For many centuries prior to the nineteenth, India had been a major producer and provider of textiles of all kinds. Textiles were manufactured in large quantities all over the subcontinent to provide for consumption in the domestic, the Indian Ocean as well as the world market. While an overwhelming proportion of the total domestic demand for this basic consumption good was obviously met through local village level production involving very little, if at all any, trade, the proportion of total output entering regional or sub-continental trade was by no means entirely insignificant. This was particularly true of trade in luxury textiles where the element of regional specialization was of particular importance. One might also note the large-scale long-distance trade in textile raw materials as in the case of the dependence of the Bengal cotton textile sector on the import of cotton from Gujarat which, in turn, depended for its silk textile sector mainly on the raw silk imported from Bengal.

Beyond the subcontinent, in the west, Indian textiles were traditionally a familiar item in the markets of the Middle East, and via these markets, to a limited extent in the markets of the Mediterranean. The fifth century AD cotton fragments discovered at Berenike, a harbour site on the Egyptian side of the Red Sea, are the earliest patterned textiles of Indian origin so far recovered from an archaeological context.1 In the east, Indian textiles were traded on a much more substantial scale in mainland and island Southeast Asia. A number of Indian textiles acquired from Sulawesi in Indonesia, for example, have been carbon-dated to the fourteenth and fifteenth century. Textiles have

reigned as a dominant aesthetic in Indonesia for centuries and have played an important role in various ceremonies in the islands. Indian textiles were quickly assimilated to fit local taste and subsequently were encoded with indigenous meaning.\(^2\)

The first section of this paper focuses on the geography and the structure of textile manufacturing in Bengal in the seventeenth and the first half of the eighteenth century. In the sections we analyse in some detail the situation in the second half of the eighteenth century when a fundamental alteration in textile manufacturing and procurement occurred. This was a direct outcome of the availability of substantive political leverage to the English East India Company in Bengal following the battle of Plassey in 1757 and the grant of \textit{diwani} rights to the Company in the province in 1765.\(^3\)

\textit{Textile Manufacturing and Procurement in Bengal}

With the rise of an early modern world economy, there was a significant increase in the volume and value of trade in Indian textiles both in the markets of the Indian Ocean as well as of those in Europe and the New World. The unquestioned domination of Indian textiles in the Indian Ocean trade has to be understood essentially in terms of the subcontinent's capacity to put on the market a wide range of textiles at highly cost-competitive terms making it in some sense the 'industrial' hub of the region surrounded by west Asia on one side and Southeast Asia on the other. As far as the European market was concerned, the quantum jump in the volume and value of the Indian textiles exported by the European corporate enterprises, mainly the Dutch and the English East India Companies, took place from the last quarter of the seventeenth century onward. This was an outcome of a revolutionary change in European fashion, putting Indian fine cotton and silk textiles


\(^3\) From the second half of the century, we are somewhat better informed about variables such as the cost structure of the industry, the level of profitability, etc. This information is contained in extensive documentation available in the archives of the Dutch East India Company. Documentation pertains essentially to the correspondence between the Dutch and the English East India Companies regarding the alleged hindrances being placed in the textile procurement of the former by the latter. The report of the Dutch factor on a joint English-Dutch-French mission of 1767 will be the main source of this paper.