The mechanization of spinning and weaving in Britain led to tremendous increases in productivity, which in turn allowed British manufacturers to produce large volumes of cloth at low prices. The East India Company sold this cloth in India at prices lower than those for locally produced cotton, but imposed a stiff tariff on Indian cloth imported to Britain. This unequal situation and its destructive impact on Indian cloth manufacturers—who had previously led the world in cotton cloth production—quickly became apparent. Despite appeals from the manufacturers themselves, defenders of this policy claimed that it would be better for Indians to focus on producing raw cotton, which could then be brought to Britain to be finished. The two documents excerpted below exemplify the two sides of the dispute.

Petition of Natives of Bengal to the British Privy Council for Trade, 1831

"The humble Petition of the undersigned Manufacturers and Dealers in Cotton and Silk Piece-Goods, the fabrics of Bengal;

Sheweth,

That of late years your Petitioners have found their business nearly superseded by the introduction of the fabrics of Great Britain into Bengal, the importation of which augments every year, to the great prejudice of the native manufactures.

That the fabrics of Great Britain are consumed in Bengal without any duties being levied thereon to protect the native fabrics.

That the fabrics of Bengal are charged with the following duties when they are used in Great Britain:

On manufactured cottons, 10 per cent
On manufactured silks, 24 per cent . . .

They therefore pray to be admitted to the privilege of British subjects, and humbly entreat your Lordships to allow the cotton and silk fabrics of Bengal to be used in Great Britain "free of duty," or at the same rate which may be charged on British fabrics consumed in Bengal.

Your Lordships must be aware of the immense advantages the British manufacturers derive from their skill in constructing and using machinery, which enables them to undersell the unscientific manufacturers of Bengal in their own country; . . . such an instance of justice to the natives of India would not fail to endear the British Government to them."

Robert Rickards, Testimony to the Select Committee of the House of Lords, 1821

"I think it very likely that the further introduction of our cheap cotton manufactures into India may supersede, as they have done already to a certain degree, the use and consumption of many of the cotton manufactures of the country; but I am not aware of any injury to the population of India that is likely to result from this state of things; probably, the most beneficial trade that can be carried on between India and this country will be found to consist in the exchange of the raw produce of the East for the manufactured goods of Britain. I believe the native Indians have it in their power, from the cheapness of labour and food in that country, and the great fertility of the soil, to produce raw articles calculated for the manufactures of Britain, at a cheaper rate than perhaps any other country in the world; and if their industry should be directed to this point, instead of to local manufactures, it will interfere the less with their present occupations and employments; inasmuch as the weavers generally throughout India are cultivators of the soil also, and are occupied to the full as much in their fields as at their looms."

Sources: Appendix to the Report from the Select Committee of the House of Commons on the Affairs of the East-India Company, 16th August 1832 (London: J. L. Cox and Son, 1833), pp. 774–775; Third Report from the Select Committee Appointed to Consider of the Means of Improving and Maintaining the Foreign Trade of the Country. East Indies and China, 1821 (746), VI.340.

QUESTIONS FOR ANALYSIS

1. Why did Robert Rickards believe that Indians would not be harmed if their cloth manufacturing industry was destroyed by cheap British imports?
2. What response might the Bengal cotton and silk manufacturers have made to Rickards?