Chapter I

The First World War and its impact on Trade
The world war started by the news that Germany had declared war on France and Russia. The war arose over the assassination of an Austrian Archduke in Serbia. The Austrians wanted to punish Serbia. The Russians, who were friendly to the Serbs, interfered. Germany supported Austria and France supported Russia. England would not have intervened, had not Germany decided to march through Belgium in order to attack France on her undefended flank. By doing this, Germany violated a treaty signed by all the Great Powers, guaranteeing the neutrality of Belgium. The Kaiser of Germany spoke of this as a 'scrap of paper'. Belgium appealed to England for protection and Great Britain war on Germany on 4th August 1914, the most fateful day, perhaps, in the history of the world. Almost all the nations of the World, whether big or small, had taken part in it under one pretext or other. The war was fought from August 1914 to November 1918 lasting for 1565 days.1

It was a total war in the sense that the warring nations were compelled to mobilize totally their resources, their man power, manufacturing industries, their farming, shipping, transport and communication system.²

The First World War led to a great dislocation in the economic life of the world. Masses of people had been killed or made unfit for work. Many men died through a series of epidemics of influenza. The generation was affected by a lack of nutrition. There had been colossal destruction of property. Many areas had been devastated.³ Production had suffered by industrial organization being diverted to the purpose of war. Merchant shipping had suffered being turned to serve War organizations and through destruction by submarines and mines. High taxation was necessary as the war also increased the cost of living. All this dislocation led to the rise of prices all through the world and trade became disrupted; But this shows that modern Wars were highly injurious to the life of the community.⁴ England had borrowed large sums from the United States and had lent money to her allies out of this amount. These inter-allied debts became mixed up with the

³ Ibid
reparations which were claimed by Germany and worsened the economic situations. In nearly all the belligerent countries, the war had led to experiments of public control. The Government regulated trade, fixed prices, taxed profits and confiscated private property for war purposes. Hence socialist thought received further strength. One of the results of the war was that labour hereafter became important. The example of the Communist Revolution in Russia also stimulated labour agitation. Labour became a political power and Socialist Governments appeared in several countries.

The First World War brought about disruption of normal international trade channels because of the fact that the countries involved in the war directed much of their natural and human resources for the production of goods necessary for the prosecution of war. There was also scarcity of shipping space and there was danger arising out of submarine warfare in the oceans.

The outbreak of the war resulted in immediate setback to India's international trade. Trade with Germany ceased immediately and trade with

Great Britain became difficult because of shortage of shipping space. The immediate impact was decline in both Indian's imports and exports. But soon exports started moving up as there was increasing demand from foreign countries for Indian's Cotton Textiles, iron, and steel, Mica, Saltpetre, Wolfram and Wheat. The volume of India's exports gradually started rising from 1915 onwards in relation to 1914;\(^7\) but India's imports continued to decline. On the whole, during the war, both India's exports and imports declined until the end of war in 1918.\(^8\)

It is difficult to summaries briefly the effect brought about by the outbreak of hostilities on trade of India, but an attempt may be made to indicate the main features. At first the cessation commercial relations with Central European Powers caused considerable dislocation. Exporters of raw cotton from Bombay and of raw jute from Calcutta lost in Germany, one of their best customers. The prices of both these staple commodities fell and among articles of secondary importance had created a serious situation. At the same time, the exclusion of invaded Belgium and the military preoccupations of Marseilles upset the oil-seed trade and the trade in

\(^7\) G.O. Ms. No.3735, Trade and Customs, dated 28\(^{th}\) September, 1914, T.N. A.
\(^8\) G.O. Ms. No.3742, Trade and Customs, dated 30\(^{th}\) November, 1918, T.N. A.
groundnuts in particular for a time. The activities of the “Emden” in the Bay of Bengal and in the neighbourhood of the Laccadives during the first five months of the war and the menace of the “Konigberg” in the Arabian Sea paralysed exports generally. Further, there was a great shortage of freight due to vessels being commandeered for military transport and the inability of neutral shipping visiting Indian ports to make good all at once the elimination of the German and Austrian Mercantile Marine. The jute mills were working short time and were faced with a reduced demand for their manufacture.  

With the allies entering upon an interminate period of trench warfare on the Western Front, an enormous demand arose for sand bags. Unlimited quantities of hides were required for the manufacture of boots for the new armies and more extensive orders from Japan for raw cotton coincided with an unusually abundant Indian crop. The Government of India found themselves the fortunate possessors of large treasury balances in August 1914 which they placed freely at the disposal of trade through the Presidency, banks and a run on deposits in the Postal Savings Banks by
small depositors though severe, was soon arrested. Emergency legislation was passed to strengthen the gold standard reserve and sterling exchange was supported by selling reverse Councils.\textsuperscript{10}

The War affected the trade of India both directly and indirectly. The first direct effect was naturally to stop the considerable trade with Germany and Austria. The total foreign import trade of the Madras Presidency in private merchandise was in 1913-1914 at Rs. 1,635.46 lakhs of which Rs. 92.32 lakhs or 5.6 per cent was with Germany and Rs. 27.35 lakhs or 1.6 per cent with Austria – Hungary. Similarly, the total value of exports in 1913-14 was Rs. 2,590.93 lakhs and of this Rs. 247.19 or 9.5 per cent was with Germany and Rs. 43.64 lakhs or 1.7 per cent with Austria – Hungary.\textsuperscript{11} In the Presidency as in the rest of India, closing of the export trade to these countries was more serious than before because the latter could be replaced from other sources, but the loss of these two customers caused a serious drop in values as well as in quantities, quite apart from the question of exchange.\textsuperscript{12}

\begin{flushright}
\textsuperscript{10} Madras Administration report for the year 1914-15, pp. 64-67  \\
\textsuperscript{11} Ibid, pp 84-85  \\
\textsuperscript{12} Ibid
\end{flushright}
There was further a complete stoppage of trade with Belgium and a large diminution of the same with France. Trade with Turkey had also ceased. In addition to the loss of trade with enemy countries, the export trade with allied and neutral countries had also suffered. There was a serious tonnage arising partly from the taking up of vessels for military transport purposes and partly due to the increased demand elsewhere; freight rates had in consequence been high and in addition war risks had to be paid.  

**TABLE-I SHOWING THE RISE OR FALL IN EXPORT AND IMPORT TRADE DURING THE WAR PERIOD**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Year</th>
<th>Import / Export in private merchandise</th>
<th>Fall / Rise</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1913-1914</td>
<td>Exports</td>
<td>17 % Fall</td>
</tr>
<tr>
<td>02</td>
<td>1914-1915</td>
<td>Import of private Merchandise Export,</td>
<td>10 % expanded</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>13 % increased</td>
</tr>
<tr>
<td>03</td>
<td>1915-1916</td>
<td>Import of Merchandise, Export</td>
<td>9 % decreased</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>35 % declined</td>
</tr>
<tr>
<td>04</td>
<td>1916-1917</td>
<td>Import of Merchandise, Export</td>
<td>16% declined</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>35 % declined</td>
</tr>
<tr>
<td>05</td>
<td>1917-1918</td>
<td>Import Export</td>
<td>55 % declined</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>21 % declined</td>
</tr>
</tbody>
</table>

(Source: - Report on the Administration of the Madras Presidency for the years 1913-14 to 1917-18).

13. Ibid
The causes for the rise or fall may be thus given here. During 1913-14, the German Cruiser "Emden" made several successful raids on trading vessels in the Bay of Bengal and Arabian Sea and caused a temporary dislocation of trade. The net result was the foreign trade declined.\textsuperscript{14}

It must be borne in mind that the increase in the year 1915 was largely due to the high prices prevailing almost everywhere and that the quantity of trade by sea was in most cases materially less than the previous years. The United Kingdom had increased her trade with Madras both in imports and exports and this was also true in the case of the United States of America and Japan. Therefore foreign trade including Government transactions improved.\textsuperscript{15} The volume of trade actually declined during the period of the First World War to a much larger extent because the value of most of the commodities imported and exported were considerably higher than in the previous year.\textsuperscript{16} As the war advanced, it became necessary to impose restrictions on the exports by food stuffs and articles capable of being turned to warlike uses to neutral destinations owing to the risk of their being

\textsuperscript{14} G.O. Ms. No.3773, Trade and Customs, dated 26\textsuperscript{th} November, 1917, T.N.A.
\textsuperscript{15} Madras Administration Report for the year 1917-19, PP-64-69, T.N.A
\textsuperscript{16} Ibid
diverted to the enemy.\textsuperscript{17} The amount of import duty was enhanced under the revised tariff and as a result of the high prices of the articles. The restrictions imposed on a variety of imports and exports on account of military and political considerations and with exchange difficulties, helped to hinder trade. As regards internal trade, there were constant complaints over the unavoidable shortage of raw products formerly exported to Europe were seriously help up.\textsuperscript{18}

Shipping and Weaving concerns were fully employed in meeting the orders of the military authorities. The tanning and leather industries, at first adversely affected, recovered owing to the placing of large orders for coir screening for camouflage purpose in France. Rice factories, especially, in the northern districts were hard hit by the shortage of rolling-stock and many were forced to close down. Factory situation made a marked advance, but with factories working intermittently. There was regular demand for factory labour and factory wages, as compared with those outside, ruled low.\textsuperscript{19}

\textsuperscript{17} G.O. Ms. No.1852, Trade and Customs, dated 25\textsuperscript{th} June, PP-71-73, T.N.A.
\textsuperscript{18} G.O. Ms. No.507, Trade and Customs, dated 1\textsuperscript{st} September 1917, PP 61-64, T.N. A.
\textsuperscript{19} G.O. Ms. No.4140, Revenue, dated 1\textsuperscript{st} September, 1917, pp 65-66, T N A.
The Government pencil factory and the soap works increased their turnout and profits to a considerable degree. There was a tendency to multiply the installation of small rice milling and other plants beyond the limits of economic conditions. The Department of Industries devoted its attention to the centralisation or correlation of such plants rather than to further installation.  

The First World War revealed the industrial potentiality of India and also the military importance of industrialization. As the Montague – Chelmsford Report observed; “Nowadays the products of an industrially developed community coincided so nearly in kind, though not in quantity, with a catalogue of munitions of War that the development of India’s national resources became a matter of military necessity.” It also revealed the dangers of depending up on imports of essential goods such an iron, steel, machinery etc. At the same time, fall in imports and the consequent encouragement given to Indian Industries led to the rise and progress of

20. Madras Administration Report for the year 1917-18, PP 64-71 T.N.A
many new industries. But the fillip given to industries during the war India had to face foreign competition.\textsuperscript{21}

The successful adoption of protective tariff in many countries particularly Germany, Japan and the United States, revealed how indispensable the protection was to backward countries like India. Indian leaders began to agitate for protection of political reforms under the Act of 1919 would be inconsistent without some fiscal freedom.\textsuperscript{22}

The great awakening of interest in industrial development in Southern India was reflected in the considerable number of new companies. With the object of introducing improved methods and machinery among handloom weavers, he Government sanctioned the starting of ten additional weaving parties, of which six actually began work. A notable development of the manufacture of finished leather goods, including footwear, was signalized by the establishment of three leather-manufacturing firms in Madras. A company was newly formed for the manufacture of salt on improved

\textsuperscript{21} Gadgil, D.R. - \textit{Industrial Evolution in India, Calcutta}, 1950, 1950, PP 182-183
\textsuperscript{22} Anstey, Vera. - \textit{The Economic Development in India} (London) 1952, PP 203-214.
methods and a movement was on foot to revive the glass-making industry, which made an unsuccessful beginning in Madras.\textsuperscript{23}

The visit of the Indian Industrial Commission helped to throw light on the happenings, but did not do much in the way of removing the difficulties of getting expert assistance for the stoppage of imports from Europe. One important event was the transfer of pumping and boring to the control of Agricultural Department. A proposed demonstration of a gas suction engine had to be postponed owing to the impossibility of shipping the plant from England.\textsuperscript{24}

Arrangements had been made for systematic survey of the rice mill industry with a view to improve the methods of manufacture. The attempt to establish a glass bottle industry in Madras was reluctantly abandoned, the main difficulty lying in the fact that it was impossible to obtain the services of a glass expert and the more or less amateur suppression must necessarily result in commercial failure. Similarly it had been found necessary to

\textsuperscript{23} G.O. Ms. No.1791, - Trade and Customs, dated 24\textsuperscript{th} October, 1918, PP 61-63, T.N. A.

terminate the attempts to manufacture lime, sand and bricks on a commercial scale since it was not found feasible to produce bricks cheaply enough to compete with the superior quality of Clay-bricks. Hitherto efforts to use Indian wood and Indian graphite had not been encouraging, but the raw material for the industry had been obtained from East Africa and Ceylon. The position of dyes was unchanged. It found it unfeasible to replace synthetic dyes even when their price was prohibitive by use of natural and indigenous colours.\textsuperscript{25}

There were difficulties and obstacles in the way of the development of industrial enterprise. Tonnage became scarce and was strictly controlled from the British Home Government. The shortage of costing steamers imposed a heavy burden on the railways which were themselves handicapped by a shortage of rolling stocking and by heavy military traffic. Most industrial concerns felt serious anxiety in respect to coal and coke and also experienced difficulty in obtaining wagons to move their finished products. Imports of hardware and metals from the United Kingdom almost ceased. Local stocks became depleted and prices went up correspondingly.\textsuperscript{26}

\textsuperscript{25} G.O. Ms. No.637, - Revenue (Special) Department, dated 7\textsuperscript{th} December, 1918, T.N. A.
\textsuperscript{26} G.O. Ms. No. 791, - Revenue (Special) Department, dated 28\textsuperscript{th} April, 1919.
The Government had to take control over industry and trade. Coal and coke railway traffic, the tanning industry, tanstuff, wool, pig iron all came under some control which was extended in further directions. Notwithstanding these difficulties, there was considerable activity particularly in Madras itself. The weaving mills were for the Indian Munitions Board and the demand for yarn owing to the shortage of imports from England, kept all the spinning mills fully active.27

The tanning of skins was prohibited owing to the necessity of conserving the supplies of avaram bark, but immense quantities of hides were tanned for army requirements. The finished leather industry also was very brisk owing to the urgent need for accoutrements and army equipments generally. Large quantities of metal fittings were also required for the army and most of the blacksmiths, as well as Engineering shop of Madras were busily engaged in making buckets, shackles and similar articles for the Madras Arsenal. A new company was established to assist in meeting this

27. Indian Annual Resister - 1914-1919, Vols. II
demand and the manufacture of webbing and tape was also organized in a European firm for the purpose of supplying army demands. Tent making was revived in a small scale at the Madras Arsenal and a private firm was also taking up this industry as a war enterprise. Among, other new developments may be mentioned the manufacture of lathes, looms and loom parts and of pruning knives and planters tools. A new large textile factory entirely financed by an Indian Syndicate was opened on the West Coast.  

The energies of the department of industries continued to concentrate on the supply of munitions up to the end of the War. It was found it possible to devote attention to problems of industrial development. The Madras Presidency, not being rich in mineral wealth industries, had been for the most part depending on agricultural product and utilization. The questions of occupying the forefront of the department’s programme were the treatment of vegetable oils, the manufacture of leather, mechanical engineering as applied to agriculture and hand-loom weaving.

The Secretary of States gave his general assent to the recommendations of the Indian Industrial Commission and accepted the two fundamental principles underlying those recommendations viz., that in future that the Government should play an active part in the industrial development of the country and for that purpose, it should provide itself with adequate administrative equipment and reliable scientific and technical advice. The publication of the Commission's report and of those Despatches of the Government of India and the Secretary of States thereon led to a great awakening of interest in such development as was evidenced.\textsuperscript{30}

The total number of factories during the war period is given below:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Year</th>
<th>Factories</th>
<th>Fall / Rise</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>1914</td>
<td>385</td>
<td>--</td>
<td>War restrictions</td>
</tr>
<tr>
<td>02</td>
<td>1915</td>
<td>417</td>
<td>Increase</td>
<td>Due to the starting of new factories</td>
</tr>
<tr>
<td>03</td>
<td>1916</td>
<td>460</td>
<td>Increase</td>
<td>-do-</td>
</tr>
<tr>
<td>04</td>
<td>1917</td>
<td>492</td>
<td>Increase</td>
<td>-do-</td>
</tr>
<tr>
<td>05</td>
<td>1918</td>
<td>482</td>
<td>Decrease</td>
<td>Due to the removal of factories</td>
</tr>
<tr>
<td>06</td>
<td>1919</td>
<td>483</td>
<td>Decrease</td>
<td>-do-</td>
</tr>
</tbody>
</table>

(Source: Report on the Administration of the Madras Presidency for the years 1914-1919)

\textsuperscript{30} Swaminathan, Padmini, - OP. Cit, PP-112-151
The Table above indicates that during the World War I, there was no increase in the number of industries, factories and mills nor the expansion. This was because of the difficulty of obtaining new machineries and securing raw materials. In the case of entrepreneurs who intended to start industries, the lack of provision of technical assistance facilities for the supply of raw materials, assistance in marketing etc., were also conspicuously absent in the Madras Presidency during the World War I. In the case of industries aided by the State, the Government did not arrange for the selection and import of machineries and plant them nor helped the firms with their engineers and technical personnel in their erection.

It cannot be said that the Madras Presidency suffered from paucity of business talents. Promoters of new industries, who had any reasonable prospect of securing help from private financial agencies hardly thought of approaching the Board of Industries. Hesitant and reluctant generally to

31. G.O. Ms. No.791, Revenue (Special), dated 28\textsuperscript{th} April, 1919, T.N.A
32. Ibid
apply for state aid, they could not have been encouraged when application of some enterprising firms were turned down.\textsuperscript{33}

During the war, it was realized that drastic steps were necessary to increase the revenue. Hence in 1917, the general import duty was further raised from 5\% to 7 1/2 \% the cotton excise duties and excise remaining unaltered, at 3 1/2 \%. Excise duties were imposed on both tea and jute.\textsuperscript{34} In 1917, the attitude towards cotton excise was modified. In 1917, the duty on imported cotton piece goods was raised from 3 1/2 \% to 7 1/2 \% and the export duty on jute was doubled. It was at this point the first change in policy appeared as the countervailing was left at 3-1/2 \%.\textsuperscript{35}

One of the results of the war naturally had been to increase the British Empire's share of the aggregate trade of the Madras Presidency. This share was 63 per cent before the War, 75 per cent in 1916-1917 and 81 per cent in 1917-18. The value of imports declined by 2 per cent and that of exports by 27 per cent; giving a total decline in trade of 18 per cent. The trade with

\textsuperscript{33}G.O. Ms. No.1166, Revenue (Special) Department, dated 12\textsuperscript{th} June, 1919, T.N.A
\textsuperscript{34}Boag, G.T. - \textit{The Madras Presidency, 1881-1931}, Madras 1933, PP 81-84
\textsuperscript{35}Ibid
other countries also declined by 44 per cent. The trade with the United Kingdom represented 40 per cent of the total trade compared with 48 per cent in 1916-1917 and declined by 37 per cent. If the tanned hides and skins shipped under the Government control were included, the fall in the total trade was reduced to 22 per cent. The trade with the British Empire representing 81 per cent of the aggregate trade of the Presidency declined by 18 per cent. The trade with the continent of Europe showed a decline of 73 per cent and the decline occurred mainly by the trade with France and Italy. Smaller trade with the Philippines, Java and Japan resulted in a decrease of 7 per cent in the trade with Asiatic Ports. The trade with Africa declined by Rs. 3.05 lakhs owing to cessation of exports to reunion and that with America, which was practically confined to the United States of America declined by 45 per cent.

To total value of coastal trade excluding Government transactions improved by 13 per cent. Imports of private merchandise improved slightly.

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37. Ibid
by Rs. 1.24 lakhs, larger imports of tanned and rawhides, cotton twist and yarn and kerosene oil having been counterbalanced by smaller imports of grain and pulse and teakwood. Exports rose by 27 per cent, the result of larger shipments of raw cotton, groundnut, coffee and spices.\textsuperscript{38}

The relative importance of the trade of the outports remained much the same as in 1915-1916. Mangalore improved its position from sixth to fifth place at the expense of Calicut. Dhanushkodi was the only port to show an appreciable increase of trade but Mangalore and Cannanore both handled more merchandise than in 1916-1917. The value of the sea-borne trade on account at the port of Madras represented nearly 42 per cent of the trade of the whole Presidency compared with 45 per cent in the previous year and 11 per cent in 1915-16.\textsuperscript{39}

The total revenue receipts for the Presidency increased from Rs.107.86 lakhs to Rs. 115.03 lakhs or by 7 per cent. The total disbursements on account of customs for the whole Presidency amounted to

\textsuperscript{38} Ibid
\textsuperscript{39} Madras Administration Reports for the year 1916-1917, PP 64-65
Rs. 6.65 lakhs compared with Rs. 70.01 lakhs in 1916-1917. There were no customs cases of particular importance. The number of offences dealt with under the Sea Customs Act during the year was 936 against 1,494 in the previous year. Penalties realized amounted to Rs. 19,175 against Rs. 27,019 in 1916-17. Five hundred and four cases occurred at Madras and 432 at the outports.40

The dislocation of trade during the war was enormous. The coasting trade, whose recrudescence was the result of the war, had of course suffered severely, freights for timber, for instance, had fallen from Rs. 120 per ton in 1918 to the low figure of Rs. 30. Super dues on exports and imports were still necessary to maintain the solvency of the Port of Madras in view of the depleted volume of trade. The shortage on land naturally affected the movement of products by sea; thus an enormous and unprecedented quantity of Burma rice was imported while no Indian rice was exported owing to the prohibition. There was a notable decrease in imports of sugar owing to the retrial from the market of the Bombay buyers; the general increase of the

40. Ibid
value of sea-borne trade over the figures for 1918 was as forty per cent. An interesting feature of the year was the persistent smuggling of gold from the Straits of Settlements in contravention of the prohibition—a business rendered extremely profitable by the prevailing rates of exchange.\(^{41}\)

The rise in the price of machinery and restriction on imports with the scarcity of liquid fuel to retard any advance in the mechanical engineering branch. A tendency was there to multiply the installation of small rice milling and other plants beyond the limits of economic conditions and the energies of the department may be devoted to the centralization or combination of such plants rather than to further installations. So far as the unsatisfactory nature of the prevailing conditions had permitted, the activities of the department had been vigorous and comprehensive and the financial results had been everywhere favourable, the soap works presenting a specially promising record.\(^{42}\)

\(^{41}\) Madras Administration Reports for the year 1919-20, PP 64-65
\(^{42}\) G.O. Ms. No. 130, Trade and Customs, dated 19\(^{th}\) January, 1920, T.N.A
The cotton mills in the Presidency had nearly 4,100 power looms and 1,95,000 spindles at work and gave employment to about 30,000 operatives. Two of the concerns worked as Joint Stock Companies. The number of spinning and weaving concerns, which were not worked by mechanical power and were therefore not closed as mills decreased by two to four. Handloom weaving was an important cottage industry in the Presidency and the Department of Industries endeavoured as usual to introduce improved methods and machinery amongst the weavers. An investigation was also undertaken into the condition of industry in its technical aspects and to the social and economic condition of the weavers. The three jute mills in the Northern Circars continued to work during this period. Owing to the boom in the leather trade, the number of tanneries increased from 24 to 46 of which three, together with the two leather works came under the Factories Act.\textsuperscript{43} There additional leather manufacturing firms had been established in Madras City, and it was probable that the manufacture of finished leather goods would develop considerably in Madras during the next few years and that an export trade in foot-ware might be developed; especially in

\textsuperscript{43} G.O. Ms. No.1111, Revenue (Special), dated 15\textsuperscript{th} June, 1920, T.N.A
South Africa where there was a large market for this class of leather goods. The prohibition on the tonnage of sheep and goat skins by the Madras tanners, which had been in force during the great part of 1917-18 and 1918-19 was removed early in 1919 with the result that certain tanners immediately stopped the input of hides and turned their attention to skins, but, owing to the exceedingly high price of raw skins, many continued tanning hides and skins so long as they could dispose of them to Government under the scheme of control. 44 An important event of the year in connection with the trade in hides and skins was the passing of an Act by the Government of India imposing a tax of 15 per cent on all hides and skins exported from India but providing for a rebate of 10 per cent on hides and skins as were exported within the British Empire.

The coir industry was represented by 22 concerns as against 18 in the previous year. The number of cotton, ginning and pressing factories remained almost the same as in the previous year. For some time past attention had been devoted to the question of controlling and licensing

44. G.O. Ms. No.829, Revenue (Special), dated 29th April, 1920, T.N.A
cotton gins and presses in order to reduce the advantage of the lint which resulted from the bad condition of the small ginneries and to prevent the mixture of short and long staple cotton. The Indian Cotton committee recommended that all ginning and pressing factories should be required to take out licenses and laid down a series of conditions to which such factories should be required to confirm. The government of India accepted the Committee's recommendations.\footnote{Report of the Department of Industries for 1919-20; See also: G.O. No. 1206 Revenue (Special) dated 2\textsuperscript{nd} July 1920, T.N.A.}
CHART
SEA -BORNE TRADE 1937-38 TO 1944-45

Source: Madras Administration Report for the year 1944-45
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
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<tr>
<td>A</td>
<td>ORDNANCE FACTORIES</td>
</tr>
<tr>
<td>B</td>
<td>COACH BUILDING AND MOTOR REPAIRING WORKS</td>
</tr>
<tr>
<td>C</td>
<td>ARMY CLOTHING, HOSIERY, SILK AND OTHER TEXTILE FACTORIES</td>
</tr>
<tr>
<td>D</td>
<td>TANNERIES AND LEATHER INDUSTRIES</td>
</tr>
<tr>
<td>E</td>
<td>TOBACCO FACTORIES</td>
</tr>
<tr>
<td>F</td>
<td>SUGAR FACTORIES</td>
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<tr>
<td>G</td>
<td>ROPE WORKS</td>
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<tr>
<td>H</td>
<td>CHEMICALS, OIL MILLS BONES AND MANURE WORKS ETC</td>
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<td>TEA FACTORIES</td>
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<td>J</td>
<td>GROUND NUT DECORTICATING, PADDY BOILING, CHEST NUT CURING, CONDIMENTS AND GRAM MILLS</td>
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<td>COFFEE CURING WORKS</td>
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<td>L</td>
<td>JUTE MILLS</td>
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<td>M</td>
<td>PRINTING, BOOK BINDING ETC</td>
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</tr>
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<td>Q</td>
<td>RAILWAYS AND TRAMWAY WORKSHOPS AND DOCKYARDS</td>
</tr>
<tr>
<td>R</td>
<td>COTTON GINNING AND BALING PRESSES, JUTE FIBRE AND FORAGE PRESSES</td>
</tr>
<tr>
<td>S</td>
<td>COTTON SINNING, WEAVING AND OTHER FACTORIES</td>
</tr>
</tbody>
</table>
CHART: RELATIVE IMPORTANCE OF THE DIFFERENT CLASSES OF FACTORIES IN MADRAS DURING 1931 (VALUE IN LAKHS)

- S: 34,284
- Q: 34,284
- O: 16,445
- M: 15,796
- K: 7,961
- I: 6,554
- E: 6,286
- C: 6,211
- G: 4,224
- R: 4,051
- N: 2,828
- L: 2,785
- H: 2,462
- F: 2,312
- D: 1,931
- B: 1,890
- A: 1,275
- 1058