CHAPTER I

INTRODUCTION

The theme of the present study is the rise and growth of cotton-textile mills in the Coimbatore district of the erstwhile Madras Presidency. More precisely, the problem under study is examined within the colonial context. Hence, the emphasis lies on the fact that the colonial phase of the history of India or of the Madras Presidency should be viewed as a distinct phase with its own characteristics. Here, the role of the state is not measured with the yardstick of a modern welfare-state. On the other hand, the state is viewed as a parasitical entity, engaged in the appropriation of the resources of the colonised country for the ultimate good of the 'mother country'. In a colonial situation, the colonial state does not become an instrument for industrialization. During the second half of the nineteenth century, the colonial states had drowned its industrialising responsibility under the pretext of Laissez-Faire. But Laissez-Faire itself was followed as a concept of convenience in the 19th century. The concept was made flexible whenever it suited the colonial interests.

Although the colonial state was not instrumental in the industrialization process, the forces which it let loose created a situation in which industrialization became inevitable. In Bombay, the Indian mills came up inspite of a
hostile state. In Coimbatore too, the cotton mills came up under the colonial dispensation, which of course, had its own contradictions. During the close of the 19th century, there was a clamour from the business community to develop mills and industries in the Madras Presidency. The result was a government-sponsored conference at Oottaccamund on the development of textile industry.

The recommendations of this government-sponsored conference were summarily vetoed by the Secretary of State for India. The Secretary of State rejected the proposal on the pretext that the state funds should be utilized only for the extension of industrial and technical instructions. Infact, the 19th century modernization under British colonialism stood for the development of industrial capitalism in Britain and development of colonialism and under-development in India. Again, it was at the height of Laissez-Faire era, that the colonial state pioneered at its own considerable expense the introduction of many plantations like Chincona, Tea and Coffee. The colonial state also actively promoted the cultivation and transportation of cotton because it was needed by the cotton mills of Manchester and Lancashire.

Thus, the colonial state always preferred a commercialization rather than an industrialization of India.

It is against this background that the evolution of cotton mills in Coimbatore attains greater importance.

The Region and its History

Coimbatore, the territory comprising 7,126 sq. miles, was one of the major districts under the erstwhile Madras Presidency. The district is bounded on the north-west by Karnataka, on the south by the state of Travancore and the district of Madurai, on the east by the districts of Trichinopoly and Salem and on the west by the districts of Nilgiris and Malabar. By 1940, the population of the district was 24,45,064.2

Historically, the entire Coimbatore district and the south-western taluks of the Salem district formed the Kongu country and it was called Kongunad. During the ninth century A.D. the Kongu country which was passed on to the Cholas, became one of the five Mandalams of the empire and it was under them for nearly two hundred years.3 During the eleventh century, it came under the rule of the Hoysalas. Subsequently it was brought under Vijayanagar rule and kept under the administration of Srirangapatna. Shortly after it was brought under the control of Madurai Nayaks. During the

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second half of the seventeenth century the region faced numerous wars which were held between the Nayaks of Madurai and the Wodeyars of Mysore. As a result, before the death of Chikka Deva Raja in 1704, the whole Coimbatore district came under his dominion. During the Anglo-Mysore wars the district became the battlefield for the Sultans of Mysore and the Company's administration of Madras. In 1799, with the fall of Tipu Sultan the entire district came under the Company's rule. From 1805, the district head-quarters started working permanently at Coimbatore.

Occupation of the people

Agriculture was the major occupation of the people of Coimbatore. They cultivated Cholum, Cumbu, Ragi, horse-gram and rice. Other crops included wheat, green-gram, vegetables, plantains, mangoes, coconuts, tobacco, chillies, onions, coriander seeds, sugar cane, tamarinds and ground-nut. Cotton was an important item too. It was cultivated extensively. When Francis Buchanan visited Coimbatore in the early 19th century, he found much rice fields around, watered by reservoirs which were filled by canals from the Noyal river. Ragi and other crops were raised on dry lands; cotton and tobacco were grown in some places. Other commercial crops noticed by Buchanan were betelnuts and coconuts.

Buchanan observes that traditionally no tenant could be turned out of his holding as long as he paid rent. It was in Coimbatore that Munro had his early experiences as a revenue official which later helped him to introduce the ryotwari system for the whole region. Munro had declared in 1807 itself that the essence of the ryotwari system was the permanency of assessments. Although it brought the ryot (the cultivator) and the state closer and eliminated the intermediaries, the manner of its introduction in many districts including in Coimbatore resulted in untold sufferings for the ordinary people. Infact, in Coimbatore the evils of a gross corruption were added to the evils of a cruelly excessive assessment.

However, from the date of taking over of the administration of Coimbatore by the British, cultivation of cotton was given much encouragement. As a result, the Britishers could export a large quantity of cotton. To increase the quantity of cotton, vast areas of waste lands were brought under cotton cultivation. This also paved the way for the emergence of local merchants. In due course these traders could easily invest capital in the mill industry. The leather industry was carried on chiefly by members of the suppressed class and tanneries were being worked at Coimbatore, Pallapatti and Mettupalayam. A quite

number of people also involved in the manufacture of bricks, tiles and the building of carts. Workers were also involved in the preparation of ornaments made out of gold, silver, brass and precious stones. A good number of workers were also involved in the pottery work.

Before the establishment of spinning mills in Coimbatore, a large-scale hand spinning was done in this district especially in the taluks of Palladam, Avanashi and Dharapuram and the chief centres were in and around Tirupur, Avanashi and Kangayam. By around 1929, about 2,000 wheels were at work in and around the three centres mentioned above. Likewise, a good number of people were also engaged in handloom weaving. Buchanan mentions about 1,259 looms worked in Coimbatore and Sathyamangalam. According to him, the wives of all the low-caste cultivators were great spinners and the thread was dyed red or blue as required. As per the census of 1921, 21,075 people were working in the handlooms of the district. The important centres where the handloom weaving was extensively carried out were Coimbatore, Ondipudur, Bhavani, Sennimalai, Sivagiri, Kollegal, Satyamangalam and Puliampati. Side by side, the mill

industry also accommodated a good number of workers. Either they were basically agriculturists or hand spinners and hand loom weavers or the migrants who migrated from other districts of the Presidency.

**Cotton Mills—the All India Situation**

Cotton mills occupies a prominent place in the industrial annals of India. India was a traditional exporter of textiles to several foreign countries until Britain became a territorial master in India. The East India Company itself, during the early phase of its activities, continued to be an exporter of Indian textiles to Britain. The English East India Company made much of its fortunes through the monopoly trade in Indian finished goods. When England underwent the industrial revolution and the resultant machinization, it also created new classes who emerged as the industrial bourgeoisie. In the emerging situation, monopoly trade gave way to *Laissez-Faire* or free trade. The English East India Company itself had to face new challenges from the threatening private traders and also from the British state. With the Charter Act of 1833, the Company lost all its former glory, wealth and position. In the new situation, the traditional Indian manufacturing and trade declined. The British tariff policy, coupled with the mechanization at home, destroyed the base of Indian textile industry. In the subsequent decades, India had to content herself with the
position of a raw-material exporting country with a backward ruralised economy.

However, after the middle of the 19th century, the Indian textile industry showed new signs of recovery. The newly emerging Indian capitalist class of Bombay and other places, became the pioneers in the modern textile industry. Although the first cotton mill in India was established near Calcutta in 1818, it did not make much progress.\textsuperscript{10} It was a small beginning but thereafter no further attempt was made to establish other mills in Calcutta or in the Eastern region.\textsuperscript{11} The real development of the cotton mills on the modern joint stock principle started in India only after the establishment of Bombay Spinning and Weaving Company at Bombay in 1854. In the same year the mill was also established in Ahmedabad. The first mill in Madras was built in 1874 by a Bombay Parsee company. The first mill in Coimbatore was established in 1888 by Stanes and Company and started its production in 1890. By the late 1930s the district of Coimbatore had become one of the important industrial centres of India. The growth of the textile industry was the main reason for the importance of Coimbatore as a major Indian urban centre. Thus, pioneering efforts were made in different regions of India to start textile mills round about the year 1854, but rapid development of this industry took place only in Bombay, Ahmedabad and Coimbatore in later years.

The progress of the cotton mills was slow at first. The rapid growth started from the commencement of the American Civil War. During the war, the North blockaded Southern parts of America. As a result, raw cotton could not be exported to Lancashire in England. The sudden demand for Indian raw cotton arose. The export of raw cotton from India rose from 5.1 lakh bales in 1859 to 14 lakh bales in 1865.\textsuperscript{12} It proved to be a great boon to the cotton merchants of Bombay. The extraordinary high prices realised for Indian raw cotton in the markets of Europe brought them large and unexpected wealth, which found ready and ever-widening outlet for investment in the newly started cotton-mill industry in the Bombay city.\textsuperscript{13}

From 1865 to 1870 the cotton mills suffered a serious setback due to a glut in the market, as a result of the stoppage of the American Civil War. From 1870 there were great developments in the industry. It made a rapid progress in Bombay, particularly due to the fact that considerable demand for yarn was from China. The rapid expansion of the mill continued up to 1914. By 1914 India became the World's fourth largest cotton textile power.\textsuperscript{14}

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12. Ibid., p. 5. \\
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British Opposition

The new born textile industry was heavily attacked by the established industry of Great Britain, through their Laissez-Faire policy. The monopoly of the East India Company over Indian trade was open to all British citizens by the Charter Act of 1813. The Laissez-Faire policy was much reflected in the industrial development of India after taking over the power of administration from the British East India Company by the British Crown in 1858. It is true that in the mid and late nineteenth century British Government was receptive of the pressures applied from Lanchashire, that the Government of India's tariff policy was shaped by the needs of British cotton manufacturers and that the principles of the imperialism of free trade were, for a time, brought to bear on India. Further, in search of new sources of cotton supply, the Lanchashire mill-owners influenced through their pressure group tactics in parliament, turned to India and pressure was brought to bear on the Indian Government to develop public works needed for the production, transportation and export of cotton.\(^\text{15}\)

Further, the free trade policy of the colonial Government was neither free always nor protective in nature. The tariff duty on cotton was imposed not for the

encouragement to the Indian industries but to fill up the gap in the financial budget. Most of the times the duty on imported cotton goods was abolished because of the agitative nature of the Lanchashire manufacturers. Again, the British exporters prevented the Government of India from imposing a revenue tariff and from creating protected markets which would encourage the growth of Indian industry.

However, the floatation of new mills during the First World War was nil. But, during the war the existing mills were utilised at the full extent for war purposes and to supply deficiencies created by the cutting off of European imports. Though the mills could earn a good profit during the war they suffered lot after the war particularly from 1922 to 1939 due to the Japanese competition. The mill-owners of India raised their voice through the Central Legislative Assembly on the question of protection. To satisfy them the government was satisfied with the abolition of cotton excise duty from 1 December 1925. Not satisfied with this the mill-owners of India demanded more protection against foreign imports. They demanded for the appointment of a Tariff Board to examine the question of protection. As a result the Government of India appointed the Tariff Board on 10 June 1926, to investigate the condition of the cotton textile industry.  

that one of the main external causes in the depression in the Cotton Industry was the severe competition of Japan, the Government of India had clearly taken the position that there was no case for the grant of assistance to the cotton textile industry either by means of bounty or by an enhancement of the tariff. Protesting against the policy of the Government, on 20 June 1927, the Bombay Mill-Owners' Association convened a conference of the owners of cotton spinning and weaving mills from all over India and passed a resolution urging upon the Government to reconsider their decision and to grant adequate protection to the textile industry of India. As a result, on 16 August 1927, the Government of India issued a communique, in which they rediscussed the relevant recommendations of the Tariff Board and agreed to grant protection to the Indian yarn of 40 counts and below.

The Government of India Act, 1935 gave provincial autonomy to the provinces. The provincial autonomy to the provinces much reflected in the external trade. Indian made yarn was exported to countries like Hong Kong, Cyprus, Ceylon and Egypt. As a result, the exports of yarn from India, particularly from Madras increased from year by year. In 1935-36, Madras exported, 4,74,891 lb and it was increased

17. H.L. Dey, The Indian Tariff Problem, p. 63.
18. Ibid.
19. Ibid., p. 64.
The history of cotton mills during the Second World War was a history of profit making by mills. However by the end of the war, the Government policy was firmly committed to large-scale planned industrial development. In April 1945, government issued a statement that it had decided to take positive steps to encourage and promote rapid industrialization of the country to the fullest possible extent.

Thus, the modern Indian textile industry, which was developed by the native entrepreneurs and mainly with indigenous capital faced lot of hurdles from its very inception. The hurdles were put not only by the colonial Government in India but also by the Home Government. The industrial policy of Britain, reflected through the colonial Government, did not allow the Indian industries to compete with the British industries in general and Lanchashire mills in particular. Yet the modern Indian capitalist class could nurture and develop the Indian textile mills throughout the turbulent period. However, it was much liberated from the clutches of the colonial rule when India became free.

Textile Labour

It is true that the railway workers were the harbingers of Modern Indian Working Class. However, with the

21. Ibid.
establishment of cotton mills in Bombay and other places, the number of modern working class in India also began to increase. By 1890 number of workers in factories and mines were about 3,00,000. Among them, about 1,10,000 workers were working in the cotton mills. Thus, it is evident that even among the early labour force, the textile labourers constituted a major chunk. In 1905 number of workers in the Indian cotton mills were 1,95,000. It was further increased to 3,46,925 and 5,05,562 in 1929 and 1944 respectively.

The working condition of the labourers in the Indian industries in general and cotton mills in particular was far from satisfactory. The worst feature of the industrialization in India was long hours of work in the industries. In most of the industries, the workers had worked for 15 to 16 hours in a day. On the seasonal factories, we have also evidence of people having worked for 18 to 20 hours a day. With the introduction of electric light, the maximum working hours were further lengthened. In rice mills and flour mills, men had occasionally worked for 20 to 22 hours. Working condition in printing presses was much more horrible. There, the workers had to work 22 hours a day for seven consecutive days. The capitalists

also exploited work from women inhumanly. The Senior Inspector of Boilers, Bombay stated that in the ginning mills, women had worked day and night as long as a week at a stretch. The early industrialist did not spare even small children below 10 years. The employers did not show any sense of proportion or any human consideration in exploiting the child labour. They were also working from 10 to 14 hours a day.  

Besides the long working hours, the wages being paid to the labourers were also much below their subsistence level. The rate of wages that were paid to the workers was based upon the abnormally low standard of living of the rural working masses whose traditional economic life had been devastated by imperialistic plunder. Further, housing arrangements to the workers who gathered in the developing industrial centres at the later half of the nineteenth century was also completely absent. The worker along with the members of his family could not solely occupy even one room for their abode. B. Shiva Rao, an eminent leader of the early phase of Indian Trade Union Movement, regarding the housing accommodation to the labourers of the Madras depicted that there were number of huts harbouring more than one married couple. He further stated that in the congested parts of the Madras city some rooms were accommodating the

26. Ibid.
whole families had no access to the outside air, except through the next room, also occupied by a family.27

Despite all these deplorable conditions, the early Indian labour class did not become conscious of its own exploitation by the factory owner of Bombay and other places. Awareness was not created during the early days, invariably because of the fact that the workers came from different localities, different cultural, religious and caste background. It took several decades for them to forge a working class consciousness and unity. It was left to those philanthropists and other social workers and outsiders to come and organize them.

Review of Literature

Several scholars have attempted in the past to study the question of industrialization with special emphasis to textiles. N.C. Bhogendranath in his work "Development of the Textile Industry in Madras (upto 1950)", (Madras, 1957), has slightly touched upon the early beginning of the mills of Coimbatore. However, his work is too sketchy, which does not mention anything on capital, organisation, marketing or labour in detail. Hence, by and large this is not satisfactory one.

C.J. Baker, in his work "An Indian Rural Economy, 1880-1955: The Tamil Nadu Countryside" (Delhi, 1984), attempts to discuss the growth of mills in Tamil Nadu and the working Class movement in a summarized form. Since his attention is focused on Tamil Nadu in general, information on Coimbatore is scanty. C. Ramachandran in his work "East India Company and South Indian Economy" (Madras, 1980), has attempted to discuss the question of raw cotton supply during the Company's regime. Likewise, A. Sarada Raju in her pioneering work "Economic conditions in the Madras Presidency, 1800-1850" (Madras, 1941), attempts to discuss the Government's policy on the cotton cultivation of Coimbatore till 1850.

On the question of industrial capitalists, we have an important work called "Textile Magnates of Coimbatore" (Madras, 1953), by S. Prem Singh. There, he has attempted to discuss about the socio-economic and political condition of the selected mill entrepreneurs of Coimbatore. Moreover, M.C. Shanta in her "State and Industry in Madras, 1800-1940" (Ph.D. thesis) analyses about the beginning of the industrial policy and the State aid to the selected cottage and small scale industries.

Other important works on the labour force of Coimbatore are Eamon Murphy's "Unions in Conflict: A comparative study of Four South Indian Textile Centres, 1918-1939" (New Delhi, 1981), T. Thankappan's "Working Class Movement in the Madras Presidency, 1918-1947: A study of Madura, Tinnevelly and
Coimbatore districts" (Ph.D. thesis) and E. A. Ramaswamy's "The Worker and his Union: A study in South India" (New Delhi, 1977). While the former two works discuss the labour situation of Coimbatore during the pre-independence period, the latter attempts to discuss the organizational framework of the post-independence period. Eamon Murphy in his work analyses the success and failures of the early trade union movement and discusses about the ideological differences between the Congress and the Communists. Likewise, T. Thankappan only focuses on the agitational aspects of the labour without linking with the wider question of industrial production.

Further, C. S. Krishna, in his work "Labour Movement in Tamil Nadu, 1918-1933" (New Delhi, 1988), emphasizes the condition of factory labour, legislative measures of the colonial Government and the struggles of the workers of the Tamil Nadu from 1918 to 1933. Finally, the "Working Class Movement in Tamil Nadu, 1918-1947" (Ph.D. thesis) by P. Chellathurai has made only glimpses into the mill workers of Coimbatore.

The present study on the Textile Mills of Coimbatore promises to be a clear departure from the prevailing ones both, published and unpublished.
Objectives

The textile industrial sector of Coimbatore district and the policy of the British colonial state towards it, is a fascinating area, that requires scholarly attention. In a colonial situation, when the colonial state has its own domineering influence on the socio-political and economic developments of the country, the questions of raw-material, capital, entrepreneurship, labour or marketing should not be studied in isolation with the role of the colonial state. The economic ideas of the decision makers, their ideological pretensions, their profit-making motive, contradictions in their approach to the industry in Madras, Bombay or in London - all these have to be probed into, before presenting the textile industry of Coimbatore in a proper perspective.

Infact, the Laissez-Faire policy was more favorable to the British capitalists. But, it could also encourage the indigenous capitalists who could learn the business techniques of the Britishers and they began to start industries, particularly textile mills by importing skilled labourers and machineries from England. Further, the non-involvement of the Government in the productive concerns encouraged the capitalists to exploit the labour force for their maximum use and marketing their goods for high prices. Though the rapid growth of mill industries was noticed in 1930s, the period from 1890 to 1947 has been selected for the present study, in order to have a clear view of the
continuity and change in the textile sector over the years until 1947.

The present study aims at analyzing the predominant position of Coimbatore in the cultivation of cotton, one of the causative factors in the mill flotation. The capital, one of the four factors of production, its nature and the socio-economic and political background of the capitalists in the colonial context being attempted to analyze in detail.

It is true that the functioning of any type of industry purely depends upon the well established market to sell their production for the smooth running of the industry. This work also aims to analyze the marketing conditions of the products of the mills of Coimbatore and the colonial policy towards it. It aims also at finding out the socio-economic background of the mill-hands, their consciousness, organization, confrontation with the capitalists and the mediatory role of the Government.

Sources

The present study is undertaken through intensive archival research. The Tamil Nadu Archives, Madras, which is one of the largest repositories of the documents of the British period was utilized to the fullest extent to go through a series of documents such as the Government Orders (Development, Home, Judicial, Law (General), Law (Legislative), Public, Public Works and Labour and Revenue),
Collectorate Records, Records of the Board of Revenue, Fortnightly reports, Under Secretary's (Secret) Safe Files, History of Freedom Movement Files, Annual Administration Reports of the Government of Madras, Annual Reports of the Department of Electricity, Annual Reports of the Department of Industry, Manual of the Madras Administration, Native Newspaper Reports, Papers related to the Measures taken by the East India Company for the promotion of cotton cultivation in India, Report of the Factory Labour Commission, Report of the Indian Industrial Commission, Report of the Royal Commission on Labour, Award of the Industrial Tribunal, Proceedings of the Madras Legislative Council and Assembly, Proceedings of the Central Legislative Assembly and various others sources. I have also consulted relevant documents in the District Record Centre, Coimbatore, the library of the Southern Indian Mill-Owners' Association, the Connemara library and other various University libraries and Research Institute Libraries in the Country. Further, I have also utilized the private records, family accounts, etc., of Chief Industrial Entrepreneurs and the labourers. Again, the interviews with the former trade union activists cum freedom fighters and with the surviving members of the families of early entrepreneurs give an additional information.

Thus, after providing a brief introduction in the first chapter, the second chapter of the present work discusses about the availability of raw cotton in rural area which
played a 'crucial role in making Coimbatore, the 'Manchester' of South India.' This chapter examines the link between the ryotwari system, commercialization and the colonial policies. It also discusses the process of cotton cultivation increasingly in the district during the 19th century. It explain the links between the industry and its vast agrarian hinterland, which supplied the essential raw-materials.

The third chapter focuses on the role of capital in the Coimbatore textile mills. The Coimbatore mill barons emerged from the rich peasants belonging to the Naidu and Gounder communities, as well as from the Chettiar who were also operating the cotton-trades. This transition from Agriculture to agro-based trade and from trade to industry is a fascinating story. The chapter examines the question of capital mobilization in the existing socio-economic context.

The fourth chapter deals with the prevailing market in textile products particularly yarn. Coimbatore mills predominantly concentrated in the production of yarn. Hence the chapter concentrates mainly on the yarn market. A large chunk of the yarn was absorbed in the handloom sector through the local markets. Later on the Coimbatore yarn found markets outside Madras in the Central Provinces, Bengal Presidency, Hyderabad and other places. During the Second World War period, the British government initiated a series of measures to control and regulate the prevailing yarn
market. This resulted in the conversion of a free market into a controlled one under the nose of the Raj, which believed in Laissez-Faire.

The fifth chapter deals with the early labour force, the newly emerged proletariat who were traditionally agriculturists. The chapter discusses at length the socio-economic background of the labour force who also had a migratory character. They belonged to different caste groups, religions and regions, which perhaps slowed down the growth of class-consciousness, which was essential for their survival and sustenance. This chapter also examines the labour recruitment policy with special reference to the jobber system. It focuses also on the deplorable material condition of workers. The early working class was a miserable lot, with the lowest pay, long-hours of work, absence of leisure, medical facilities and with practically no holidays. They could be retrenched at the will and pleasure of the employer. It focuses again on the fact that the organization and the mobilization of the working class was delayed or retarded on account of their extremely appalling and backward conditions.

The sixth chapter deals with mainly the organization, mobilization and the struggles made by the working class of Coimbatore. The chapter also examines the triangular relationship between the worker, capitalist and the colonial state against the background of these confrontations.
The last chapter sums up the findings of all the core chapters. It also makes general observations on the basis of these findings.