CHAPTER 2

EVOLUTION OF TRADE AND INDUSTRIES IN PONDICHERRY

Pondicherry may be said to have had roughly four distinctive stages of its cultural past, namely, Pre-historic, the Archaeological, the Historical, and the Modern. In the widest ambit, these stages can be taken as having prevailed in the remote geological past, prior to the first half of the first millennium B.C.; in the second half of the first millennium; and from the Christian epoch, downwards to XVI century and in the last three centuries till our independence. Pondicherry is an European corruption of 'Pudu-cheri' meaning 'New Town' and it can at least be claimed that the Greek 'Poduke' is as near to this as is the modern French Pondicherry. The new identification of a Roman emporium in the immediate vicinity of Pondicherry gives a fresh and conclusive weight to the equation of 'Poduke' with Pondicherry, which has already been suggested by more than one writer.\(^{(1)}\)

It was probably in the second century for example, that the city of Puhar or Kaveripattinam, at the mouth of the Kaveri river 60 miles south of Pondicherry, was thus described in the

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1. Government Gazetteer - Chapter II - History - p. 120.
epic Silappadikaram (The Lay of the Anklet). "The sun shown over the open terraces, over the turrets with windows like the eyes of the deer. In different places of Puhar, the onlookers attention was arrested by the sight of the abodes of Yavanas,\(^1\) whose prosperity never waned. At the harbour were to be seen sailors from distant lands, but to all appearance they live as one community".\(^2\) Yavana craftsmen were also sought after in southern India especially for the manufacture of siege engines. They also enjoyed considerable prestige in society.

Pattinapalai\(^3\) gives detailed account of foreign trade during Sangam period. Barter was the system of trade. Money does not seem to have been used in those days.\(^4\) The following stanzas from 'Pattinapalai' will establish beyond all reasonable doubt the flourishing trade and commerce existing in the coastal region.

The good and worthy gods protect,
The city’s limits. Here are brought
Swift, prancing steeds by sea in ships,
And bales of pepper black, by carts.
Himalayas sends guns and gold,
While Kudda hills sweet sandalwood,
And akhil pearls from the south sea came,
Red coral from the eastern sea.
The Ganges and the Kaveri bring,
Their yield: Ceylon provides its food.
And Burma manufacturers rare
With other rare and rich imports,
This wealth lies close and thickly piled;
Confused along the spacious streets,

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1. Men from the Graeco-Roman World.


3. It is Tamil Poem composed about two thousand years ago by some of the celebrated poets on Sangam period in Tamil Nadu.

Where the merchants live the fish is safe,
In the sea and the cantle, in the land.
Quite free and happy are their lives,
Amidst their multiplying kind,
They know no foes;

In trade, nor do they try to get,
Too much in selling their own goods,
Nor give too little, when they buy,
They set a fair price on all things,
Their ancient wealth was thus acquired,(1)
It is here, the merchants crowded live.

Perumbanaruppadai - a poem of the same period speaks of tall light houses on the coast summoning ships to harbour by the night.

The numerous migration from India into Indo-China both before and after the Christian era give ample ground for the belief that the ports of South India and Ceylon were in truth, as the Periplus States, this centre of an active trade with the Far-East, employing layer ships and in greater number than those coming from Egypt.(2) Another piece of evidence depicting the commercial activities in this coastal region could also be cited.(3) It is stated that one of the most important articles which came from India was cotton, another probably was silk. Both of these products were worked up in the factories of Alexandria which sent in exchange glass metal-ware and probably linen. In the harbour of the Chola country says the author of the Periplus, are ships of the country coasting along with shore

1.Pattinapalai - Stanzas 210-253 - It is one of the 10 Poems from Pathu Pattu (Ten Idylls) - (Translated into English versus by Chelliah, J.V.).


3.Rostoy (Zeff) - Social and Economic History of Roman Empire - 1926 (cited).
as far as Damirica and other very large vessels made of single lays bound together called 'Sangara', but those which make the voyage to Chryse and to the Ganges are called colandia and are very large. Here three kinds of crafts are distinguished by the author of Periplus - light coasting boats for local trade, layer vessels of a more complicated structure and greater carrying capacity for the inland trade and lastly big ocean going vessels that made the voyages to Malaya and Sumatra.

The guild system was prevalent during Chola period. Trade was carried on by merchants bounded together in powerful guilds and corporations. "Namadesa-Tisaiyirattu Aimmuruvar" formed the most celebrated of these guilds. The above merchant guild had a long and notable record of achievements. The Namadesis then were a powerful autonomous corporation of merchants, whose activities apparently took little or no amount of political boundaries. They visited all countries in the course of their trade. The traders were allowed to keep their own mercenary army for the protection of their merchandise in their ware-house and in transit. It is revealed that in the entire South India, merchants during the Chola regime had more freedom and scope for initiative and a better capacity for voluntary organization than anywhere else in the country. They were less at the mercy of government officials and exercised a great deal of autonomy in the regulation of their own affairs.

The State was not eager to interfere in their transactions and would not do so except on invitation. On the other hand, the State did not, it could not give the strong backing to its merchants engaged in foreign trade that the European States provided.\(^{(1)}\)

Spinning and weaving of cotton and also silk to some extent had attained a high degree of perfection. Spinning was then, as in later times the 'by-occupation' of women. We have the authority of the Periplus that 'Uraiyur' (which is about 10 miles from Pondicherry) was a great centre of trade in fine cotton stuffs. The cotton and silk trades, therefore must have provided occupation to a considerable part of the population. The narration in 'Manimekalai\(^{(2)}\)' tells us that magadham artisans, maharatha smiths, blacksmiths from Ananthi and Yavana carpenters were working by the side of Tamil craftsmen and this makes us to believe that by the side of foreign merchants from different countries from India and outside, there were also industrial workers, who had found more or less permanent employment in the Tamil lands. There can be hardly any doubt that 'Poduke', one of those important trade ports in the coromandel region was a part of Tamilagam\(^{(3)}\) and the existence of active industrial activity in this part is clearly evidenced from the materials available from the excavations carried out in

1. Government Gazetteer - Chapter II - (History)p. 122
2. A Tamil Classic of Sangam Age.
3. Refers to Territory, where Tamil was the spoken language.
Ankamedu, which is about three miles from Pondicherry. The excavations were carried out by the Archaeological Survey of India under Dr Martin Wheeler in 1945. The work was resumed in 1947-48 under the supervision of Mon J.M. Casal, the well known French Archaeologist, which had produced a firm and widely applicable datum. Among the important structural evidences recovered from the Arikamedu excavations were a substantial bricks structure, evidently a warehouse and another series of tanks or 'dyeing vats'(1). These recoveries have given a clue that factories for manufacture of textiles and also textile trade of some significance was in existence in the area as early as in first century of the Christian era.

During the excavations, at the northern and seaward end of the site, at water level, was found a large simple brick structure more than 150 feet long, which was obviously a warehouse. South of this were courtyards walled with brick and timber containing brick tanks and cisterns, drains, wells and soak-pits, the last made in the typical local fashion of superimposed tiers of terra-cotton rings. Beyond was a formidable revetment in brick with a batter and surviving to about 1.83 m height, which had been traced by the French Archaeological casal to nearly 76.25 m eastwards from its broken river end joint. This was probably a tank or reservoir but equally plausibly might have been defensive revetment. This

storage and industrial activity is evidenced by the above that could be commuted to the 'Agaritic' dyed muslin mentioned by Periplus as the export of the region.\(^{(1)}\)

Literary record further makes it clear\(^{(2)}\) that Romano-Indian trade remained brisk until long after the middle of the first century of the Christian era. By the later part of the first century of the Christian era, the literary evidence reveals, this trade was organized on different lines than those of the European 'factories' established in India from the sixteenth century onwards. The Periplus of the Erythrean Sea (A.D. 60-100) speaks of 'Euroqia' 'Voulux' the unqualified 'Euroqia' of Ptolemy (A.D. 150), which may fairly be described as treaty-ports. In other words, permanent lodges of western traders were settled in them under a formal agreement with the appropriate Indian ruler and were visited at the proper seasons by convoys of deep-sea merchantmen. It may be informed that at least as early as A.D. 30 and possibly before the death of Augustus, regular monsoon trade has been established between Mediterranean and Western India, with a coastwise or overland extension to the coromandel coast. Whether at this early date, the route was carried to its logical conclusion in Malaya and China, is at present unknown. By the second century, at any rate 'Antonine' coins would appear to have penetrated to Long

Shuyen and the peninsula of Cochin, China, when they were dug up by Mr L. Mallaret in 1945.\(^{(1)}\)

Ptolemy's narration speaks about the eastern coasts studded with ports throbbing with trade, during the second century. Ptolemy names several ports in the eastern Deccan region, which seems to have entered at this time upon a period of great industrial and commercial activity, which reached its climax towards the end of the second century.\(^{(2)}\) Coins of Pulumayi II, a Satavahana King, who reigned for at least 24 years on the coromandel coast, as far south as Cuddalore, which is about 12 miles from Pondicherry, was also found.\(^{(3)}\) This also gives further evidence as to the existence of trade and industrial activity in this part of the country during second century.

The Sangam period was a golden age for the southern part of the country. Trade and commerce flourished. Industrial activities were carried on with vigour as the merchants, traders, and industrialists enjoyed the patronage of the King and a high status in society. Labourers employed from different trades and crafts were highly skilled and they were contended. They were paid in kind. There are hardly any mention about the disloyalty of the labour or expression of discontentment during this period. Pondicherry which was also a part of Tamilagam

1. Information from Mr Gerrais, H. of the Ecole Française d'Extreme Orient.
2. Sastri Nilakanta, K.A. - A History of South India p. 98 (University of Madras Publication).
3. Ibid p. 95.
continued to be a centre of trade and industrial activity during
the Sangam period as well as thereafter. Pondicherry came under
the Vijayanagara dynasty, as could be seen from the inscription
in Mangidevan temple at Villianur, a commune in Pondicherry. It
came under the Nayakership of Gingee and the area covered by Karaikal and its environs in the Thanjavur District came under the Nayakership of Thanjavur. Later in 1648 Gingee principality including the Pondicherry territory came under Bijapur Adilshahi rule which lasted for the next 29 years. The capture of Gingee and its surroundings by Adilshahi affected adversely the territory of Pondicherry. In fact, it ruined the port to a considerable extent, which was attracting foreign merchantmen even then. An account of the operation of the capture of Gingee is recorded in 'Mohammed-Namah' and the 'Basatin-al-Salatin' speaks about the damage caused to Pondicherry port.

"Nations who lye two daies journey one of another with
powerful armies watching all advantage upon each other, yet both
strive to make a prey of this miserable and distracted or
divided people. These are the Guleandah and the Vizapoore
(Bijapur); Moores, the latter of which hath brought in 8 000
freebooters who receive no pay but plunder what they can; whose
incursions, robberies and devastations hath brought desolation
on a great part of the country round about, specifically in

1. A town situated about 40 miles north of Pondicherry.
and its Rulers - p. 185 (cited) (Annamalai University
Publication).
three prime cloth ports, Tevanapatnam, Porto-Novo and Pullachery (Pondicherry) of which the two last are in a manner ruined the other hardly preserving itself in a poor condition with continuell presents".

Evidences are available to show that the Portugese established factories even at the beginning of XVI century at Pondicherry and in other places in East Coast. (1) Between 1617 and 1670 French, Portugese, Dutch, and Englishmen, visited the East Coast, especially Pondicherry and Porto-Novo (which is about 14 miles south of Pondicherry) and established loges (trading ports). the Portugese were the first among the Europeans to establish a factory at Pondicherry. It was established after they had built one at Nagapattinam in 1521 and sometime thereafter, they had established another at Santhome in 1524. (2) Muthukrishnappa (1595 to 1625), who was the Naik of Gingee under Vijayanagar was involved in a war of succession following the murder of Sriranga II in 1614. He found the Portugese ranged against his side and therefore compelled them to abandon "Puducheria". In 1616 he invited the Danes, who then had a trading port in Porto Novo to set up an establishment at Pondicherry.

In 1617 a French ship fitted out by the Company of St.Malo called on the coast and a Frenchman named Jean Pepin was

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permitted by the Naik of Gingee to repair the Portugese port and occupy it. But Pepin returned to France. In 1639, Francis Day, the English explorer from Madras visited 'Pullicherr' twice and stayed in the Danish lodge. But by 1656 the Danes evacuated the port as a result of Bijapur invasion and the fall of Gingee in 1648.\(^{(1)}\)

When Pondicherry was under Bijapur Rulers, the French had made their settlement. A French mission was despatched in September 1670 to examine the site and possibilities of trade. The mission was favourably impressed and furnished an encouraging report pointing out particularly the large quantity of textile goods available in the area and its excellence. On 4 February 1673 Bellangar de L'Espiray a trusted lieutenant of de la Haye and a brigadier of his guards, landed in Pondicherry on orders from his admiral to establish a loge.\(^{(2)}\)

It could be seen from the above chronological events that Pondicherry continued to be an important trading port in the eastern coast right from the first century to sixteenth century. When trade in Surat was under decline, Pondicherry grew to become a flourishing trading centre. Its hinterland provided Long cloth, Mulemull, Muslin, Organdie, Salempuri, Sailasee, Kanjeevaram, and PULICAT textiles.

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2. A loge is a trading port.
The 'firman' of 1677 permitted the French on the other hand, to build godowns not only in Pondicherry but also in any other village or town for the purpose of storing merchandise. The monopoly of trade in Pondicherry was vested with the French and it was explicitly stated that although ships of other nations could call at Pondicherry, they could not engage in commercial transactions without French consent.

However, from 1763 to 1816 it was a power game among Dutch, French, and English, and it was a temporary set-back for the trade and industrial activities. Pondicherry was bought by the Dutch in 1693 from Ramaraja of Gingee for 25,000 pagodas and continued to be under the Dutch rule till 1699. French recaptured the power in 1699. In 1760 English established power by capturing French. The seven years war was brought to an end by the Treaty of Paris signed on 10 February 1763\(^{(1)}\) but, it was only two years later that the establishments were restored to the French. Pondicherry again came under English power between 1776 and 1785. The next spell of English rule was during the period from 1793 to 1816. French accepted the restitution of Pondicherry on 4 December 1816 which remained under their control until the merger of territory with the Union of India in 1954.

The factory type of industries, both large and small came

\(^{(1)}\) The Treaty of Paris dated 10 February 1763.
to be started in Pondicherry after the establishments were reoccupied by the French in 1816 providing more and more employment opportunities for the large number of weavers, who led a precarious life with the decline of the export trade of cloth. This region, which was known for the good quality of textiles could have the modern type of textile industries from 1829. The 'Savana Mills' was started in 1829 as a spinning mill under the name and style of "Blin and Delbuck" at Nellitope, a village at Pondicherry. Later, the name of the mill was changed as 'The Savana Société Industrielle Communicaté et Financière, Pondicherry, shortly put as Savana Mills. This was managed during the French regime almost completely by French Nations with its Head-office at Bordeaux in France. The next of the mills in order of age is the 'Sri Bharathi Mills'. This was started in the year 1892 under the name of 'Gable Mills' at Mudaliarpet. After several changes in ownership and in the name it became 'Sri Bharathi Mills-S.A.' in 1946. The third mill viz., Anglo French Textile Company otherwise known as the Rodier Mills was started in 1898. Having regard to the fact that, it is comparatively new, it is also known as 'Pudu Alai' or New Mills'. It was managed by Englishmen having their Head-Office at Manchester. Just before the merger, it was under the control of Best & Company. All those mills were started and
were designed to supply cotton-textile materials to the less developed over-seas territories of France such as, Algeria, Morocco, Equatorial Africa, the Cameroons, Togoland, and Madagaskar, and also to some extent Indo-china. The principal type of cloth manufactured by these mills was called 'Shandorah' a heavily indigo-dyed cloth which had a preferential and potential market in the French overseas territories mentioned above. With such a protected market, all the three mills were doing flourishing business.

Every kind of trade unionism was strictly prohibited by law till 1884. The workers were therefore left with little bargaining power. However, from time to time, they resorted to some militant form of agitation, whenever they felt aggrieved by managerial action. As early as in 1908, some workers in one section of Rodier Mill stopped work demanding an increase of half an anna in their daily wages. The mill which had to be closed down for 10 or 11 days and was reopened only after the management agreed to the demands of the workers. In 1910, the management of the Rodier Mill agreed to a 20% increase in wages.

In June 1936, the workers declared a general strike demanding eight hours work, the right of collective bargaining, increase in wages, holidays and right to form trade unions. The

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5. Sri Soudjanaranandjini dated 30 October 1919 (A Local Journal).
administration agreed to all their demands except right to form trade unions. The workers went on strike again in the last week of July 1936. The attempt to evict the workers resorting to stay-in-strike by force on 30 July led to violence and shooting in which 12 workers lost their lives. It was only in June 1936 the 'Front Populaire' was swept to power in France. This had given rise to great expectations among the working class not only in France but also in Pondicherry. The Coalition Government in France ordered an immediate enquiry and took action against the Governor. Senator Justin Gaudart came to Pondicherry as a special envoy of the President of the French Republic to study the problems of workers here. On his recommendation the décret of 5 April 1937 hailed as a workers charter was passed. The highlights of the décret of 1937 has been dealt with in detail later. Prohibition of child labour, restriction of working hours, recognition of labour unions, maternity benefits for women labour, weekly paid holiday, were some of the progressive features of this law.

By then, the political climate in the country created awakening in the minds of the local people of Pondicherry. The local leaders formed different political parties based on different political ideologies. Franco-Hindu Party and Mahadjana Sabha were the two major parties strongly opposed to each other. Franco-Hindu Party and Mahadjana Sabha contested
the Municipal Elections on 2 May 1937. The rivalry between the Franco-Hindu Party and the Mahadjana Sabha left the territory in the grip of violence. The Mahadjana Party was sponsored by local leaders like Marie Saveri, Dorairaj, and Purushothama Reddiar. On 26 December 1938 David, who was the then President Conseil General gave account of his mission to France on the floor of Conseil General. He also dealt with in detail the problems of French-India and ways to solve them. He also promised to amend the labour legislation of 6 April 1937 taking into account the results achieved and defects noticed. In 1939, a popular labour leader was arrested by the British Government and interned in Vellore Jail. The Communists Organizations in the French establishments were banned on 28 September 1939(1) and the press was subjected to censorship. The Arrêté Interministerielle of 4 October 1939 which provided for the liquidation of the assets of the banned communist organization was promulgated on 14 November 1939. Following the lifting of the ban on the communist party in 1940 V.-Subbiah, a popular communist leader returned to Pondicherry. In April 1944 V. Subbiah was charged as an undesirable element and expelled from Pondicherry. But the sudden death of David in 1944 brought an end the sway of the Franco-Hindu Party soon after.(2)

1. Arrêté dated 28 September 1939.
2. Gazetteer - Chapter II - History - p. 163.
In July 1947 some of the partners in the National Democratic Front broke away completely and formed the French-India Socialist Party. They launched a systematic campaign against the communists who until then, dominated the National Democratic Front.

The advent of political parties led by local leaders had a greater impact in the industrial arena. The rival parties used the industrial workers for achieving superiority by one party over the other. Clashes between the groups having allegiance to French India Socialist Party and the Communist Party were increasingly more and developed into inter-union rivalry. The activities of these organizations revealed the growing national consciousness and the political awareness of the people. The visits of Mahatma Gandhi in 1934 and Pandit Jawaharlal Nehru in 1936 to Pondicherry were significant in the sense that such visits brought the politically conscious elements in Pondicherry into close contact with the French movement in India. The demands made by the Trade Unions elsewhere in the country were also be effectively made by the workmen in Pondicherry. Several labour welfare measures were introduced between 1936 and 1947. The décret of 1937 came to be modified to meet wartime exigencies. The décret of 12 September 1939 authorized the increase in the working hours from 48 to 54 per week. The
The collective agreement entered into in 1943 provided for burial and funeral expenses of workers. The décret of 23 August 1946 regarding the fixation of salaries was promulgated in Pondicherry, the same day by an Arrêté of 23 August 1946. The order stipulated that the wages of workers in industrial establishments both private as well as public should not be less than the minimum fixed by the administration in consultation with the "Commission Paritaire des Salaires". On 19 September 1946 the Labour Unions and the Managements gave their consent to a new Collective Agreement reached through the good offices of Governor Baron. Article 12 of the Agreement confirmed the system of pension and provided for payment of pension at a higher rate. Since those décrets and arrêtés have significantly contributed for the development of French Industrial Relations System in Pondicherry, they have been dealt with in more detail in Chapter III. Independence of the country gave rise to certain measures in French-India as well. The administration therefore came up with a series of measures.

The Arrêté of 24 September 1952 was subsequently modified by Arrêté of 18 April 1953. The Arrêté of 26 September 1952 sought to regulate the use of the relief funds during lock-outs and the same was modified by the Arrêté of 11 May 1954. The Labour Code of 15 December 1952 was

The Arrêté 17 June 1954 determined the functions of the Labour Court and provided for avoiding delay in the disposal of cases before the Labour Court. The Arrêté of 13 July 1954 prescribed the rules for the grant of allowance on 1 May. However, all these measures could not be implemented fully as French rule came to an end in Pondicherry.

Pondicherry, which is known for its famous textiles for many centuries continue to have more number of textile industries even now. Though there was a temporary set-back for the textile mills in Pondicherry immediately after the merger of territory with the Union of India, as they lost their foreign market, the industries made steady progress soon thereafter and established flourishing trade after gaining domestic and foreign market. Anglo-French Textile Mills Limited (A.F.T.) is now exporting the bulk of its products to various developed countries. The strike in Anglo French Textile Mills Limited in
1983 resulted in closure of the mill for nearly three years. Due to the timely intervention of the Government of India, Pondicherry Textile Corporation was set up in 1986 and since then, the Anglo French Textile Mill has been run as a unit of the Pondicherry Textile Corporation. Swadeshi Mill, Pondicherry, has now become a unit of National Textile Corporation.

There are now five textile mills in the Union Territory (three in Pondicherry region, one at Karaikal, and one at Mahe). The total number of workmen employed in these textile mills works out nearly 12,000 and out of them nearly 11,000 workmen are employed only in Pondicherry region. Number of other large and medium industries also have been established in Pondicherry in the recent past. Ariyur Sugar Mills, which employs nearly 1,000 employees is in private sector and another Sugar Mill has been established in the year 1981 in the co-operative sector. Pondicherry Paper Mills is yet another industry established in the year 1980 apart from Hand Made Paper Mills, which is a unit owned by Sri Aurobindo Ashram. Pondicherry Rolling Mills, Triveni Steel Industries, Triveni Steel and Alloy Industries, Pondy Welded Mesh, Ponds India Limited, are some of the medium industries established in the private sector during the post-independence period. Number of distilleries have come up in the private sector during the last decade.
The geographical location, levy of taxes at a lesser rate, availability of labour, encouragement by the Government has attracted many industrial entrepreneurs to set up their units in Pondicherry. The Government of India has approved the development of Pondicherry port and it is needless to emphasize that Pondicherry, which once occupied a primary place in the entire Coromandel region in respect of trade and commerce may regain its position and would find a place in the industrial map of the country.

The trading and commercial activities in and around Pondicherry, had established links with western countries, as far as Damirica and Rome. Pondicherry being one of the important trading ports in the Coromandel region had inland, coastal, and international trading activities. For the above purpose, different set of workmen were being employed. Though minute details about the employer and employee's relations existing during that period is not available, it could be seen from the ancient Tamil literature that the employees used in the trade and commerce were contended and there was no animosity and conflict between the employer and employees, as every one lived happily and did their best.

On the advent of French, employer and employee's relations were regulated within the legal framework by the proclamation of

1. Indian Express dated 20 February 1985.
several Arretés and Décrêts and a new model of industrial relation emerged. It is therefore proposed to make an humble study of this system as was in force at Pondicherry in the next three chapters.