company bitterly complained to the Indian authorities in the year 1823 that the British manufactures were forcing all Indian fabrics out of the market with the sole exception of Madras longcloth. In the year 1826, only a small portion of the goods were offered by the Company for sale, but the selling rate had not covered the cost and charges. Even then, hoping that the fall in price was only temporary, they continued their indent.\textsuperscript{51} However, cotton goods made in England were beginning to invade India itself. First the lighter calicoes of Bengal, then the fine fabrics of Dacca and then all but the heavy Madras longcloth became unmarketable. The powerloom gave the

\textsuperscript{49} Commercial Despatches from England, 3 May 1820.

\textsuperscript{50} Ibid.

\textsuperscript{51} Commercial Despatches from England, 13 May 1826.
deathblow to the Company's export trade from India. In 1827 Madras cloth returned only about 1s. 6d. for every Madras Rupee spent. The next year the sales returned only 1s. 5d. per Rupee spent.

Hence, the company reluctantly came to the conclusion that the cotton investment for sale in Europe must be abandoned. That also meant the abandonment of the other branches of the Company's investment as they could hardly bear the charges of the Commercial Department when the large European investment was withdrawn.

In 1827 the Cuddalore factory was transferred to the Collector of Sea customs and the godown and the dyeing house at Bandypollam was sold to M/s. Parry and Dare. The Tinnevelly factory was closed in 1831 and a great change took place i.e., the office of the Commercial Superintendent was abolished in the same year.

52. Commercial Despatches from England, 16 May 1827.
54. Ibid.
Then the Charter Act of 1833 came by which the Company ceased to be a trading corporation. The Act became a stumbling block to the East India Company's trade and also the handloom industry in Tamil Nadu. The weaving communities had to suffer much due to the stoppage of companies trade in handloom goods.

The Charter Act of 1833 was a turning point in the history of handloom industries in India. It is important not for its direct consequence but for its indirect effects. It enabled the British traders to import the English Industrial goods heavily in India. The Company, after 1833, slowly stopped the investment on cotton goods. Finally, the entire weaving and commercial establishments were dissolved in 1835.

After the cessation of the investment, the Board of Revenue tried to know from the various Collectors, how far the cessation would affect the weavers and what proposals they could offer for the amelioration


of the condition of those weavers who would still remain unemployed. The Collectors stated that the withdrawal of the Company's support would have no serious consequences, since there was a rising demand for commercial crops.

Consequently, the Board discontinued the unprofitable trade in cotton manufacture. Further, the Board concluded that the "increased demand for cotton and consequent benefit to the great agricultural population of the country would, to a certain extent, counterbalance any decrease in demand for particular sorts of cloth or injury to the less numerous body of manufactures." In consequence of the Company's action, weavers engaged in handloom weaving were thrown out of work. But nothing was done to give relief to the retrenched weavers.

The Government also discouraged the industry by its fiscal policy. Piece goods manufactured in this country were subjected to a duty of 5% on the raw materials, 7½% duty on yarn, a further duty of 2½% on the manufactured article and finally another duty
of 2½% if the cloth was dyed outside the place of its manufacture or in all 17½%. But the British piece goods, on the other hand, were admitted into this country on the payment of a nominal duty of 2½%.

Thus the fiscal policy of the Government and Commercial Policy of the Company paved the way for the decline of the industry. Regarding the large import of piece goods from Great Britain to India John Sullivan's statement, the then President of Board of Revenue, Madras, may be mentioned here. He remarked, "Our System acts very much like a sponge, drawing up all the good things from the banks of the Ganges and squeezing them down on the banks of the Thames."

The changes that had taken place in the life of the weavers was traced out by R.C. Dutt. According to him the production of indigenous Indian manufactures were discouraged, sometimes by positive prohibition, later on by the influence of the Company's Residents.


58. John Sullivan, Evidence before the Select Committee, 1848.
Weavers who had worked independently previously, now lost their industrial and economic independence and obtained wages. Thousands of weavers looked up to the Company's factory for employment but the factories demanded raw produce, i.e., cotton and they were suddenly thrown out of work. In the meanwhile, the Lords and Commons inquired whether the increasing trade should be in the hands of the East India Company or in the hands of the private traders. No one was bothered for the extinction of Indian industries and the loss of industrial profits to India. Nobody took efforts to revive the weaving industry in India or to ameliorate the conditions of the weavers.  

Due to Industrial Revolution in England, it became an exporting country. As was aptly pointed out by Ratnasami, "It was not the company but the English Government that imposed duties on cloth from India, to foster the infant industries of Manchester. It was the state policy of the English Government that struck the commercial prosperity of the Company".  

Tripathy observed, "The Company fought with no less zeal than the free trader for the reduction of tariff in England". But the company failed in its attempt. Thereafter its interest slowly waned due to the Manchester competition that led to the cessation of its investment. In the absence of positive plan to rehabilitate the spinning and weaving industry, the company became indifferent in the matter.

EXPORTS AND IMPORTS DURING COMPANY'S RULE IN MADRAS:

The chief business of the East India Company in its early period, the very object for which it was started, was to carry Indian manufactured goods, textiles as well as spices from the East to Europe, where there was a great demand for the articles. The Company as a trading corporation began to export spices and cotton fabrics from India during the 17th Century. The total annual export of Indian handloom products by sea in the 17th Century has been estimated by Moreland at about 50 million square yards - 15000 bales of cotton goods were exported by the English

merchants, and 10,000 bales by the Dutch to Europe, making a total of 25,000 bales or 32 million of square yards, for Europe excluding the trade of the French the Portuguese and Danes. 62

The whole of the 18th Century and the first half of the 19th Century saw the export of cotton goods from Madras to Great Britain and from there, they were re-exported to European countries. Large varieties of cotton fabrics such as Salemproes, Bettulas, longcloth, handkerchiefs, fine and coarser muslins, calicoes, palampores, chintzes and silk cloth were bought from various weaving villages in Tamil Nadu and the same were sailed to European countries by which the Company merchants got huge profits. First, we shall see, the export of the cotton manufactures from Tamil Nadu.

The handloom weaving industry was encouraged by the Company in Tamil Nadu in 18th Century by giving advances to the weavers, establishing weaver's colonies around their factories. We do not have the evidence to show as to how much of pieces were exported in the

earlier decades of the 18th Century. But in 1744, the export of piece goods from the Madras Presidency to England amounted to £ 6,44,563.\(^{63}\)

Since 1793, Madras Calicoes and silk could sell in Great Britain at a price 50 to 60 per cent lower than the price of the British fabrics and annual average was about £ 2,50,000. There are evidence that the Company invested an average of Rupees 50 to 60 lakhs in piece-goods per annum. The private exports averaged 6,08,165 pieces per annum, valued at Rs. 29,99,721 between 1801 and 1805. The total average exports from Madras itself, according to Dodwell during early 19th Century was around 75 lakhs of Rupees per annum. In addition to catering to the export market, the entire internal demand was also met by the industry. Thus the total textile production of the Madras Presidency must have been quite large. According to the modest estimate of Dodwell it must have been roughly Rs. 7\(\frac{1}{4}\) Crores.

\(^{63}\) Report from the Select Committee on the Cotton Manufactures of England, 1793.
In 1811-12, the Company's investment was decreased to Rs.44,41,784, of which Rs.44,16,163 worth of piece goods were exported to England. The Parliament Act of 1813, passed in order to protect the British manufacturers, raised the duties against Indian piece goods at the highest $78\frac{1}{3}$ per cent ad valorem duty on calicoes and $38\frac{1}{3}$ per cent on muslin. Further, this Act of 1813 put an end to monopoly of company's trade with Indian and was thrown open to all British Subjects. So, the private traders began to bring the Manchester and Lancashire cotton goods to India.

Subsequently, the exports to England in 1820-21 from Madras was Rs.16,81,551, which was less than 35 per cent of their value in 1811-12. After 1820, the manufacture and export of cotton goods declined steadily, never to raise again. The increase in the decline of export of piece goods from Madras continued throughout the second quarter of 19th Century and in 1849-50, the exports amounted to around Rs.3½ lakhs.

There are many records which show us that not only the exports to Great Britain decreased, but also the exports to other countries dwindled. The exports in 1825-26 to Mediterranean ports amounted to Rs.3,36,059 but the succeeding years, the trade disappeared. The exports to Manila also ceased in 1830-31. The exports to Bombay rose slightly in the third and fourth decades but declined at the middle of the Century. Within three decades, the extensive markets in America, the Mediterranean ports, Manila and the West Coast of Sumatra were entirely lost, while those in Great Britain, Persia, Arabia, Melacca and Pegue shrank greatly. The total exports were subject to large fluctuations, but the tendency was always downward. After 1838-39, there was a rapid fall, and at the fifties of the century, the total exports were only about 30 lakhs.\(^67\) The exports of the piece goods from Madras further went down at the close of the Company's rule.

While the export of the manufactured cotton piece goods dwindled, the export of raw cotton from Tamil Nadu

\(^{67}\) Sarada Raju, *Op.Cit.*, p.177
increased in the first half of the period of review. The Company exported raw cotton from the beginning of the 19th century to China from Madras. A superior variety of cotton was produced in Tinnevelly and Salem districts. According to the Reporter of External Committee, Madras, Sicca Rupees 49,000 worth of Tinnevelly Cotton was sent out to Canton in 1802. This cotton was sold at a higher price than Surat or Bengal Cotton in China. So, in 1809, the Madras Government had sent 1200 tones of cotton to China as the profit increased. Later, the Court of Directors too realised the importance of the cotton consignment from Madras and in 1810 advised a proper division to be made between the quantities to be shipped from Bombay and Madras. The supercargoes wrote to Governor-General-in-Council on April 4th 1811: "The Cotton consigned from St. George to Canton has proved highly advantageous

68. Board of Trade (Commercial) Proceedings, 9th October 1805.

69. Board of Trade (Commercial) Proceedings, 8th December 1809.

70. Board of Trade (Commercial) Proceedings, 26 July 1811.
and we recommend that every exertion should be made to increase the quantity of Tinnevelly and Salem Cotton to be consigned to China."  

The Cotton Export to China from Madras was increased during the years 1813-1833. During these years, an average of more than 10,400 bales of Madras Cotton per annum, produced chiefly from Tinnevelly and Ceded districts, were exported to China. On the whole the Company's Madras Cotton trade with China during the early years of the 19th Century, proved quite profitable. But the markets for Indian textiles in China was restricted one because the Chinese themselves produced abundant quantities of cotton goods for their local markets. Thus, the company instead of exporting manufactured fabrics, to various countries, exported raw cotton which hindered the cotton manufactures in Tamil Nadu and consequently the weavers had to lose their work.

71. Board of Trade (Commercial) Proceedings, 31 May 1811.

72. J. Kumar, Indo-China Trade, (1793-1833), p.86.
While exports dwindled, imports of British textiles into Madras increased rapidly and began to drive the local manufactures even from the home markets. By the middle of the 19th Century, India's pre-eminence in cotton manufactures was a thing of the past. With the advent of Industrial Revolution in Great Britain, that is the invention of Spinning Jenny, Mule and powerlooms, and with the opening of Suez Canal, Lancashire and Manchester machine-made cotton goods began to invade India. The introduction of machinery in the west enabled the European manufactures to produce large quantities of cloth at an extremely cheap rate.

There are evidence to show the increase of importation of the British cotton manufactures to India. In 1828, British piece goods imported to India was 42,822,077 yards, 73 of which £ 3854 worth was imported to Madras province through Madras Port. 74

The complete opening of the East India Trade to

private enterprise by the Charter Act of 1813, gave a
great impetus to the import of Manchester cloths to
the East. Then, the reduction of the import duty on
British piece goods by the Indian Government to 3½
per cent gave further encouragement to their importation.
Moreover, the company lost its monopoly in the same year
and private traders imported bales and bales of British
piece goods into India. Within a few years, the
imports of British piece goods rose from 5 lakhs in
1822-23 to more than 10 lakhs in 1850-51. Since, the
import of British piece goods increased, the sufferings
of the weavers in Tamil Nadu was also going on increasing.
About the position of the Indian manufactures, it was
stated by Sir George Larpent in 1840, Head of an
outstanding British house trading with India who
testified before the house of Common's Select Committee
that "We have destroyed the manufactures of India". He
referred to handkerchiefs, cotton and silk cloths as
"the last of the expiring manufactures of India." The
above statement reveals the state of handloom
textiles at the end of the Company rule in 1858.

76. Testimony of Sir George Larpent, as cited in R.C.Dutt's