

Chapter 5

Industry and Labour

under British Rule

The Fame of Indian Cotton

From early times in history, cloth woven in India was famous in different parts of the world. Traders from many places - Arabia, Africa, Indonesia, China etc. and from the 16th century - also from Britain, France, Holland, Portugal etc. - would make their way to India to buy a variety of textiles, such as the very finely woven muslin cloth, the colourfully printed 'chintz' cloth and so on. From the 16th century the demand for Indian textiles increased considerably and the traders earned good profit by selling it. The weavers were given a lot of work by the traders. They were busy all the time weaving cloth on their hand-loom for many different kinds of customers - who could be rich or poor, Indian or foreign. However, only a small portion of the money earned would reach the weavers who made the cloth.



An 18th century European costume made out of Indian cloth.

A Setback for Indian Weavers

Some very significant developments took place in Britain that led to a reduction in the demand for Indian cloth all over the world. Around 1750 and afterwards, factories began to be established in Britain and spinning and weaving of cloth began to be done on machines. They built on and improved the methods used to produce cloth in India and other parts of the world, and mechanised the production of textiles.

Cloth made in the factories came for sale in the markets. To promote the development and sale of factory-made cloth, the British government imposed a special tax on cloth that came from India which the people in Britain had to pay. Why did they do this? The tax made cloth from India more expensive. This helped increase the sales of factory-made cloth. Over a period of time there were many improvements and new inventions of machinery. Thus, factories could produce cheaper cloth in very large quantities.

Britain, 1851: Cotton was spun into yarn in huge mechanised cotton mills like this. Men, women, and children used to work long hours in such factories.



This painting from around 1792 shows weavers in Bengal who produced cotton cloth for export by the East India Company. By 1850 many such weavers had lost their business due to competition from machine-made cloth from Britain.

Can you imagine what it would be like to work in a place like the one shown in this picture? How would it compare with a job in the huge cotton mill shown on the previous page? Write an account of what it would be like to work in each place.



As a result of these developments the demand for Indian cloth fell in Britain. The factory owners and traders of Britain also made efforts to sell their goods all over the world. Traders from Britain brought cloth made in British factories to be sold in India as well. In those days, British rule was being established in India. Hence the traders had the support of the government. As a result of their efforts, cloth made in British factories began to be sold in India too. In cities like Kolkata (Calcutta), Chennai (Madras), and Mumbai (Bombay) British cloth became very popular. Being very cheap, the factory-made cloth began to be sold in the villages as well. Naturally, all this badly affected the weavers of India. Abroad and at home, factory-made cloth stole a large number of their customers.

Not only this, the business of artisans who did spinning of cotton was also badly hurt, because in addition to cloth, cheap and fine spun cotton yarn (thread) made in the British factories also came in large quantities to be sold in India. Now Indians began using this foreign thread for weaving and would buy less thread from Indian spinners.

The Industrial Revolution

With time, mechanised factories producing other things also started coming up in Britain and other countries of Europe. Matches, cement, paper, nuts and bolts, utensils, pens, pencils, pins, combs, soaps, oil - all these would be brought from Britain to be sold in India. The British government of India would import most of the things it needed from Britain. From paper and ink to things needed for constructing buildings and railways, a large amount of materials would be imported from Britain.

This was the period of industrialisation in Europe. It is also called the Industrial Revolution. Things were being produced with new machines, new techniques, and new methods of working. Compared to things made in the old ways, these would be produced in much larger quantities and very cheaply.

In what way was the business of Indian weavers and spinners affected during British rule?

Hopes and Challenges for the Development of Industry in India

Due to competition from factory-made goods, the demand for things made by Indian artisans began falling and their business began to suffer badly. However, many merchants, traders and educated people in India thought, "Why should Indians not establish modern factories in India itself and produce things using machines?" A hope arose in their hearts that the people of India could also learn and develop new science and technology and set up factories with the help of the British... maybe the kind of industrial development that had taken place in Britain could also happen in India!

To begin with, some enthusiastic and enterprising people tried to set up a few factories. But they were not very successful. In order to run a factory, it was necessary to have knowledge, experience, machines and money. It was not easy to mobilise all this together.

Not only this, the wealthy Indians and Britishers who were involved in trade had their attention focused entirely on foreign trade. Bringing goods produced abroad for sale in India and selling raw material from India to foreign countries - this had become a very profitable business indeed.

Large European companies had invested money in this business and the merchants and traders of India were also assisting them.

European companies had developed plantations of opium, indigo, coffee and tea in India. They would grow these crops, pack them up and send

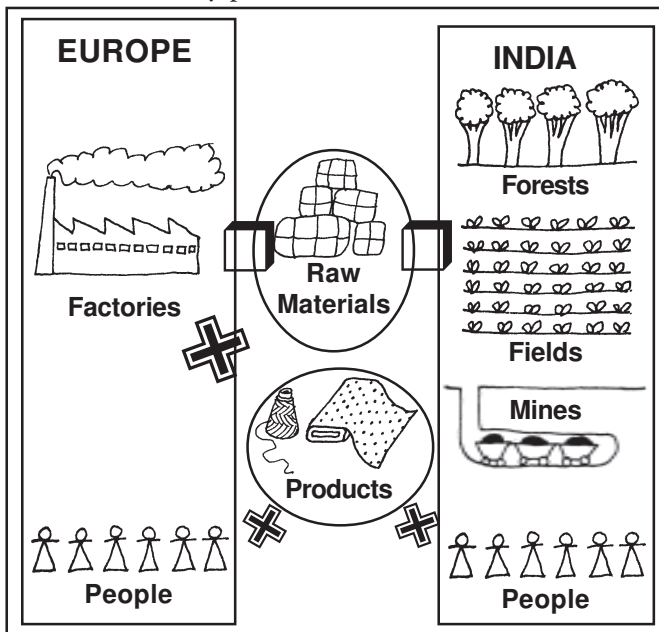


This picture was used in an advertisement in the early 1900s in order to popularise tea drinking in Britain as well as in India. The British made large profits from tea plantations in places such as Darjeeling.

them off on their ships to be sold in Europe. These companies would also buy jute from Bengal and cotton from Maharashtra, and send these to the factories of Britain. Foodgrains, oilseeds, hides and skins were also exported. Coalmines were developed in Bihar and Bengal so that railways and steamers

could run. Railways and steamers were essential for merchants to collect and send out raw material from India, as well as transport goods made in British factories to all places in India.

Wealthy people would rather use their money to invest in foreign trade because profit was more certain in it. On the other hand, though the raw materials and cheap labour needed to set up factories were easily available in India, it still seemed quite risky to do so.



TRADE: Describe what each arrow in the picture is trying to show. Can you draw a similar picture that will show the kind of changes many Indians dreamt of bringing about?

There was no assurance that Indian factories would be successful against the competition from British factories. There was always a fear that the goods that had come from Britain would be sold more cheaply than things made in Indian factories, and therefore no one would buy the Indian goods. In such a situation, if the government could support the development of industries in India, much could be done.

Discuss the factors that were encouraging and those that were discouraging the growth of industries in India.

The British Government's Policy

In the 1850's some Indian cloth mills were set up with much courage, first in Mumbai and then in Ahmedabad. Thus cloth came to be made on machines in India too! Some educated people and factory owners demanded that a special tax be levied on cloth coming from Britain so that the cloth being made in India might get a protected market. The special tax would make the British cloth more expensive and this would encourage the sale of cloth produced in Indian factories.

Some Marwari traders from Calcutta (now Kolkata) maintaining business related accounts.



You know that in Britain the government had levied a special tax on cloth made by Indian weavers in order to help the cloth industry of Britain. But the government refused to levy a similar tax in India on British cloth to help Indian industry. The pressure of the British factory owners and traders on the government was so much that it could do nothing against their interests.

In the year 1896, the British government of India experienced a severe reduction in its income. The government began to think of ways in which it could increase its income. It was then, in its hour of difficulty, that the government levied a three and a half percent tax on cloth coming to India from Britain. But in order that this might not harm the sale of British cloth, the government simultaneously levied the same amount of tax (three and a half percent) on cloth being made in India as well.

This tax became the cause of a long drawn conflict between the Indian people and the British government. By imposing a tax on goods made in Indian factories, the government had made it clear that it would protect mainly the interests of the British factories. There was strong opposition to this tax in India and a persistent demand to remove it.

Discuss what 'protected market' means.

The Indians demanded that a tax be imposed on British goods coming to India. Do you think this was a fair demand? Should the government have treated British and Indian industries equally?

Even without government protection, factories producing cloth, thread, sugar, jute, paper, matches, cement etc. were set up in India. Their rapid development, however, took place only after 1914.

Indian Industry During The First World War

During the First World War (from 1914 to 1918), the import of foreign goods into India fell sharply. One reason was that **cargo** ships were diverted to war related duties, and hence there was a shortage of ships. Also, in the factories of Europe, things needed for the war were being made - so fewer goods meant for the Indian markets were available.

Under these circumstances, the factories that had been established in India started selling their goods in greater quantities. Enthused by these heavy sales there was a rapid development of industries. After the war came to an end, European machines were purchased in large numbers for Indian factories and new industries were set up. Indian industrialists began demanding very forcefully that the government levy a tax on foreign goods so that the higher sales of Indian goods might continue in future as well.

For many reasons the government had to accept this demand. After 1917, taxes were levied on numerous foreign goods, one after the other. As a result, factories set up in India were able to develop speedily.

Why did a rapid development take place in Indian industry during the First World War?



Indian troops in France, 1916. The British had around 14 lakh Indian soldiers fighting for them in the First World War . Although the war was a boon for industry, it was a tragedy for most people. Throughout the world about one crore people died on the battlefields, and another two crore died of hunger and disease related to the war.

Problems of Indian Industry at the Time of Independence

After a long struggle, Indian industry had got a little help from the British government. Yet, a very large number of factories, banks, ships etc. were in the hands of Europeans, not in the hands of

J.N. Tata, R.D. Tata, Sir R.J. Tata and Sir D.J. Tata - some of the pioneers among Indian industrialists.



Indians. Being European had many advantages for these companies. They had easy access to all types of officers and authorities of the British government, whereas Indians were never likely to have such reach. All the foreign trade was in the hands of European companies, hence, they had no shortage of funds either.

Despite the influence of the Europeans, Indian industrialists advanced a great deal. For example Indian industrialists were in control of the textile industry. The greatest example of the achievements of Indian industrialists was the setting up of a steel factory at Jamshedpur by an industrialist named Jamshedji Tata.

The help received by Indian industrialists from the government in the form of a tax on foreign goods, was important but hardly adequate. Many resources and facilities were needed such as railways, roads, electricity, coal and iron. However, the British government did not pay adequate attention to development in these areas.

Indian industrialists also had to buy all their machines from abroad. Industries that would manufacture machinery had simply not started in India.

For the development of industry, help was needed from scientists, engineers, and technicians.

Educated workers at all levels were needed. But education was not given adequate importance in India. Foreigners had to be relied on for industrial development because the number of Indian scientists and engineers was very small. Even after independence, the disregard for education resulted in a poorly educated workforce that continued to hamper industrial development.

In order to promote the interests of Indian industry, many organisations of industrialists were formed even during British times. One of the most important was the Federation of Indian Chambers of Commerce and Industries (FICCI). Such organisations would keep bringing up the problems of the industrialists before the government.

What industries were established in India during British rule?

What were the difficulties in the development of Indian industries at the time of Independence?

With the end of the British rule in India and the formation of a free government of Indians the situation changed. The government of India gave encouragement to the growth of industries in a planned fashion. You will read about this in detail in another chapter.

Labourers in Indian Industries

Industrial Towns and Labour Settlements

From 1850 onwards, machine-based industries had begun to be set up in India. The biggest industry was the spinning and weaving of textiles. In 1905, around 2.25 lakh labourers were in the textile industry, 1.5 lakh in the jute industry and about 1 lakh in coalmines.

Needy farmers, labourers and artisans had begun coming from the villages to the cities in the hope of employment. Along with them or after them came their relatives, neighbours, and friends. The number of labourers in cities mounted. All around factories, huts and tenements of labourers sprang up. Many cities of India, such as Kanpur, Mumbai, Ahmedabad, Kolkata, Chennai became large industrial cities.

Work Conditions

In the early phase, work in the mills would begin every day at dawn, and come to a halt only at sundown. Waking from sleep before the light of day, long rows of labourers could soon be seen wending their way towards the mills - men as well as women and even children.



Once they began work on the machines there was no question of stopping. There was no fixed break even for meals. Taking out 15 - 20 minutes from their work, and asking a fellow labourer to look after their work, the labourers would eat their food. There was no separate place to eat either.

The whole day would pass in the heat, humidity, noise, dust and suffocation of the mill. Only when the sun set and it became impossible to see in the dark, the machines would stop and work would end.

This would go on for months. Even a weekly holiday was not in the rules. Only for the major festivals of the year would the mill owner give a holiday.

However it is not possible to work every day of the year. Illnesses and family duties have to be attended to. People also get exhausted and tired of monotonous work. But whenever a labourer did not go to work, the day's wage would be lost.

In those days payment was made in proportion to the amount of goods produced. The owners laid the condition that "as much as you make, so much will you be paid." Sometimes things went wrong with the machines, or the supply of raw material was delayed or it was inadequate. Although this was not the fault or the responsibility of the labourer, yet the mill owners would deduct the

labourer's money. Thus, labourers were not able to get any fixed income each month.

Not only that, at the end of the month, the mill owner would not even make the full payment to the labourers. He would keep some money till the end of the next month. In such a situation if labourers wanted to leave the work and

go away they could not - because their earlier month's wages were still stuck with the owner.

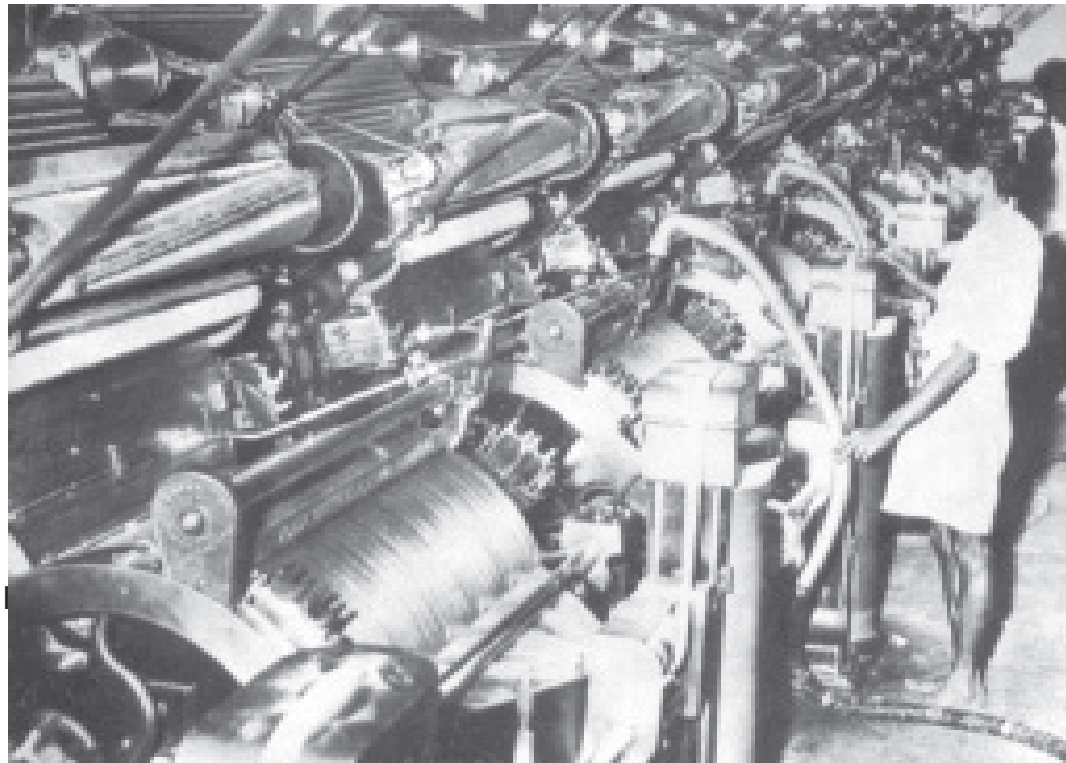
There were also plenty of fines. The owners would fine the labourers on the smallest pretext - if they came late, if the cloth got spoilt, if the owner thought the labourer did not work sincerely - there would be fines and they were deducted from the month's wages.

All the labourers - men, women, children - had to work under such conditions for 14 hours in the summers and 12 hours in the winters.



A street scene of Bombay (now Mumbai) in the mid-19th century.

Interior of a textile mill in Coimbatore in the 1940s.



Then, in 1880 something new happened. Electric bulbs began to be fitted in the mills. As the hours of light increased, the hours of work also increased. Now it was not necessary to stop work when the sun set. And now it became common to take up to 15 hours of work each day from each labourer.

There were so many hardships at work and on top of it there was no security of employment either. If a mill suffered loss of profit, the owner would simply throw out some labourers and reduce the wages of those who continued to work.

However if the mill earned a profit, would the owner ever increase the wages? No, that hardly ever happened!

In the early days of factories in India:

What were the rules regarding work and rest for labourers?

What were the rules regarding payment of wages?

For what reasons would there be cuts and reductions in the labourers' wages?

Labourers' Struggles

Labourers struggled against their oppressive working conditions. From 1870 itself there was one strike after another in Mumbai. To begin with there were no organisations or unions of the labourers. The labourers of each mill would get together to go on strike and would put pressure on the owners.

For instance, in 1892, mill owners of Mumbai were thinking of making a reduction in the wages of labourers. In such a situation labourers

of all the mills geared themselves up for a struggle. The government had appointed an official for the inspection of factories. This is what the factory inspector wrote about the labourers: "If a reduction in the wages is actually made, it is possible that there will be an overall strike in Mumbai. Though there is no organized trade union of the labourers, most of the labourers belong to common castes, clans, villages and can easily unite and take steps."

Here's one example of how the labourers would struggle to protect their own interests. In 1900-1901, some 20 mills of Mumbai reduced the labourers' wages by 12½%. In response to this, 20,000 mill workers stopped work and came out on strike. All the 20 mills remained closed for 10 days.

Similarly in 1919, when the cost of living was rising but the labourer's wages were not being increased, the labourers of all the mills of Mumbai came out on strike and the mills were closed for 12 days.

The labourers not only fought for their wages, they also fought against the British for the freedom of India. In 1908, the British sentenced the famous Indian freedom fighter, Lokmanya Tilak, to 6 years of exile from India. In a flash, the labourers of all the mills of Mumbai went on strike against this for six days. In this way the labourers participated in the freedom struggle on many occasions through strikes.

Why did labourers go on strikes?

Why were strikes used instead of any other action?



A picture depicting a labour meeting **INDUSTRY 33**

Addressing Labourers' Problems

The strange thing was that in the beginning most of the educated people of India paid no heed to the problems of the labourers. What was uppermost in their minds was, how industries could be developed in India. In the earlier phase they did not think much about the kind of working conditions that should be there for labourers.

But even more amazing was that in Britain, factory owners, traders and social workers began to express concern over the conditions of Indian labourers. They began actively drawing the attention of the government to these problems.

The industrialists and social workers of Britain began putting pressure on the government that there should be laws to improve the condition of the labourers in India, similar to the laws in Britain. As a result of this pressure the government seriously began considering making a reduction in the working hours and making laws that would give labourers holidays.

This was deeply resented by the industrialists and educated people of India. They felt that once labourers were given fixed incomes and facilities such as leave, mill production would come down and the expenses of the owners would go up. This would in turn make the things produced in the factories more expensive. If this happened, goods coming from Britain would sell more easily and the development of Indian industries would come to a standstill.

Indian industrialists were suspicious that the British industrialists were just pretending to show concern for the welfare of the Indian labourers. Maybe they actually had their own interests in mind.

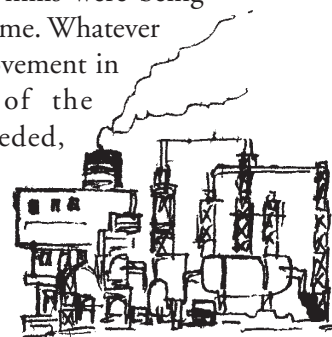
34 INDUSTRY



In 1931 these millworkers in Lancashire, England were happy to meet Gandhiji and express solidarity with the Indian freedom movement.

The educated people of India had also come to believe that if laws were made in the interests of the labourers, industries would not be able to develop in India. A few lines published in a major newspaper of Bengal in 1875 shows the thinking of those days: “Rather than this new industry be destroyed it is better that labourers keep dying in high numbers once our industries are well-established, then we can protect the interests of our labourers”.

There was this fear in the minds of industrialists and the educated people, but it was not fully justified. Factories set up in India had begun to earn profits. New mills were being opened up all the time. Whatever the risks, an improvement in the conditions of the labourers was needed, because industrial development lay in the hands of the labourers.



Laws for the Welfare of Labourers

The government implemented the first Factory Act in 1881 and made the following rules especially for the welfare of working children:

- Children below the age of 7 cannot be employed in factories.
- Children between 7 and 12 years of age cannot be made to work more than 9 hours a day and they must be given a one-hour break each day. They must also be given 4 days leave each month.

The largest number of labourers in industries was that of men. It wasn't until 1911 that laws for their welfare were made. According to the Factory Act of 1911:

- Adult male labourers could not be made to work for more than 12 hours every day
- After every six hours of work there would be a break for half an hour.

India and Pakistan get Independence from Britain

In which year were you born? Mark it on this timeline. Also mark the births of your parents and some grandparents or other old relatives you can find out about..

Find out whether any of the people whose births you marked were affected by the labour laws.

1840
1850

The Revolt of 1857

1860

1870

1880

1890

1900

1910

1920

1930

1940

1950

1960

1970

1980

1990

2000

2010

In 1891, laws were made in the interest of women labourers to ensure that:

- Women labourers cannot be made to work more than 11 hours a day.
- Women labourers must be given an hour and half break each day.
- Children's working hours were reduced from 9 to 7 hours/day and factory employers were forbidden to employ children below 9 years of age.

The British industrialists were against the development of factories in India, yet they took the side of Indian labourers. Why?

Why did the educated people of India not pay much attention to the interests of factory labourers in the beginning?

According to the labour laws what was the maximum number of hours that children, women and men could be expected to work?

Below what age could children not be employed as labourers in British times?

What do the present laws set as the minimum age, below which children cannot be employed as labourers?

How would the labour laws have affected the industrialists?

Labour Organisations

With time the problems of the labourers became well known. Some educated people began supporting the labourers and they began writing articles in newspapers to explain their problems to people. Small organisations for the welfare of labourers also started emerging.

During strikes labourers formed their own organisations with the help of some educated people. These were labour unions, formed to conduct the strikes and negotiate settlements with the mill owners. Slowly, the unions became active not just during the strikes but all around the year, promoting the workers' welfare and rights. Such unions began to be established from the early 1920's. People influenced by socialist thought were prominent among them. One such union formed was Girni Kamgar Union with help of which labourers of Mumbai went on a very effective strike in 1928. In Ahmedabad, under the influence of Gandhiji, a powerful union known as the Mazdoor Mahajan was formed.

The formation of labour unions made the government and mill owners very anxious. Now laws began to be made to put restrictions on strikes.

The government appointed labour officers to look after the welfare of the labourers. The government began making efforts to ensure that the labourers solve their problems through the labour officers, rather than go to the unions.

But the labourers did not agree to this. They considered it better to form their own organisations to protect their interests. In this way, a struggle continued between the labourers on the one hand and the government and factory owners on the other, on the question of the right to form unions and the right to go on strike.

Which were the two main labourers' unions to be formed in India during British times?

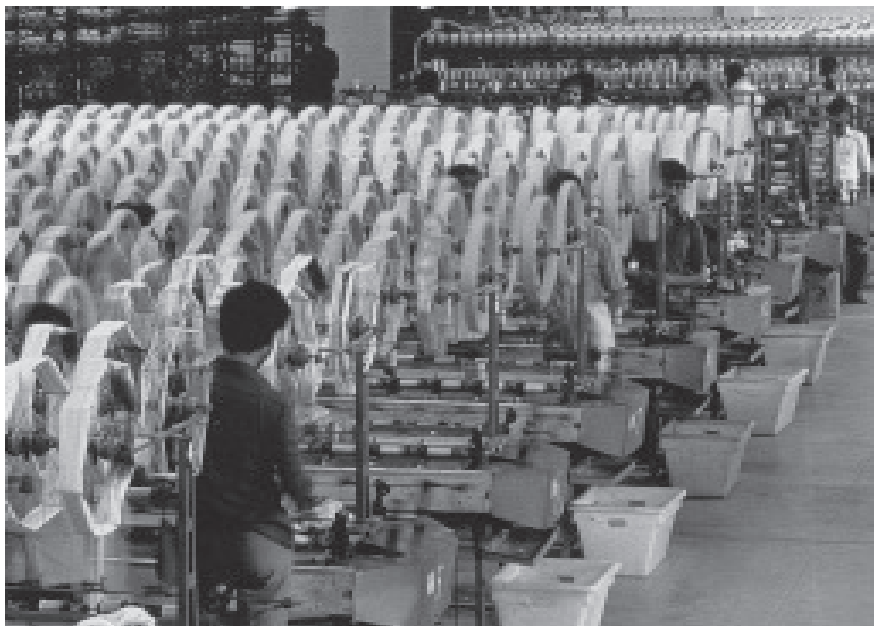
Why is a union or labourers' organisation important for labourers? Discuss.

After Independence

The struggles of the labourers are by no means over. Even today labourers take out processions and go on strikes to increase their wages, protect their jobs and to improve their working conditions. Through this kind of struggle labourers have succeeded in having laws made in their favour. But they also continue to struggle against laws that restrict strikes and the functioning of unions.

What are the present laws regarding maximum working hours and minimum wages of factory labourers?

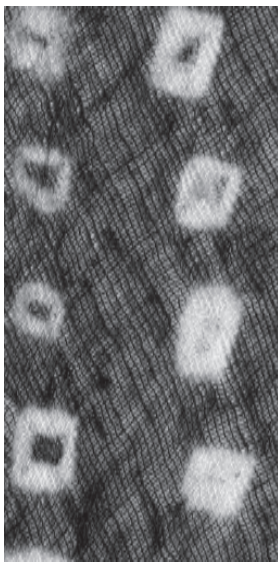
A present day silk factory



Exercises

1. **Why were the British interested in developing iron and coalmines in India? Make two lists to show how the British benefitted and how different classes of Indians benefitted from the mines.**
2. **If there had been no British rule in India would the business of the weavers have continued to flourish? Think of reasons why it would, as well as reasons why it wouldn't. Have a class discussion or debate.**
3. **Indians criticised the British government because it bought all the manufactured goods it needed from Britain. People said that this did not encourage industries in India. Why did they say this? Explain.**
4. **What problems did the Indian industrialists have with the British government?**
5. **During British rule, why was it easier for the European companies rather than Indian companies to set up industries? Give a few reasons.**
6. **When industries began to be set up in India why was the condition of the Indian labourers very poor? Explain in 10 sentences.**
7. **In the absence of unions, what did labourers do to protect their interests?**
8. **How were labour unions formed? What differences in the lives of the labourers did unions make? Think and write.**
9. **Labour laws were first made for child labourers, then for women labourers and last of all for men labourers. Why were these laws made and why were they made in this order?**
10. **How could education affect industrial development? Have a class discussion on this.**
11. **Match each of these names to the following samples of woven cloth:**

khadi



cotton tie and dye



baluchari silk

