

THE
ECONOMIC EFFECTS OF WAR
ON
INDIA.
PART 1.
Indian Industrial Development
During the War.

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To
MY COLLEGE.
THE CANNING COLLEGE LUCKNOW,
where
I GOT THE OPPORTUNITY
of
Studying & Teaching
Economics.

PREFACE.

It was in December last that I was asked by the Secretary, Student's Society Lucknow, to contribute a paper in connection with celebrations of Peace. The subject I chose for this paper was "Indian Industrial Development during *during* the War". The special study which I made in the preparation of the paper unfolded before my eyes a state of affairs which 'the man in the street' was obviously quite ignorant of, but to know which was clearly of capital importance. All this could not be condensed in a little over an hour's paper. Hence the present work.

In March 1919 the Indian Munitions Board issued a revised edition of the Industrial Handbook, a volume of over 400 pages, written by experts and giving in full detail all that had been done during the last one year and a half of the War to develop Industrial resources. I have freely drawn upon this excellent work as well as utilised all other available resources in Government reports, newspapers and magazines.

This work ought to have been ready by April at the latest, but the scarcity of paper upset the arrangements.

In spite of careful proof-reading mistakes have crept in, some of *wrong forms* which it was not easy for a novice in proof-reading like me to distinguish from one another, specially when for want of good paper proofs had sometime to be given on thin brown paper,—for these I crave the indulgence of the reader, and some of matter in respect to which a list of errata has been appended.

Lucknow, }
August 1920. }

IKEAL BAHADUR SAKSENA.

INTRODUCTION.

There is no doubt that the war which has just had such a magnificent ending for the Allied cause was an unprecedented war, involving on an unprecedented scale destruction and deterioration of men, money and materials and it will take years before the loss of lace of valuable lives is made up, before the burden involved by a crushing debt of £ 50,000 millions—interest alone on which, at a rate of 5 per cent, amounts to £ 2,500 millions—equivalent to 25 times the total gross revenues of the Government of India—is relieved and before the wastage of the world's wealth is restored.

But this war, like every other evil in God's Creation has not been an unmixed evil.

This war has taught us all a new lesson of self-sacrifice and co-operation for the common good, has quickened human conscience and sympathies and brought about an up-heaval in men's ideas, their status, and their relations with each other, never before seen in the world. This war has given us experience and wisdom of centuries condensed in months and minutes and united in a common bond all human beings differences of race, colour and creed notwithstanding. This war has demonstrated to the world-dominators to the hilt and to all others besides the underlying virtue and justice of the golden principles of 'give and take' and 'live and let live'. This war has sent a thrill of new life throughout the world and awakened to a new sense and consciousness of rights and duties backward nations. This war has served to curb the ambitions of Imperialists and Militarists and given a new lease of hope to the downtrodden and the depressed. In short, this war threw into the melting-pot the destinies of the human race and out of it is emerging a new and rejuvenated race, bent upon living in peace for all times to come.

To India also, the evils of the war have brought in their train nothing but good. It is not so much the good as the prospect of good which is bound to come as years roll on.

It will be my humble part to take up the Economic side of this 'good' and show by facts and figures that that chapter of our destiny which confined us to be "hewers of wood and drawers of water" has been finally, definitely and irrevocably closed, while the era in which we shall be called upon to play an ever-important part, befitting our ancient civilisation, culture and ideals (spiritual); has already dawned by the inclusion of India as an original member of the League of Nations and as a signatory to the Covenant securing the peace of the world and is further to grow into a bright sunshine by the introduction of Reforms, announced on the memorable 20th of August 1917, just passed by the Mother of Parliaments.

The following pages have been written with a threefold object—*firstly* to give an account of the condition of industries in general before the war, *secondly* to give an account of what has been done to develop India's resources for War purposes and so to bring about general industrial development and *thirdly* to indicate possibilities and prospects of future development of industries.

They thus put together in a concise form the Industrial Development of India during the War or the Industrial side of Economic Effects of War. To complete the survey of Economic Effects of War on India two more sides remain to be dealt with, *viz.*,

- (1) Commercial and
- (2) Financial,

and these I hope to do in recent future, if the present work meets with recognition at the hands of those who want to know what Economic Effects the world-war has produced in India and how these are likely to affect the future of the country which we all have learnt to love so well.

CONTENTS.

Page.

Section 1.—A bit of Modern History.

India an agricultural country, not always so—The Industrial Revolution in Europe, India unaffected by it—Reconciliation of the Indian to the change—Factors of Industrial Progress, India not efficient in any—Why we have not been able to do much—The Indian Ruralisation and the British Policy of Free Trade—Failure of Swadeshi—Change in policy. 1

Section 2.—What we have achieved. ... 7

Section 3.—War-Efforts.

The Indian Industrial Commission—Establishment of the Munitions Board—The main functions of the Board—The Organisation of the Board—Expenditure of the Board—Opportunities given by war for the development of manufactures—Development of "key" industries—Hindrances to the development of Industries—The Principle on which development has hitherto proceeded. 13

Section 4. Industrial Development in Provinces.

Bengal, (18)—Madras, (19)—Bombay, (22)—U. P. (25)—Punjab, (26)—Burma, (27)—Central Province (29)—Bihar and Orissa, (30)—A review of the Survey of Industrial Development in Provinces, (32)—Appendix, Summary of Industrial Development—Province by Province (33)—By industries, (36). 18

Section 5. Some Essential Industries.

Chapter 1.—Power for Industries.—Charcoal—Coal—Mineral oil—Water or hydro-electric energy—Industrial alcohol 38

Chapter 2.—Chemical Industries.—Development of Industries on scientific lines—Essentials for the development of chemical industries—Acids—Alkalies—Salt—Bitterns—Saltpetre—Coaltar—Alkaloids and other medicinal drugs—Disinfectants and antiseptics—Fertilisers—Manufacture of bonemanure and its by-products—Salts—Minor Products. 44

Chapter 3.—Metallurgical Industries.—Metallurgy, a very ancient art—Condition in India—Production and progress—Progress of mining during the present century—Exports and imports of metals—Essentials of modern metallurgy—Prospects for metals in India: Aluminium, Antimony, Copper and Brass, Ferro-manganese and other ferro-alloys, Gold, Iron and Steel (Tata Iron and Steel Company) Lead, Nickel, Platinum, Silver, Tin and Zinc. 62

Chapter 4.—Oil Industries.—India's position—Exports—The problem—Directions of expansion—Oil-seeds and oils, their uses etc., Linseed, Cotton seed, Rape seed, Sesamum, Groundnut, Castor, Coconut, Mahua seed—Essential Oils—Prospects 73

Chapter 5.—The Paint and Allied Industries—Present position—Imports of paints and painter's materials—Materials used in paints—Varnish—Oil—Turpentine—Pigments, Artificial Pigments—Prospects of manufacture in India 81

Chapter 6.—Forest Industries.—Importance of Forests—Forest products—Development of Forest resources.—Forest Industries—Sawing—Seasoning—Antiseptic treatment of timber—The Pine Resin Industry—Paper-pulp Industry—Match-splint Industry—Lac Industry—Collection of tan and other stuffs—State Forests 85

Chapter 7.—Lac Industry.—Production of lac—Lac substitutes—Area of occurrence—Shells—Commercial forms—Uses—Exports—Value of trade—Trade organisation—Lac products ... 90

* *Chapter 8.—Tanning and Leather Industry.*—Effect of war—Exports of Hides and skins—East India kips—Action taken by Government—Researchwork—Indian tanneries ... 97

Chapter 9.—The Paper Industry.—Hand-made paper—Machine-made paper—Output—Raw materials—Research—Effect of war—Future Prospects ... 102

Chapter 10.—Glass Industry.—History—Present position—Progress since the war—Imports—Prospects—Problems requiring investigation ... 106

	Page
<i>Chapter 11.—Soap Industry.—Imports—Production in India—Extent of competition—The problem of the Soap Industry—Discussion of drawbacks—Prospects</i> ...	111
<i>Chapter 12 —Cement Industry.—The ferro-concrete age—A war industry—Location and manufacture—Present position and prospects</i> ...	117
<i>Chapter 13.—Magnesite Industry.—The finest magnesite in the world—A raw material for several industries</i> ...	118
<i>Chapter 14.—Shipbuilding Industry—Impetus given by the war—Shipbuilding branch of the Munitions Board.—Investigation of shipbuilding possibilities—Under construction—Ferro-concrete vessels—Canvas</i>	120
<i>Chapter 15.—Jute Industry.—History—Effect of war—Jute Mill Industry—Development of jute manufacture—The control of jute</i> ...	122
<i>Chapter 16.—The Hardware Industry.—Hardware—Trade in Hardware—Effect of War—Imports of Hardware—Changes owing to War—Change of direction in the hardware trade—Prospects of manufacture</i>	124
<i>Chapter 17.—Miscellaneous Industries.—Natural dyes—Medical and Surgical requirements—Mica and mica-nite—Buttons—Cutlery—Brushes—Flax—Sann Hemp—Textiles—Railway Stock, Rolling Stock and Bridging provided from India</i> ...	129