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The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850–1896

EMPIRE OF COTTON

A Global History

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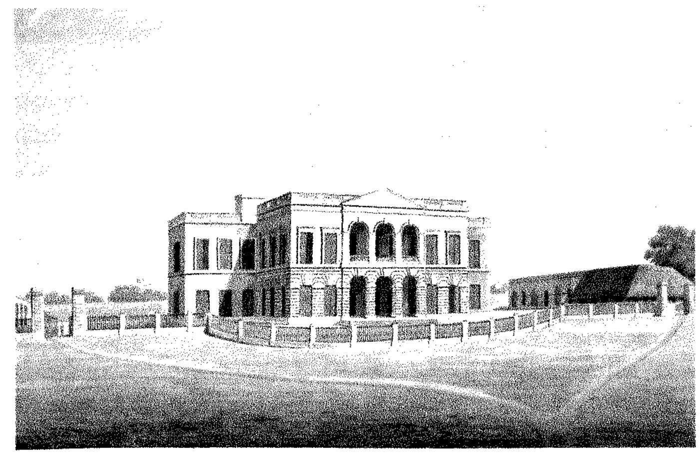
at least in part because they had not subjugated those people who supplied them with cotton. It was a lesson that would not be forgotten. As the sixteenth century came to a close, an entirely new cotton industry arose that focused on the Atlantic, not the Mediterranean. Europeans took for granted that only the projection of state power would ensure success in these new trade zones.[52]

Chapter Two

Building War Capitalism



Capturing global cotton networks: the British East India Company "factory" in Cossimbazar, West Bengal, c. 1795

Though impressive, the emergence of cotton production in twelfth-century northern Italy, and later in fifteenth-century southern Germany, did not seem world-altering. In each instance, boom was followed by bust. And the larger cotton industry, already well established on three continents, continued to hum along as it had for centuries. World production still centered on India and China, and intercontinental trade was still dominated by the products of Indian weavers. No significant technological or organizational departures characterized the European industry: Asian producers remained at the cutting edge of textile technology. To be sure, Europe's new manufacturing endeavors produced an unprecedented quantity of cotton cloth for that continent, spread a taste for cotton fabrics, and established widespread knowledge about the principles of cotton manufacturing—all factors that eventually became exceedingly important. But for now those small shifts were irrelevant to the global cotton industry, because Europeans lacked the ability to compete in transoceanic markets, not least because the quality of their output was much inferior to that of India. Unlike Indian or Chinese producers, moreover, Europeans depended on the import of raw cotton from distant regions of the world—regions over which they enjoyed little control. And in 1600, most Europeans continued to clothe themselves in linens and woolens.

Over the next two hundred years, however, all that was to change. The change was slow, at first hardly perceptible, but the momentum built, faster and faster and then exponentially. The ultimate result was a radical reorganization of the world's leading manufacturing industry: an explosion in how and where cotton was grown and manufactured, and a shocking vision of how the crop could yoke the world together. This recasting of cotton did not at first derive from technical advances, nor from organizational advantages, but instead from a far simpler source: the ability and willingness to project capital and power across vast oceans. With increasing frequency, Europeans inserted themselves, often violently, into the global networks of the cotton trade—within Asia as well as between Asia and the rest of the world—before using that same power to create entirely novel networks between Africa, the Americas, and Europe.[1] Europe's first incursion into the world of cotton had collapsed in the face of superior power; new generations of European capitalists and statesmen took heed and built a comparative advantage with a willingness and ability to use force to extend their interests. Europeans became important to the worlds of cotton not because of new inventions or superior technologies, but because of their ability to reshape and then dominate global cotton networks.

European capitalists and rulers altered global networks through multiple means. The muscle of armed trade enabled the creation of a complex, Eurocentric maritime trade web; the forging of a military-fiscal state allowed for the projection of power into the far-flung corners of the world; the invention of financial instruments—from marine insurance to bills of lading—allowed for the transfer of capital and goods over long distances; the development of a legal system gave a modicum of security to global investments; the construction of alliances with distant capitalists and rulers provided access to local weavers and cotton growers; the expropriation of land and the deportation of Africans

created flourishing plantations. Unbeknownst to contemporaries, these alterations were the first steps toward the Industrial Revolution. Centuries before the "great divergence" of per capita economic output between Europe and East Asia, a small group of Europeans seized control of the heretofore episodic and gradual process of forging global economic connections, with dramatic consequences not only for the cotton industry but for human societies across the globe. The "great divergence" was at first a divergence of state power as well as a peculiar relationship between these states and capital owners. In the process, the many worlds of cotton became a European-centered empire of cotton.

Christopher Columbus's landing in the Americas in 1492 marked the first momentous event in this recasting of global connections. That journey set off the world's greatest land grab, with Hernán Cortés attacking the Aztec Empire in 1518 and establishing vast territorial claims for the Spaniards in America, spreading into South America and also farther north. By the mid-sixteenth century, Portugal had followed suit and acquired what is today Brazil. The French set out to the Americas in 1605 and acquired Quebec; parts of the modern-day midwestern and southern United States, which were grouped into a French administrative unit called Louisiana; and a number of Caribbean islands, including, in 1695, Saint-Domingue, the western third of Hispaniola. England established its first successful American settlement in Jamestown, which became a part of the colony of Virginia, in 1607, soon to be expanded with further colonies in North America and also the Caribbean. Eventually, as we will see, controlling huge territories in the Americas allowed, among other things, the monocultural growing of large quantities of cotton.

The second momentous event in the history of cotton came five years later, in 1497, when Vasco da Gama sailed triumphantly into the port of Calicut, having pioneered a sea route from Europe to India around the Cape of Good Hope. Now Europeans could for the first time access the products of Indian weavers—the world's dominant producers—without having to rely on the numerous middlemen who had transported Indian cloth by ship across the Indian Ocean, by camel across Arabia, and then by boat to European ports. Europeans began establishing formal trade relations on the Indian subcontinent when da Gama obtained permission from local rulers to trade in Calicut in 1498. By the early sixteenth century, the Portuguese had established a series of trading outposts on India's west coast, most enduringly in Goa. At the end of the sixteenth century, the Netherlands and Great Britain began to challenge Portugal's monopoly on trade with Asia by chartering joint-stock companies, hoping to catch a share of the highly profitable spice trade. After a series of Anglo-Dutch wars, the Dutch and the British agreed to divide their spheres of interest in Asia, with the Indian textile trade falling mostly into British hands.

That expansion into South Asia, at first, was the most momentous intervention of European merchants and statesmen into the networks of the global cotton industry. With it, Europeans began to play a role in the transoceanic trade of Indian textiles, pioneered by the Portuguese, who brought large quantities of such cloth to Europe. They also tried to assert their dominance over the important trade between Gujarat and both the Arabian Peninsula and eastern Africa—first by violently restricting the access of Gujarati merchants to those traditional markets (with mixed success), and in the second half of the sixteenth century by regulating the trade. Other European merchants later joined in: In 1600, merchants established the British East India Company, in 1602 the Dutch Vereenigde Oost-Indische Compagnie, and in 1616 the Danish Dansk Ostindiske Kompagni. By the early seventeenth century, the Dutch and British were replacing the Portuguese in violently regulating the trade in Gujarati textiles, seizing Gujarati ships, and limiting local merchants' access to the markets of Arabia and, increasingly, Southeast Asia, which were supplied from factories in southern India, along the Coromandel coast, with Madras at its center.[2] France was the last of the great European powers to launch trade with the East. In 1664, French traders founded the Compagnie des Indes Française and brought the first of what the French called *indiennes*—colorfully printed cotton cloth—into France. These companies tried to assert monopoly rights in certain areas, but facing each other as well as competing independent merchants, their project never succeeded completely.[3]

What all these European trading companies had in common was that they purchased cotton textiles in India, to trade for spices in Southeast Asia, and also to bring to Europe, whence they might be consumed domestically or shipped to Africa to pay for slaves to work the plantations just beginning to take root in the New World. Cotton textiles, for the first time ever, became entangled in a three-continent-spanning trading system; the consequences of Columbus's and da Gama's momentous journeys fed on one another. European consumers and African traders hungered for the beautiful chintzes, muslins, and calicoes, or the simpler but useful plain cloths, spun and woven by South Asian householders and artisans.

As a result, cotton textiles became central to European expansion into Asia. Already by the early seventeenth century, European traders and merchants played an important role in the trade at the Bengali port of Dhaka, which for centuries had been the source of some of the world's highest-quality cottons. The East India Company as early as 1621 imported an estimated fifty thousand pieces of cotton goods into Britain. Forty years later, this number had increased by a factor of five. Cotton cloths, in fact, became the company's most important trading good; by 1766 that cloth constituted more than 75 percent of the East India Company's total exports. As a result, according to English writer Daniel Defoe—no friend of the imports—cotton "crept into our Houses, our Closets and Bed Chambers, Curtains, Cushions, Chairs, and at last Beds themselves were nothing but Calicoes or Indian stuffs."[4]

Armed European merchants inserted themselves successfully into the transoceanic trade of Indian cotton textiles. In India itself, however, European power was limited. It basically found its end at the outskirts of port cities, or the walls of the forts that these soldier-traders increasingly constructed along the coast. To secure the very large quantities of Indian textiles they exported, European merchants depended on local traders, *banias*, who guarded their crucial relationships with the inland farmers and weavers who grew, spun, and wove these increasingly valuable goods. Europeans set up warehouses—so-called factories—along the coast of India, in cities such as Madras, Surat, Dhaka, Cossimbazar, and Calicut, where their agents placed orders with *banias* for cloth and received the wares ready for shipment. Hundreds of leather-bound books, many of which are still extant, recorded each one of these transactions.[5]

In 1676, the factory of the British East India Company in Dhaka detailed the mechanisms through which cloth was purchased, testifying to its dependence on indigenous traders. The English merchants subcontracted the task of securing cloth to a number of *banias* eight to ten months before the trading ships arrived, specifying the qualities, designs, prices, and delivery dates they desired. African and European consumers of cotton textiles demanded very particular goods at particular prices.

Banias then advanced cash to various middlemen, who would travel from village to village to advance funds and contract for finished cloth with individual weavers.[6] Eventually the cloth traveled the same chain back to the English factory in Dhaka, where merchants graded and prepared it for shipment.

In this system of production, the weavers themselves had control over the rhythm and organization of their work, owned their tools, just as they had for centuries, and even retained the right to sell their products to whomever they pleased. As European demand grew, weavers were able to increase production and raise prices, which was clearly beneficial to them. In fact, the arrival of European traders in the Gujarati town of Broach, just as much as in Orissa and Dhaka, gave a new impetus to the regional cotton industry. Weavers were still poor, yet they could take advantage of competition for their cloth, as did indigenous *banias* and even Indian rulers, who quickly established taxes and duties on the production and export of cotton cloth.[7] The power of European merchants in India was hence significant, but far from all-encompassing: The English complained that the system was frequently disrupted by "Arabians and Moguls who trade in Dacca cloth carrying yearly very considerable quantities of the same overland some so far as the great Turks Dominions," as well as by the "contest, trouble and Charge" of the weavers and local *banias*.[8]

This "factory" system, with its continuing dependence on local traders and local capital, persisted for roughly two centuries. As late as 1800, the British East India Company agreed to purchase piece goods from Pestonjee Jemsatjee and Sorabje Jevangee, two merchants in Bombay, for more than 1 million rupees, while the Surat *bania* Dadabo Monackjee entered into contracts with weavers north of the city to deliver cloth for the British. Indeed, at first, Portuguese, English, Dutch, and French traders were merely the latest arrivals to an old and vibrant market, taking their place alongside hundreds of merchants from all over South Asia and the Arabian Peninsula. In Dhaka, as late as the 1700s, European traders acquired only about one-third of all the cloth traded. And the trading capacity of Europeans in India remained dependent on South Asian bankers and merchants who financed cotton growing and manufacturing.[9]

The insertion of armed European merchants into the Asian trade, however, slowly marginalized these older networks, as they muscled the once dominant Indian and Arab traders out of many intercontinental

markets. In 1670, one British observer could still note that Middle Eastern merchants "carried off five times as many calicoes as the English and the Dutch." Yet with bigger, faster, and more reliable boats, and more damaging firepower, "the old pattern of the Indian-Levant trade as the principal artery for world exchange underwent a complete structural change," one historian concludes, with "the Ottoman Empire . . . the chief loser." Gujarati merchants trading with East Africa also began facing European competition. Just as European merchants became increasingly common in India, they also established themselves in the East African markets; as a result, on both sides of the Indian Ocean, Europe's dominance grew. With the eighteenth-century decline of Surat and the rise of British Bombay, merchants in western India became even more dependent on British power.[10]

The growing influence of European merchants and their sponsoring states in India eventually began to have important repercussions in Europe itself. As much larger quantities of Indian cottons traveled to Europe, new markets and fashions emerged. Beautiful chintzes and muslins attracted the attention of the growing class of Europeans who had the money to purchase them and the desire to flaunt their social status by wearing them. As Indian cottons became ever more fashionable in the eighteenth century, the desire to replace these imports was a powerful incentive to ramping up cotton production in England and eventually to revolutionize it.[11]

Moreover, domination in Asia dovetailed with expansion into the Americas. As Spanish, Portuguese, French, English, and Dutch powers captured huge territories in the Americas, they took away the continent's movable wealth: gold and silver. It was indeed some of these stolen precious metals that had funded the purchase of cotton fabrics in India in the first place.

Eventually, however, European settlers in the Americas could not discover sufficient gold and silver and they invented a new road to wealth: plantations growing tropical and semitropical crops, sugar in particular, but also rice, tobacco, and indigo. Such plantations needed large numbers of workers, and to secure these workers, Europeans deported at first thousands and then millions of Africans to the Americas. European merchants built fortified trading stations along the western coast of Africa—Goree in present-day Senegal, Elmina in present-day Ghana, Ouidah in present-day Benin. They paid African rulers to go on a hunt for labor, exchanging captives for the products of Indian weavers. In the three centuries after 1500, more than 8 million slaves were transported from Africa to the Americas, first mostly by Spanish and Portuguese traders, to be joined in the seventeenth century by the British, French, Dutch, Danish, and others. During the eighteenth century alone, they deported more than 5 million people, mostly from west-central Africa, the Bight of Benin, the Gold Coast, and the Bight of Biafra.[12] Slaves arrived almost daily on Caribbean islands, as well as along the coasts of both Americas.

Such trade increased the demand for cotton fabrics, since African rulers and merchants almost always demanded cotton cloth in exchange for slaves. Although it is often imagined that the slave trade was animated by simple exchanges of guns and gewgaws for human export, slaves were more frequently traded for a far more banal commodity: cotton textiles. One study of 1,308 barters of British merchant Richard Miles between 1772 and 1780 for 2,218 Gold Coast slaves found that textiles constituted over half of the value of all traded goods. Portuguese imports to Luanda in the late eighteenth and early nineteenth centuries tell a similar story: Woven goods constituted nearly 60 percent of imports.[13]

African consumers became notorious for their discerning and dynamic tastes, much to the consternation of European merchants. Indeed, one European traveler observed that African consumer tastes were "most varied and capricious," and that "scarcely two villages concur in their canons of taste." When the slave ship *Diligent* sailed from its French port in 1731, it carried in its hold a careful assortment of Indian textiles to cater to the particular demands at the Guinea coast. In the same way, Richard Miles sent very specific instructions on what colors and types of textiles were currently in demand on the Gold Coast to his British suppliers, down to the very manufacturers that should be utilized. "Mr Kershaw's [manufactures] are by no means equal to [Knipe's]," he told a British contact in one 1779 letter, "at least not in the eyes of the Black traders here, & it is them that are to be pleased."[14]

European trade in cotton textiles tied together Asia, the Americas, Africa, and Europe in a complex commercial web. Never before in the four millennia of the history of cotton had such a globe-spanning system been invented. Never before had the products of Indian weavers paid for slaves in Africa to work on the plantations in the Americas to produce agricultural commodities for European consumers. This was an awe-inspiring system, speaking clearly to the transformative powers of a

union of capital and state power. What was the most radical was not the particulars of these trades, but the system in which they were embedded and how different parts of the system fed upon one another: Europeans had invented a new way of organizing economic activity.

This expansion of European trade networks into Asia, Africa, and the Americas did not rest primarily on offering superior goods at good prices, but on the military subjugation of competitors and a coercive European mercantile presence in many regions of the world. Depending on the relative balance of social power in particular places, there were variations on this central theme. In Asia and Africa, Europeans settled coastal enclaves and dominated transoceanic commerce, without at first much involvement in cultivation and manufacturing. In other parts of the world, most prominently the Americas, local populations were expropriated and often displaced or killed. Europeans invented the world anew by embarking upon plantation agriculture on a massive scale. Once Europeans became involved in production, they fastened their economic fortunes to slavery. These three moves—imperial expansion, expropriation, and slavery—became central to the forging of a new global economic order and eventually the emergence of capitalism.

They combined with one other feature of this new world: states that backed these merchant and settler ventures, but that only weakly asserted their sovereignty over the places and peoples in distant territories. Instead, private capitalists, often organized in chartered companies (such as the British East India Company) asserted sovereignty over land and people, and structured connections to local rulers. Heavily armed privateering capitalists became the symbol of this new world of European domination, as their cannon-filled boats and their soldier-traders, armed private militias, and settlers captured land and labor and blew competitors, quite literally, out of the water. Privatized violence was one of their core competencies. While European states had envisioned, encouraged, and enabled the creation of vast colonial empires, they remained weak and thin on the ground, providing private actors the space and leeway to forge new modes of trade and production. Not secure property rights but a wave of expropriation of labor and land characterized this moment, testifying to capitalism's illiberal origins.

The beating heart of this new system was slavery. The deportation of many millions of Africans to the Americas intensified connections to India because it increased pressure to secure more cotton cloth. It was that trade that established a more significant European mercantile presence in Africa. And it was that trade that made it possible to give economic value to the vast territories captured in the Americas, and thus to overcome Europe's own resource constraints. This multifaceted system certainly showed variation and changed over time, but it was sufficiently different from the world that came before and the world that would emerge from it in the nineteenth century that it deserves its own name: war capitalism.

War capitalism relied on the capacity of rich and powerful Europeans to divide the world into an "inside" and an "outside." The "inside" encompassed the laws, institutions, and customs of the mother country, where state-enforced order ruled. The "outside," by contrast, was characterized by imperial domination, the expropriation of vast territories, decimation of indigenous peoples, theft of their resources, enslavement, and the domination of vast tracts of land by private capitalists with little effective oversight by distant European states. In these imperial dependencies, the rules of the inside did not apply. There, masters trumped states, violence defied the law, and bold physical coercion by private actors remade markets. While, as Adam Smith argued, such territories advanced "more rapidly to wealth and greatness than any other human society," they did so via a social tabula rasa, which, perhaps ironically, provided the foundation for the emergence of very different societies and states on war capitalism's "inside."[15]

War capitalism had an unprecedented transformative potential. At the root of the emergence of the modern world of sustained economic growth, it created unfathomable suffering, but also a consequential transformation of the organization of economic space: A multipolar world increasingly became unipolar. Power long spread across multiple continents and through numerous networks increasingly became centralized through a single node, dominated by European capitalists and European states. At the core of this change stood cotton, as the multiple and diverse worlds of the production and distribution of this commodity increasingly lost ground to a hierarchical empire organized on a global scale.

Within Europe itself, this reorganization of economic space had continent-wide repercussions. "Atlantic" powers such as the Netherlands, Great Britain, and France replaced the erstwhile economic powerhouses such as Venice and its northern Italian hinterland. As Atlantic trade superseded Mediterranean trade and as the New World became an important producer of raw materials, cities with links to the Atlantic also rose in prominence in the manufacturing of cotton textiles. Indeed, as early as the sixteenth century, expanded cotton manufacturing in Europe was contingent on a link to the rapidly expanding markets throughout the Atlantic world—from the cloth markets in Africa to the newly emerging sources of raw cotton in the Americas. In Flemish cities such as Bruges (starting in 1513) and Leiden (starting in 1574), cotton manufacturing burgeoned, as Antwerp began to carry a significant trade in raw cotton and overseas expansion that gave access to huge new markets. French manufacturers, for identical reasons, also embarked upon new cotton spinning and weaving ventures in the late sixteenth century.[16]

Amid these seismic geographic shifts, the most significant in the long run was cotton manufacturing's arrival in England. By 1600, Flemish religious refugees began weaving cotton cloth in English towns. The earliest reference to cotton dates to 1601, "when the name of George Arnould, fustian weaver of Bolton, appears in the records of quarter sessions." The industry grew, and by 1620 British cotton manufacturers exported their wares to France, Spain, Holland, and Germany. Cotton manufacturing thrived especially in the northern English county of Lancashire, where both the lack of guild control and the proximity to Liverpool, an important slaving port, became key to producers who supplied the African trade in slaves and plantations in the Americas.[17]

This slowly emerging English cotton industry drew on earlier experiences with the production of linen and woolens. As on the continent, cottons were at first manufactured in the countryside. Merchants, many of them Puritans and other dissenters, advanced raw cotton to peasants, who employed family labor seasonally to spin and weave, before returning the cloth to the merchants who sold it. As cotton cloth demand exploded, spinning and weaving became ever more important to smallholding peasants, and some of them eventually gave up their traditional crops and became entirely dependent on the industry. Some of the merchants who organized domestic cotton production turned into substantial businessmen. As they accumulated capital, they expanded production by providing ever more credit to ever more spinners and weavers, encouraging an "extensification" of production—its geographic dispersal throughout ever larger areas of the countryside. This was the classic putting-out system, quite similar to its incarnations across Asia centuries earlier, or to the British woolens industry. The countryside became ever more industrial and its inhabitants ever more dependent on putting-out work for distant merchants.[18]

Unlike Indian cotton spinners and weavers, the growing class of English cotton workers had no independent access to raw materials or to markets. They were entirely subordinated to the merchants—indeed, they enjoyed less independence and power than their Indian counterparts.[19] British putting-out merchants, as a result, had far more power than Indian *banias*. The British cotton men were part of a rising global power whose navy increasingly dominated the world's oceans, whose territorial possessions in the Americas and in Asia—India foremost among them—grew rapidly, and whose slavers created a plantation complex that rested in various ways on the manufacturing capacity of spinners and weavers thousands of miles away in the remote uplands of Lancashire and the plains of Bengal.

Despite these beginnings, their significance emerged only in retrospect. Throughout the seventeenth and eighteenth centuries, Europe's cotton industry was not particularly prominent. In England, but also elsewhere in Europe, the "manufacture of cotton remained almost stationary." Even after 1697, it grew only slowly; for example, it took sixty-seven years for the amount of raw cotton worked up into thread and cloth to approximately double, to 3.87 million pounds. That was the amount of cotton used in an entire year. By 1858, in contrast, the United States would export this amount of cotton on average on a single *day*. France was similar, and, outside Britain and France, European cotton demand was even less significant.[20]

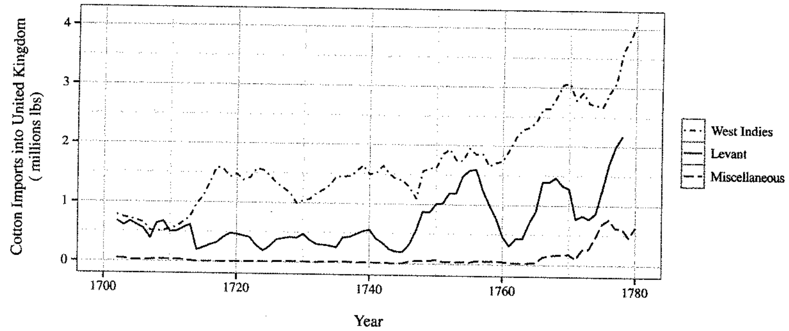
One reason for the relatively slow growth of European cotton manufacturing was the difficulty of accessing raw cotton. As cotton was not grown in Europe itself, the industry's essential raw material had to be brought from distant locations. The modest demand for raw cotton among European manufacturers of the seventeenth and eighteenth centuries, before the heyday of the new machines that would by 1780 revolutionize cotton manufacturing, was largely met through established and diversified trade channels, in which cotton remained one commodity among many. In 1753, twenty-six ships arrived in the port of Liverpool from Jamaica with cotton, of which twenty-four had less than fifty bags of the fiber on board.[21] There were neither merchants nor ports nor regions of the world that specialized in cotton production for export.

Since the twelfth century the most important source of cotton imports to Europe, as we have seen, was the Ottoman Empire, especially western Anatolia and Macedonia. Throughout the seventeenth century, cotton from Izmir and Thessaloniki (Ottoman Salonica) continued to dominate local markets, arriving in London and Marseille alongside other products of the East, such as silk and mohair yarn. As European demand for raw cotton slowly expanded in the eighteenth century, Ottoman cotton still filled a significant share: one-quarter of all British imports between 1700 and 1745, and a similar quantity shipped to Marseille.[22]

Small quantities of raw cotton also arrived from other regions of the world, such as the Indian cotton that found its way to London in the 1690s, courtesy of the East India Company. Similarly, in the 1720s, the Royal African Company reported selling "At Their House in Leaden-Hall-Street by the Candle, on Thursday the 12th Day of September 1723, at Ten of the Clock in the Forenoon . . . Cotton from Gambia." A year later, they offered "Casks of Fine Silk Cotton . . . from Whyday," and the subsequent year "Bags of Guinea Cotton." But such minor sales paled in comparison to these merchants' more important trade items like elephant tusks.[23]

More important, however, was a new source of cotton: the West Indies. ~~Though cotton remained a marginal crop compared to sugar on these islands, a number of small farmers, with fewer resources to invest~~ than the sugar lords, did grow the "white gold." The production of these *petits blancs*, as they were called on the French islands, remained rather static until 1760. Yet for the British and French cotton industries, even this small amount of West Indian cotton supplied a significant share of their needs. And more important, as we will see, its way of production pointed to the future.[24]

Before 1770, therefore, European merchants secured the valuable fiber through well-established trade networks from a wide variety of locations. With the exception of the West Indies, their influence did not go much beyond the port cities themselves, as they had neither the power to tinker with how cotton was cultivated in the hinterland nor the inclination to advance capital for additional cotton growing. Cotton came to them thanks to the prices they were willing to pay, but they had no influence on how the cotton came into being. Local growers and merchants remained powerful actors within this global raw cotton nexus, not least because they neither specialized in cotton production for export nor in northern European markets.[25]



Cotton imports into the UK, 1702–1780, by source, in millions of pounds, five-year trailing averages

. . .

As small quantities of raw cotton came to Europe to feed the expanding but in global terms still puny European cotton industry, demand for cotton cloth grew in Europe, as well as in Africa and on the slave plantations of the Americas. Yet European production was insufficient to meet it. In response, English, French, Dutch, Danish, and Portuguese traders, all with a similar feverish energy, tried to secure greater quantities of cotton textiles in India under ever more favorable conditions. While in 1614 British merchants had exported 12,500 untailored pieces of cotton cloth, between 1699 and 1701 that number spiked to 877,789 pieces annually. Exports of cloth by the British had increased by a factor of seventy in less than a hundred years.[26]

To obtain these fabulous quantities of textiles from India at favorable prices, representatives for the European East India companies began to insert themselves even more into the production process within India itself. For decades, representatives of the chartered European East India companies had complained about the ability of Indian weavers to sell their goods to competing European companies, competing Indian *banias*, traders from other regions of the world, or even to private European merchants who operated independently of the companies, creating competition that raised prices. Profitability could be increased only if Europeans could force weavers to work for their respective company

alone. Monopolizing the market became the way to drive down weavers' incomes and drive up the selling price of particular goods.[27]

European traders were helped in securing cotton cloth in the quantity and quality they needed, and at the price they desired, because their business practices were reinforced with political control of increasingly extensive Indian territories. They came not just as traders, but increasingly as rulers. By the 1730s, the Dhaka factory, for example, hosted a contingent of military personnel and arms to protect the company's interests. Most dramatically, by 1765 the British East India Company—a group of merchants—ruled Bengal, and in the decades thereafter expanded its control over other South Asian territories. Such territorial dreams were furthered by British merchants' increasing investment in the raw cotton trade between India and China by the late eighteenth century, which made them hope for the integration of western Indian cotton tracts into East India Company territories as well. This assertion of private political power by a state-chartered company over distant territories was a revolutionary reconceptualization of economic might. States shared sovereignty over territory and people with private entrepreneurs.[28]

Among many other things, this new combination of economic and political power enabled European merchants to gain greater control over textile manufacturing, especially by increasing control over weavers.[29] Along the Coromandel coast the influential Indian merchants who acted as brokers between Indian weavers and European exporters increasingly were replaced by agents who were under much greater control of the European companies already in the seventeenth century. In Surat, which, like Bengal, would fall under company rule in 1765, the Board of Trade of the governor-general expressed in 1795 its dissatisfaction with

> the system in practice hitherto of having a Contractor who has not himself any immediate connection with the manufacturers or weavers, but engages in subordinate contracts with a large number of the Native Merchants of little property or probity and though bound in responsibility, are not competent to pay a penalty if forfeited, and that in fact the goods never came into their possession, and apprehend that the difficulties now existing, will not be removed but with its abolition or very material alteration.[30]

Removing the Indian middlemen promised the foreign merchants better control over production and the ability to secure a greater quantity of piece goods. To that end, the East India Company tried to bypass the independent Indian *banias* who had historically connected them to the weavers by giving that responsibility to Indian "agents" whom they put on their own payroll. The Board of Trade in London instructed the governor-general in great detail how to recast the system of purchasing cotton cloth, hoping thereby to "recover to the Company that genuine knowledge of the business," and thus acquire more cloth at cheaper prices by implementing the "grand Fundamental principle of the Agency System." Through its Indian agents the company now made direct advances to weavers, something the British had not done in earlier years, which was greatly aided by territorial control and the attendant political authority. While weavers had always depended on credit, the novel insertion of Europeans into these credit networks along with the efforts of European merchants to monopolize economic control of particular parts of India made them ever more dependent on the company. Already by the middle of the eighteenth century, European companies sent these agents deep into the manufacturing centers in the countryside near Dhaka, agents who increasingly set the terms of production and thus succeeded in lowering prices. In the 1790s the East India Company even encouraged weavers to relocate to Bombay and produce cloth there—all with the goal of being able to supervise them better "without being extorted by the Servants of the Rajah of Travancore."[31]

The encroachment of British power on the subcontinent meant that weavers increasingly lost their ability to set prices for cloth. According to the historian Sinnappah Arasaratnam "they could not produce for any customer they chose; they had to accept part of their payment in cotton yarn; they were subject to a strict supervision of the process of manufacture by the Company's servants who were located in the village." Weavers were now often compelled to take advances from particular merchants. The ultimate aim, never fully realized, was to make weavers into wage workers—along the lines of what contemporary merchants succeeded in implementing in the English countryside itself.[32]

To further their goal, the company now also employed its coercive powers toward the weavers directly. The company hired large numbers of Indians to supervise and implement new rules and regulations, in effect bureaucratizing the cloth market. Extensive new regulations attached

weavers legally to the company, making them unable to sell their cloth on the open market. Company agents now inspected cloth on the loom, and endeavored to ensure that the cloth was, as promised, sold to the company. A new system of taxation penalized those weavers who produced for others.[33]

The company also increasingly resorted to violence, including corporal punishment. When a company agent complained that a weaver was working illegally for a private merchant, "the Company's Gumashta seized him and his son, flogged him severely, painted his face black and white, tied his hands behind his back and marched him through the town escorted by seapoys [*sic*] [Indian soldiers in the employ of the English], announcing 'any weaver found working for private merchants should receive similar punishment.' " Such policies produced their intended results: Indian weavers' income fell. In the late seventeenth century, up to one-third of the price of cloth might have gone to a weaver. By the late eighteenth century, according to historian Om Prakash, the producer's share had fallen to about 6 percent. As income and living standards declined, a lullaby sung by Saliya weavers spoke longingly of a mystical time when their looms contained a silver plank. By 1795, the company itself observed an "unprecedented mortality among the Weavers."[34]

Unsurprisingly, weavers resisted the coercive encroachment of European capital in the production process. Some packed up and moved away from territories controlled by Europeans. Others secretly produced for competitors, but the need to avoid detection made them vulnerable to pressures for lower prices. At times, groups of weavers collectively approached the East India Company to complain about the company's interference with free trade.[35]

Such resistance sometimes reduced the power of European capitalists. Thus despite its wish to eliminate Indian middlemen, the East India Company understood that "it is impossible to do without the subordinate Contractors," whose much denser social networks into weaving villages could never be completely replaced by company agents. The interests of independent European merchants also often worked against the company, as they offered weavers more money for cloth, thus giving weavers an incentive to undermine company policies.[36]

Despite such constraints, aggressive policies succeeded in getting ever more cotton cloth into the stores of European traders. European cloth exports from India amounted to an estimated 30 million yards in 1727, but increased to some 80 million yards annually by the 1790s. British merchants in particular, but also their French counterparts, controlled the acquisition and export of huge quantities of cottons woven for export: In 1776, the district of Dhaka alone counted roughly eighty thousand spinners and twenty-five thousand weavers, while in 1795 the East India Company estimated that the city of Surat alone contained over fifteen thousand looms. And there was pressure for more. A 1765 dispatch from the East India Company office in London to its counterparts in Bombay, reflecting on the possibilities of the peace following the Seven Years War, beautifully summarizes what was at the core of the revolutionary reconceptualization of the global economy.[37]

> Since the Peace the Slaving Trade to the Coast of Africa has greatly encreased, in course the Demand for Goods proper for that Market is very large; & as We are very desirous of contributing so far as lyes in Our Powers to the Encouragement of a Trade on which the well-being of the British plantations in the West Indies so much depends, & considering the same therefore in a National View, We expect & positively direct that you conform as near as possible can, not only to the Provision in general of the several Articles ordered in the abovementioned List of Investment [i.e., cloth], but those marked A which are more immediately for that Trade.[38]

As this message makes clear, cotton from India, slaves from Africa, and sugar from the Caribbean moved across the planet in a complex commercial dance. The huge demand for slaves in the Americas created pressure to secure more cotton cloth from India. Not surprisingly, Francis Baring of the East India Company concluded in 1793 that from Bengal an "astonishing Mass of Wealth has flowed . . . into the Lap of Great Britain."[39]

European merchants' increasing control over the production process in India would seem to threaten Europe's own not particularly important or dynamic infant cotton industry. How could the English, French, Dutch, and other producers possibly compete against India's fabrics, which were both superior in quality and cheaper? And yet it appears that the European industry expanded even as India exported more cloth. Ironically,

imports from India helped the European cotton textile industry by creating new markets for cotton fabrics and by continuing Europe's appropriation of relevant technologies from Asia. In the long run, moreover, imports from India influenced Europe's political priorities. As we will see, Great Britain, France, and others emerged as newly powerful states, with a vocal group of capitalists; for states and individuals alike, replacing Indian cotton cloth imports with domestically manufactured cloth became an important, albeit difficult-to-realize priority.

Protectionism played a key role in this process, testifying again to the enormous importance of the state to the "great divergence." By the late seventeenth century, with both cotton imports and domestic cotton manufacturing expanding, Europe's woolen and linen manufacturers pressured their respective governments to protect them from upstart cotton manufacturers in general and Indian imports in particular. Textiles were Europe's most important manufacturing industry: Dislocation of the sector by cotton imports and manufacturing seemed to endanger profits and threaten social stability.[40]

As early as 1621, only a little more than two decades after the creation of the East India Company, London wool merchants protested against the growing importation of cotton cloth. Two years later, in 1623, Parliament debated Indian textile imports, calling them "injurious to the national interests." Indeed, agitation against cotton imports became a constant feature of the English political landscape in the seventeenth and eighteenth centuries. A 1678 pamphlet, "The Ancient Trades Decayed and Repaired Again," warned that the woolen trade was "very much hindered by our own people, who do wear many foreign commodities instead of our own." In 1708, *Defoe's Review* printed a bitter editorial that looked "into the real Decay of our Manufactures," ascribing the decline to the import of ever increasing quantities of "Chints and painted Callicoes" by the East India Company. The result was that "the Bread taken out of [the people's] Mouths, and the East-India Trade carry away the whole Employment of their People." Usually it was woolen and linen manufacturers who agitated against Indian imports, but sometimes cotton manufacturers chimed in as well: In 1779, calico printers, fearful that the East India Company would ruin their business, wrote to the Treasury that "if there is not a Prohibition put to the East India Company's going on with their printing Manufactory in the East Indies a great many more must also leave off this Branch of Business."[41]

Such agitation led to protectionist measures. In 1685, England imposed a 10 percent duty on "all calicoes and other Indian linen and all wrought silks which are manufactures of India." In 1690, the tariff was doubled. In 1701, Parliament outlawed the import of printed cottons, leading to the importation of plain calicoes for further processing in England, giving a huge boost to British calico printing. A 1721 law went so far as to ban people from wearing printed calicoes if the white calicoes themselves originated from India, a measure that gave an impetus to calico fabrication in Britain. Selling Indian cottons was eventually criminalized altogether: In 1772 Robert Gardiner of London rented an apartment to one W. Blair, who "brought illegal goods into his house," namely Indian muslins. He was sent to jail. In 1774, Parliament decreed that cotton cloth for sale in England had to be made exclusively of cotton spun and woven in England. Only goods destined for reexport were permitted from the East Indies. The Indian cotton goods not subject to these bans, such as plain chintz and muslins, were subject to heavy tariffs. In the end, all of these protectionist measures did not help the domestic woolen and linen industry, but did spur domestic cotton manufacture.[42]

Like Britain, France took pains to outlaw the import of Indian cottons. In 1686, in response to pressure from silk and wool industrialists, it outlawed the manufacture, use, and sale of cottons. Over the next seventy years, no fewer than two royal edicts and eighty rulings of the king's council attempted to repress cottons. Penalties were made ever more severe, with imprisonment and, starting in 1726, even the death penalty awaiting offenders. In 1755, France again outlawed the import of Indian printed textiles for consumption in France, and in 1785 the king reconfirmed the prohibitions in order to protect a "national industry." Twenty thousand guards worked on enforcing these laws, sending as many as 50,000 violators to forced labor on French galleys. Explicitly excluded from the long list of prohibited Indian textiles, however, were those destined for Guinée, that is, textiles used in the slave trade. Slaves, after all, could only be gotten by exchanging them for the cottons from India.[43]

Other European countries followed suit: Venice disallowed the import of Indian cottons in 1700, as did Flanders. In Prussia, a 1721 edict of King Friedrich Wilhelm outlawed the wearing of printed or painted chintz and cottons. Spain outlawed the import of Indian textiles in 1717. And in the late eighteenth century, the Ottoman Empire under Sultan Abdulhamid I prohibited subjects from wearing certain Indian cloths.[44]

What began as a policy to protect domestic wool, linen, and silk makers evolved toward an explicit program of encouraging the domestic production of cotton textiles. "The prohibition that the industrial nations imposed on printed textiles in order to encourage their own national production," the French traveler François-Xavier Legoux de Flaix argued in 1807, provided European manufacturers who could not yet freely compete with Indian weavers with a sense of how promising the market for cottons would be. Domestic as well as export markets were potentially huge and extremely elastic. And just as protectionist measures limited access to European textile markets for Indian producers, European states and merchants increasingly dominated global networks that allowed them to capture markets for cotton textiles in other parts of the world. These markets, in fact, provided an outlet for cottons secured in India as well as for domestic producers. Thus Europeans could both increase cloth purchases in India *and* protect their own uncompetitive national industries—a miraculous feat possible only because war capitalism had allowed Europeans to dominate global cotton networks while at the same time constructing new kinds of ever more powerful states whose constant warfare demanded ever greater resources and thus embraced domestic industry.[45]

Imperial expansion and the increasing dominance of Europeans in the global cotton trade allowed, furthermore, for an increasing transfer of Asian knowledge to Europe. Manufacturers in Europe felt more and more pressure to appropriate these technologies in order to compete both on price and on quality with Indian producers. Europe's movement toward manufacturing cotton textiles was based, in fact, on what might be considered one of history's most dramatic instances of industrial espionage.

One reason that Indian textiles were so popular among European and African consumers was their superior design and brilliant colors. In order to match the fabulous qualities of their Indian competitors, European manufacturers, supported by their various national governments, collected and shared knowledge about Indian production techniques. French cotton manufacturers, for example, devoted great effort to copying Indian techniques by closely observing Indian ways of manufacturing. In 1678, Georges Roques, who worked for the French East India Company, wrote what quickly became an invaluable report on Indian woodblock printing techniques, based on his observations in Ahmedabad. Forty years later, in 1718, Le Père Turpin followed suit, and in 1731 Georges de Beaulieu, the second lieutenant on a French East India

Company ship, reached Pondicherry to investigate how Indian artisans produced chintz. As a result of these and other efforts, by 1743 French manufacturers were capable of copying all but the very finest Indian textiles. Yet despite this rapid appropriation of Indian techniques, even in the late eighteenth century cloth from the subcontinent still defined quality. Legoux de Flaix admired in 1807 the qualities of Indian yarn and cloth ("a degree of perfection far beyond what we are familiar with in Europe") and once again reported in minute detail on Indian manufacturing techniques, in the hopes of enabling French artisans to copy them: "All the weaving combs in France should be made according to the model used in Bengal," he advised, among other things. "Then we will succeed in equaling the Indians in the manufacture of their muslin."[46]

Other European manufacturers followed suit. In the late eighteenth century, Danish travelers ventured to India to understand and appropriate Indian technology. And throughout the seventeenth and eighteenth centuries, English cotton printers collected and then copied Indian designs using Indian cotton printing expertise. Publications such as the "Account of the Manufactures carried on at Bangalore, and the Processes employed by the Natives in Dyeing Silk and Cotton," or the similarly oriented "The Genuine Oriental Process for giving to Cotton Yarn, or Stuffs, the fast or ingrained Colour, known by the Name of Turkey or Adrianople-Red," exemplified a persistent interest in technology transfer. Just as was the case with the spinning wheel and the horizontal treadle loom in the centuries prior, Asia from the sixteenth through the eighteenth century remained the most important source of cotton manufacturing and, especially, printing technology. As European domination of the global networks of cotton quickened, so too did the pace of European assimilation of Indian technology.[47]

Replacing Indian cotton cloth with domestic production, both for export markets and for local consumption, became a goal to aspire to. Glasgow cotton manufacturers pressured the government to help them gain access to export markets in 1780, since there was "a surplus of Goods which the Home Consumption cannot exhaust: and therefore a foreign Sale to a much greater extent becomes indispensably necessary, in order to occupy the Machinery (which must otherwise be lost) and also to keep alive the Industry of the People, who have been trained to this business."[48] Imperial expansion, moreover, had acquainted European, and especially British, merchants with global cotton markets. By 1770, it had

become clear that markets for cotton textiles in Europe, but even more so in Africa, the Americas, and, of course, Asia, were huge—and the opportunities for profit to anyone able to produce for these markets on a competitive basis virtually limitless. Knowledge of the elasticity and profitability of these markets derived directly from merchants' experience in the world's long-distance cotton trade networks.[49]

Indeed, export markets eventually became central to Europe's cotton textile manufacturers—markets that had been captured, at first, through the export of fabrics from India. "It is of very great importance to our Investment," the London Commercial Department wrote to its counterparts in Bombay, "that we should be enabled to bring regularly to Sale a considerable amount of Surat Goods for the supply of the African Trade in particular." West Africans turned into principal customers for cotton cloth secured by the French from Pondicherry not least because imports into France itself were illegal. As Legoux de Flaix observed in the late eighteenth century, "It was the establishment of colonies [in the West Indies] and the slave trade which gave birth to this branch of commerce with Indoustan. . . . But if the colonies of the Antilles cease to buy slaves, one can say without doubt, that this article will decline more and more."[50]

English manufacturers and merchants had relied early on exports of domestic and Indian fabrics to Africa. This reliance on overseas markets became pronounced after 1750. As historian Joseph E. Inikori has shown, in 1760, Britain exported about one-third of its cotton cloth production. By the end of the eighteenth century the share going abroad had expanded to about two-thirds. Africa and the Americas were the most important markets. By mid-century, 94 percent of all cotton cloth exports from Britain went there. The sheer scale of this market meant that those able to compete there could reap fortunes. Adam Smith saw this clearly when he wrote in 1776 that by "opening a new and inexhaustible market to all the commodities of Europe, it gave occasion to new divisions of labour and improvements of art, which, in the narrow circle of the ancient commerce, could never have taken place for want of a market to take off the greater part of their produce."[51]

Africans' appreciation for these cottons was grounded in their own cotton industry and their much earlier exposure to Indian textiles. European slave merchants at first struggled to deliver exactly the type of cloth for which African demand already existed, especially indigo blue and white cottons. Around 1730 the East India Company remarked that a shortage of Indian cottons had "put people upon making goods in imitation of them here" in England—and European traders even exported cloth under their Indian names, because Africans usually preferred cloth "made in India." In a memorandum for the Board of Trade, Elias Barnes hoped that British weavers could successfully copy Indian cottons. The potential market for such cloth, he believed, was immense: "Besides what is consumed in our Own Dominions, the whole World will be our customer." As late as 1791 the Commercial Department of the East India Company urged Bombay to regularly ship cottons to England "for the supply of the African trade in particular."[52]

Imperial expansion, slavery, and land expropriations—war capitalism—laid the foundations for the still small and technologically backward domestic cotton industry in Europe. It provided dynamic markets and access to technology and to essential raw materials. It also became a significant engine of capital formation. Mercantile cities such as Liverpool, which derived their wealth largely from slavery, became important sources of capital for the emerging cotton industry, and cotton merchants in Liverpool provided ever more credit to manufacturers to enable them to work up the cotton. London merchants, in turn, who sold the yarn and cloth coming from British producers advanced credit to Lancashire manufacturers. In fact, they provided the very important and very significant working capital, as profits from trade were redirected toward manufacturing, "a flow of capital inwards from commerce." Moreover, as these merchants gained wealth in long-distance trade, they could demand political protections from a government increasingly dependent on extracting revenue from them.[53]

Last but not least, war capitalism also nourished the emerging secondary sectors of the economy such as insurance, finance, and shipping, sectors that would become exceedingly important to the emergence of the British cotton industry, but also public institutions such as government credit, money itself, and national defense. These institutions originated in the world of war capitalism "as advanced industrial techniques and commercial practices" migrated from export businesses into the domestic economy.[54]

European—and especially British—merchants, with the willing partnership of the British state, had inserted themselves in unique ways into

the global networks of cotton production, between growers and spinners, between spinners and weavers, between producers and consumers. Long before the advent of new cotton-producing technologies, they had in fact already rearranged the global cotton industry and global cotton networks. These networks were dominated by the joint venture of private capital and increasingly robust states. Together their commitment to armed trade, industrial espionage, prohibitions, restrictive trade regulations, domination of territories, capturing of labor, removal of indigenous inhabitants, and the state-sponsored creation of territories that were then left to the far-reaching domination of capitalists had created a new economic order.[55]

From these abundant exertions by merchants, manufacturers, and government bureaucrats alike, Europe by the eighteenth century enjoyed a fundamentally new place in the global networks of cotton. Most of the world's cotton production was still located in Asia, and vibrant cotton industries remained throughout Africa and the Americas, but Europeans now decisively dominated its transoceanic trade. In the New World, they had built a regime for the production of agricultural commodities based on slave labor, a system of production that would ultimately make more and more Europeans into cotton growers, even though little cotton grew on European soil. Strong European states had simultaneously created barriers to the import of foreign textiles just as they built a system for the appropriation of foreign technology. By orchestrating economic processes in Asia, Africa, and the Americas as well as in Europe, Europeans gained the paradoxical ability to direct the global trade in Indian textiles while at the same time keeping Asian cloth increasingly out of Europe, instead trading the products in Africa and elsewhere beyond Europe's shores. A globalized textile industry had emerged and Europeans, for the first time, had grasped the vast scope of the global demand for cotton goods.

What set European statesmen and capitalists apart from their counterparts elsewhere was their ability to dominate these global networks. Whereas trade in Africa, Asia, and the Americas had been characterized by networks fueled by the mutually advantageous exchange of goods, Europeans built transcontinental production systems that exploded existing social relations on their continent and elsewhere. The significance of this early history of global interaction was not global trade as such (which remained of limited quantitative importance to all economies), but instead the reshaping of how things were produced, both in time and in space, and the social and political ramifications of that production.[56] India and China, or, for that matter, the Aztec and Inca empires, had not even come close to such global dominance, and even less so to reinventing how people produced things in the far-flung corners of the globe. And yet starting in the sixteenth century, armed European capitalists and capital-rich European states reorganized the world's cotton industry. It was this early embrace of war capitalism that was the precondition for the Industrial Revolution that eventually created an enormous further push toward global economic integration and continues to shape and reshape our world today.

What happened was a swift transition from the older world of cotton—discontinuous, multifocal, horizontal—to an integrated, centralized, and hierarchical empire of cotton. As late as the mid-eighteenth century, it would have seemed unlikely to contemporary observers that Europe, and especially Britain, would very soon turn into the world's most important cotton manufacturer. Indeed, even in 1860, James A. Mann, a fellow at the Statistical Society of London and a Member of the Royal Asiatic Society, could still remember:

> Our own condition, at a period very recent, would but ill-compare with the then inhabitants of the New World or of India; our moral condition with all the advantages of climate, was absolutely below the latter, and the position of the manufacturing art in America, at the date of its discovery, or in India, surpassed even that of our woolen manufacture; and to this day, with all our appliances, we cannot surpass in fineness the muslins of the East, or the solidity and elegance of the *Hamaca's*, the Brazilians and Carribees were wont to weave. When our people were in primeval darkness, East and West were in comparative light.
>
> India . . . is the source whence we received indirectly our ideas of trade; it was the manufactures of that country, as of China, that inspired the minds of our forefathers with the wish for luxuries according to the received notions of the times. The period in which the manufacture was carried on in India, formed comparatively speaking, the dawning of our day; the sun was then traveling from another and past era in the world's commerce. The Indian manufacture was the forecast of that light, which, intensifying on its road hither, gained the needful warmth to dispel the early mists of morn, and develop the embryo state; and strengthened by the energy of the European, it has given rise to a new era of commercial splendour never before witnessed.[57]

As the sun was made to rise over a small part of Europe, as enterprising Europeans sucked the discontinuous, multifocal, and horizontal worlds of cotton slowly into their orbit, they invented tools and methods that enabled them to mobilize land, labor, and markets in the service of a newly and boldly imagined empire. By creating this vast sphere of war capitalism that followed rules so different from the ones in Europe itself, they created not just the conditions for the "great divergence" and the Industrial Revolution but also for a further strengthening of states at home that would in turn become crucial to the creation of the empire of cotton. By 1780, Europe in general, and Britain in particular, had become a hub of the world's cotton networks.