

Japanese Civilization (Part 24)

Was the Indian Cotton Industry Wiped Out by the British Industry?

By Kawakatsu Heita

COTTON goods were one of the most important manufactured commodities of the 19th century for both Britain and Asia.

In India, as early as FY 1834, the Governor General is said to have reported “the misery hardly finds a parallel in the history of commerce. The bones of the cotton weavers are bleaching the plains of India.” This famous passage quoted in Karl Marx’s *Das Kapital* is often referred to as an example of the cheap machine-made cloth uprooting the native handicrafts.

If this were true, the Far Eastern cotton weavers would have suffered a similar fate. Marx, perhaps with a similar thought in mind, wrote another well-known passage, “the cheap prices of its (the bourgeoisie’s) commodities are the heavy artillery, with which it batters

down all Chinese walls” in *Manifesto der Kommunistischen Partei*. China and Japan were forced to expose their economies to “free trade” market, being deprived of tariff autonomy by the treaties with the Western powers. Therefore, it has long been taken for granted that imports of British manufactured goods destroyed the Chinese and Japanese handicraft industries or at least pushed them to the brink of collapse.

The world’s payments mechanism in the late 19th century centered on Britain’s ability to offset a deficit with the rapidly industrializing European and North American countries by means of a surplus with the primary producers of the underdeveloped world: particularly of Asia.

According to S. B. Saul’s calculation of Britain’s balance of payments in

1910, the country had a £118 million trade surplus with the rest of the world, and 70% of this amount was contributed by India, China and Japan (£60 million, £13 million and £13 million respectively). On the other hand, Britain had a deficit of £145 million, including £50 million with the United States, £45 million with Continental Europe and £25 million with Canada.

Thus transactions with India, and to a lesser extent with China and Japan, were vital for Britain to sustain its deficits with industrial Europe and North America. The British trade with Asia was closely linked to this international trade, for its surplus, as far as visible items are concentrated, largely came from the exports of cotton goods to Asia.

By 1870, Britain had changed its main outlet of cotton goods from Western countries to Asia as those countries which set up high tariff barriers against British cotton goods substituted their own cotton manufactures for British products.

In the mid-19th century, Asia import-

Table 1 Imports of Cotton Goods ('000 omitted)

(1) India (a: £, b&c: Tens of Rupees)			
Year	Total Imports	Cotton Goods	
		Manufactures	Twist & Yarn
FY 1871 (a)	34,902 (100%)	15,758 (45.1%)	2,810 (8.1%)
FY 1881 (b)	55,915 (100%)	23,299 (41.7%)	3,443 (6.2%)
FY 1891 (c)	69,012 (100%)	25,693 (37.2%)	3,141 (4.6%)

(2) China (Haikwan tael)			
Year	Total Imports	Cotton Goods	
		Manufactures	Twist & Yarn
FY 1871	73,680 (100%)	21,628 (29.4%)	2,686 (3.6%)
FY 1881	97,473 (100%)	31,644 (32.5%)	9,349 (9.6%)
FY 1891	191,084 (100%)	67,148 (35.1%)	29,290 (15.3%)

(3) Japan (¥)			
Year	Total Imports	Cotton Goods	
		Manufactures	Twist & Yarn
FY 1871	28,348 (100%)	5,194 (18.5%)	4,921 (17.4%)
FY 1881	43,787 (100%)	3,661 (8.4%)	8,054 (18.4%)
FY 1891	164,539 (100%)	8,739 (5.3%)	7,662 (4.7%)

Sources : Statistical Abstract relating to British India : *Parl. Papers 1881 XCIII* (c. 2976); *Parl. Papers 1890-91 LXXXIX* (c. 6502); *Parl. Papers 1902 CXII* (cd. 802) for India. Haiao Liang-lin, *China's Foreign Trade Statistics 1864-1949*, pp.22, 23, 38 for China. *Nippon Boeki Seiran* (Foreign Trade of Japan A Statistical Survey), pp.2, 230, 241 for Japan.

Note : Annual average for decades



ed only 25% of British exports of cotton goods including yarns, but this had risen to 50% by the end of the century. These British goods consisted mainly of cotton textiles and 43% of them were exported to Asia in 1870. This proportion gradually increased and fluctuated around 55% in the 1890s.

Consequently, British cotton manufactures became the main articles of import for Asian countries. The top three importers were India, China and Japan. The changing share of cotton goods in their total imports are shown in Table 1.

Table 2 shows the world-wide distribution of cotton spindles in the last three decades of the 19th century, and will help the reader to understand the position of the Asian cotton industry in the world. The total number of cotton spindles in the world in 1870 was 59 million: Britain accounted for 64% of the total, Europe 22%, the New World 12% and Asia 2%. By 1900 the total number of spindles had practically doubled to 107 million and the British share fell to 43%, while the shares of Europe, the

Table 2 World Distribution of Cotton Spindles

Year	Great Britain	Europe	Total America	Asia	World
1870	37,700,000	12,838,000	7,132,000	1,130,000	58,800,000
1880	43,000,000	18,885,000	10,653,000	1,492,000	74,000,000
1890	44,500,000	26,353,000	14,188,000	3,659,000	88,700,000
1900	46,500,000	32,225,000	20,610,000	6,802,000	107,395,000
1910	53,397,000	41,167,000	30,804,000	9,126,000	134,434,000
*1870	100	100	100	100	100
*1880	114	147	149	132	126
*1890	118	205	199	324	151
*1900	123	251	289	602	183
*1910	142	321	432	808	229

Source : W. H. Slater, "World Cotton Spinning Capacity," *Textile Recorder*, 1930, p.27

Note : *1870 = 100

New World and Asia rose to 30%, 19% and 6% respectively.

Between 1870 and 1900 as the industry of the rest of the world developed, the relative position of Britain declined. Certainly Britain augmented the absolute number of spindles, but this was far less than the increase in Europe and the New World. A noteworthy fact was the increase in Asia which amounted to two-thirds of the British increase. In terms of added spindles, the growth in Asia was the fastest of all.

The number of spindles in Europe

and the New World grew 2.5-fold and 2.9-fold respectively, while British growth only rose 1.2-fold during the period from 1870 to 1900. Asia, on the other hand, realized a six-fold increase. India and Japan (and later China as well) played important roles in the development of the cotton spinning industries in Asia. The industry developed despite the growing exports of British cotton goods to Asia.

In the early 1900s, India's output of cotton yarn was 532 million lbs. and it exported 234 million lbs. (See Table 3)



These figures are comparable with those of Britain: the total output of cotton yarn in 1907 was 1,530 million lbs. and it exported 241 million lbs. The Indian exports matched those of Britain. Indian yarn output increased 10-fold, and its exports increased 100-fold during the 30 years from the early 1870s.

Japan followed suit. Japanese mill production rapidly developed after the 1880s with output reaching 300 million lbs. by the end of the century. The output was increased 200 times when compared with the total of 20 years earlier. There was no export of yarn in 1880 but in 1899 it reached 100 million lbs.

Thus, Asia in the late 19th century witnessed conspicuous development in the cotton spinning industry.

Apart from yarn substantially left for

local use, the bulk of Indian yarn was exported to China and Japan. (see Table 4) Japanese yarns was also exported mainly to China as Table 5 shows. The main customers for Indian and Japanese yarn were Indian, Chinese and Japanese cotton weavers themselves. The number of power looms installed in these countries was relatively small compared to handlooms, and there was certainly an increase in textile production on handlooms utilizing the newly available machine-made cotton yarn.

Only few statistics exist concerning textile production in India in the late 19th century, but production figures have been estimated from import and export figures of yarn by various historians. Yarns available for textile production in India have been estimated by the

formula: output minus exports plus imports.

Table 3 is a summary of statistics concerning internal yarn consumption in India in the late 19th and early 20th centuries.

S. D. Mehta wrote that the quantity of exported yarn was less than 5% of the output in FY 1873. As exports were 2.4 million lbs., output can be calculated at 48 million lbs. He also stated that during the 1880s and 1890s, the proportion of yarn exported to yarn produced never fell below 25%, and accounted for 30-35% of total output until 1900. Assuming that the maximum 35% of output was exported in the late 1890s, and export figures are known to be 193 million lbs., we can estimate that approximately 552 million lbs. of yarn were produced annually from FY 1894 to FY 1898. Therefore, the internal consumption of yarn in India is: 76 million lbs. for FY 1873 (48 million lbs. – 2.4 million lbs. + 30.5 million lbs.), and 407 million lbs. for FY 1894 to FY 1898 with an annual average production (552 mil-

Table 3 Yarn Consumption in India. 1873-1914 (million lbs.)

Year	Imports	Indian Mill Production	Exports	Net Consumption of Indian Mill Production	Total Indian Consumption
FY 1873	30.5	(48)	2.4	(45.6)	(76)
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FY 1876	33.2	77	9	68	101
FY 1877	36.1	100	17	83	119
FY 1878	33.1	92	24	68	101
FY 1879	33.2	113	27	86	119
FY 1880	45.8	130	29	101	147
FY 1881	40.7	135	33	102	143
FY 1882	44.8	151	48	103	148
FY 1883	45.3	179	53	126	171
FY 1884	44.7	205	69	136	181
FY 1885	45.9	120	78	42	88
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FY 1893	42.8	346	135	211	254
FY 1894-FY 1898	48.0	(552)	193	(359)	(407)
FY 1900-FY 1904	27.6	532	234	298	326
FY 1905-FY 1909	34.7	652	251	401	436
FY 1910-FY 1913	34.6	651	193	458	493

Sources : *Parl. Papers 1881 XCIII* (c. 2976), *Parl. Papers 1890-91 LXXXIX* (c. 6502), & *Parl. Papers 1902 CXII* (cd. 802): Statistical Abstract relating to British India from FY 1870 to FY 1879, from FY 1880 to FY 1889, & from FY 1890 to FY 1899 for Imports FY 1873 to FY 1898

S. D. Mehta, *The Cotton Mills of India 1854-1954*, Bombay, 1954, p.47 for Exports FY 1873

T. Ellison, *The Cotton Trade of Great Britain*, London, 1886; New impression : London, 1968, pp.317-18 for FY 1876 to FY 1885

Parl. Papers 1887 LXII (c. 4932): Statement of the Trade of British India with British Possessions and Foreign Countries for the Five years FY 1881 to FY 1885, p.xlii for FY 1885

Parl Papers 1895 LXXII (c. 7602) : Papers relating to Indian Tariff Act and the Cotton Duties, 1894, p.7 for FY 1893

R. E. Tyson, "The Cotton Industry" *The Development of British Industry and Foreign Competition 1875-1914*, ed. D. H. Aldcroft, London, 1968, p.105 for FY 1900 to FY 1913

Note : The author's estimate is based on S. D. Mehta's proportion of yarn exported to yarn produced.

Table 4 Indian Exports of Twist & Yarn (£ '000 omitted)

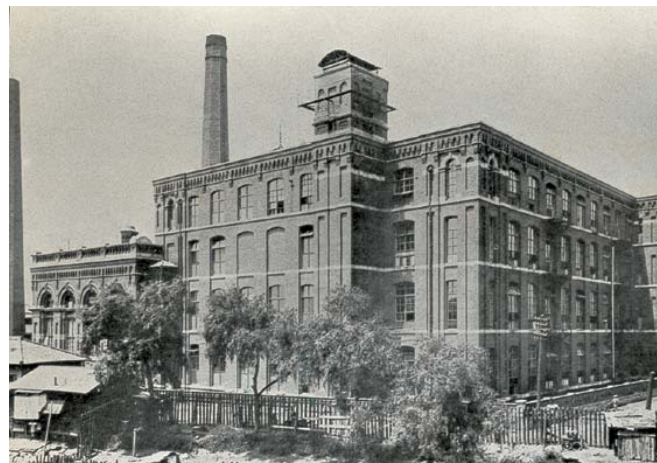
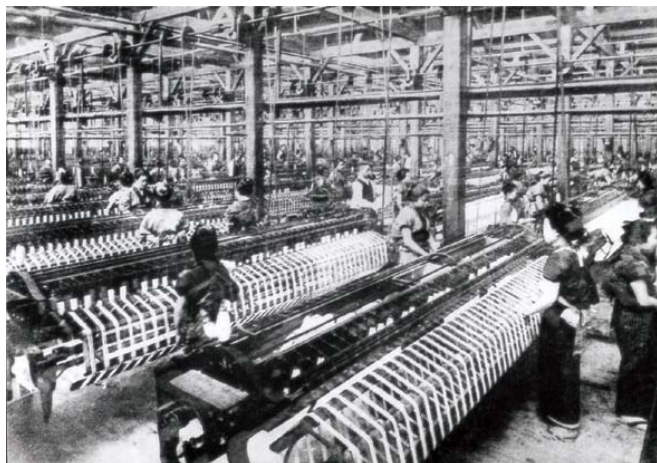
	1887-88	1888-89
China	92,571	101,248
Japan	17,391	23,143
Aden	1,354	1,327
Straits Settlements	981	1,844
Asiatic Turkey	365	503
Java	283	327
Arabia	279	261
Persia	79	139
East Coast of Africa	66	64
Ceylon	32	26
Other Countries	50	24

Source : George Watt, *A Dictionary of the Economic Products of India* vol. iv, London & Calcutta, 1890, p.169

Table 5 Japanese Exports of Twist & Yarn (¥ '000 omitted)

	1893-99
China	52,647
Hong Kong	11,111
Korea	4,930
India	27

Photos: TOYOBO CO., LTD.



The Japanese cotton spinning industry rapidly developed in the 19th century (One of the biggest spinning mills, Osaka boseki, now Toyo boseki)

lion lbs. - 193 million lbs. + 48 million lbs.).

This says that the absolute size of the Indian home market for yarn was expanding and remained larger than the export market.

According to Thomas Ellison's figures, which covered the nine years from FY 1876 to FY 1884, Indian yarn production saw an increase in output from 77 million lbs. to 205 million lbs. Total consumption of yarn in India was 101 million lbs. for FY 1876 (77 million lbs. - 9 million lbs. + 33 million lbs.) and 181 million lbs. for FY 1884 (205 million lbs. - 69 million lbs. + 45 million lbs.).

Although Indian exports of yarn rapidly increased coincidentally from 9 million lbs. to 69 million lbs., the absolute size of the internal market was still much larger than export markets during the same period.

J. O'Connor, an assistant secretary to the Government of India, had a different opinion from Mehta and Ellison as regards the size of the home market for Indian yarn. His figures are available for only one year, FY 1885. With the proviso that "this calculation is only an infer-

ence," he assumed that "for every pound of Bombay-made twist used (up) in India two pounds were exported to foreign countries." The quantity of yarn exported in that year was 78 million lbs., leaving half of the figure for local consumption, viz., 39 million lbs. O'Connor stated, "if the other Indian mills are also taken into account, it may be said that about 42 million lbs. of Indian yarn are used in the country." In this case Indian home consumption of yarn would have been only 88 million lbs. (42 million lbs. + 46 million lbs.) This total is still larger than that of exports (78 million lbs.), but the difference is only 10 million lbs.

For the following reasons, however, O'Connor probably overestimated the ratio of yarn exported to yarn internally consumed. In 1894 the Millowners' Association of Bombay for the first time collected statistics of all the production in India; only one mill out of 141 refused to co-operate. The results of the survey showed that 346 million lbs. were spun all over India and in Bombay alone 216 million lbs. were spun. Out of this, 135 million lbs. were exported. Therefore, the ratio of exports to the

output of yarn was 1 to 2.6, which was much less than O'Connor's ratio of 2 to 1. In other words about 40% of the output of Indian yarn was exported in FY 1893. The proportion of exports to output in the 1900s was also about 40% when calculated from Table 3. This percentage is the same as Ellison's ratio of 40% for the first half of the 1880s. O'Connor's ratio of 200% is therefore probably much too high, while Mehta's 30-35% might be a little low. If we exclude O'Connor's estimates, the conclusion we can draw from those estimated figures is that the size of the Indian home market for yarn was far larger than Indian's exports, and its domestic consumption of yarn expanded from the early 1870s onwards. **J.S**

(Continued in Part 25)

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