

Shireen Hasan Osmany

JUTE EXPORT FROM EAST BENGAL : A HISTORICAL OVERVIEW

A simple definition of the hinterland of a port, given by B. Nagorshi is, "the area which is using the port for its overseas trade"¹. Unfortunately till the beginning of the twentieth century, there is little or no statistical evidence on which to define the hinterland of Chittagong, the main port of Eastern Bengal. It was only after the creation of the province of Eastern Bengal and Assam that a tolerably effective record was made of the total trade of the port. Before the opening of the Assam Bengal Railway, the trade from Chittagong into the interior was practically limited to coastal shipping which linked the port with the vast river network of Bengal.

Prior to August 1901, there was an inland traffic registration office under the supervision of the Customs Office at Chittagong at which the traffic entering or leaving the port by country boat used to be registered.² But as the Government of Bengal recognised, this provided a very inadequate gauge of the total trade: "The registration work now done at the Buxi's Hat station consists of only those goods

1. *Report on the River Borne Traffic of the Lower Province of Bengal on the Inland Trade of Calcutta and on the Trade of Chittagong and the Orissa Ports, 1889-90*, p. 130. Henceforth, *River Borne Traffic*.
2. Director of Land Records and Agriculture E.B.A. to Comms. Chitt. Port Trust, 19 July 1906, *Government Of Bengal, Financial Department (Commercial)*, 1914 February 2-9, K.W. proc. Henceforth, *Beng. Fin. Dept. (Com)*

Shireen Hasan Osmany, Ph. D., is Associate Professor of History, University of Dhaka.

that are landed at the Chaktai Khal which is the sole approach to the office from the river. Most of the country boats that carry on the inland trade of the district on that side discharge their cargoes below the Sadarghat Jetty where merchants buy up the large quantities of grain imported thus giving no opportunity to the inland registration clerk to deal with the vessels".³ What is more, the Director went on, "the figures which are supplied by the merchants to the registration office are, it is believed, totally untrustworthy and valueless. These vessels come from no declared port, and are, therefore, without Customs papers and are not obliged by any law to notify their arrival and departure to the Customs officer. A considerable quantity of trade in other articles also, it is alleged, escapes registration owing to the fact that the *khal* is now impassable at certain times. Moreover, a large portion of the trade has been diverted by the opening of a railway which carries the daily bazar articles from places lying adjacent to the line, besides a very large quantity of rice and paddy from the Noakhali district. There is reason to believe that not even 5 per cent of the traffic is registered at Buxi's Hat Office, and that the figures annually given by the office are quite unreliable and do not give the real value of the trade".⁴

So unreliable indeed were the statistics thus collected at the Buxi's Hat that on the recommendation of the Chittagong Port Officer and with the approval of the Government of Bengal the registration office was abolished from August 1901.⁵ Thereafter, there are no detailed Customs figures at all from which to trace the evolution of the trade of the port until 1909. Once the Assam Bengal Railway was completed in 1904 it is possible to use the figures in the Rail and River Borne Trade of Bengal, but only in respect of goods carried by rail. On the

3. Director of Land Records and Agriculture to Comm. Chitt. Port Trust, 19 June 1906 *Beng. Fin. Dept (Com) 1914*. Feb 2-9, K.W. proc.

4. *Ibid.*

5. Director of Land Records and Agriculture E.B.A. To Comms. Port of Chitt, 14 July 1906. *Beng. Fin Dept. (Com). 1914*. February 2-9. K.W. proc.

constitution of the province of Eastern Bengal and Assam, the Provincial Director of Land Records and Agriculture had suggested to the local Government that since the importance of the Port of Chittagong would increase every year, it might usefully be made for statistical purposes into a separate trade block, the trade entering in or leaving from it by all routes being recorded as in the case of the Calcutta block. This proposal was accepted by the Government in their reply of 29 March 1906, and a system was introduced for the registration of the trade of the Chittagong Port block by all routes from 1 February 1909.⁶ The figures, excluding those for road traffic the registration of which was subsequently abandoned, were published for the first time in Tables V1 and V11 of the rail and river borne trade of the province for 1909-10.⁷ It is within these limitations that an attempt has, to be made to trace the growth of jute trade in Eastern Bengal.

One marked feature of Chittagong's hinterland, which after the opening of the railway included most of East Bengal and Assam, was that it was also the hinterland of the port of Calcutta, so that over the years there was a constant tug of war between the two ports for the trade of the region. In some products Chittagong was able to secure a significant share of the trade, in others, however, it could make but little impact upon the established dominance of its great rival.

One, perhaps the major, item in the market economy of Eastern Bengal and Assam was the cultivation of jute. Jute had long been grown in the region and at least as early as the eighteenth century jute cloth had been the common wearing apparel of the people of North Bengal.⁸ Moreover, in 1906, of the total of 3,500,000 acres of jute

6. Abolition of the Chittagong Port block as a special separate lock, A Note by R.K.M and L.D'Santos, 5 November 1912; *Beng. Fin. Dept.(Com)*. 1914., February 2-9, K.W. proc.

7. *Ibid.*

8. *Report of the Bengal Jute Enquiry Committee—Majority Rent. Minority Reports*. 1934. henceforth, *B.J.E. Cttee* pp. 1-9.

growing land in Bengal, 2,700,000 were to be found in Eastern Bengal and Assam,⁹ mainly in the Dacca and Tippera [trade] blocks. Nevertheless, till very late, the flow of jute from this whole region was to Calcutta, not Chittagong.

One obvious reason for this was that Calcutta was not only a port equipped to handle exports by ocean-going vessels to Europe and America but was also a centre of jute manufacture. The first power-driven jute mill in Bengal was established at Serampore in 1855.¹⁰ With its establishment was hastened the total extinction of the indigenous handloom jute industry in Bengal the decadence of which had in fact started with the establishment of jute mills at Dundee in 1835.¹¹ After the establishment of the first mill in Bengal others followed rapidly until to quote Sir George Watt, "the banks of the Hughli literally teemed with their smoking chimneys."¹² The first Bengal mill had been opened in 1855.¹³ By 1891-92, there were twenty six mills, by 1901-02 thirty six and by 1911-12¹⁴ fifty nine. The rapid growth of the jute industry was the indirect result of the Crimean and the American Civil Wars. The former by shutting off Russian supplies of flax and the latter by depriving the manufacturers of cheap American cotton for bags, ensured the pre eminence of jute as the best and cheapest packing medium of the world.¹⁵ In the years

9. *Report of the Committee of the Bengal Chamber of Commerce* 1914, Appendices 187. Henceforth, B.C.C.
10. Sir George Watt, *The Commercial Products of India*, London, 1908, p. 423. Henceforth, G. Watt.
11. *B. J. E Cttee*, 1934, p. 75.
12. *G. Watt*. p. 423.
13. *Ibid.*, p. 423.
14. *Ibid.* See also *Statement Exhibiting the Moral and Material Progress and Condition of India, 1911-12. P.P. Accounts and Papers, 1913, XLVI, 823. White* 53. The figures for 1901 to 1912 are for the mills in the whole of India but as the M.M.P. stated, "Practically all the mills are in Bengal in the neighbourhood of Calcutta, in 1911-12, the mill outside Bengal were two in Madras". Henceforth, *M.M.P.*
15. *B.J.E.C. Cttee*, 1934, 1,76.

that followed the export of Indian jute products, mainly gunny bags going to Australia, the U.S., the U. K., and Chiles and gunny cloth going in large quantity mainly to the United States¹⁶ increased by leaps and bounds. Thus, from 1885 to 1895 exports of bags rose from 64 million yards to 168 million yards and exports of cloths from 7 million yards to 114 million yards, with "the United States being easily the best customer".¹⁷ By 1894 the jute mills in Bengal were so firmly established and they expanded their scale of operations to such an extent that they began to compete effectively with the Dundee mills in the markets of the United States.¹⁸ Table 1 shows the increase in the export of jute manufacturers from India to the United States.

Table 1 Imports of Jute Manufacturers into the United States (In Pound 000)

	1877	1907	1913
From the United Kingdom	1,641	1,785	1,525
From India	786	5,385	7,159

Source : Saul, p. 193.

And more significantly for Chittagong, by 1913 the exports of jute products had made such rapid progress that their exports were only a little lower in value than those of the raw materials.¹⁹ Since Chittagong was not able to participate in this industrial revolution, lacking the easy access to coal fields that Calcutta enjoyed, and lacking, too, entrepreneurs and capital to establish jute mills, she was forced to rely upon the raw jute trade, either with Europe or with Calcutta.

The first commercial consignments of raw jute from India to Europe commenced in 1828 though from 1795 onwards sample bales

16. S.B. Saul, *Studies in British Overseas Trade 1870-1914*. Liverpool, p. Henceforth, Saul. See also *M. M. P. 19110-12*, 279, G. Watt, p. 425.

17. Saul, p. 193.

18. *BJE. Cttee.* 1934. p. 178.

19. Saul, p. 192

from Calcutta had been forwarded to Dundee for experimental purposes.²⁰ Large scale consignment, however, began with the establishment of jute mills at Dundee in 1835.²¹ This was brought about as a result of the demand for cheap sacking and packing materials in the nineteenth century following the enhancement of manufacturing enterprise in Europe and the demand for foreign food supplies.²² The largest purchaser of raw jute from India was the United Kingdom followed by Germany and the United States.²³ Jute, as the cheapest fibre in the market, was at first used for the making of packing cloth, bags²⁴ and heavy carpet backing.²⁵ Later on it was used for making carpets and rugs.²⁶

Though the export of jute from India began in 1828 it was not until 1877-8 that export of jute from India began. In that year 130, 775 cwt of jute, valued at Rs. 7,12,000, were exported.²⁷ Over the next ten years, exportation of jute increased tremendously,²⁸ rising tenfold to 1,416,481 cwt. However, the exporters of jute realised that if a railway line was constructed joining the port of Chittagong with its hinterland, the export of jute from the port would increase still more dramatically. In 1889-90 the Commissioner of Chittagong Division

20. B. J. E. Cttee. 1934. p. 9.

21. *Ibid.* p. 75, see also G. watt, p. 423.

22. G. Watt. p. 411

23. *Imperial Institute- Indian Trade Enquiry Rept. on Jute and Silk 1918.* 3-4. See, also *Parliamentary Papers-Accounts and Papers XLVI*, p. 836. Henceforth, P. P. A. & P. *Statement Exhibiting the Moral and Material Progress of India 1911-12.* p, 192

24. *M.M.P. 1911-12*, p, 292. See also P. P. A. & P 1913, XLVI, p. 836.

25. *Saul*, p. 192.

26. *M. M. P. 1911-12*, p. 292. See also, P. P. A. & P. 1913, XLVI, p. 836.

27. *D. R. Lyall & A.P. Dowling.* Calcutta, 1888. Notes on the Port of Chittagong, its Trade and the Financial Prospects of a Railway to Chandpur Silchar, 10. Henceforth, *Lyall and Dowling.*

28. *River Borne Traffic 1889-90.* p. 129

voiced the opinion of many when he said, "the large figures would speedily be doubled if a railway were constructed. I do not use the word 'double' unadvisedly but deliberately and with the full conviction that I am not guilty of exaggeration".²⁹ The reason behind such conviction was that the port of Chittagong had certain definite advantages over the port of Calcutta, which given proper communication with its hinterland would naturally attract trade to it. These were the nearness of the port of Chittagong to the area of production and consumption as far as Eastern Bengal and Assam was concerned and the consequent savings in money and time which shipment through Chittagong would effect, and the low handling costs and port dues at Chittagong as compared with Calcutta.

Chittagong was much nearer than Calcutta to the jute growing areas of Eastern Bengal. From Narayanganj, one of the important collecting points for jute for the whole region, it was only half the distance to Chittagong, the combined distances to be carried by steamer and rail being 142 miles to Chittagong, but 262 to Calcutta.³⁰ To use Chittagong would also eliminate a great deal of handling, once a through railway had been constructed. Jute for Calcutta had either to be moved in slow flats by river, or from Narayanganj to Goalundo by water and thence, after transshipment, by rail. In Calcutta the jute was discharged into godowns, and moved thence by rail to the dock side, or by lighter to ship moored in mid-stream, both slow processes in a congested port before the long and tricky descent of the Hooghly to the open sea.³¹ Sent by way of Chittagong the jute would spend only a day between Narayanganj and Chandpur the river terminal for the Assam Bengal Railway³² and could then be moved by rail direct to loading sheds alongside the ships on the Karnaphuli. Once abroad

29. *River Borne Traffic 1889-90*, p. 130.

30. *Lyall & Dowling*, p. 19.

31. *Report on the Development of the Port of Chittagong by Sir George Buchanan, 1918*, p. 13.

32. *Ibid.*

there was only nine miles of reasonably easy navigation down river³³ as compared with the eighty two miles to be negotiated in the Hooghly.³⁴ And not only would time and labour spent on handling the jute be sharply reduced, there would also be far less risk of loss than was faced in the passage from Calcutta to the Sandheads. The Narayanganj-Chandpur crossing was perfectly safe,³⁵ and thereafter the jute would travel by rail to what effect an ocean rather than an inland terminal.

Not only would freight be moved more quickly if sent by way of Chittagong rather than Calcutta, there would also be a clear saving in freight charges. The rate of which it paid a railway to carry jute was fixed on state railways, at one-fourth of a pie per maund per mile. The rate for 112 miles between Chandpur and Chittagong would therefore have been 28 pies or 2 annas 4 pies per maund. To that had to be added steamer freight from Narayanganj to Chandpur which was estimated as being one third lower than the railway rates. "The freight for 30 miles would therefore " as Lyall and Dowling held" be 5 pies and the freight for the whole distance (i.e from Narayanganj to Chittagong) would be 2 annas 9 pies".³⁶ The rate between Narayanganj and Calcutta varied. The rates of 1887 published by the Eastern Bengal Railway on 28 June 1887 were 5 annas 3 pies per maund for baled jute, 7 annas for jute in drums, and in the same notification the manager undertook not to raise the rate for drums above 8 annas 3 pies per maund for the season.³⁷

33. *Lyall & Dowling*, p. 21.

34. *The Calcutta Port Trust-A Brief History of Fifty Years Work 1870-1920* p. 4

35. *River Borne Traffic 1886-87*, p. 116.

36. *Lyall and Dowling* p. 22. The actual rate charged for the whole distance in 1900 was 12 annas per bale of 400 lbs, or 2 annas 5 pies per maund. Of that the Steamer Companies took 4 annas for the 30 miles by water and the Railway 8 annas for the 112 miles by rail, the latter being subjected to the rebates given by the railway. See *Jute Traffic Agents Letters to the Board 1900*, AL/292.

37. *Lyall and Dowling*, p. 23.

This export, in 1877-78 almost the result of an accident, was brought about when the jute firm Messrs David and Company³⁸ was compelled by the high rates charged by the Eastern Bengal Railway on the route to Calcutta to ship their jute instead from Narayanganj to Chittagong for reshipment abroad. The venture proved so profitable that another jute firm, Messrs Ralli Brothers, followed suit and continued the practice all through the period under study.³⁹ Jute from the port of Chittagong was mainly sent to Britain but a small quantity was also sent to the United States. This exportation, in spite of the fact that jute products were one of India's major export,⁴⁰ was confined almost exclusively to raw jute. Explaining the situation the Director of Agriculture thus wrote, "There is... scarcely any production of gunny in this province, for there is no power loom and the weaving gunny on hand looms is an industry now almost defunct".⁴¹

Jute was grown in the main in three districts, Dacca, Mymensingh and Tippera, of which the principal centres were Narayanganj, Bhairab Bazar and Chandpur,⁴² respectively. At each of these, numerous jute bailing establishments were created, pressing the raw jute fibre either into the lightly pressed *cutcha* bales, of 3.5-4 maunds destined for the Calcutta mills or the *pucka* bales, more tightly pressed and weighing about 4 maunds, which were the standard unit of the export trade to Europe and to America. By 1910, for example, there were seven European and two Indian jute bailing firms at work at Chandpur.⁴³

38. M. J. Seth, *Armenians in India from the earliest times to the Present day* p. 575,

39. *Lyall & Dowling*, p. 20.

40. *Saul*, 192-3.

41. *Report on the Trade carried by Rail and River in the Province of Eastern Bengal and Assam, 1907-98*.

42. See, E.B.D.C. Dacca VIII, B.D.G. Mymensingh.

43. *River Borne Traffic 1891-92*, p. 66.

Originally, Chittagong participated in the export trade in jute by using country craft and coastal vessels to bring the baled jute by river to the port. In 1891-92 some 13,00,000 maunds were thus collected for export. With the opening of the Assam Bengal railways in 1904, however, this pattern largely changed, though in the absence of any registration of imports by river into the Chittagong block before 1909-10 it is not possible to quantify this. However, the figures for 1910-11, when the new pattern of registration of imports by all routes was in its second year and presumably reasonably effective, it is found that the movement, of jute to Chittagong by river, whether by steamer or country craft, was negligible,⁴⁴ consisting in effect of some thousand maunds from Tippera. By that date the movement of raw jute to Chittagong was mostly by rail.

But, the Assam Bengal Railway was unable in that period to establish an effective link with Narayanganj and the Dacca district, thanks to the opposition of the steamer companies and the lack of any bridge over the Meghna river. Most of the jute grown in the Dacca trade block (including Dacca and Mymensingh), which was linked by its own railway system with Calcutta, continued therefore to pass by rail or steamer service to Calcutta. In 1910-11 only 140,000 maunds reached Chittagong by all routes from Dacca,⁴⁵ while 33,80,000 maunds went to Calcutta.⁴⁶ Mymensingh-jute, concentrated at Bhairab Bazar, could also pass by steamer link to Narayanganj or by the Eastern Bengal State Railway and in the absence of any Assam Bengal Railway link, that too flowed to Calcutta, the figures for the district being merged with those for Dacca district in the overall statistics of the Dacca Block. It was, therefore, on the jute production of Tippera

44. See, table appended on 'Quantity (in mds) of articles imported into the Chittagong Trade Block by River, Rail and Sea (coasting and foreign) in 1910-11.

45. Rept. on the Trade carried by Rail and River in the Province of Eastern Bengal and Assam 1910-11. Tables V and VI.

46. *Ibid.* Table II, pp. 56-57.

that Chittagong could most readily draw, for though Chandpur was connected by daily steamer service with Narayanganj it was also the terminus of the Laksam-Chandpur branch of the Assam Bengal Railway from 1895 onwards. In 1906-07 of the total quantity of Jute brought down to Chittagong, some 2,182,000 maunds, no less than 1,575,000 maunds, were from the Tippera block.⁴⁷

It should also be noted that as Calcutta overhauled Dundee as the world centre of the jute industry, an increasing percentage of all the raw jute produced passed to Hoogly side. The exports of jute from Chittagong, though they may have grown quite markedly by 1912, were destined increasingly to go by coaster to by Calcutta rather than to Europe and the wider world—a shift actively encouraged, by the Assam Bengal Railway. Table 2 shows the fluctuations in the movement of jute from Chittagong to Calcutta, due mainly to the unsteady arrangement that existed between the Railway Company and the coastal steamer companies.

Table 2 Movement of Jute from Chittagong to Calcutta.

1902-2	1903-4	1904-5	1905-6	1906-7	1907-8	1908-9	1909-10	1910-11	1911-12
cwt	cwt	cwt	cwt	cwt	cwt	cwt	cwt	cwt	cwt
411	528	679, ⁴⁸	255.966	75,762	11,307	7	89	49,516	5.154 ⁴⁹

Thus, it is seen that though the export of jute from Eastern Bengal made a beginning during the period of our study it could not make an effective headway due to the want of a railway connection between its port and its jute growing areas. It could not also compete with Calcutta which was by then an established port of the region.

47. *Ibid.* Table V, 74.

48. *See Borne Trade E.B.A.* 1906-07 Table 9.

49. *See Borne Trade E.B. A.* 1911-12, Table 9, p. 53.