

## **First World War and its Impact on Industries of Travancore State – A Study**

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### **ABSTRACT**

Although there were many dreadful effects of the World War I (1914-18) in nations that took part in the political hostilities, there were as substantial advantages to various states of India for rapid industrial development, especially cotton industries, coir industries, textiles, steel industries, medical pharmacies, readymade cloths and food items. Great Britain that was a leading authority in World War I had experienced severe collapse in the production of these products and their export to India, France, China and other allied countries, which could lead to reduction in import to India and raise in the demand of Indian items in the foreign markets. Travancore state also utilized the opportunity to develop industries for the manufacture of cotton, cloths, coffee, tea, cashew-nuts, coir, steel, and food items and hence this state could earn more income through their export. Thus, the world war I was advantageous to Travancore for the purpose of industrialization.

**Key Words:** Accredited, Commandability, Damming, Legalization, Tributaries.

In the early 1850s onwards, there was an unevenness in the industrial expansion due to less demand for the products manufactured in the primeval cottage-industries and due to lack of adequate facilities to convey the produces to the consumer sites in major provinces in India and other countries.<sup>1</sup> For the promotion of sales of products manufactured in industries, a Joint Stock Company was started and the Government of Travancore passed Regulation I of 1888 A.D. for the encouragement of the Joint Stock enterprises.<sup>2</sup> Since the inauguration of the Joint Stock Company, there had been a light raise in the sale of items coming out of these industries, which motivated the Company to set up a paper mill at Punalur, for whose legalization special acts were passed and trading companies were started under these acts.<sup>3</sup>

The First World War that happened in 1914-18 destroyed the great many number of houses, goods in regular use therein and in business establishments and thereby created a high demand for such things in the foreign markets,<sup>4</sup> which ultimately led to many business opportunities for manufacturers in India and Travancore. Serious collapse observed in Britain's manufacture and export of goods to India because of its concentration on the war at multiple sites was yet other reason for parallel industrial booming in Travancore and other states of India. This boom in the development of industries and goods manufactured from them could shape the politics of Travancore in those days. As in any other part of British India, in Travancore the number of industries grew well during the period of the First World War as there was a great demand and significance for their goods in the market. A number of companies and individual

enterprises sprang up, without adequate capital, proper organization, knowledge of business and management.

The number of Joint Stock Companies grew from 84 in 1914 to 221 in 1922.<sup>5</sup> Following this, many new companies and enterprises disappeared with whatever they had acquired immediately after their launching. It should be noted here that there were 101 new registrations during 1915-1916, but the fresh registrations for 1923-1924 were as low as 80 only.<sup>6</sup> This data suggests that drastic changes of the World War I might have promoted rapid industrialization that helped in the productions of more goods required to meet the demand in the local and overseas markets. This paper attempts to trace the advantages of World War I for rapid industrialization in Travancore state.

### **Brief Incidents of World War I**

The World War I was a quarrel between the central allies (Germany, Austria-Hungary and Turkey) and the opposing allies of Britain, France, Russia, Belgium, Serbia, Montenegro and Japan all through 1914-1918. By 1915s, Bulgaria united with the Central allies while Italy joined in the opposing allies. Because of unrestricted submarine attack of Germany in the main trade routes during 1916-17, the US came to the side of opposing allies which could sooner or later end in severe wars. In that war, the central allies, except Germany, were defeated by the counter attack of the opposing allies and at the same time, German victories led to Russian Revolution in 1917 and hence Russian withdrawal from war was the result. While the result was quite so, Germany had faced serious internal revolts because of the dreadful upshots of the war, as a consequence of which Germany signed in peace agreement on 11<sup>th</sup> November, 1918; the peace treaty was called "*Treaty of Versailles*". This terrible war swallowed the life of about 10 million people and destroyed the houses, buildings, things used by the households and their manufacturing units too. Therefore, when the war was over, there was high demand of cloths, coir, vessels and others in almost all nations involved in wars and the regions not participated in the war were in position to supply what items the hostile countries needed immediately after the war.

### **Drop in the Britain's Export to India**

Since the British East India Company had started its trade in India in 1612, the Britain had exported main commodities like cotton pieces, silk, indigo dye, salt, spices, saltpeter, tea, coffee and opium through the trade route of Indian Ocean.<sup>7</sup> India was the most important marketing place for the sale of over 60% products manufactured from Britain and the company had trade units at Surat, Madras, Calcutta, Goa, Chittagong and Bombay. Until just before the onset of the World War I, India was the chief marketing place for goods manufactured from Britain.<sup>8</sup> As the Britain was vigorous in war at many red clefts at a time,<sup>9</sup> the central allies needed to down fall its economy in whatever way possible and hence the German submarines destroyed the ships carrying goods to other countries through the sea routes. In the meantime, the supply became slightly weaker as many labours working in the industries were sent to war points. Therefore, in mid-1915s, Britain's export potential to India declined gradually to 60% of its actual marketing potential before the onset of war.<sup>10</sup> The Britain's export was seriously collapsed in the middle of 1917 due to low production, high price for goods, high tax levied and competition in the end user side.<sup>11</sup> Unrestricted submarine attack to British ships carrying goods in January 1917 by German army was a serious problem to be considered in the historical point

of view because it was interfering with export of cotton cloths and others to India through sea ports and import of American cotton that was used in the manufacture of cloths and others marketed in India.<sup>12</sup> Besides this, the trade ships that exported goods to other countries and imported items from overseas countries were deliberately used for taking troops to Mesopotamia and Mediterranean regions.<sup>13</sup> Therefore, in Britain, the import of raw cotton decreased from 70,970 tons in 1914 to 56,958 tons in 1918.<sup>14</sup> Simultaneously, the export of cloths decreased from 5490.1 million linear yards in 1914 to 3371.5 million linear yards in 1918.<sup>15</sup> Thus, the export of cotton pieces, silk, indigo dye, salt, spices, saltpeter, tea and coffee to India had decreased gradually due to trade competitions with Japan and China, so that there was a huge reduction in the export of goods to India during the war period.

While Britain's export to India declined, there was a corresponding increase in the import of machineries to India for manufacturing cotton cloths, leather, steel, cement and others from Japan and UK. For instance, machineries for cotton mills worth for £ 5306469 were imported from the UK during 1914-1918 and machineries worth for £ 236045 purchased from Japan during the same period.<sup>16</sup> From 1916 onwards, the Indian mill-based cotton industry enjoyed an extremely money-making period while in Britain the demand was vigorously outrunning the supply.<sup>17</sup> However, India's domestic production of cotton pieces increased from 2189.7 million linear yards in 1914 to 2518 million linear yards in 1918, while its net imports fell from 3000.5 to 853.5 million during that time.<sup>18</sup> The Japanese export to India had increased from 1.5 million to 3 million during 1914-1918. The domestic market in India could meet about 40% of total demand for cotton cloths in 1918.<sup>19</sup> Indian Munitions Board (IMB) which was organized by the British officials in India had controlled the manufacture of cloths, leather, hides, steel, cement and others in Indian industries during the war time.<sup>20</sup> This is a clear witness for overall growth of industrialization in India during the world war I and the similar situation was reflected in the fast industrialization in Travancore during 1914-1918.

### **Industrial Growth in Travancore**

The drastic industrialization seen in other provinces of India also appeared in the Travancore state during the time of the Great War between 1914 and 1918, which led to booms in the development of many small scale and large scale industries manufacturing various goods for local use and export. Although coir industry was started in Alleppy as early as 1859, much supply of coir was difficult to achieve for many years due to lack of cheap transporting facilities for several years, but later on during the war, as there was a collapse in the British markets, coir production and export had increased so as to earn about 50 lakhs rupees per year.<sup>21</sup> During 1918-1919 the coir export was about seventeen per cent higher than that in the best pre-war year of 1911-1912. Until the war was over, Ezhavas and the Latin Catholics served as labours in the coir industry in Alleppy and later many coir industries were started in backwater regions throughout the state which was a new dimension in the sprout of coir industries in Travancore.<sup>22</sup> Advent of many coir industries motivated many people to migrate to the centres of employment and urged plentiful people to realize the inevitability of money for keeping up their life standards. Accordingly, agricultural labour began to demand payment of wages in cash and most of their needs were fulfilled by coir industries all through Travancore. In the subsequent years, coir industries had experienced a shortage of labour, so that moopans (contractors) had to go about in search of labours and they even needed to pay advances to workers.

The British colonialists who had settled in Travancore invested more money in developing plantations such as tea, coffee, clove, cardamom, coconut and cashew-nuts during the war time. The number of plantations increased from 42-78 during 1914-1918. During the same period the processing of cashew-nuts in the state also emerged as an industry organised on a factory basis.<sup>23</sup> In fact, plantations provided only seasonal work to the agricultural labourers. Moreover the Travancore Factories Regulation V of 1914, for its labour welfare provisions, did not include the plantations under the list of 'Factories'.<sup>24</sup> In 1911 the number of persons employed in the various plantations was only 288947, which increased further to 328092 in the early 1921s, of which Harijan women constituted about ninety per cent of the workers in cashew factories.

With a view to organise scientific fishing, the Department of Fisheries was founded in 1914 and subsequently a regulation was passed for issuing licenses to the public for allowing fishing in backwaters, which stressed that no one was allowed to fish in the backwaters without licenses for which fee was levied.<sup>25</sup> It was later revised to include the lime shell and chank fisheries too.<sup>26</sup> There was a steady increase in the quantity of fish caught from the backwaters and hence fish was either cured in the primitive ways or sold at throw-away prices or sent to other countries for earning the income. Fish breeding farms were opened at various places to demonstrate to the fisher folk the possibility of cultivating fish in small enclosed areas. Some new experiments were also conducted on the extraction of liver oils, utilisation of skins of big fishes like sharks and rays for the manufacture of shoes and hand bags, which gave remarkable results. The fishing schools were opened to train fishermen in weaving, net making, account keeping, curing, etc. The first fishermen's co-operative society was opened in 1918 and thereafter all male members of the *vala community* were included in the co-operative society in the subsequent years.

For initiating co-operative movement, separate legislation was enacted in 1914, based on whose recommendation the Co-operative Department was established in Travancore on 23<sup>rd</sup> November 1915 and it was called the *Trivandrum Central Co-operative Bank Ltd.*<sup>27</sup> Although it was established with the intension of funding for developmental activities, the cooperative movement could not exploit enough funds for developments.

The industries developed in Travancore during 1914-1918 had hardly been listed out but the census of Travancore (1911 & 1921) throws lights on the number of industries there during the war period. According to the census 1911, there were 12 tea plantations, 39 tea factories, 23 rubber plantations, 3 rubber factories, 1 coffee plantation, 22 cotton mills, 28 coir matting factories, 36 coir industries, 3 fibre cleaning factories, 2 lace and embroidery units, 1 wooden furniture industry, 1 wood carving industry, 1 bamboo industry, 1 carpentry industry, 2 monazite sand factories, 2 engineering workshops, 1 public work department workshop, 23 Bricks and tiles industries, 4 salt factories, 1 soap factory, 1 ivory factory, 5 oil mills, 1 paper mill, 1 stamp manufactory, 3 rice mills, 2 distilleries, 1 ropeway for construction, 1 hydroelectric work unit, 11 printing presses, 1 art work gallery and 1 mint production unit in Travancore in 1910s.<sup>28</sup> However, the census (1921) reveals that there were 18 tea plantations, 51 tea factories, 39 rubber plantations, 5 rubber factories, 1 coffee plantation, 33 cotton mills, 36 coir matting factories, 51 coir industries, 3 fibre cleaning factories, 1 silkworm industry, 2 lace and embroidery units, 1 wooden furniture industry, 1 wood carving industry, 1 bamboo industry, 1 carpentry industry, 2 monazite sand factories, 2 engineering workshops, 1 public work

department workshop, 36 Bricks and tiles industries, 7 salt factories, 1 soap factory, 1 ivory factory, 8 oil mills, 1 paper mill, 1 stamp manufactory, 5 rice mills, 2 distilleries, 1 ropeway for construction, 1 hydroelectric work unit, 11 printing presses, 1 art work gallery and 1 mint production unit in Travancore.<sup>29</sup> This information is a clear witness for speedy flourishing of industries in Travancore during the war time.

After that, in the latter half of 1920's, there was substantial raise in the number of industrial units as well as the capital of the companies in Travancore. In the meantime, the Joint Stock Companies in Travancore were facilitated by the exceptional raise of Banking and Chit enterprises and hence moneylenders continued to exercise great influence in financing the agriculture based works in Nanjinad and Kuttanad. Over 75% of agricultural financing occurred in Kuttanad which was under the control of Brahmin moneylenders of Mankompu.<sup>30</sup> Besides this, some Hundi merchants<sup>31</sup> had also issued loans for agriculture, internal trade and for small industrial concerns. However, appearance of the Joint Stock Companies denoted the development of capitalist economy in Travancore during the post-war times. The joined action of capitalist and stock companies enabled the capitalists to earn much wealth and the Government also legalised it, as a consequence of which many ordinary people of low income category were forced to suffer poverty.<sup>32</sup> However, in Travancore there was a remarkable booming of industries after the economic depression of the state in 1936. To its credit, about 390 companies registered during the period of economic depression, of which fifteen started their manufacturing even at the duration of economic depression.<sup>33</sup>

## Conclusion

The Britain's leading participation in the World War I had created two main drastic changes during 1914-1918, of which one change was the collapse of the Britain's exports to India in which Travancore was a part thereof due to low raw materials import from other countries and due to low supply of goods because of submarine attack in the trade routes, and the other change was raise in the import of machineries from UK and Japan during the world war I and construction of more number of industries for the manufacture of more goods to meet the demand by Travancore. These two changes were in fact necessary advantages for Travancore, and the India as a whole, for rapid industrialization that enabled the state to export more cotton cloths, silk cloths, tea, coffee, coir, mats and leather goods to other countries including the Britain. Therefore, it is assumed that, though Travancore suffered serious war threats by Germans, the great World War I had offered suitable parallel changes for industrialization in Travancore.

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