

COTTON CULTIVATION AND TRADE IN VIDARBHA UP TO 1947**S. Meshram¹ and A. D. Fulzele^{2*}**¹Department of History, R.T.M. Nagpur University, Nagpur, Maharashtra (India)²Department of History, Dr.Ambedkar College, Deekshabhoomi, Nagpur, Maharashtra (India)
avi.fulzele@gmail.com**ABSTRACT**

Present research unveils various aspects of cotton cultivation and trade during British rule over India. British Government's motive behind the cotton cultivation is meticulously discussed in the present research. It illuminates East India Company's vested interest in encouraging cultivation and production of cotton in India. The company aimed at establishing their monopoly across the world in cotton production. Company's policies regarding cotton production and experiments carried out to improve the production level are also illustrated in the present research.

Keywords: Cotton, Vidarbha, Central Province & Berar, British, East India Company, Cotton Trade and Cultivation, Monopoly.

Introduction

One great staple for which India is famous since times immemorial is cotton. Even before India came into contact with western civilization, she was known to the outside world as a great cotton producing country, and her cotton fabrics of fine art, especially Decca muslins and Calico, had obtained worldwide reputation as products of excellent home spinning (Cotton Department, 1920,1). "...Its hundred millions of inhabitants are clothed in home-grown cotton, in the hot weather and in the rains, in calicoes and muslins, and in winter in an additional quantity, for their calico coats are padded with cotton. At night, they lie on beds and pillows stuffed with cotton and, instead of blankets, they cover themselves with quilts of calico padded with the same material. In place of doors and windows, they hang up curtains padded with cotton. Awnings and carpets, tents and tent ropes, the covering of carriages, the housings of elephants and the halters of horses, are all made of cotton..." (Royal, 1851,18). Thus, Mr. J. Forbes Royle wrote about the use of cotton in day to day life of the common Indian man.

The Vidarbha region consists of eight districts, namely, Akola, Amravati, Buldhana, Yeotmal, Wardha, Nagpur, Bhandara and Chandrapur. The first four districts were collectively known as Berar. These were under the dominion of the Nizam. At time, the other four were under the East India Company and were known as Central Provinces. In 1903, the Berar districts

also came under British rule and merged with the Central Provinces. This new province was called Central Provinces and Berar.

To Bombay must be assigned the credit of priority in attempts at agricultural improvement. Cotton, as the most important crop of the Presidency and one of special interest to East India Company, first came into prominence in 1788. The Directors of the Company felt that encouragement should be given to its production and improvement but the experiments to this end which were carried out during the next hundred years had little effect on the bulk of the crop. In 1839, the court of Directors sent out 12 American planters to teach the local cultivators how to grow and clean cotton (Royal Commission, 1928,21). It has been said that "Messrs Mercer and Blound, two of the American planters, have contributed so much to the improvement of cotton in India" (32), but Mr. Eugene C Schrottky wrote one another name, "...Mr. Login to whom we are deeply indebted for his trouble in introducing the Egyptian method of cotton cultivation into India..." (Schrottky, 1876, 276).

In 1793, the company sent to India the newly-invented Whitney Saw Gin to quicker and improves cotton ginning (Nanjundayya, et al., 1960, 279). The British did another thing to improve cotton cultivation in these districts. They distributed exotic seeds to the cultivators. At the end of 1857, four and half bags of Egyptian seed were sent from Government of

India to Colonel Davidson. This information is contained in Colonel Davidson's report of 18 May 1860. Another report dated 17 March 1860 was given by the Assistant Commissioner regarding experiments with exotic seeds in West Berar. He wrote: "...The following descriptions of cotton seed were received for experiment in this district: Brazilian, Egyptian – from Government of India; New Orleans – from Manchester Cotton Supply Association; New Orleans – from Dharwar. ...I have further satisfied myself by testing the seeds at different periods, the result being alike in every instance and I am, therefore, of the opinion that the whole supply had lost its germination quality and hence its complete failure in every part of the district." (Cassels, 1862, 212).

An agricultural survey of the cotton tracts by district agency began in 1861. A Cotton Commissioner was appointed for Central Provinces & Berar in 1866-67. He experimented both with exotic varieties of cotton and with the indigenous varieties and endeavored to introduce the cultivation of cotton in tracts in which it was then unknown (Royal Commission, 1928, 26-27). The record of these attempts is, however, that of a series of failures due to lack of knowledge of climatic conditions suitable to the growing of cotton, lack of skill on the part of the cultivators and lack of efficient supervision by government (26-27).

In 1888-89, an agriculture training program for land records and revenue staff was opened at Nagpur (27). With the advent of East India Company in India and the establishment of British rule, cotton growing and cotton industry got a real impetus.

The continuous efforts from Government of India were going on from time to time like, the model seed farm which was opened at Hinganghat was soon closed but another farm which was opened at Nagpur, an area commanded by tank irrigation (27). Before this, irrigation was not employed in the district for cotton cultivation. It was considered prejudicial to the plant and the natural rain is sufficient (Cassels, 1862, 197). In the period of 1922-23, in the region, ploughing matches were organized and the system of ploughing

land on contract was started. In these matches, some of which attracted thousands of people, the working of tractors and tractor ploughs was also demonstrated whenever possible. Many landholders were now convinced that without iron ploughs, a reasonably high standard of tillage was impossible (Central Province & Berar Government, 1924, xxix). It has been reported that the policy of extending popular knowledge of improved methods by practical demonstrations, by lantern lectures, by agricultural shows and distributing literature was being steadily pursued, meetings of agricultural associations and agricultural shows were well-attended, the number of books and leaflets, dealing with agricultural subjects, sold during the year 1922-23 was as great as in the previous year (xxix). The major impetus to cotton cultivation in India, however, came from the American Civil War. During the war, England and European countries did not get the supply of American cotton. Therefore, they focused on Indian cotton. Due to that '...within the last six decades, much improvement has been made in the systematic cultivation of Indian cotton...', had been said (Cotton Department, 1920, 1).

This sudden and unprecedented increase in demand resulted in an abnormal rise in prices of all cottons in India. In Vidarbha, for example, the average price of unginned cotton at the Wardha market during 1856-60 was about Rs 19 per *khandi* (784 lbs). During 1861-65, the price increased to an average of Rs 56 per *khandi*, that is, an increase of about three times over the price during 1856-60 (Khandewale, 1971, 7).

In former years, the price of Hinganghat cotton at Liverpool had been up to 25 dollars (Morris, 1867, ix). Now the Berar farmers began to import food grains from Chhattisgarh, Jabalapur, Khandesh and Malwa, so that all available land might be devoted to the profitable cotton crop (Govt. of CP & Berar, 1921-22, 44).

During the 18th century, the British textile industry was largely dependent upon long staple cotton but due to the civil war, the supply of raw cotton from USA was stopped. Therefore, the East India Company tried to

develop India as an alternative source. Thus, the trade in raw cotton between India and England began and increased gradually (Cotton Department, 1920, 1).

As the European countries' demand was mainly for short staple cotton, a significant change occurred in the varieties of cotton grown in Vidarbha. Within a decade (the 1870s), the region abandoned the cultivation of finer varieties like Hinganghat and came to specialize in the production of acclimatized inferior but high yielding varieties. Vidarbha became a principal producer of short staple cotton (Khandewale, 1971, 9).

The cotton markets in Berar were established and administered under the Berar Cotton & Grain Markets Law 1897, and the rules framed thereunder (Nanjundayya, et al., 1960, 271). This was the first attempt towards regulating the commodity markets in India. This legislation sought to regulate the market through notification of market areas, appointment of market committees, formation of rules for collection and disbursement of fees, and for licensing of traders, weightmen, etc (Khandewale, 1971, 75-76).

Before the opening of railways, cotton markets of this region were confined only to the town of Khamgaon, Akot, Amravati, Hinganghat and Arvi. Raw cotton was cleaned on hand-gins in the villages and the lint was brought to the markets in gunny cloth loads called Bojas. As a result of the opening of railways in the 1860s, some important towns on the railway routes developed into cotton markets in the 1870s (69). The extension of railway from the mainline to the interior started another phase of increase in the number of markets in the region. Thus, by the turn of the century, marketing in Vidarbha was spread over a large number of centers in contrast to the relatively centralized marketing of the pre-railway era (69).

Sir Richard Temple in 1862 initiated a vigorous road policy, which was supplemented by a rapid development of railway communications (Central Province & Berar Government, 1924, 43). At about the end of the first quarter of the 19th century, the export of cotton from India to other countries began to

be channelized through the port of Bombay. The foreign demand offered better opportunities to Vidarbha cotton. Since Vidarbha was occupying a prominent place among the regions supplying cotton to Bombay, it was natural for the government to give priority to Vidarbha in the construction of railway line for connecting it to Bombay. The emergency created by the American Civil War expedited the construction of railway. Thus, between 1863 and 1867, nearly all the important cotton markets in Vidarbha were connected by railway with the port of Bombay. Following the railway, many Indian and foreign cotton traders entered Vidarbha and directly exposed this region to international demand (Khandewale, 1971, 67-68).

The revolutionary change came with the setting up of hydraulic cotton pressing factories which made cotton transportation clean, compact and expeditious. Synchronisation of these two developments (i.e. railway and cotton pressing) in the small span of seven years from 1863 to 1870 had nothing short of an epoch-making effect on the organization of marketing of cotton in Vidarbha (67-68).

In India, Bombay has been the biggest centre for organized trading in cotton ever since 1875 when the first organized association for trade in cotton was started under the name of the Bombay Cotton Association. Around 1890, another association called the Bombay Cotton Exchange Limited was established. From 1893 to 1918, these two associations shared between themselves the control of the forward and ready trading in cotton.

In 1918, during the First World War, the price of cotton reached such an artificial high that some sections of the trade approached the government to fix the price of cotton. The government, however, did not intervene to this extent but framed the Cotton Contract Rules under the Defence of India Act and appointed Cotton Contracts Committee to regulate the cotton trade in Bombay. These temporary rules were replaced in 1919 by the Bombay Cotton Contracts Act (Nanjundayya, et al., 1960, 272). A new Cotton Contracts Board was set up. While it was functioning, the Indian Cotton Committee of 1917 recommended the

formation of one Central Association in place of the several distinct bodies. East India Cotton Association came into being on 1 May 1922. In June 1930, Wiles Committee was appointed and as per the recommendations of this committee, Bombay Cotton Contract Act was enacted which remained in force up to 31 March 1948. During the Second World War, the Government of Bombay realized the need for greater control of forward trading in cotton and appointed a Committee of the Cabinet in September 1946 to examine the question. Recommendations made by this committee led to the enactment of the Bombay Forward Contracts Act 1947. Under this Act, the East India Cotton Association Limited, Bombay, was appointed the only body for regulating dealings in forward contracts in cotton in Bombay state (272).

At this time, most of the cotton markets were ill organized, weights not uniform, trade allowances, and other practices unregulated, storage arrangements were unsatisfactory and market intelligence almost non-existent. ‘...During the exchange of huge produce between the farmer-sellers and the trader-buyers, the buyers did not leave any malpractice unused in the lure of profit ...Taking large free samples of raw cotton from farmers, imposing a large number of charities and using fraudulent weights were the most common malpractices...’ (Khandewale, 1971, 75).

In 1829, the Government of Bombay enacted the Bombay Regulation 1829 and Amending Act to check frauds committed in the packing and sale of cotton. This Act made the mixing of different varieties of cotton a penal offence (Nanjundayya, et al., 1960, 263). Another Act was passed in 1851. This act repeated most of the provisions of the 1829 regulation with minor alterations but added some clauses introducing a system of paid informers (264). In 1863, one more comprehensive Act was passed ‘...which not only penalized fraudulent adulteration and deterioration of cotton and the fraudulent sale or offer for sale of adulterated or deteriorated cotton but also prescribed a penalty...’ (264). This Act also provided for the appointment of Inspector of Cotton who was given powers of access at all times to

ginning and pressing factories and to seize and detain all cotton in respect of which any offence under the act appeared cognizable (264). Another Act was passed in 1878, an important feature of which was the abolition of all personal penalties, ie, imprisonment and fine (264). This Act was repealed in 1881 (265).

In the days of regional self-sufficiency, the marketing of cotton was simple. There were no cotton exchanges, no ginning and pressing factories and no railways. In 1923, the Government of India passed the Cotton Transport Act. This Act empowered the state government to prohibit the import of cotton, cotton waste, *kapas* and cotton seeds by rail, road, river and sea into specified areas unless required for a special purpose and covered by a license (265). Cotton Ginning & Pressing Factories Act was passed in 1925. Section 3 of the Act made it obligatory on the owner of every cotton ginning and pressing factory to maintain a register containing a record of all cotton ginned and pressed in the factory and of the names of persons for whom the cotton was ginned and pressed. Section 4 of the Act provided for marking in the prescribed manner every bale pressed in the factory with a serial number and with the mark assigned to the factory. This system enabled a bale to be traced to its source and served as a check on malpractices at the factories (266).

Agricultural Produce (Grading & Marketing) At was passed by the Government of India in 1937. In March 1939, the Government of India notified that this Act would be applicable to cotton. Specified varieties in some states are now, therefore, marked under a distinguishing ‘Agmark’ as a guarantee of purity (270).

From times immemorial, India has had a flourishing trade in cotton textiles. The import of cotton textiles into England in 17th and 18th centuries caused such a drain of wealth to India that propaganda was started against the use of Indian fabrics. Meanwhile, the industrial revolution had started in England. Improvements took place in the machinery used for spinning and weaving, as well as in the art of bleaching and calico printing, from the first introduction of Arkwright’s patented

spinning frame in 1769 to the establishment of the factory system in 1785. These created an insatiable hunger for raw cotton. However, England ceased to be an important buyer of Indian cotton. Meanwhile, the trade between India and the Continent had also been developing. By this time, direct dealing with India had started and the number of foreign mercantile houses in Bombay increased. A French trading house purchased land and set up full presses in the Berars. A French bank was established in Bombay to facilitate trade with the Continent. Indian cotton was also shipped regularly to Russia, Austria, Belgium, Germany and Italy. Between 1885 and 1891, Europe was the biggest consumer of Indian cotton. The trade with China started sometime about 1770. Japan came into the market in 1890 and, by 1897, was the biggest consumer of Indian cotton. Japan maintained this position for about 40 years thereafter (280).

With the advent of East India Company and the establishment of British rule in India, as well as the development of sea transport, cotton cultivation and industry got a huge boost. Cotton became one of the greatest item of export. Thousands of bales of Indian raw cotton went to the Continent and the Far East for a number of years. Before the 19th century, Vidarbha cotton was sent to Masulipattam in the South and to Cuttak in the South East. This route was abandoned early in the 19th century when Mirzapur, in Uttar Pradesh, became an emporium and the road was opened in that direction. Up to the end of the first quarter of 19th century, the main consumer of Vidarbha cotton was Bengal province.

Immediately after the First World War, India had also appreciably increased the production of cotton to cope with the boom that followed the war. However, when the great depression started in 1929 (282), the demand for cotton from the Continent also abruptly declined. This had an adverse effect on the cotton economy of Vidarbha. The price of cotton in the region declined sharply. The average annual price of raw cotton was about Rs 208 per *khandi* (784 lbs) in 1923-24 and Rs 112 in 1925-26. In 1933-34, it declined to Rs 55 and it came down to the all time low of Rs 50 in 1937-38.

However, between 1928 and 1931, the imports of Japan increased (282). In August 1932, the duty on non-British piecegoods was raised to 50 per cent and the Indo-Japanese Convention of 1909 was terminated in June 1933. Simultaneously, the duty on non-British imports was raised further to 75 per cent. These measures resulted in the Japanese boycott of Indian cotton. The impact of the boycott was felt in the following year and negotiations for a trade pact resulted in the Indo-Japanese Trade Agreement in 1934. It was valid for three years. Imports of cotton by Japan once again showed enormous increase in 1935-37 (283).

Within a year of the outbreak of the Second World War, the export of cotton from India declined sharply due to the loss of markets in Europe and the Far East. This led to a drastic reduction in acreage under cotton. The state government adopted a number of measures during 1942-46 to reduce the area under cotton and divert it to the production of food crops (Khandewale, 1971, 13). With the cessation of hostilities and the easing of shipping restrictions, the international demand for Indian cotton began to revive. The licensing system introduced during war was abolished in December 1945. The demand for Indian cotton from Europe increased. As a result, prices shot up in the first quarter of 1946. To arrest the inflationary trend in prices and to conserve stocks to meet the growing demand for cloth and yarn within the country, the licensing system was re-introduced in April 1946 (Nanjundayya, et al., 1960, 283).

Conclusion

It is true that due to British efforts, cotton cultivation in Vidarbha got a boost and resulted in increased prosperity of the local farmers. They also undertook vast peripheral and extension activities from seed research to spreading awareness. However, it must be realized that the British did not have purely altruistic objective in encouraging cotton cultivation. Their main objective was to ensure uninterrupted supply to their textile mills in Manchester and to strengthen their grip on the international trade in cotton. Thus, in the final reckoning, their principal aim was to increase their own wealth.

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