2. The Growth and Decline of Cottonopolis

Introduction

Just where is Cottonopolis? Manchester lays claim but many Lancashire towns may contend that cotton was dominant from Preston in the North-West to Oldham, Bolton, Blackburn north of Manchester, Burnley in East Lancashire, with nearby Nelson and Colne too, and the village of Styal south of Manchester. Each cottonopolis had its own identity. Nottingham and Paisley were producers also but not on the scale of Lancashire that was synonymous with cotton.

Textile manufacture began in 1363 with the arrival of Flemish weavers. In the Elizabethan era wool and linen production was prominent, followed by manufacture of fustians, a mix of linen and cotton. By 1664 the East India Company imported cotton on a vast scale. Cheap prints and calicos found a mass market even among poor people, threatening British products. A Calico Act was passed but repealed in 1774 with the invention of British machinery.

This was the antidote to imports with impressive production speeds and reduced prices, given greater efficiency. Cultivation expanded to West India but attempts to grow cotton in West Africa and the West Indies had limited success owing to poor soil and non-conducive climate. With high tariffs on Indian textile workshops, British oversight of the East India Company and restriction of imports, India gradually became the prime source of supply instead of a major manufacturer.

Manufacture of pure cottons transformed rapidly-growing Manchester and an arc of towns around. Cotton's versatility meant it could be combined with linen and made into velvet. Comfortable to wear, with elegant designs and cheap products, it was little wonder demand for cotton escalated. Run on domestic or outsourced lines, merchants 'put out' raw cotton to spinners, weavers, cutters and bleachers working from home. A wet, humid climate was ideal for spinning yarn, helped by ready access to the rivers and streams of South-East Lancashire.

Minerals provided soft water for the washing and bleaching of cotton. Coal, for firing steam engines, was easily accessible. So was salt for processing bleaches and dyes. The hub was Manchester, soon known as Cottonopolis, not only for cotton production but transport access and business acumen. Large and rapidly growing, Manchester was unhampered by guilds and trade restrictions and encouraged entrepreneurs. Liverpool, just over thirty miles away, was the main port for imported raw material and exports.

Technological advance enabled the factory system to take-off. Production soared. John Kay invented the Flying Shuttle in 1733, James Hargreaves the Spinning Jenny (1760 – 1790), Richard Arkwright, the Water Frame in 1771 and first steam powered mill in 1783 and Samuel Crompton, the Spinning Mule in 1799. Steam power provided a massive break-through in speed and therefore productivity, using an engine perfected by James Watt and Matthew Boulton. Surprisingly, these engines were introduced only slowly. Possible reasons might include, cost, upheaval in reconstructing factories and new-fangled ideas, untried and tested.

In 1793, in the USA, Eli Whitney invented the cotton gin, a mechanical device for removing seeds from the cotton crop, hitherto labour intensive. Volumes greatly increased and costs decreased. In that year, imports from the USA were nearly 500,000 lbs. A year later this rose to over 1.6 million lbs and nearly 18 million lbs by 1800. Liverpool , by now, had overtaken London as the major British port, helped immensely by connections with South Carolina and Georgia. The USA provided 44% of cotton raw material imports.

Access to Markets

Communication greatly improved with good turnpike roads and cheaper coal with the opening of the Bridgewater Canal in 1761. Soon this reached the Mersey, enabling access to the port of Liverpool. Cotton was imported at a rate of 1,000 tonnes a year, increasing to 45,000 tonnes by 1816. British cotton was popular in Europe, accounting for 40% of British exports between 1784 and 1786. Exports declined slightly towards the end of the century, before increasing to 42% in 1804-1806. The market expanded. Bolton, for example, had 650 cotton mills by 1811. Three decades later, 70% of all cotton workers in Britain were employed in 1,000 Lancashire mills, totalling 450,000 employees in 1861. This figure excluded ancillary trades. Cotton was king.

Opening of the Liverpool to Manchester Railway in 1830 (LMR), fuelled demand, helped by a halving of journey times and costs. By 1841 imported raw cotton rose to 205,000 tonnes, peaking in 1914 at around one billion tonnes. The character of Manchester was changing and by 1840 only 18% of the workforce was employed in cotton manufacture. Manchester, like Liverpool, became a commercial centre for the industry with its clearing house, banks with credit facilities, and massive warehouses for the staple of cotton.

Manchester housed the Royal Exchange, with thousands of traders meeting on Tuesdays and Fridays to transact business. Production now concentrated in nearby towns, with spinning in Bolton, Oldham and Stockport and weaving in Preston, Blackburn and Burnley. The trade in cotton comprised 50% of British exports in the 1830s, and 80% of global cotton piece goods by the 1880s.

Reliance on distant raw materials made trade vulnerable. The American Civil War from 1861-1865 illustrated this when supply from the Confederate States was blockaded by the Union North. Sourcing raw cotton from India and Egypt, and the growth of trade with the British Empire, maintained the industry until after World War 1.

Fees charged in the Port of Liverpool were regarded as excessive with merchants saying Hull was cheaper for imports and exports. A canal had been debated for two centuries and only in 1882 was the idea revived. Mancunian manufacturer, Daniel Adamson, with leaders from the business community, civil engineers and politicians submitted a Private Members' Bill.

Passed in 1885, it required share capital of £8 million, well exceeding the construction cost of £5 million. In 1891 the Company required bailing out by Manchester Corporation, having run out of money. The Canal finally opened for traffic on 1 January 1894 with the official opening on 21 May by Queen Victoria. The final cost was £15 million, three times the original quoted figure for a route of 36 miles, divided into eight sections.

Post World War 1, after a short boom, business declined as production rose in countries close to the originating raw material, with cheaper labour, and up-to-date methods. In retaliation, and to maintain trade, tariffs were raised on cotton imports with schemes to reduce excess production. It was too late. Reluctance to develop new and improved business practices was to blame, coupled with failure to invest in new techniques, especially USA ring-spinning.

Spindle Capital of the World

Oldham claimed the title. Its joint stock companies accounted for 12% of the world's cotton spinning capacity in 1890. William Mancroft founded Sun Mill, Oldham's first co-operative factory in 1862 with a self-help system, owing much to Samuel Smiles and John Bright's vision of 'Rochdale man.' A few miles north of Oldham the town of Rochdale was famed for founding the Co-op Movement in 1844. Mancroft introduced profit sharing in 1869, abandoned in 1875 in favour of paying a shareholder dividend. "Such shareholders dominated company meetings and their expertise often prevailed over the views of expendable and poorly rewarded boards of directors." Some company boards were simply removed as lacking in knowledge of buying raw materials, processing and selling manufactured goods." Factional block voting took hold with closed meetings and secrecy. About 70 new companies were formed in the early 1870s with middle class investors attracted, and operatives too.

A cotton slump, commencing in 1890, reached a peak in 1896. "The darkest hour precedes the dawn," wrote the Oldham Standard in 1892. They were proven correct. The economy did recover and the period to 1914 was one of relative prosperity. Buoyed by a boom in 1907, the peak year for British cotton was 1913, producing eight billion yards of cloth. Oldham's proud boast was it had more spindles than any town in the world. In that year more than 30,000 people were employed in Oldham's 320 mills, exceeding Blackburn and rivalling Burnley for output. The 16.7 million spindles spun more cotton than the factories of France or Germany combined. Oldham was Spindleopolis.

Leaping forward to 1935, Oldham had 13.5 million surplus spindles, of which 9.5 million were in the American section and 4 million in the Egyptian. Plant utilisation was 69%, just over two-thirds. By 1952, following a post-war boom, Lancashire mills were again faced with over-capacity. Typically, Lancashire directors sat on several boards. A significant minority held more than six board positions. The centralisation of directors' powers acted as a barrier to developing new managerial talent, fresh ideas and the impetus needed to modernise.

Famine to Feast & Fasting

The drastic reduction in exports from the Southern States in the American Civil War led to the Lancashire Cotton Famine. Prices more than quadrupled by July 1864 but abated slightly with peace rumoured. When peace was declared the price was still twice as high as before the war. Over 100 cotton firms in Liverpool went out business and two banks closed. Lancashire was unable to fully supply India which encouraged Indian mills to increase production. By 1866-1867, with a transatlantic telephone cable now reducing long distance communication times, John Rew set up a hedge-fund system and the Liverpool Futures Market. As a banker and broker he was well placed. A clearing house was set up by Joseph B. Morgan to avoid complicated contracts and eliminate unscrupulous delaying tactics by traders for payment.

The next step was the Liverpool Cotton Brokers' Association to combat obvious dangers of carrying around over £100,000 on a market day. The bank was a branch of the Bank of England and introduced a system of payment by cheque, not cash, with money paid out by credit vouchers. Eventually the bank and clearing house were amalgamated.

Merchants felt squeezed, claiming they were being charged twice but peace between brokers and merchants was restored with formation of the Liverpool Cotton Association in 1882. Soon a spot market system was introduced. Whilst massive stocks were built up, the danger was falling prices which is why hedge funds and spot markets were so important. In the 20 years to 1892, stocks increased over four-fold to in excess of 1.5 million bales. This in turn more than tripled to 5.2 million bales by 1912, a record never again beaten.

Now in peacetime, in late November 1918, the world had changed but sadly the British cotton industry had not. In the war years, India and Japan began to develop manufacturing plants using cheap labour. Effective management and efficient methods were lacking in Britain in the pursuit of greater capacity. Faced with a slump in demand there would be a rude awakening. All seemed well in 1919 with a surge in business demand. Closer examination revealed this was due to inevitable post-war shortages and a dis-equilibrium in world markets. Soon there would be a massive market correction.

As in Oldham, groups of mills were formed by those with means and "increasingly fell under the control of speculative entrepreneurs." These syndicates continued to use old networks and tried and trusted methods, distrusting the new American ring-spinners and automated weaving. The USA especially was well eager to exploit these technical advances. Lancashire needed to refinance to compete but the ownership structure of the cotton industry prevented this. Mindsets were closed to new thinking in a new age. The Liverpool Cotton Market saw imports reduce by almost half with a consequent knock-on to cotton producing towns. During the interwar years, over a third of a million left the industry in Britain and 800 mills closed.

The American market was decimated in 1921 with the Boll Weevil and the Wall Street Crash of 1929 had a devastating effect at the end of the decade. In 1931 Liverpool's imports were their lowest for 62 years. By 1933, Japan had introduced 24 hours production methods and became the world's largest cotton manufacturer, supplying China too.

The Depression Years in Blackburn

In 1860 Blackburn boomed. In that year 22 mills opened but this large cotton producing town in Lancashire was rocked by the American Civil War. Out of a population of 63,000, just over 40% (25,000) were employed in the cotton industry. From a family standpoint, factoring in ancillary trades also, such as engineering, shuttle and bobbin-making, this meant the whole town was hit hard financially. During the prosperous 1850s a family of eight might earn £5-£6 per week, but now all could be out of work.

A 'Relief Fund for the Distressed' was set up and soup kitchens provided. The workhouse had 408 inmates whilst 3,300 workers received outdoor relief. Unemployment rose to almost 12,000 in December 1863. Schemes were devised for useful occupation. Sewing classes for women and girls were popular and attendances exceeded 2,500. Catherine Gladstone, wife of William, set up a servants' class and industrial schools too, in collaboration with others, and the clergy started bible reading classes. Vocational and social occupation for the unemployed was a priority.

Whilst better times returned, Lancashire's cotton industry suffered from boom and bust. When doing well, a weaver was one of the best paid operatives in the North-West but the spectre of short-time and unemployment remained. A slump occurred in the late 1870s. Hours were reduced, pay was cut, workers laid off and some mills closed. In 1878 a pay cut of 10% was agreed regionally by the Cotton Masters Association. At first the strike was peaceful but the weeks passed with no resolution. Pub and police station windows were smashed in Darwen. Attention then turned to the mills in Blackburn. The chairman of the Association fled for his life, his house having been looted and burned down. Ringleaders were quickly arrested and the strike crumbled. Workers returned to the mills with a 10% pay cut.

In 1934 John Boynton Priestley, better know as J.B., toured England. His aim was to observe social life in villages, towns and cities visited. In Blackburn, JBP reflected on the state of the cotton industry. "The whole district had been tied to prosperity, to its very existence with threads of cotton; you could hear them snapping all the time." Priestley cited a mill costing a hundred thousand pounds twenty or so years ago, put up for sale. There was no reserve price, not even a bid. JBP heard countless tales of mills ceasing to exist. Loom manufacturers over decades had done a roaring trade, selling to all parts of the world. With mechanisation this meant fewer workers. Now there was international competition also for trade and cheap imports too. In Blackburn alone, 74 mills closed in the space of four years.

Priestley decided to visit Blackburn Technical College where "industrious, smiling young men, mostly Japanese, arrived from the East, anxious to learn all that Lancashire could teach them about calico manufacture. They sat through their courses, missing nothing, smiled at their instructors for the last time, and disappeared into the blue." Soon, yet another chunk was "snipped off Lancashire's trade." Japan now had both machinery and skills. Millions of dhotis were no longer produced for India who made their own and imposed their own heavy duties, followed by a ban on British goods.

World War 2 created a new demand with parachutes and light war uniforms for the far East. During the 1950s and 1960s many workers came from the Indian sub-continent in the wake of Partition, encouraged to look for work in Lancashire. Mill owners introduced a three shift system but gradually demand dwindled again.

By the early 1950's the writing was on the wall. Five mills closed in 1952 and the number of weavers fell by nearly 20% to just over 9,000. The Coronation Year 1953 saw a surge, not to be repeated. High volumes of cloth were imported, duty-free, and by 1955 Indian imports exceeded British exports to India. A dejected G.R. Bury, President of Blackburn Mill Managers Association, said at the annual dinner in November in that year, England was fast becoming a dumping ground for cheap subsidised textiles, produced by low-paid labour. It already had!

The decline continued through the 1950s with 20 of Blackburn's 50 working mills closed with the loss of 2,500 jobs. "Blackburn was largely a spectator to the board-room battles, take-overs and company mergers." Four giant groups were formed, reducing later to just three: Courtauld, English Calico and Vyella, covering the whole gamut from manufacture to dyeing and retail distribution.

Modernisation was attempted in 1959 with the Cotton Industry Act, a forlorn attempt to revive an industry in terminal decline. In the next 20 years, mills were closing at one a week. By the 1980s the cotton and other textiles industry of Lancashire had all but disappeared.

A View from Burnley

On 19 July 2010, the Burnley Express ran an article on the demise of the cotton industry in Burnley, citing Whittlefield, the Weavers' Triangle, Harle Syke and Plumbe Street.

The Social and economic impacts were starkly revealed. "When a mill closed - dozens, often hundreds, - of workers lost their jobs. To put this into perspective, a moderately sized mill, or weaving shed, might employ (before introducing automatic machinery) as many as 200 people; whole families of weavers, tacklers, engine tenters and so on. The loss of 10 firms of this size would be a disaster but what has happened in Burnley, over perhaps half a century, is that an entire industry which once directly employed more than 40,000 people has been lost."

The vulnerability of the cotton industry was recognised as early as the 1890s, particularly by William Farrar, MP for Preston. He came from the Ecroyd family which had lived in Briercliffe since the 16th Century and, after conducting a lucrative business in the wool industry there, established the great mills at Lomeshaye, now Nelson. In speeches in textile districts, and the House of Commons, he warned the cotton industry would be lost if quick action wasn't taken.

"We were exporting the best textile machinery ever made to countries in what we would now call the Third World and they would take our great industry from us." Many considered his warnings fanciful. "They could see new mills being built, new machinery being installed in Lancashire mills and could hear the daily tramp of thousands of clogs twice a day making their way to and from the mills." That did not sound like Armageddon in the cotton industry that was both complacent and not tuned into the reality of changing world.

"To them, things seemed to continue just as they had for generations but the First World War – the chance our competitors had been waiting for – intervened. Soon Lancashire's staple trade was losing its place in the world economy. As late as 1923 cotton goods still accounted for 20% of Britain's exports, or just about 25% of all British trade. Cotton was still, by far, the most important of all the country's manufacturing industries but it was about to be sacrificed by successive Governments, and the London financial markets, who thought that if Britain bought foreign textiles there would be exporting opportunities for our engineering firms."

"Its consequence was jobs were lost in huge numbers and the town's population has been in constant decline since 1915. The picture is one of late Victorian industrial development, using late Victorian technology. One cannot defend the long hours and poor working and living conditions of areas like Victorian Whittlefield, but we can condemn the men behind the loss of so many jobs and failure to replace them with modern and better substitutes, factors which still beset our local economy and society, decades after the initial betrayal of our town."

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