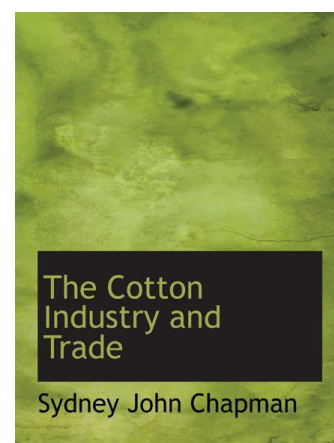


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# The Cotton Industry and Trade

Editors: S. J. Chapman, M.A., M. Com., Stanley Jevons Professor of Political Economy and Dean of the Faculty of Commerce at the University of Manchester. With Eight Illustrations. (London: Methuen and. Co., 1905. Pp. vii L + 175. Crown 8vo. 2s. 6d. net.)



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This is more than a century-old volume under the “Books on Business” series issued by Messrs, Methuen, and is intended to be an elementary introduction to the economics of the cotton industry and trade. It is primarily focused on a descriptive analysis of the evolution of the Cotton Industry situated in Europe especially Spain, Egypt, Britain, Germany, France, and Russia. The book may be recommended as an easily readable and fairly comprehensive book, likely to be very useful to students and others desirous of obtaining a historical perspective of the industry and trade to which it relates, and with their existing development through-out the world. Professor Chapman has culled some interesting information concerning the spread of the cotton industry, with specific accounts on cotton mills on the other side of the Atlantic and in Eastern Asia, with the included statistics, also giving the work something of a value of a convenient reference book.

The systematic chapterisation of the book takes us on a journey from the initial process of raw material procurement coupled with early industrial and technical advancements to the impact of cotton trade on the world market and society. The development of overland trade routes in the classical age from India to the Mediterranean and then by sea to distribution emporiums at Venice eventually ushered the age of commercialisation for the textile industry. These routes were further expanded, as a consequence of the high demand for Asian

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goods, in the European World markets. Moreover, between the eighteenth and nineteenth centuries, the phase of scientific and mechanical advancements had thrown Europe into the "Industrial Revolution", unleashed by stalwarts like Kays, Hargreaves, Paul Arkwright, Crompton, Cartwright, especially the power loom. This revolutionized the handloom industry and increased the overall share of the manufacturing sector to the European economy. A great deal of focus was attached to the mechanisation of the cotton industry because it is seen as the starting point of the modern technique of production that we call the factory system. Spinning, a traditional industry, of stretching and twisting the clean combed cotton fibers was revolutionized for industrial production. The Hargreaves and Arkwright techniques of spinning superseded the old and hand spinning wheels with a speed that in retrospect, appeared almost dramatic. Between 1768-9 there were protests fearing unemployment, on the one hand, and an increase in the wages of certain specialists by three-four times their previous earnings. In all practicality, the increase in demand for cotton, in the late nineteenth century also brought in the context of 'working capital' and factory system, there was a steady rise in small firms and local businesses.

The stability of the Cotton Textile industry rested on the organisation of production and distribution logistics and networks. Traders and Manufacturers had soon come up with a streamlined organisational framework for their ready business, as shown by the author in his

elaboration of the varying spinning and manufacturing enterprises arising in England, like "Fine Cotton Spinners and Doublers' association" and other, with three specialized markets emerging for raw cotton at Liverpool, yarn market and fabric market at Manchester for the Lancashire Market. These trading and manufacturing organisations emerging in the western world, became harbingers of what Prof. Chapman calls "*Economies of Standardisation*", which is a process of establishing uniformity across manufacturing materials and processes, it is potentially beneficial in lowering productions and procurement costs through economies of scale, easier and less expensive repair and replacement. However, it is noteworthy, that constant weariness of the trade and watchfulness of the industrial players, made the industry competitive and change gradually. There is considerable evidence to showcase the fluctuations in trade and tariffs pertaining to the cotton textile industry, the author amply illustrated the gradual increase in the tariff and import duties for protecting the home industry from the influx of foreign/cheaper products. The fiscal regulation implicated the rise of the discriminatory price mechanism and discouraged the exporters from other countries from sending their products to England. This is projected by the declining share of the British Cotton exports to countries like Germany, Holland, the Americas, and smaller Scandinavian countries between 1897-1909. Instead, there was a shift in the focus to the colonized or Southern world, which saw a steady rise in the import of British cotton cloth and yarn between the same period.

Mr. Chapman remarks on the British Cotton Growing Association's enterprise which implies the abandonment to some extent of the principle of *lassiez-faire* if he says "that phrase be taken to advise leaving ignorance and apathy to surmount the obstacles which prevent the foundations of industries." He suggested, however, what may be claimed to be a wiser interpretation of the principle - "the placing of no unnecessary obstacles in the way of industrial enterprise". Turning to Asia, Mr. Chapman draws from the cotton industry scattered sporadically through regions in India, China, and Japan. The Indian cotton textile manufacturing has been described as labor-intensive, **inefficient, and technologically backward**. The illustration points out that though the number of mills increased by a small margin (175 to 195) between 1898 to 1901, in the same period the number of power looms advanced from 24,700 to 40,500 (Chapman, 1905). For the same time period, imports of cotton manufacturers and twist/yarn from England increased, however, India became a major supplier of Indian twist and yarn as well as raw cotton to countries like Japan, Germany, Belgium, Italy, Austria-Hungary, France, China, and other countries. The trade in the East was encouraged by a reduction in the cost of carriage and the opening of the East to Western commerce. The length of the journeys to India (particularly to places in the north-

west, such as Bombay) and China was diminished by the completion of the Suez Canal. Additionally, it hastened the changes from sailing vessels to steamers and inaugurated a period of great enterprise result that freight fell to a considerable extent in the few years following 1869. Further trade with China was rendered easier after the Second Chinese war in 1858, and particularly the convention of 1860. The establishment of a triangular trade between England, China, and India, sprang up with British merchants becoming intermediaries for the exchange of cotton and opium. The author goes on to explain the cotton trade in the larger context of global issues springing up like fiscal regulation, America civil war, Germany's industrialisation, and World Wars which followed.

All in all, the author is purposed to analyze the intrinsic relationship between the growth of the Cotton Industry in Britain to that of its colonies. It captures the world trade market shares being held captive by the competition between the European countries and their subsequent phases of the industrial revolution. It simply traces causes and effects, while **introducing the readers briefly to some of the numerous problems that arise out of Industrialisation and commercialisation**. It firmly sums up as an intent to be an elementary introduction to the economies of scale of cotton industry and trade.