



# King Cotton does not live here any more

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In 1860 Manchester was the most industrialised city in the world. In the previous eighty years cotton merchants and manufacturers had transformed the surrounding countryside into a global web of agriculture, commerce and industrial production. The merchants brought raw cotton from round the world and took it to the local factories which operated two-thirds of the world's spindles. Armies of workers spun that cotton into thread which was then woven into finished fabrics that went on to be sold at great profit on the world's markets. As an illustration, the thirty-ninth Annual Report of the Manchester Chamber of Commerce for 1859 refers to amazing increases in output and

general profits for businesses, probably unequalled in any previous time. In Manchester, "cotton was king" because the city sat at the hub of a world-spanning empire employing tens of thousands of workers operating huge numbers of power-driven spinning and weaving machines. The slave plantations of the Americas were the major source of the raw material demanded by the hungry factories and the finished goods were sold in the world markets that spread out to the four corners of the globe.

So in 1860 Manchester and its region were at the centre of history's first globally integrated cotton manufacturing complex, generating considerable wealth. Figure 1 shows the major cotton textile towns and the areas of specialisation at the end of the nineteenth century.

Unfortunately, this complex was controlled by global market-forces not the members of the Manchester Chamber of Commerce, and gradually as conditions inevitably changed over time, "king cotton" moved on.

However, there are still remnants of the period of affluence visible today in the grandiose architecture of nineteenth century municipal buildings and the remnants of the houses and estates of those mill owners who made huge fortunes during the period of financial success during the early to mid-nineteenth century.

If you want to get a taste of how things were during the time when "cotton was king" in North West England you will need to follow the heritage and industrial archaeology route. For example contact the National Trust to find out the times and dates of displays of working textile machinery at Quarry Bank Mill Styal, south Manchester. Here you can experience the sights

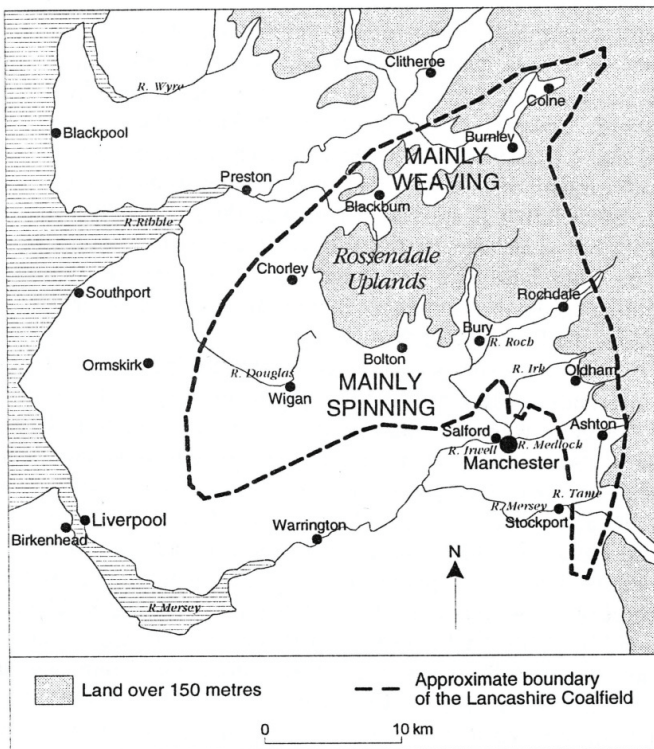


Figure 1: The Lancashire textile area at the end of the nineteenth century (adapted from Wadsworth and Mann, 1931).

and sounds of spinning, weaving and textile production machinery and also get a sense of the working and living conditions of both the mill workers the employers. There are also many other excellent displays of manufacturing and industrial machinery from the dominant times of textile manufacturing in the region in museums, heritage centres and information points. As you travel round the region keep an eye out for former robust textile manufacturing premises now used for different purposes, ranging from those former weaver's cottages that provide domestic accommodation today, to former textile mills now housing non-textile industries, as well as others being transformed into offices, hotels, museums and up-market flats.

If you make a web-search for textile manufacturing in Greater Manchester to check on the state of textile manufacturing in the area today you will come up with a relatively short list. This list only becomes longer if you search for the import and manufacturing of clothing. However, the days of mass manufacturing have long since passed. Some of the manufacturing companies listed in 2015 have less than ten employees. The firms that do exist tend to manufacture goods using specialised textiles for specific purposes rather than mass producing fabrics from the raw materials. In Radcliffe for example, there is a company that manufactures tarpaulins, tents, boxing ring canvasses and cricket pitch covers as well as fibre fillings for furniture covers and bedding. In Droylsden, another example, a company uses textiles that are used in the manufacture of webbing for use as slings and harnesses in life jackets safety harnesses and commercial vehicle straps. Textile companies elsewhere in the area also import fabrics to manufacture into furnishings such as curtains, upholstery, duvet covers, as well as clothing and work-wear. Local companies also act as wholesalers and distributors of imported goods manufactured from textiles made overseas, such as clothing, knit-ware and bags

So the key question is why did "king cotton" desert us, leaving behind just vestiges of that

industry where we once dominated the world? Analysts have suggested a number of explanations which concentrate on market competition. It has been argued that it was inevitable, because if a process generates huge wealth then competitors from round the globe will want to try to seize a share of that success for themselves. Competitors saw how the area evolved new ways of organising production, trade and consumption with entrepreneurs at the core. New overseas entrepreneurs learnt from what they saw of the world's first global economy centred in Manchester and acted accordingly.

The early industrialists of our area, such as Samuel Greg and his family at Styal, were themselves successful competitors on the world stage. They saw the textile products of the domestic scale spinners and weavers of India for example and realised that by deploying capital, labour, local textile manufacturing expertise and new technology, they could produce the goods demanded by the world's markets at prices that undercut the Indian producers. Success in Lancashire's industry led to famine and starvation in parts of the Indian sub-continent, in for example Bengal, where indigenous hand-weavers were forced back into subsistence agriculture.

When Manchester was at the centre of the world's first industrialisation process, visitors came from all over the globe. Frequently the city was host to businessmen from many different countries. As well as trading and dealing in raw materials and finished goods, these visitors were absorbing ideas to take back to their own countries. Lancashire's manufacturers recognised that part of their industrial strength rested on the innovative technological developments made here in the field of textile machinery. Consequently between 1786 and 1843 it was illegal to export either the machines or their blueprints. Over time these regulations became impossible to enforce effectively. There was industrial espionage, competitors sent over their skilled engineers to observe the machines working and then return home to duplicate what they saw, some looked

and then made models of what they observed on their visits and other competitors “head-hunted” the engineers of the local companies and then employed them to modernise the machinery in their overseas mills. Estimates suggest that over 2000 skilled workers were tempted to move and work in Europe in the second part of the nineteenth century. In addition, articles in journals, newspapers and learned papers helped spread the new ideas to the rest of the world. Despite all the very best efforts of the local firms to protect their industrial secrets, in practice they would be lucky to preserve a specific technical advantage for a maximum of ten years. Once reality was reluctantly accepted and the legal restrictions on machinery export were lifted, the beneficiaries were local engineering companies who could obtain lucrative contracts to manufacture new machines for the expanding export market provide by competitors. At this point local cotton manufacturers could be accused of letting the competition steal a march on them by showing reluctance to match the competitors by themselves re-investing in the latest technology. New machines would have made possible higher local productivity, lowered production cost and enabled more competitive pricing. Were the locals guilty of complacency in the face of competition or were they anticipating the inevitable changes that lay ahead?

As well as subterfuge, local manufacturers were also disadvantaged by state subsidies provided by competitor countries. Some examples of this were Denmark, Mexico and the USA. In addition, local producers often found themselves facing restrictions placed on the goods coming out of Lancashire’s mills. For example, because of hostilities, between 1806 and 1814 the French had a blockade on trade with Britain. This protectionism was designed to protect the industries and jobs in France at the expense of the enemy. In a global market it is almost impossible to prevent individual countries imposing regulations that favour their own industries and citizens. The only possible response is to impose your own tariffs

and restrictions and this goes against the ideas of free trade so strongly advocated by writers such as Edward Baines in 1835 and strongly supported by the Manchester Chamber of Commerce.

Another factor that influenced the patterns of competition was the American Civil War that started in 1861. This war caused upheaval in the world’s cotton textile industries by disrupting the supply of raw cotton to the manufacturers and the period was referred to as the “cotton famine”. Manufacturers became desperate for raw cotton to feed their voracious mills and as a result entrepreneurs started to look to elsewhere for new sources of supply. Thus the shortages of the “famine” triggered off the entry of fresh competitors into the cotton industry in different parts of the world. New cotton fields were developed in areas that were climatically and edaphically suitable but had not grown cotton commercially before. Capital was invested to set up the cotton fields and build railways to get the raw cotton to the coasts for shipment. This infrastructure led to further investment in manufacturing plant so that the new areas could produce and export both raw cotton and manufactured textiles. This was seen particularly in India where the advantages of having the raw materials and the manufacturing plant close together allowed Indian textiles to start to outcompete those produced in Lancashire. By the mid 1860’s India was providing 75% of Britain’s raw cotton and in 1861 steam powered machines with a team of British mechanics arrived in Gujerat in India and by 1865 the area was one of the world’s prime cotton textile producing areas. By 1918 there were more than 50 mills in the town of Ahmedabad in Gujerat. Towards the end of the nineteenth century textiles produced and exported from India were starting to take a significant share of the European markets. India’s cotton industry also became a pawn in the struggle for independence from British rule in the 1940’s, with boycotts on imports of Lancashire-made textiles being used as a weapon against the “motherland”. That led to the closure of a number of mills in Lancashire.

Competition was also increased from those parts of the world where political changes took place resulting in an expansion of existing cotton industries and the development of new ones. Russia for example gained control of territories in the Tashket area which were suitable for development as a cotton growing and cotton manufacturing region. The Russian state backed the expansion of the industry in the early 1920's. Cotton cultivation and textile manufacturing also expanded in the Ottoman Empire, Egypt, Brazil, Peru, and Argentina during this period.

Additional competition also emerged in the far-east where Japan became a major player in the world textile markets as a result of geopolitical developments in China and Korea. Raw cotton for Japan's mills in Osaka was produced in both Korea and China. This trade rapidly expanded from the end of the nineteenth century into the 1920's and by 1937 Japan had 32% of the world's spindles and was a large investor in raw cotton production in China. In Japan a strong state helped the cotton industry by negotiating low tariff barriers to favour the industry despite objections from Lancashire.

One area of key significance in cotton textile manufacturing is labour costs. At its peak in the early nineteenth century Lancashire had about 600,000 workers labouring in its mills. Accounts of the working conditions in some of the worst mills are by today's values horrific. Children employed because they were very cheap and small enough to be able to scuttle underneath and between the moving machinery, women employed because they could be paid less than men. The noise in the working mills was appalling, the machines were dangerous to operate, the air was full of dust and fibre particles, the mills could be stifling in summer and freezing in winter, hours were long, discipline was strict and the sanitary conditions were often minimal at best.

As a result of philanthropic campaigning and public pressure, legislation was gradually introduced in the United Kingdom to establish minimum standards for workers in factories.

Trade unions started to emerge in the nineteenth century they started to argue for better pay and conditions and gradually the lot of the mill worker became less awful.

However, there were knock on effects. Competitors overseas were not saddled with the inevitable increased labour costs that were experienced in Lancashire. When mill owners in Lancashire had to provide better wages and working conditions in their mills, competitors in India's state of Gujerat did not. This placed a further burden on the shoulders of our local manufacturers despite an Indian Factory Act that was introduced in 1891, at the instigation of Lancashire manufacturers, trying to exploit Empire connections to make competition a little fairer.

In Japan labour costs at the start of the twentieth century were even lower than in India and about one eighth those in Lancashire. Japanese workers worked two twelve hour shifts per day and were housed in dormitories located at the mill. Most of the workers were young women who worked in the mills before marriage. Japan's government tended to protect the mill owner rather than the workers by postponing labour legislation. In 1933 Japan exported more cotton cloth than Great Britain, France and Germany together and by 1937 had captured 37% of the globally traded cotton cloth market.

China's cotton industry also had cheap labour, low wages, long hours, no child labour restrictions, large use of women workers and by 1937 was self-sufficient in cotton textiles. Shanghai was dubbed the Manchester of China.

So in terms of labour costs Lancashire was unable to compete. Most of its mills were only working a single 14 hour shift compared with Japan's two 12 hour shifts and the workers in Lancashire were also receiving higher wages operating machinery that was not at the cutting edge of technology. On top of this many competitors had favourable state support backed up by robust tariff barriers. Some analysts have suggested that in this situation the sensible course of action would have been to stop competing

with the new global producers and develop a new specialisation based on textiles, for example synthetic fabrics or specialised high quality fabrics developed specifically for the top end of the fashion industry. Attempts to open up new sectors of the market and become leaders in a new field did not happen to any significant extent and the process of decline continued.

By the 1930's it had become clear that the local cotton textile industry's lack of competitive success in the world market was causing severe financial and employment problems. The government acknowledged that drastic measures were needed. The 1936 and 1939 Cotton Industry (Reorganisation) Acts were passed. They achieved very little and after the Second World War the British cotton industry was in such a depressed state that further government intervention was needed. In 1958 the Manchester Chamber of Commerce, ironically long a champion of free trade, declared that the British cotton industry required protection. The following year the 1959 Cotton Industry Act was passed and its objective was to prevent further decline. The Act provided grants, managed by the Cotton Board, for the purchase of new equipment. The scheme did not achieve its intended goal; it became an unintended but obvious expression of defeat. The aim of the Act was to provide grants to enable firms to scrap pieces of antiquated machinery and replace them with the most up-to-date equipment available. There were some instances where grants were taken to scrap machines and then the money was used not to purchase a new piece of equipment but to close down the individual company. These actions suggest that most mill owners recognised that it was impossible to compete successfully in the new markets. By the early 1960's Lancashire and the rest of Europe's domination of the empire of cotton was over.

The changes over the last 150 years have seen the rise of globalisation from its first beginnings in Lancashire's cotton industry to the new situation today where capitalists have the ability to utilise the benefits of individual states to generate profit

whilst remaining free of these states and their regulations. If for example wage rates go up in one country the capitalist simply shifts operations to another state where wage costs are lower. National legislation and regulations can be used or avoided as best suits the holder of capital. In the modern globalised system the hands of individual governments are weakened and nowadays states often go to great lengths with elaborate incentive schemes to try and attract capital investment within their frontiers.

Since the start of the industrial revolution there have been fundamental shifts in in the location of the cotton textile industry. The industry has clearly displayed the constantly shifting structure of capitalism. What these movements prove is that there are not a set of characteristics that fix the activity of cotton textile manufacturing in a particular location, as forces change, so does the geographical location. So if you want to answer the question "why does" King Cotton" not live here anymore" you could use the oft quoted cliché attributed to a now deceased Prime Minister, "...its events dear boy, events"

If you want to look much deeper into the cotton textile industry you should consult Sven Beckert's 2014 book, "Empire of Cotton", there you will find over 130 pages of references to support his own 450 pages of text. The author puts together in a clear and easy to read format a global overview of cotton manufacturing from its earliest days up to the present.

However, Manchester has not become a neglected and crumbling backwater since "King Cotton" and his court departed. Far from it, the city has moved on and successfully risen to the many new challenges. Where manufacturing has declined there have been great expansions in the service industries. The combined numbers of students in the three universities make the city the largest centre of higher education in Western Europe. The cultural life of the city is healthy and active with live theatre, music, festivals, conferences and exhibitions in both Manchester and Salford. There are new galleries, a refurbished

and improved public library has opened and old industrial sites such as Manchester Docks have been redeveloped and put to imaginative and productive use. Sporting venues have been expanded in the face of local success, the city's Metrolink system is spreading, the airport is one of the major hubs in the country and there are promises of high-speed rail links in the foreseeable future. Successful service sector business activity is also very evident from the masses of steel and plate glass that have mushroomed up in the city and its region. Central government is discussing possibilities of much greater financial autonomy for Greater Manchester under the control of an

elected mayor and journalists are using phrases such as "devo-Manc." when discussing possible devolution of authority to the area. Clearly, the city and its region are alive and well and responding successfully to the global challenges of the twenty first century. Manchester does not do giving up and sitting on its laurels, nor does it moan; it boldly faces up to realities and then gets things done. So, are we just possibly seeing a repeat of our history when in the late 1840's Robert Peel is reputed to have declared that "what Manchester thinks today the world thinks tomorrow"?