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Business History and Trading Firms in Colonial Multan

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ABSTRACT

The aim of this article is to develop a general narrative of firms and cottage industries and their connected zones that led the growth of import and export in the 19th century British Multan and thus to supply missing chain of Business History. The trading companies associated with import and export had several features in common with trading firms globally, especially a high degree of mobility, institutional adaptations and occasionally diversification into banking and manufacturing Sector. But the certain aspects to be heightened of process with in the regions where they operated: such as the differences between the ports and the inland trading orders between cities and indigenous firms. This research will try show how the town of Multan emerged as the main trading center during the British period. For example, the canal colonies had deprived Multan for export trade in wheat with the competition of Lyallpur. The development of lower Bari Doab Colony had shifted the centre of gravity of the cotton industry from Multan to newly developed colony towns of Jahanian, Kahanawal and Mianchannu to with the large supply of American cotton. The direct route to Karachi by Khanawal Lodhran chord lines serves further to increase the industrial importance of these mandies and cargo to Multan. Official and non-Official records from British Indian Library London and civil secretariat Lahore are being consulted to draw empirical results.

KEY WORDS: Business History, Trading Companies, Multan, Colonial



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The business firms, however, had internal hierarchy characterized by corporate mode of operation. The organizations used to work in a planned manner with different tasks. In colonial times, Multan had been the regional market for grain, indigo, cotton, jewelry, glass and other household items. There were regional offices of major import and export firms. The offices of industrial corporations, saving banks had a systematic network in the region.

In Multan, major industries and factories were located in the center of the areas of the town. The new factories emerged in adjoining areas where owners lived nearby and workers were also readily accessible. The small factories operated on the basis of probability of exchange of materials, availability of laborers and skilled workers while large industries were developed for the purpose of internal and external export. The workers and members of the same clan or kin were thus bound to each other both economically and socially.

The establishment of the markets and manufacturing sector included different categories. The artisans and household production units were at the bottom like potters, carpenters and weavers whose economic availability had been dependent upon individual association with a set of client relations. The small family workshops operate in the mid-level of bazaar operating separately from house hold and specialized in producing a specific item. This organization was family based and the operations were relatively small and dealings were highly personalized. The market was also producing new products and tools. Semi-literate craftsmen were the mainstay of business and there were seldom any graduate engineers, chemists or technologists.

The colonial management did not patronize any industry except the cotton and ginning industry for the purpose of export of cotton from the colonies. The majority of these factories were located in Multan, Faisalabad and Sargodha. Cotton processing emerged as a very lucrative business and sometimes strained the economic relationships in market towns e.g. Multan town. The applications for the factory sites poured in from all over the province.

Similarly, there was a great demand from the commission agents in Multan for establishment of new cotton factories. The commission agents who were working for the foreign firms were active in their demands and put a lot of pressure on the district administration. The commission agents performed multiple tasks which ranged from the purchase of cotton to its ginning and



pressing at the local factories. There was a natural tendency on their part to invest their newly accumulated capital into their businesses in a city with burgeoning economy and flourishing trade of wheat and cotton. Their basic motive was to establish their own cotton ginning factories in order to establish their monopoly on the cotton market. Rai Bahadur Hari Chand from Multan applied to the colonization officer, W. M. Hailey for a factory site. He started his business as a pleader and commission agent in Multan. He was the first person to establish a cotton factory in Faisalabad. He also became the vice president of the Multan municipal committee.¹

Ginning and Cotton Factories

Multan had its ups and downs as a cotton center since the ginning factories were first started in 1893-94 in the neighborhood of the town. The number of gin factories rose in a few years to over 60 and in 1895-96 exporters handled about 2 1/2 lacs of *maunds* of raw cotton from these factories, which was baled in hydraulic presses and there were only 4 bale press machines being used in 1900.² But owing to smaller turnouts in the next years and the establishment of factories at other places, the number of gin factories which were out of work started rising since 1896; the trade had fallen considerably by 1901.³

The British did not pay attention to the development of industry except installation of some gins. All the cotton industries and cotton research centers were established in Faisalabad.⁴ In Multan, all the gin and cotton factories were situated in the town; there was not a single factory in other *tehsils* of the town except Mailsi.⁵ This was also true for the other towns. The industrial development, though limited to cotton ginning and pressing, was driven by the market towns. So it flourished only at the market towns of the Sidhna Canal Colony. The towns were situated near the railway line, which connected the colony towns with the rest of Punjab and further on the sea

¹-Rai Bahadur Hari Chand Pleader and vice president of *Municipal Committee Multan to the Colonization Officer Jehlam Canal Colony*, Behera; 28 February, 1903.

²- *Report on the Working of the Factories Act in the Punjab for the Year 1900*, Lahore; 1901, p. 4.

³- *Report on the Internal Trade of the Punjab by Rail and Road for the Year (1900-01)*, Lahore; 1901, p. 16.

⁴- *Report on the Operations of the Department of Agriculture Punjab for the ending the 30th June, 1908*, Lahore; 1908, pp. 3-6.

⁵- *District Factory Report of (1898-99) cited in Multan District Gazetteer (1901-02)*, statistical table XXVI.



ports of Karachi and Mumbai. The growth of the cotton industry at Khanewal and Mianchannu were the example of this.⁶

Foreign Trading Firms

Multan was more advanced in terms of culture and industry. A number of foreign firms had agencies at all the market towns and this helped expand the wheat and cotton trade. This opened a new horizon of economic opportunities and greatly transformed the social and economic position of the settlers. The petty moneylenders and shopkeepers of villages seized these new opportunities and in Multan and other market towns of the Sidhnai Canal Colony. They raise their status, established themselves as bankers and commission agents and were associated with foreign trading companies. Five European trading companies for wheat, cotton and wool were working as exporting agencies in Multan in 1901 were Messrs Ralli Brothers; Messrs Sandy Patrick and Co.; Messrs. Volkart; Messrs. Clements and Co.; Messrs. McHinch and Co.⁷

The cotton and ginning industries were almost in the hand of the Hindus and the Sikhs. The Hindus had unquestionable business, shop keeping and moneylending skills naturally. The Sikhs had trading connections in agricultural commodities. In Multan district, this division of labour predetermined the economic life in the colony towns. Following table gives us the information about the working of factories in Multan District in 1901.⁸

Table 5.16: Working of factories in the District Multan

Factories	Name and locality of factory	Name of industry	Name of moving power
Raja Wallabb Deo & Co. French Press & Co. S. Choith Ram & Co. Tek Chand Chiman Das & Co.	Beyond City Railway Station	Cotton press	

⁶-Annual Report of the Punjab Colonies for the Year ending 30th September, 1922, Lahore; 1923, p. 30.

⁷-Multan District Gazetteer, (1901-02), p.245.

⁸- Multan District Gazetteer, (1901-02), statistical table, XXVI.



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JethaNand& Co. HiraLal, RalliaChand& Co Railway Workshop Gurdit Singh & Co. Nibban Das & Co DanijitMaharaj& Co. Cotton factory	Cantonment Railway Station City Railway Station Mailsi	Ginning Repairing Engines Ginning	Steam Steam &labour
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Average daily number of operators employed was as under: Adults both male and female total employed 75 in French Press & Co.; 107 in S. Choith Ram & Co; 42 in Tek Chand;Chiman Das & Co.; 73 in JethaNand& Co; 101 in HiraLalRallia Chand & Co.; 235 in railway workshop; 26 in Gurdit Singh & Co.; 52 in Nibban Das & Co; 27 in DanjitMaharaj& Co. and 28 in cotton factory at Mailsi. Children were also employed with the same ratio in above factories. Railway workshop stood highest employer with 470 employers both male and female adult and children and second ranking employer was S.Choith Ram & Co with 214 both male and female adult and children.⁹In 1907, cotton, ginning, cleaning and pressing factories were increased to 27 in the district Multan, while Lyallpur district had 25 factories. Some were rice and flour mills combined and the others were rice, flour and cotton ginning mills combined.¹⁰

In 1881-82,the number of large factories and looms were: silk 500, cotton 602, wool 6, other fabrics 54, paper 10, wood 16. The persons employed were: 800 in silkindustry, 764 in cotton, 12 in wool, 102 in other fabrics;while in paper manufacturing factories, 15 and in factories for wood, 92 persons employed. Estimated turnout of works in rupees5,44,500 fromsilkindustry, 87,750 from cotton, 1,100 fromwool , 16,443 fromother fabrics, 1,620 from paper, 13,054 fromwool industry. Heavy industrial manufacturing factories were: 60 factories of iron, 54 of brass and copper, 122 of colour-dyeing and manufacturing of dyes, 150 of leather, and 50 of pottery i.e., common and glazed factories. Number of workmen in small works or in dependent artisan were 128 in iron, 80 in brass and copper, 240 in buildings, 200 in dyeing and

⁹-H.A.Rose, *Census Report of India*, Volume XVII, *Punjab, British Territory and Native States, NorthWest Frontier Province, Part II*, Lahore; 1902, xv,lvi

¹⁰ -Hailey. W, M, To the secretary to the Govt., of India, Commerce and Industry Department, dated Simla, 29 June, 1908, *Report on the Working of the Factories Act in the Punjab for the Year 1907*, Lahore; 1908, pp. 5-6



manufacturing of dyes, 205 in leather and 180 in pottery i.e., common and glazed factories. Estimated annual turnout of all works in rupees was: 83,520 for iron, 41,533 for brass and copper, 28, 800 for buildings, 43,390 for dyeing and manufacturing of dyes, 59,947 for leather, 7,649 for pottery: common and glazed. Numbers of private looms or small works were 69 in Oil-processing, 69 in *Pashminashawl*, 40 in carpets, 155 in gold and silver jewelry. The number of male and female employed 110 in oil processing and refining, 43 in carpets, 210 in gold and silver jewelry. Estimated annual turnout of these works in rupees was: 55, 696 from oil processing and refinery, and 18,642 from carpets, 1, 62,086 from gold and silver jewelry.¹¹

COTTAGE INDUSTRIES

Moreover, Multan district has been famous for its cottage industries since centuries. The industries for which the town of Multan was noted were glazed pottery, vitreous enamel ornaments in silver, cotton and woolen carpets, silk fabrics mixed textures of cotton and silk, cotton printing in color, wood painting and metal-work.

The handicrafts were made in nearly all towns of Punjab; making bangles from ivory was the popular craft in Multan. Among other chief localities of this industry were Delhi and Amritsar, Dera Ghazi Khan, Gujranwala, Lahore and. Multan, like the other centers derived its ivory from Bombay, Calcutta and Amritsar.¹² Multan was also an important center for the industry of bracelet making. There were only 9 turners in Multan; demand was much greater than the production as a fair number were imported into the villages of the district from Dera Ismail Khan and Chiniot.¹³

Multan pottery has been known as *Kashigari* and the makers were called *kashigars*. Originally, it was confined to the manufacture of tiles, slabs, painted with text and other designs and intended for use in mosques, tombs and other buildings. But the native demand of this kind of work had died out, and a European demand had risen which had entirely changed the character of the articles made and had developed a trade in flower-pots and large plates for decorative purpose.¹⁴

¹¹ *These figures are taken from the Report on Internal Trade and Manufacture for (1881-82), Multan District Gazetteer (1883-84), statistical table XLVA*

¹² *-Monograph on the Ivory Carving in the Punjab 1900, Lahore; 1900, p. 5.*

¹³ *Ibid, pp. 14-15.*

¹⁴ *-Monograph on the Pottery and Glass Industries of the Punjab (1890-91), Lahore; 1892, p. 16.*



Manufacturing of toys were popular industry. The sale of toys was mainly carried on during Hindu festivals. The makers prepared them in the good quantity according to estimated consumption in the festivals. The 20 toy makers were in Multan *Sadar* and a few in the villages, who did not glaze or **Colour** their toys.¹⁵

The manufacturing of glass in Punjab was divided into two branches. The manufacturing of glass bangles called *churis*. There were 8 factories of bangle-making in Multan and the number of *churigars* was 58. The second branch was manufacturing of bottles, chimneys and other articles. There were three shops of chimney-makers employing six men.¹⁶ Wearing bangles had some degree of religious and social connotation. Rs. 18,000 were spent annually on bangles in Rohtak, while about Rs.5,000 per annum were spent in Multan and Rs. 4, 000 in Dera Ghazi Khan. It was certain that there must be a large import in the districts where bangles were not made. There was also some export of bangles from Panipat, Kangra worth about Rs. 1,000 per annum in to the neighboring Hill states.¹⁷ Steel trunk and dispatch boxes were made at Amritsar, Lahore, Delhi, Sialkot and Multan. Those of the last two cities were quite the best. The material was always foreign and was imported. In Multan, the most famous shop was that of Allibhoy Vallijee & Sons, whose dispatch boxes were well known all over India.¹⁸

In Multan, Dera Ghazi Khan and Dera Ismail Khan, the leaves of date palm trees were used for making small *chicks*; which was also an industry. Then, there was one paper manufactory at Jalalpur Pirwala, a town in the Lodhran *tehsil* of Multan district. The paper industry was on every successful but declined like all other industries. There were only seven shops left; the income of each was estimated to be Rs. 120 per year. The workers were all Muslim *Khawajas*.¹⁹ In the manufacturing of silk, four operations were included as: reeling from the cocoon, preparation for loom, dyeing and weaving. There were a few places in which all four operations were carried on. Probably Amritsar was the only place in the province in which reeling was done. Silk prepared for the loom at Peshawar, Kohat, Jalandhar, Amritsar, Lahore, Multan and

¹⁵ -Ibid, p. 21.

¹⁶ -Ibid, p. 25.

¹⁷ - *Monograph on the Pottery and Glass Industries of the Punjab (1890-91)*, Lahore; 1892, p. 27.

¹⁸ - *Monograph of Iron and Steel Industries in the Punjab (1906-07)*, Lahore; 1908, p. 3.

¹⁹ - *Monograph on Fibrous Manufactures in the Punjab (1889-90)*, Lahore; 1891, p. 17.



Delhi.²⁰ Most of the silk used in Punjab was imported by western passes, notably Bolan and Multan obtained a portion of its supply in this way.²¹ At Multan a steam cotton gin had been established by Sidhu Ram, Raangu Ram & Co., which employed 70 persons. A large business in weaving cotton goods for Afghanistan and adjoining countries was done in the districts of Shahpur, Jhang and Multan.²²

Further, gold and silver works were famous and Multan had an important place in its trade. Multan was significant trade route as imports from Bahawalpur to Multan were cargoed to Dera Ghazi and Dera Ismail via Multan. Every district was dependent for its supply of gold and silver on the large centers. However, the supply of gold and silver to Multan decreased up to 3/2 lacs; as part of these commodities was obtained directly from Europe and some part was re-exported to Europe. It was estimated that of 2 lacs of gold received annually in Multan, Rs. 70,000 were exported to Muzaffargarh, Dera Ismail Khan, Dera Ghazi Khan and Bahawalpur.²³ Another industry i.e. of carpet making had its traditional and classical image in historical Multan. Meanwhile, the industry had been introduced into jail and had entered into a new and distinct phase of its existence. Before 1862, however, the weaving of carpets had been introduced in some jails of Punjab. By the year 1864, the industry in jails developed from other local industries. We find that Rawalpindi and Lahore jails both sent carpets to the exhibitions where carpets from Multan seemed to make their first appearance. At the exhibition of 1883, the growth of industry was marked by the exhibition of carpets from Delhi jail, from the industrial school of Kasur and Hoshiarpur, from Multan and from Dera Ghazi Khan. In Multan, there were 42 carpet weaving shops with 50 weavers at work. No figures were given of the number of men employed in the jail, but the number is assumed to be small. A household industry also carried on in the jail in Multan.²⁴

In addition, the industry of brass and copper vessels also flourished in the district of Multan, these vessels were a popular household item. In Multan, 16 factories were working according to the yearly report. The total workforce of 55 men worked in those factories. In 15 shops, one

²⁰ -*Monograph on the Silk Industry of the Punjab, 1899*, Lahore; 1899, p. 15.

²¹ - J., Geoghegan, *Some Account of Silk in India, Calcutta; 1872*, p. 74.

²² -*Monograph on the Carpet Making in the Punjab, 1884*, Lahore; 1885, pp. 2,9.

²³ -*Monograph on the Gold and Silver Works of the Punjab (1888-89)*, Lahore; 1890, pp. 6-7.

²⁴ -*Monograph on the Carpet Making in the Punjab (1905-06)*, Lahore; 1906, pp. 6-7.



factory made *kansi* and the remaining factories generated brass-hammer work. Annual income generated from copper, brass and *kansi* was 20,700 rupees.²⁵

A special Paper Machine was brought in the Punjab Exhibition of 1864 solely for the benefit of Kashmir. The only center of paper-making worthy of name was Jalapur Pirwala in the Lodhran *tehsil* of the Multan district. The industry was once extensive as the paper being largely used in the government offices and also exported to Bahawalpur and Dera Ismail Khan. In 1881, there were 52 private factories employing over 300 men and yielding an income of Rs. 8,071 per annum. Several years later, there were seven shops yielding an estimated income of 840 rupees, per annum. There were now five factories only employing some 30 men and yielding about 600 rupees income. There were 4 families which carried on paper-making as a household industry. The paper was very coarse and unfit for anything but packing purpose.²⁶

The wood manufacturing was also a large industry. It includes furniture, architectural wood work, carriage-building and musical instruments as main products. In Multan, people belonging to Sikh, Jain, Khokhar and Bhatti castes, were involved in the works of agriculture, architectural, furniture, turnery and combs. The number of employed persons was 1,300 in agricultural works; 200 for architectural works; 125 for furniture, 70 for turnery; and 25 for combs with annual income of 65,000.²⁷ There were six iron foundries in 1900, four in Delhi, one in Lahore and one in Sialkot, making total turn out about Rs. 92,000 rupees. Steel trunks and boxes as well as surgical instruments were also made in large number in Multan, Lahore and Sialkot.²⁸

Conclusion

As stated above, the British did not patronize industries except cotton and ginning industries. The cottage industries of Multan were crushing with to comparison to Lahore, Amritsar and Lyalpur where large Industries had been established under European supervision. Local manufacturers produced the things only for home consumption. Regarding the future of the village industries,

²⁵ -*Monograph on Brass and Copper Ware in the Punjab in (1886-87)*, Lahore; 1888, p.1, Appendix A, Statics.

²⁶-*Monograph on the Paper Making and Papier Mache in the Punjab (1907-08)*, Lahore; 1908, pp. 6-8.

²⁷-*Monograph on Wood Manufacturing in the Punjab (1887-88)*, Lahore; 1889, p. vii, Appendix No, 11.

²⁸ -*Report on the Material Progress of the Punjab during the Decade 1891 to 1901*, Lahore; 1902, p. 4.



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there was development of factory system. The investors had to make more profitable investments in order to exploit the agriculturist. They diverted capital from agriculture to staple industries which mushroomed at that time. The native capitalists had to employ half-trained European mechanics due to the absence of technical skills developed by technical education. Capital investors were *Banias* while joint stock companies became a manipulation instrument of caste system. Half-trained European mechanics and *Bania*'s capital investment became prime concerns for the European firms. Muslims lagged behind and their industries collapsed. Overall industries were developed in large towns but the process of development was sluggish. Capital investors were *Banias* while joint stock companies became a manipulation instrument of caste system. Half-trained European mechanics and *Bania*'s capital investment became prime concerns for the European firms. Muslims lagged behind and their industries collapsed. Overall industries were developed in large towns but the process of development was sluggish.