

# The Integration of the Asian Cotton Textile Industry: Trade, Empire, and British Exports of Raw Cotton from India to China during the Late Eighteenth and Early Nineteenth Centuries

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‘The [Chinese] people are remarkable for industry and perseverance: they are largely engaged in the manufacture of cotton goods; and although the cotton shrub has long been cultivated in China, the extent of their consumption obliges them to import much of the raw material. It is the raw produce generally which meets with the best market in China.’<sup>1</sup>

In the four decades or so after 1760, but especially in the years after 1785, exports of raw cotton from British India to China increased to such an extent that in 1805 consignments amounting to an unprecedented 55.3 million lbs were shipped into the southern port city of Canton.<sup>2</sup> The establishment of this major intra-Asian commodity flow added an important integrative element into the increasingly global and multi-centred cotton textile industry, and its quantitative significance may be compared to that of the retained imports of ‘wool cotton’ into Great Britain which in the same year stood at 58.9 million lbs.<sup>3</sup> The significance of China’s importation of large quantities of raw cotton during

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1. Peter Auber, China. *An outline of its government, laws, and policy: and of the British and foreign embassies to, and intercourse with, that empire* (London, 1834), p.93. A preliminary draft of this paper was presented at the GEHN conference on cotton textiles held at the University of Padua. I am grateful to the participants who made many helpful comments and suggestions, and especially to Harriet Zurndorfer for her detailed commentary on the paper.

2. This figure is calculated from data in Hosea Ballou Morse, *The chronicles of the East India Company trading to China, 1635-1834* (5 Vols, Oxford, 1926-9), III, 2. Morse noted the import of 414,208 piculs of cotton in 1805 which, at 133.5 lbs per picul, amounts to 55,296,768 lbs. Over 98 per cent of this cotton was carried on British-owned ships.

3. E.B. Schumpeter, with an introduction by T.S. Ashton, *English overseas trade statistics, 1697-1808* (Oxford, 1960), p. 62.

this period has not always been acknowledged by global economic historians,<sup>4</sup> but just as the burgeoning British cotton industry was dependent upon overseas sources of raw materials, so too many Chinese weavers and spinners came to rely upon supplies of cotton delivered across long-distance transoceanic commodity chains. The crucial difference, of course, was that Britain did not grow cotton of its own whereas for many centuries cotton had loomed large within the Chinese agricultural sector. But as far as China was concerned, external supplies were in many ways no less crucial to the cotton industry because ecological constraints appear to have caused marked fluctuations in the output of different cotton-growing regions during the mid- to late-eighteenth century, and this recast if not severed altogether some of the traditional supply linkages that existed between growers and weavers.<sup>5</sup> While China's degree of dependence upon external supply was never as complete or long-lasting as that of Britain, large-scale imports of raw cotton nevertheless served in the short term to sustain Chinese cotton production through a difficult period of agricultural dislocation. This enabled the output of the cotton manufacturing sector to meet both the consumption needs of a growing local population as well as the steadily expanding overseas demand for the cheap, robust, and usually cream-coloured cloths known to the British as 'nankeens', which were

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4. See, for example, Kenneth Pomeranz, *The great divergence. China, Europe, and the making of the modern world economy* (Princeton, New Jersey, 2000), p. 227. When comparing constraints on textile production and shortages of cotton fibre in Europe and China, Pomeranz writes that 'The big difference for Europe, of course, was that beginning in the late eighteenth century it would massively increase its imports of fiber ...'. As has been pointed out, however, this overlooks the fact that China did exactly the same in order to ease pressures on its land. See Prasannan Parthasarathi, 'The great divergence', *Past and Present*, 176 (2002), 282-3.

5. There is only limited and patchy data on Chinese cotton growing during the late eighteenth century, but for shortages of fibre and estimates of long-term trends in different regions see Pomeranz, *Great divergence*, pp. 132-42, 227, 323-6, 334-7. For the general background see also Kang Chao, *The development of cotton textile production in China* (Cambridge, Mass., 1977).

manufactured in Jiangnan in the Yangzi River delta.<sup>6</sup> Indeed, although British exports of nankeens represented only a tiny proportion of their total exports from Canton, consignments to London by the East India Company increased from 11,000 pieces a year during the 1760s until they peaked at 185,000 pieces a year during the first decade of the nineteenth century.<sup>7</sup> It cannot be claimed with any degree of certainty that much, if any, of the raw cotton imported into Canton was channelled directly into the manufacture of nankeens in Jiangnan, because such cotton seems to have been used instead for the production of yarn, thread, and cloth in and around the southern province of Guangdong.<sup>8</sup> Nonetheless, it is evident that the trade in raw cotton from India to China should properly be located within a yet larger and increasingly global matrix of textile production, processing, manufacturing, and consumption.

The matching of supplies from one part of the world to demand in another has never happened by chance, and entrepreneurs of one type or another have usually acted as the

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<sup>6</sup> Much of the nankeen cloth imported into Britain appears to have been off-white in colour, even though the use of red and yellow thread produced a wide range of white, yellow, and pink cloths. The nankeen cloth sold in Britain was used in the manufacture of trousers, breeches, waistcoats and other such items.

<sup>7</sup> Figures derived from British Library, Oriental and India Office Collections [hereafter BL, OIOC], Commerce Journals, L/AG/1/6, vols. 15, 16, 23, 24. For the purposes of assessment, a piece of nankeen was considered to be 16 yards in length and one yard in width. In a notional sense, the Company worked on the basis that there were 400 pieces to a ton. Further exports to London were to be found in the licensed private cargoes belonging to the commanders and officers of the Company's East Indiamen, and for such purposes each ship was permitted to carry 2,000 pieces of nankeen.

<sup>8</sup> From time to time, the East India Company imported small quantities of 'Canton' cloth into London. It is not possible to be precise about where Indian raw cotton actually went after it entered China and most scholarly comment on the matter is based upon speculation rather than firm evidence. See, for example, Robert B. Marks, *Tigers, rice, silks, and silt: environment and economy in late-imperial south China* (Cambridge, 1998), p.178.

necessary agents of integration whose information, skills, and resources have established transoceanic trading links. This was indeed the case in the trade in raw cotton between India and China, but other influences were brought to bear upon the evolving commercial systems that facilitated increasing flows between the Indian cotton-growing regions and the port city Canton. These additional influences arose out of the East India Company's military and political expansion on the Indian subcontinent, a wide-ranging process which saw intra-Asian trade, or the 'country trade' as it was known by contemporaries, being used to serve the wider needs of British imperial finance and remittance. Thus, while it is certainly true to say that much of the trade in raw cotton was conducted on a day-to-day basis by private individuals, the overall development of the trade was driven by the imperatives of the East India Company's emerging colonial regime as well as by the changing pace and direction of British territorial expansion. This was first evident first during the 1770s and 1780s as the needs of the Company led to the consolidation and growth of a pre-existing commodity chain that extended from the cotton-growing regions of Gujarat through the port of Surat to Bombay, and from there on to Canton. It was then also evident after 1800 when supplies from Bombay faltered and a second major chain was established from the northern provinces of Awadh and its surrounding territories through Calcutta to Canton. Later, after 1810, a third chain came into being between the Coromandel region of South India and China, via Madras, but the for the period under review it was the British-controlled port cities of Bombay and Calcutta that acted as the main linchpins in the trade in raw cotton. The initial growth of exports from the two ports occurred at different times, but it was the simultaneous and extensive involvement of Bombay and Calcutta in the trade in raw cotton after 1800 which ensured that, ultimately, the powerful external influences exerted by Chinese demand were felt on the coasts and in the hinterlands of both western and eastern India.

After the conquest of Bengal and the acquisition of extensive tax revenues between 1757 and 1765, the export of raw cotton to China increasingly came to be regarded as central to the East India Company's entire system for remitting monies from India to Britain through Canton and its rapidly expanding tea trade with London.<sup>9</sup> One of the Company's primary annual objectives came to be the regular provision of the substantial liquid funds that were needed by their supercargoes at Canton for the purchase of the large quantities of tea that were increasingly in demand in Britain, Europe, and the Atlantic world. It was to be raw cotton together with illegal shipments of opium that helped to generate these funds. Consequently, exports of cotton from India to China can be seen to have increased more or less in line with the expansion of the tea trade between Canton and London,<sup>10</sup> and this interconnected growth served profoundly to alter long-established patterns of trade both within and beyond the Indian Ocean region. The British were not simply engaged in bi-lateral trade between India and China and, as Ashin Das Gupta put it, the particular form taken by their commercial expansion enabled them to break out 'from the folds of the Indian structure [of overseas trade]'.<sup>11</sup> In Das Gupta's view, the British 'transformed the commerce of the Indian Ocean during the later eighteenth century' by 'linking the Europe trade with the trade of the Indian Ocean', so much so that 'the distinction between the two trades begins to break down.' The trade in raw cotton lay at the very heart of this wide-ranging process of transformation, and the spin-off effects were felt right across the trading world of Asia.

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<sup>9</sup>. For a good, succinct overview of how the 'country trade' between India and China became the 'keystone' of the whole structure of Company trade and finance see Michael Greenberg, *British trade and the opening of China, 1800-1842* (Cambridge, 1951), pp. 5-17

<sup>10</sup>. For this point see Earl H. Pritchard, *The crucial years of early Anglo-Chinese relations, 1750-1800, Research studies of the state college of Washington*, Vol. 4 (Pullman, Washington, 1936), pp.145-6.

<sup>11</sup>. Ashin Das Gupta, 'India and the Indian Ocean merchant in the eighteenth century', Uma Das Gupta (comp.), with an introduction by Sanjay Subrahmanyam, *The world of the Indian Ocean merchant, 1500-1800, Collected essays of Ashin Das Gupta* (New Delhi, 2001), p.214.

In much of what follows it will be evident that the volume of British trade between India and China was greatly enhanced during and after the 1760s, but it must be stressed that this trade was built upon foundations laid down in earlier years. The monopolist Company had not itself actively participated in the country trade to any great extent since the 1670s, when it had made commercial concessions to licensed British private traders, although Company ships plying the trade routes from London to China still made voyages via the subcontinent. Indeed, it appears that it was a Company ship, *Catharine*, that carried the first trial consignment of Indian raw cotton to China, when it sailed from Surat to Amoy in 1704.<sup>12</sup> In the years that followed, however, the presence of East Indiamen on that route was at times very limited, and during the entire 1720s, for example, only one Company ship – *King George* in 1721 – sailed from London to China via India. It was only after 1740 that Company vessels began regularly to make voyages between India and China,<sup>13</sup> and thus during the early decades of the eighteenth century British sailings between the subcontinent to Canton were more commonly undertaken by country ships belonging to licensed private merchants and sea captains.

It was the enterprise of private traders that more firmly established the trade in raw cotton in exchange for white sugar and sugar candy, and as early as 1713 some of them were claiming that cotton ‘never fails to yield a profitable account’ in Canton.<sup>14</sup> Farmers

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<sup>12</sup> Morse, *Chronicles*, I, 130, 132. The original intention had been to sell the cotton at Malacca, but this did not happen. For outline details of the voyage of *Catharine*, see Anthony Farrington (comp.), *Catalogue of East India Company ships’ journals and logs* (1999), p.111.

<sup>13</sup> Thirty two such voyages were made during the 1740s and fifty six in the following decade. These figures have been calculated from information in Farrington (comp.), *Catalogue*, passim.

<sup>14</sup> Owners of Amity (Madras) to William Aislaby in Bombay, 8 October 1713, in Sir Richard Carnac Temple, Lavinia M. Anstey, and Bernard P. Scattergood (eds), *The Scattergoods and the East India Company: being a selection from the private letters and business correspondence of John Scattergood, East*

in the southern provinces of Guangdong and Fujian had already found it more profitable to grow tea and sugar for export than to engage in the cultivation of cotton, and they had first turned to cotton imported from northern and central China to support domestic cloth production. Now, however, Indian cotton offered them a cheaper alternative. Yet, Chinese demand for direct imports of Indian cotton appears to have been limited, and where evidence of cargo composition has survived (albeit only for Company ships), it points to pepper and sandalwood being the commodities that were exported from India in the greatest quantities.<sup>15</sup> Indeed, as late as 1767, it was reported from Canton that ‘Cotton, pepper and sandalwood are always staple commodities here’,<sup>16</sup> which indicates that raw cotton was not yet established as the primary commodity exported from India. Moreover, the raw cotton from Gujarat that found its way to Canton during the 1750s and 1760s did so from Bombay, but it was also transhipped via Calcutta and Madras and this points to the fact that no one port in British India had yet achieved a clear-cut ascendancy in the intra-Asian cotton trade.<sup>17</sup>

Of course, any focus on the British must acknowledge that they did not establish entirely new commercial connections within the trading world of Asia, and during the first half of

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*India Merchant 1681-1723...* (Bombay, 1921-33; Harpenden, 1935), p.116. For the important and long-lasting interconnections between the trades in Indian raw cotton and Chinese sugar see Sucheta Mazumdar, *Sugar and society in China. Peasants, technology, and the world market* (Cambridge, Mass., 1998), pp.100-109.

<sup>15</sup>. Hosea Ballou Morse, *The chronicles of the East India Company trading to China, 1635-1834* (5 Vols, Oxford, 1926-9), I, 238, 265, 283.

<sup>16</sup>. Letter to Bombay, 25 November 1767, BL, OIOC, Canton factory letter book, 1763-9, R/10/6, f.179.

<sup>17</sup>. There are no aggregate statistics detailing the volume and distribution of annual exports of cotton from India to China during the 1760s, but some details of various individual consignments from Bombay, Calcutta, and Madras are to be found in BL, OIOC, R/10/6, passim.

the eighteenth century they certainly did not monopolise the export of raw cotton from India. Rather, they infiltrated pre-existing systems and operated alongside the representatives of many other mercantile communities as well as rival European trading organisations. It is known, for example, that a few Gujarati merchants were present in China as early as the beginning of the sixteenth century,<sup>18</sup> and by the end of the seventeenth century a small handful of vessels from Surat were being sent to Manila and Canton for the first time.<sup>19</sup> Early direct trade between India and China was hindered by a number of political and technical obstructions, but some Indian commodities nevertheless found their way to China through entrepôts such as those in Indonesia and at Malacca,<sup>20</sup> and Robert Marks has recently pointed to the importance of the substantial quantities of Indian raw cotton that were imported into China through the high-volume junk trade conducted after 1685 with the Nanyang, the countries bordering the South China sea.<sup>21</sup> This trade in raw cotton, with the India-Nanyang leg operated by Portuguese and Indian merchants, formed part of a complex Indian Ocean trading world that long predated the arrival of the British on the scene, and its existence suggests that to at least to some small degree the Asian cotton industry was already on its way to integration by 1700.

There can be no doubt, however, that it was the British who eventually marshalled the resources and skills of many far-flung actors in order to take the integration of the Asian cotton industry to an altogether higher level. They did so after 1765 when the East India

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<sup>18</sup>. K.N. Chaudhuri, *The trading world of Asia and the English East India Company, 1660-1760* (Cambridge, 1978), p.197. For the overall structure of intra-Asian trade see idem., pp.191-213.

<sup>19</sup>. Ashin Das Gupta, 'India and the Indian Ocean merchant', in Das Gupta (comp.), *The world of the Indian Ocean merchant*, p.192.

<sup>20</sup>. Ashin Das Gupta, 'Indian merchants in the Indian Ocean, c.1500-1750', in Das Gupta (comp.), *The world of the Indian Ocean merchant*, pp.61-3

<sup>21</sup>. Marks, *Tigers, rice, silks, and silt*, pp.163-76.



Company's acquisition of territorial revenues in Bengal completely altered the Company's commercial *raison d'être*, and served to recast trading operations as an elaborate remittance mechanism, designed to transfer financial resources from India to Britain. As Edmund Burke put it, the Company's trade was transformed into a 'vehicle for tribute'.<sup>22</sup> As part of this process, more Company ships were dispatched from London to China, both directly and via Indian ports, in order to facilitate the growth of the tea trade; and as a result 71 East Indiamen voyaged to Canton via the subcontinent during the 1760s. At first the Company's directors hoped to ship large amounts of Indian specie to China, but when this proved to be unsustainable for more than a year or so attention turned instead to the trade in commodities for which there was known demand at Canton, and this focused Company minds on the export of raw cotton. Unable to purchase substantial quantities of any commodity on its own account because of acute financial difficulties born out of spiralling military and civil expenditure in India, the Company fell back on its associated communities of licensed private traders, and it did so by encouraging them to deposit into the Canton treasury any funds generated by the sale of Indian commodities. In return, traders were granted bills or certificates redeemable in India or London at competitive rates of exchange, and this placed considerable sums at the disposal of the Company's supercargoes.<sup>23</sup>

The extent of this dependence on the private sector was considerable and exports on the Company's own account represented less 4.5 percent of total British exports of Indian

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<sup>22</sup>. Quoted in H.V. Bowen, *The business of empire: the East India Company and imperial Britain, 1756-1833* (Cambridge, 2006), p. 228. For a discussion of what Burke condemned as the 'revolution' that occurred in Company trade after 1765 see *ibid.*, ch. 8.

<sup>23</sup>. For the case of Calcutta merchants trading to Canton see P.J. Marshall, *East Indian fortunes. The British in Bengal in the eighteenth century* (Oxford, 1976), pp. 97-9.

raw cotton to China between 1774 and 1785.<sup>24</sup> From time-to-time, the Company did try to re-establish itself in the country trade, and indeed in 1786 the directors sanctioned the export of bullion to Bombay for the purchase of 500 tons of raw cotton for shipment to Canton on the Company's own account.<sup>25</sup> But fragile corporate finances continued to dictate that the commercial operations underpinning what became known as the 'country supply' of the Canton treasury were formally sub-contracted to small coteries of private merchants in Bombay, Calcutta, and Madras,<sup>26</sup> as well as to the commanders and officers of East Indiamen who were permitted to carry their own freight-free consignments of cotton on Company ships. One of the many consequences of these practices was an increase in the number of British country vessels dedicated to the shipment of raw cotton, and they began steadily to capture the trade between India and China, so that between 1774 and 1785 almost 60 per cent of all of the cotton imported into Canton from British India arrived in privately owned British ships.<sup>27</sup>

As Britain's intra-Asian cotton trade expanded, there was also a marked structural shift within that trade so that after 1785 the volume of raw cotton shipped from Bombay eclipsed exports from other ports. The internal problems and other trading priorities of Calcutta and Madras contributed to this shift, and, although Bombay suffered from its

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<sup>24</sup>. Calculation based on the figures contained in the briefing paper prepared for the government minister Henry Dundas by the senior Company official, William Wright, in May 1786; BL, OIOC, H/340, pp. 331-2.

<sup>25</sup>. BL, OIOC, L/P&S/1/9, ff.143-4. For the thinking behind this decision see the commercial letter of the directors to the Bombay Council, 8 November 1786, *ibid.*, E/4/1004, pp. 31-9.

<sup>26</sup>. For details of the agreement struck between the Company's Council at Madras and Thomas Ferguson in 1778 see Morse, *Chronicles*, II, 31.

<sup>27</sup>. BL, OIOC, H/340, p.331. Most of the rest of the imports arrived on Company ships, either as private or Company consignments, and comparatively small amounts of cotton were carried into Canton on Danish, Dutch, French, Prussian, and Spanish vessels. American ships carrying Indian cotton into Canton made their first appearance in 1785.

own acute financial difficulties, it became evident that direct bulk shipments of cotton from the west coast of India were finding particular favour with Chinese purchasers. At first Bombay predominantly exported 'Surat' cotton, especially the fine, medium-staple, variety grown in the Broach district; but cotton grown further to the north of Gujarat began to rise to prominence during the 1790s.<sup>28</sup> In 1787 the Bombay merchants reported that the 'Hong merchants [of Canton] confess that cotton from hence, even when they give what we deem a high price, is much cheaper than their own, and that on trial it is found to be of a quality fit for their every purpose.'<sup>29</sup> Price as well as acceptable quality evidently combined to stimulate increased Chinese interest in supplies of raw materials from western India and, as Lord Macartney observed a few years later during his famous embassy to Peking, cotton from Bombay quickly became one of the 'necessaries' of China, 'being preferable to silk for common use, as a cheaper and pleasanter wear.'<sup>30</sup> Prices for domestically grown cotton had risen sharply during the early 1780s, as acute food shortages caused more agricultural acreage to be converted to grain production and dislocations occurred to traditional domestic supply routes, especially in the north of China. As a result, Indian raw cotton proved to be significantly

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<sup>28</sup>. For a description of the variety of coloured cottons grown in the different soils of Broach see the manuscript extracts from Dr Hove's Journal [relating to cotton and cotton production], 'Notes on a tour of the cotton districts of Broach, November – December 1787', BL, OIOC, H/374, pp. 606-37. At Dowlah Hove noted a garden with trees which produced a yellow dye which 'when combined with that of the seeds, becomes near the nankin colour of China, and the colour is lasting. As they export this dye to China with a great advantage, it leads me to suppose that the Chinese dye their nankin with the extract of this shrub' (p.617). If this was indeed the case, his remarks demonstrates Gujurati producers were becoming attuned to the needs of a far-distant textile market. A more extensive version of Hove's journal was later published in Anton Pantaleon Hove, *Tours for scientific and economic research, made in Guzerat-Kattiwār, and the Conkuns, in 1787-88, by Dr Hove. Published ... under the care of Alexander Gibson* (Bombay, 1855).

<sup>29</sup>. Bombay merchants to the Bombay Council, 11 May 1787, BL, OIOC, P/414/47 (1787), p.67.

<sup>30</sup>. J.L. Cranmer Byng (ed.), *An embassy to China, being the journal kept by Lord Macartney during his embassy to the Emperor Ch'ien-lung 1793-1794* (1962), p. 261.

cheaper, despite the addition of freight, packing, and transaction charges, so much so that in 1793-4 Macartney found that, at 10 to 12 taels per picul, Indian cotton was 3 to 5 taels per picul cheaper than 'the native cotton of China'.<sup>31</sup> At a later period, Indian raw cotton still remained cheaper than Jiangnan cotton by around 1 tael per picul.<sup>32</sup>

Increased levels of Chinese demand for Bombay cotton occurred during the mid-1780s, just at the very moment that the East India Company was seeking additional funds at Canton to expand yet further its tea trade. This was a fortuitous set of circumstances for those already engaged in the intra-Asian cotton trade, and in 1787 the leading members of the British and Parsi merchant communities in Bombay reported to local Company officials that 'from the ample supply the Chinese merchants had received from hence for the two years last past, they would now be inclined to relinquish the growth of this commodity to convert their cotton grounds into Batty [rice] fields and to depend on Bombay for a future regular supply.'<sup>33</sup> Lest the officials did not fully understand the wider implications of developments in Canton, the merchants spelled out the substantial benefits that would accrue to the Company as well as to the merchants themselves: 'Should the Chinese convert their cotton plantations into Batty grounds, which the threatened famine of last year may incline them to do in order to guard against so dire a calamity in future, we say should this take place what an increase in shipping would be required at this place, what a field would open for the industry of merchants, and what an advantage to the Honourable Company, which from this source would have immense sums paid annually into its Treasury at Canton for bills on the Hon. Court of Directors [in London].'

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<sup>31</sup>. Cranmer Byng (ed.), *An embassy to China*, p. 263. 1 tael = 8s 6d (£0.425).

<sup>32</sup>. Mazumdar, *Sugar and society*, p.105.

<sup>33</sup>. Bombay merchants to the Bombay Council, 11 May 1787, BL, OIOC, P/414/47, p.67.

In the short term, these optimistic assessments of the Bombay merchants were borne out by a surge in the export of raw cotton from India to China. During the 1760s only a few thousand bales of Indian cotton had ever been shipped into Canton in any one year, but the number of bales exported from the west coast rose through 40,000 in 1785 to over 60,000 a year at times during the late 1780s and early 1790s.<sup>34</sup> Whereas cotton had once been only one of several staple commodities shipped to China from India, by 1792 it accounted for around 80 per cent of both the volume of value of the cargoes legally imported into Canton on board twenty British country ships,<sup>35</sup> although of course with illicit (and therefore unquantifiable) opium added into the equation, raw cotton takes its place as one of two major commodity flows between India and China during the late eighteenth century. Moreover, during the same period Britons, or Britons in partnership with Indian merchants, came to dominate the trade in raw cotton, and after 1785 they imported upwards of 95 percent (sometimes 100 percent) of the commodity imported into Canton directly from India, and there were only episodic interventions from American merchants. The trade had become regular, large-scale, and fully embedded within the Company's wider system of trade and finance. As such, it played a key role in the rapid expansion of the Company's tea trade after 1784 when William Pitt the Younger's sharp reduction of import duties in Britain prompted a near-trebling of the

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<sup>34</sup>. Ibid., p.124 (proceedings of 27 Dec 1786). Of course, bales are an imprecise unit of measure, and these figures are only illustrative of a general trend. Before 1788 a standard Bombay bale was calculated to be of 35,429 cubic feet; thereafter 32,612 cubic feet. For a graph illustrating the value of Indian raw cotton imports to Canton between 1775 and 1830 see Marks, *Tigers, rice, silk, and silt*, p.179.

<sup>35</sup>. Calculated from Morse, *Chronicles*, II, 201. The other commodities were tin, pepper, sandal wood, elephants' teeth, and bees' wax.

volume of tea sold in London, from 5.9 million lbs in 1783 to 16.7 million lbs in 1790.<sup>36</sup> Quite simply, without the growth of the trade in raw cotton from Bombay to Canton the Company would have been unable to generate the annual financial resources that were needed to meet rapidly escalating demand for cheaper tea in Britain.

Consignments from Bombay almost completely dominated exports of raw cotton to from India to China during the last decade or so of the eighteenth century. Some substantial consignments of cotton were sent to Canton from Madras as late as 1784,<sup>37</sup> but thereafter Bombay established a firm grip on the trade. With the exception of a small consignment of 705 bales shipped to Canton from Calcutta in 1797/8,<sup>38</sup> there is little evidence of exports of raw cotton from either Calcutta or Madras at this time, but any confidence that the Bombay merchants might have entertained about their dominant position proved to be short lived. As Figure 1 indicates, although there were occasional sharp annual fluctuations in the volume of British exports of cotton to Canton, notably between 1791-3 and 1802-4, Chinese demand very clearly sustained and then increased the overall volume of raw cotton flows into the nineteenth century. Yet because Figure 1 is based upon aggregated data derived from Canton records relating to imports of cotton from all ports in British India it masks important post-1800 developments which saw the supremacy of Bombay challenged vigorously by cotton exported from Calcutta. Unfortunately the Company's commercial records do not enable full annual comparisons of exports from different Indian ports to be made for any period before the 1830s, but a

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<sup>36</sup>. *Parliamentary Papers* [hereafter *PP*], 1812-13, VIII, p.233. In a concerted attempt to defeat smugglers, Pitt's famous Commutation Act cut the duties on tea from 119 to 12 ½ per cent. For a forensic study of the Company's tea trade see Hoh-cheung and Lorna H. Mui, *The management of monopoly. A study of the East India Company's conduct of its tea trade, 1784-1833* (Vancouver, 1984).

<sup>37</sup>. For details of 1,770 bales of cotton shipped by Sir George Ramsay on four Company ships, see Madras to Canton, 31 July 1784, BL, OIOC, Canton Consultations, G/12/79, p. 65.

<sup>38</sup>. *PP*, 735-II (1831-2), X, part II, p. 853.

snap-shot of the trade in raw cotton to Canton in 1805 suggests that, in terms of value, exports from Bombay and Surat then accounted for 68.5 per cent of the total, those from Calcutta 30.4 per cent, and the small remainder was taken up by shipments from Madras.<sup>39</sup>

To many people, the erosion of Bombay's position of supremacy in the export of raw cotton from India to China was wholly unexpected and it caused some to fear for the future of the west-coast trade. In 1805 one Bombay official reported to London that 'It has already been rumoured that the Bengal cotton trade is likely soon to rival, and indeed to ruin, the Bombay cotton trade'; although he himself was more circumspect in his assessment when he predicted that although competition between the two ports might well reduce the price of cotton in Canton it was unlikely to cause the complete destruction of either one trade or the other.<sup>40</sup> In explaining this unanticipated turn of events it can be seen that, as in earlier years, the interplay of commercial and imperial factors bore very heavily upon the development of the export trade in raw cotton, and quite different effects were felt on the western and eastern sides of the subcontinent.

As far as the raw cotton traders of Bombay were concerned, their early nineteenth century problems stemmed from the fact that, despite the achievement of impressive growth rates, they had never been able properly to regulate and stabilise the flow of the commodity into and out of their port. Indeed, the commodity chain that extended from

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<sup>39</sup>. William Milburn, *Oriental commerce; containing a geographical description of the principal places in the East Indies, China, and Japan, with their produce, manufactures, and trade, including the coasting or country trade from port to port; ...* (2 vols, 1813), I, 217; II, 45, 147. Quite full data is available for the volume of annual exports of cotton from Calcutta to Canton (PP, 735-II (1831-2), X, part II, p. 853) but officials in London noted that annual returns compiled in Bombay and Madras did not contain similar information for those ports (ibid., p. 840).

<sup>40</sup>. BL, OIOC, P/419/42, Bombay Commercial Report 1804/5 (no pagination).

Gujarat through Bombay to Canton was at many points characterised by chronic inefficiencies which created considerable risks for all participants, be they British, Indian, or Chinese, and this meant that the trade was often referred to as being highly speculative in nature. At times the links in the chain proved to be very weak indeed, and before 1800 very little could be done to strengthen them. Not only was the entire private trade in raw cotton founded upon credit and bills advanced to British merchants by local Indian financiers,<sup>41</sup> but the East India Company and its associates were also heavily dependent upon a large and diverse host of agents, intermediaries, and contractors who acted on their behalf. The raw cotton passed through many hands *en route* to Canton, and in effect direct British supervision could only be exerted over its cleaning and processing in Bombay, and its subsequent shipment to Canton. Crucially, the production and procurement of the cotton was undertaken by others, as was its eventual sale and distribution in China.

The cotton exported from Bombay was grown in areas to the north of the port that lay well beyond the sphere of British military and political influence, and conditions were far from stable within a Maratha Confederacy where warfare, politics, and internecine administrative strife all had the capacity to disrupt production and supply. Moreover, Bombay merchants were at the mercy of the local dealers in Surat, Cambay, and elsewhere who procured raw cotton from the growers. The dealers often acted in combinations which created inflationary pressures,<sup>42</sup> and at times they could sharply

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<sup>41</sup>. For contemporary comment on this see Lakshmi Subramanian, 'A trial in transition: Courts, merchants and identities in western India, circa 1800', *Indian economic and social history review*, 41, 3 (2004), 278. More generally on this theme see *idem*, *Indigenous capital and imperial expansion: Bombay, Surat and the west Coast* (Delhi, 1996).

<sup>42</sup>. On price rises during the late-1790s see Pamela Nightingale, *Trade and empire in western India, 1784-1806* (Cambridge, 1970), p. 188.



force up prices with damaging effects in Canton, as happened in 1802. An equally persistent problem was that the dealers also stubbornly resisted British efforts to impose stricter degrees of quality control over the consignments of raw cotton that were dispatched to Bombay. Bales routinely contained a very high content of water, rubbish, and, above all, seed; and this led to endless protests about the deliberate wetting and adulteration of whole consignments. In 1787, it was reported that not one of the thousands of bales of Broach and Jamboseer cotton sent by the dealers of Surat had arrived in Bombay in a marketable state, and seeds were found to account for between one-quarter and one-third of the weight of every bale.<sup>43</sup> This was an acute problem in view of the fact that it took forty people a whole day to clean one dry bale, and throughout the period the letters of the Company and private merchants were littered with complaints about the dirty nature, adulteration, and generally poor quality of cotton. There is much evidence that the Company imported all manner of machinery into Bombay in order to achieve better cleaning, screwing, and packing of cotton,<sup>44</sup> and it seems that there was some overall improvement in processing techniques. But while a report from Bombay in 1804 suggested that ‘the productive labour of this settlement add ninety rupees of value to the value of each candy [of cotton] exported to China’,<sup>45</sup> the serious problem of ‘foul cotton’ never altogether disappeared.

Finally, the Bombay merchants were very much at the mercy of the elements. Heavier than usual rains in the growing regions could wash away crops but, more specifically, sailing times to Canton were always dictated by the arrival of the monsoon. Ships for Canton had to leave Bombay before 30 May each year, or they would ‘miss the season’,

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<sup>43</sup>. Cotton merchants to the Bombay Council, 17 May 1787, BL, OIOC, P/414/47, part II, p.66.

<sup>44</sup>. See the examples in BL, OIOC, H/374, *passim*.

<sup>45</sup>. BL, OIOC, P/419/41, para. 17.

and this introduced an acute organisational pressure because the crop gathered in the north during January and February had to be transported by sea to Bombay before it was prepared and packed prior to stowing on board either the Company's East Indiamen or the privately owned ships Bombay country fleet. Much depended upon the cotton arriving in Bombay in good time, but the ships from the north were repeatedly delayed by bad weather, piracy, or a failure of the dealers to assemble cargoes according to schedule. At worst, a combination of factors could result in little or no cotton being received at all, and, unsurprisingly, the private merchant community increasingly pressed the Company to establish greater influence, and ultimately direct control, over the cotton-producing regions.

The private merchants and Company officials of Bombay were thus confronted by a range of local organisational and logistical problems related to the supply of raw cotton to the port, but their difficulties were made considerably worse by the fact that they knew very little indeed about fluctuating patterns of demand and consumption in China. Imperial edict had restricted the trade of the British and other foreigners (apart from the Russians and Japanese) to the port of Canton, and since 1757 all commercial transactions had been conducted through the small group of Hong merchants. Sino-European political tensions could result in the temporary cessation of trade, as happened in 1777,<sup>46</sup> but, more generally, the merchants of British India had little if any direct contact with Chinese dealers in raw cotton because they were obliged to rely on the intermediation of the members of the Co-Hong. Yet because the Hong merchants were not themselves engaged in the cotton trade to any great degree they could offer little practical assistance to the British, and they proved unable to gauge accurately the strength of annual internal demand for raw cotton. At times some of them were caught with very large stocks of

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<sup>46</sup>. Morse, *Chronicles*, II, 24.

imported Indian cotton on their hands, and this caused or contributed to their bankruptcy.<sup>47</sup> In view of this, it proved difficult, if not impossible, for the Company's supercargoes to estimate correctly the number of bales required in Canton each year, and this further complicated matters for those trying to procure appropriate levels of supply in India. As one frustrated official in Calcutta was to write in 1806, 'It appears to be strange yet it is not less true that persons concerned in a particular branch of trade should have so imperfect an idea of the nature and extent of it as the European merchants at Canton appear to have of the Cotton trade at Canton carried on between this port and Bombay with China...'.<sup>48</sup> He went on to write that 'The merchants at Canton attribute their want of information ... to their extremely confined situation and the want of a freer communication with the interior of the country which prevents their obtaining knowledge of such circumstances as are likely to increase or lessen the value of any article in the market, and often times in attempting to form a judgement for the guidance of their friends [in India], they have found their opinion erroneous.'<sup>49</sup> By the time these words were written, the cotton merchants of Bombay had already been dealing with this acute problem for more than twenty years.

It was against this unstable and unsatisfactory commercial background that several circumstances combined to strike a heavy blow against Bombay's pre-eminent position in the raw cotton trade. First, in 1800 the quality of the Company's cotton dispatched from Bombay was so poor that the supercargoes at Canton were obliged to cut the sale price by 5 tales per picul, or more than a third.<sup>50</sup> Then atrocious weather conditions

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<sup>47</sup>. Wee Eang Cheong, *The Hong merchants of Canton. Chinese merchants in Sino-Western trade* (Curzon Press, 1997), p.285.

<sup>48</sup>. BL, OIOC, P/174/16, Bengal Commercial Report 1804/5, para. 81.

<sup>49</sup>. Ibid., para. 82.

<sup>50</sup>. The directors to Bombay, 24 June 1803, BL, OIOC, H/374, p. 96.

washed away the cotton crop of Gujarat on two occasions, which caused the total number of bales imported into Bombay to fall from 100,000 in the 1799-1800 season to only 10,825 between September 1800 and May 1801.<sup>51</sup>

Into the breach stepped Bengal merchants who were now much better placed than ever before to make good any shortfall in shipments to Canton. At the end of the 1780s there had been reports from the great inland mart at Mirzapur that speculative purchasers had been intending to purchase cotton for the China market,<sup>52</sup> but nothing seems to have come of this. Within a decade or so, however, constraints on the production and supply were being eased to such an extent that while the first bulk exports of 'Bengal Cotton' to Canton amounted to just over 8,000 bales in 1802/3, the number of bales exported in the following year rose sharply to over 46,000.<sup>53</sup>

Again, the influence of British imperial policy was felt on the development of the trade in raw cotton because an important supply-side factor underpinning the sharp increase in exports from Calcutta was to be found in the Marquess of Wellesley's annexation in 1801 of parts of Awadh, including the cotton-producing districts of Etawah, Currah, and Khorah. In subsequent years there were rapid extensions of the acreage devoted to cotton cultivation in Awadh itself as well in the adjacent territory of Bundelkhand and other parts of central India, and this greatly increased the amount of cotton that passed through the entrepôt of Mirzapur before it was sent down the rivers Ganges and Hughli

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<sup>51</sup>. John Duncan to David Scott, 17 May 1801, BL, OIOC, H/476, p.141.

<sup>52</sup>. C.A. Bayly, *Rulers, townsmen and bazaars. North Indian society in the age of British expansion, 1770-1870* (Cambridge, 1983), p.244.

<sup>53</sup>. *PP*, 735-II (1831-2), X, part II, p. 853

to Calcutta.<sup>54</sup> To be sure, large quantities of raw cotton had found their way into Bengal and its neighbouring provinces in earlier years, but these were deemed barely sufficient to meet the needs of local manufacturers, and it was only after 1801 that Calcutta was able to obtain the level of imports that were necessary to supply external markets to any great degree. As one expert observer of the commercial scene wrote, ‘On the acquisition of the Ceded provinces, a new article of commerce presented itself for export from Bengal to China, vizt. Cotton.’<sup>55</sup> The imperial and commercial motivations that lay behind Wellesley’s actions have been robustly debated by P.J. Marshall and Rudrangshu Mukherjee,<sup>56</sup> but, whether or not one believes that a desire to secure cotton for export to Canton (or indeed anywhere else) was a primary motivation behind British policy, it is undeniable that expansion into Awadh was very timely for the British because it opened up new sources of supply for China at the very moment that the Bombay trade in raw cotton was faltering so badly.

The re-entry of Calcutta into the China trade was swift and vigorous and, although less than twenty per cent of the cotton imported from the ‘upper provinces’ in 1805 was sent on to Canton,<sup>57</sup> the increase of cotton exports added an important new dimension to the commercial and shipping activities of the port. With almost 60,000 bales of cotton

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<sup>54</sup>. For the combination of factors that served to encourage cotton cultivation in Bundelkhand and central India after 1800 see Bayly, *Rulers, townsmen and bazaars*, pp. 244-5, and for the merchant supply and transport networks that fed into Mirzapur and then established the onward connections to Calcutta see *ibid.*, pp. 246-53.

<sup>55</sup>. P/174/14, Bengal Commercial report, 1802/3, f. 20 v.

<sup>56</sup>. P.J. Marshall, ‘Economic and political expansion: the case of Oudh’, *Modern Asian Studies*, IX (1975), 465-82; Rudrangshu Mukherjee, ‘Trade and empire in Awadh, 1765-1804’, *Past and Present*, 94 (1982), 85-102; P.J. Marshall, ‘Debate: early British imperialism in India’, *ibid.*, 106 (1985), 164-9; Rudrangshu Mukherjee, ‘A rejoinder’, *ibid.*, 169-73.

<sup>57</sup>. Marshall, ‘Debate’, 168, n.9.

being consigned to Canton in 1806, there was a need for more of the port's country fleet to be devoted to the trade. Only a handful of British ships had been dispatched from Calcutta to Canton during the 1790s, and none at all sailed there in 1800/1 and 1801/2. Numbers rose very sharply thereafter, however, and in 1806/7 thirty-five British ships with a combined tonnage over 16,000 tons were sent to Canton, and these cotton-carrying vessels represented almost one-fifth of all clearances from the port. In the years that followed, the combined tonnage of the Calcutta cotton ships destined for Canton was only occasionally greater than that of the ships dispatched from Bombay and Surat. Nevertheless this tonnage represented a significant proportion of all British shipping cleared from Indian ports to China, standing at an overall 33.8 per cent between 1810 and 1830, and, although Bombay as a port was always much more strongly wedded to the cotton trade, the Calcutta-Canton maritime connection ensured that there were now two main channels through which raw cotton could flow to China.<sup>58</sup>

Large shipments of raw cotton from Bengal during the first decade of the nineteenth century ensured that there was never a complete breakdown in the supply from India to China, and it is evident that the merchants of Calcutta were able to meet shortages in the Chinese market at an appropriate moment in time. But the fact that this proved to be no short-term measure arose from the fact that, initially at least, the raw cotton produced in northern and central India generated rather fewer of the logistical and processing problems that had long bedevilled the British trade on the west coast. Calcutta

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<sup>58</sup>. Average annual British shipping clearances from Indian ports to Canton between 1810 and 1830 were distributed in the following way: Bombay and Surat, 17,247 tons (58.8%); Calcutta 10,643 tons (33.8 %); Madras 3,566 tons (11.4%). Calculated from *PP*, 735-II (1831-2), X, part II, pp. 792-3, 816-7, 834-5.

merchants learned directly from the experience of their Bombay counterparts,<sup>59</sup> and they quickly appreciated that their cotton was destined for the manufacture of cheap cloth and everyday clothing, and thus its quality did not have to be of the very finest grade. Being of shorter staple, it is likely that the cotton shipped out of Calcutta was also used for purposes other than spinning and weaving, being especially appropriate for the padding of jackets and quilts. Following on from this, those in Bengal recognised that that what really mattered to Chinese manufacturers was that imported cotton was clean and free of seed. In this matter, they were able to benefit from the actions and inspections of up-country agents and the Company's local commercial residents whose supervision ensured that, in the short term at least, a much greater degree of quality control was imposed upon the procurement and transportation process. Raw cotton arrived in Calcutta in a much better state than the consignments that had been passing through Bombay and, because this created fewer processing and packing problems, it was calculated that that 'Bengal cotton' would only be slightly more expensive than that imported into Canton from Bombay. Moreover, it was estimated that in the long run this price differential might well disappear altogether. Such was the confidence of some Company officials in Calcutta about the trade in raw cotton that one of them wrote in September 1805 that 'The Bombay trade must gradually decline and the traders in this article on the Malabar Coast [sic] must eventually give way to their formidable competitors in Bengal...'.<sup>60</sup> Indeed such was the growing strength of the competition from Bengal that by 1805 the ever-adaptable Parsi merchants of Bombay were already beginning to purchase consignments of raw cotton in Calcutta for shipment to Canton.<sup>61</sup>

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<sup>59</sup>. See BL, OIOC, P/174/15, Bengal Commercial Report, 1803/4, paras 73-81. In the main, this paragraph is based upon this source.

<sup>60</sup>. Ibid., para. 77.

<sup>61</sup>. BL, OIOC, P/174/16, Bengal Commercial Report 1804/5, para. 83.

Although many observers believed that the writing was on the wall for exports of raw cotton from western India to Canton, there was in fact no slide into ruin. As we have seen, Bombay retained a major share in the trade, and a number of factors contributed to this somewhat unexpected recovery of fortunes. Most important of all, the supply of cotton into Bombay was secured and then regulated by the establishment of direct British control over Surat and the cotton-growing districts of Gujarat, Cutch, and Kathiawar between 1800 and 1806. As Pamela Nightingale has shown in great detail, the long-run frustrations of the Bombay commercial community interacted with other imperial impulses, and these led to decisive interventions being made in support of both the cotton trade and wider British strategic interests. The Company's forces were deployed to undertake the necessary expansion, and successive seizures and treaties saw key ports and territories wrested away from local rulers and brought firmly into the British orbit.<sup>62</sup>

This powerful interaction between imperial and commercial policy had the effect of increasing the number of supply lines of raw cotton that ran into Bombay. For some years Bombay had long been breaking away from complete dependence on raw cotton shipments from the port of Surat, but by 1804/5 only 10.4 per cent of total imports were derived from that source. Now, 65.1 per cent of imports came from the northern ports of Gujarat, that is, from ports around the Gulf of Cambay; while the remainder arrived from ports in and around the Gulf of Cutch.<sup>63</sup> The flows of cotton along these various different routes was by no means steady, and they often fluctuated markedly from year to year, but the existence of alternative commercial connections across the region helped to reduce the effect of bottlenecks within the system.

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<sup>62</sup>. Nightingale, *Trade and empire in western India*, esp. 128-235.

<sup>63</sup>. BL, OIOC, P/419/42 Bombay Commercial Report 1804/5 (no pagination).



Bombay merchants also found that, contrary to expectations, they retained an important advantage over their rivals in Calcutta because they were able to ensure that any supplies of new season cotton they sent to Canton arrived much earlier than shipments dispatched from Bengal. As noted earlier, ships intending to sail directly to Canton had to leave Bombay by the end of May, but by contrast it was reported that ‘not a single’ importation of cotton was ever made into Calcutta from the north before 1 July in any year because of the rain-affected state of river navigation. The outcome was that the season was ‘far advanced’ before the merchants could load a single bale on to the China ships, and such unavoidable delays caused increased freight and insurance charges as well as the subsequent late arrival of cargoes in Canton.<sup>64</sup> This increased risks for those in Calcutta and ensured that, contrary to expectations, Bombay cotton proved to be slightly cheaper than that from Bengal.<sup>65</sup>

Finally, any early comparative advantage that Bengal cotton enjoyed in terms of its quality does not seem to have lasted for more than a few years. Whereas the British on the west coast of India managed to exert a closer degree of control over the production and transportation of raw cotton, there continued to be a great number of links in the supply chains that extended from northern and central India down to Calcutta. For a host of reasons, the British were unable to reduce their dependence upon intermediary agents and one consequence of this was that Bengal cotton began to acquire a reputation for poor quality.<sup>66</sup> As one observer, Dr Nathaniel Wallick, commented in 1832, there were ‘imperfections in every stage in the cultivation, the cleaning, and the conveying’ of

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<sup>64</sup>. BL, OIOC, P/174/15, Bengal Commercial Report, 1803/4, para. 78.

<sup>65</sup>. BL, OIOC, P/174/16, Bengal Commercial Report 1804/5, paras 81-2.

<sup>66</sup>. On this and related themes see Bayly, *Rulers, townsmen, and bazaars*, pp.252-62

the cotton that was destined for export from Bengal. Wallick was particularly critical of the fact that cotton often lay exposed to the weather on open boats for four or five months, causing it to arrive in Calcutta in a 'dirty and filthy state', but his general remarks carried a very strong echo of those that had been made in Bombay thirty years earlier.<sup>67</sup>

Between 1802 and 1807 consignments from Bombay and Bengal combined to supply the Chinese market with unprecedented amounts of raw cotton, but thereafter decades the trade then moved through a cycle of depression and recovery. Analysis of these movements lies beyond the scope of this essay, as does explanation of the subsequent long-term decline in exports of raw cotton from India to China, although it seems clear that the fitful recovery of internal production and supply systems together with growing imports of cheap yarn and twist from Britain exerted a succession of ever-harder squeezes on Indian raw cotton during the 1820s and 1830s.<sup>68</sup> In the half-century before 1810, however, the military and political activities of the East India Company had interacted directly and indirectly with the actions of private merchant communities in

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<sup>67</sup>. Evidence presented to the House of Commons on 14 August 1832; *PP*, 735-II (1831-2), X, part II, pp. 200-1

<sup>68</sup>. Greenberg, *British trade and the opening of China*, pp. 89-103.

India to establish, develop, and diversify a high-volume bulk trade in raw cotton between the subcontinent and Canton. In expanding the trade, the narrow aim of the Company was always to fund tea procurement, but there were many spin-off effects from this imperial-commercial strategy. In particular, although the supply chains and networks that underpinned the trade in raw cotton were never efficient or well regulated, they helped to smooth out some of the ecological and economic difficulties encountered by China during the late eighteenth century. British imperial expansion had released powerful integrative forces within the trading world of Asia and beyond, and the effects were keenly felt within the Chinese textile industry.



Source: Morse, *Chronicles*, vols II, III, and IV, passim. Conversion into lbs at 1 picul = 133.5 lbs.