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ECONOMIC TRANSFORMATION OF PRINCELY TRAVANCORE UNDER C.P. RAMASWAMI AIYAR (1935-1945)

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ABSTRACT

Travancore, a princely state, occupied the south-west portion of the Indian peninsula. By the second half of the 20th century, Travancore served as a model for other princely states with the level of economic progress it achieved. In 1936 C.P.Ramaswami Aiyar was appointed as the Dewan of Travancore. Before assuming charge as Dewan, he acted as the legal and constitutional adviser in the state. After appointment as Dewan, C.P. introduced reforms in field of hydro-electric projects, industries, agriculture and other economic sectors. This schemes helped in the industrialisation of the state. The state achieved considerable economic progress as a result of these schemes. C.P. faced many obstacles in introducing various schemes in the state. But the Ruler of Travancore was far-sighted and he supported C.P., in introducing reforms. This research article discusses the schemes introduced by C.P in Travancore and the opposition he faced in the state. Many of his schemes succeeded in the state, and as a result the state was able to achieve great economic stability in the years followed. He had played an important role in many public activities.

KEYWORDS: *Industrialisation :policies: agriculture: development: Economy.*

INTRODUCTION

An analysis of economic development in Travancore during the years of Dewan C.P.Ramaswami Aiyar, will help us to understand the economic progress made by the state of during these years. C.P helped in laying a base for the industrial expansion of Princely Travancore. Though he had to face stiff political opposition from various sections of society, He confidently implemented schemes to make the state progress. Though he faced problems created by various sections, there was not much disturbance that hindered his policies. His policies, was welcomed by the Maharaja *(king)* of Travancore Sri Chithira Tirunnal. The Raja stressed the need for industrial and agricultural development of the state. Travancore was primarily an agricultural state but C.P. realised that industrial development and manufacturing was also very necessary. So, he sorted out a plan for the agricultural and economic development of the state. During his tenure as Dewan C.P. carried out economic reforms that made the state stable and self-sufficient. His reforms were very far sighted. [i]

C.P's vision and enthusiasm encouraged the entrepreneurs to start various industries. Travancore under C.P made strides in the power generation and industrialisation. Agriculture and industry flourished in Travancore. Though some industries faced problems due to competition it began to progress soon. Many important industries were started for the first time in Travancore.[ii] C.P. also planned to accumulate capital from the government side for the joint sector projects. He divided the sectors among individual intrapreneurs. During the tenure of C.P. certain industries were established. The major industries were rubber, sugar , aluminium, glass industries and titanium oxide plants. Cement, rubber and glass industry in Travancore was first of its kind in South India itself. This attracted many entrepreneurs to come up to Travancore and invest in various industries. Though several industries faced problems during initial period it began to thrive as time passed. Sir C.P. very well knew the fact that industrial development was not possible without a steady agricultural progress. Despite the fact that half of the population depended on agriculture, Travancore was not self -sufficient in food grains. The state depended on imported food grains from neighbouring states. So C.P. devised plans for both agricultural and industrial development of the State.[iii]

Hydro-electric projects in Princely Travancore

Sir C.P. had experience in carrying out reforms in field of electricity generation schemes. He was a member of committee of power generation department under government of Madras, so took the lead initiative in introducing reforms related to power generation in the state. Travancore possessed huge potential for development of hydro- electric projects. The state had large number of river systems. There was a power station in Travancore that came by 1905. But only in 1929 power distribution became widespread in Travancore. Under the efficient leadership of Sir C.P. , Travancore government initiated programmes for electricity generation. The major aim was to provide electricity at lower rates to houses and industrial units. The most important project was *Pallivasal hydro-electric project*. The first phase of the project was project completed by 1940's. The project marked extensive electricity supply to various places in Travancore. This was a very important scheme from the government. The first step towards the harnessing of power resources started with the execution of Pallivasal Hydro- electric project.[iv] It was the effort of C.P. that laid the foundation of such a huge project that turned the face of Travancore to a model state. The Pallivasal project marked an important milestone towards the effective usefulness of

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water resources of the state. The high rainfall and favourable topographic position there was considerable water power resources for the state. The river system of Travancore was very rich. The first step towards the harnessing of power resources started with the execution of Pallivasal Hydro-electric project. The Pallivasal project was soon followed up by several small hydro-electric projects.[v] C.P. had taken great effort in implementing a similar scheme known as Mettur Dam project in the Kaveri river valley. It was Sir C.P.'s biggest dream to introduce such a project in Travancore also. The headquarters of European Planting districts in high ranges were chosen for the project. It was initiated in Pallivasal in Munnar. After few enquiries it was decided to utilize the waters of Mudirapuzha river, a tributary of Periyar river. There were some obstacles that was faced once the work began.

Several inspections had been carried out in the site where the power house was to be build and in one final report it was found that the area where the power house was supposed to be build was unsuitable. The decision was finalised by inviting a European Henry Howard who was an expert in the field. He actually came from England to Madras to deal with Pykara project by Madras government. C.P. invited him to Travancore and appointed him as consultant to the electricity department in 1939. Upon his approval it was decided to build the power house in the chosen area itself. The power house was built on a solid sheet of rocks, saying *'the power house will be everlasting as the hills themselves*'. The project was finally completed by 1940,six years after the commencement of the project.[vi] C.P himself inaugurated the project in 1940. The first installation marked the generation of 4600 KW of power. The power was generated at 11KW and then distributed to substations. Power was generated mainly to the 5 principal 66 KW sub stations located in around Munnar which further distributed power to further areas. The power generated was initially supplied to industries and remaining power to domestic, agricultural purpose in parts of Travancore. A large number of industries benefited from the power supply that was given at a subsidised rate. Travancore become one of the foremost state to install such an established power station under Sir C. P's efficient and leadership and guidance. [vii] During the same period several other projects were also taken up in Travancore – *the Mattupetty Dam* project was planned to be constructed, which was located about 7 miles from Munnar. The next important project that was taken up was *Sethuparvatipuram Dam* which was about 16 miles from Munnar. In view of the anticipated increase in demand of power as a result of the policy of industrialisation followed by the government; several discussions were being held to develop yet another project below the Pallivasal dam project. The new power station was planned to be built at Sengulam which was about 4 miles down to Pallivasal. The detailed investigation of the scheme was completed and work began. The next important scheme was *Neriamangala*m scheme that was located further down from Sengulam. The preliminary investigations of the project appeared to be very impressive and now power generation progressed. Thus as C.P. righty pointed out the utilizing of the hydro energy enabled Travancore to achieve economic growth and stable power generation. [viii]

Agriculturalist Relief Bill

The next important reform measure that was initiated by C.P was in the field of agriculture. He always supported the grievances of the peasants. Though Travancore was an agricultural and plantation state food grains were insufficient. The state imported food grains from other neighbouring states. C.P. was concerned about the fact that the state was not self-sufficient in the matter of food production. But no one would ever believe this that the state was not self -sufficient in food grains because Travancore was marvelling with the proud beauty of its lush green paddy fields. The population of Travancore was very high that the state was not able to produce all the necessary food grains to fed such huge populations. C.P. recommended an organised scheme of agriculture and intense cultivation that was required to solve the problem of food scarcity. For the peasants were in constant distress, the Agriculturalist relief bill was being discussed for a long time in. Several discussions were held but no ultimate decision was taken as there was pressure from the moneyed section of the society who does not want the bill to be introduced. The bill was of course opposed by the bankers, money-lenders and merchants . C.P. appealed to the council to reconsider the bill. As a result of C. P's strenuous efforts the bill was passed in 1936. But due to mal-administration the working of the bill was found to be defective soon. [ix]

Industrial Policies

Encouragements were given to industries during the first half of nineteenth century. Special schemes were implemented for the growth of industries. There were several factories which were owned by Travancore government. The most important of the industries included the ceramic Factory at Kundara in Kollam and sugar factory at Thakkala. C.P. saw great opportunity in rubber industry, because no other place in India had the raw materials for the manufacture of rubber available in such quantity, quality and in cheaper price. So the initial phase of industrial development in Travancore witnessed the growth of rubber industries. Sugar industry was also under consideration. Soon other industries like aluminium, fertilizer, glass, forest industries sprang up in Travancore. Initially these business undertakings could not get the desired profit and growth due to stiff competition from industries that has already been set up in and around South India. C.P. has already pointed out these aspects in the council.[x] He proclaimed that it is the paramount duty of the state to ensure the efficient supply of water, power, health care, electricity, cheap and safe transport and other required services to the people.

In 1936 there were only three industries that were working that government showed some considerable interest. Focus was now shifted to rubber Industry, as Travancore was one of the largest producers of rubber. It was a golden opportunity. C.P. then studied in detail about the rubber industry. He then understood that the industry required a good amount of work to be done initially. The establishment of an initial small factory would help the process. In 1935, under C.P's instigation the government decided to produce larger number of goods from raw rubber. The finished products included paper weights, table covers and lamp stamps. But the factory faced a crisis that no one ever thought would happen. The goods produced were not

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sold and thus they were piled in large numbers in the shelves of the factory itself. There was no problem in the products as it was made of good quality raw rubber. They were up to the mark, very durable and artistic also. There was no huge demand in the industry as it was expected .But this did not stop C.P. he planned new schemes to help the industry that was facing a very serious crisis.

At C.P's suggestion the work of the factory was reviewed, measures were taken to solve the problems that persisted. C.P. came to the conclusion that the government had done enough for the rubber industry, sufficient support and initial encouragement had been given to the dying industry, now it is high time that some private agencies to take over the enterprise. At his suggestion the rubber factory was leased for a period of 10 years to a company by name the *Travancore Cables and Rubbers limited*. The company also faced the same problems. In 1938 the company sold all its goods to the transport department of Travancore state. This was a very good move. The inner tubes of heavy vehicles and tyres of bicycle were made of rubber. The finished rubber goods was used by the transport department in a wide variety of ways. During the second war period the factory was mainly engaged in the production of goods for the purpose of war. Sir C.P. said with great pride that the rubber factory would be one if the resounding success of the industrial policy. Though it faced serious problems during the initial period the factory very soon achieved its success. By 1940 the factory was leased to Travancore rubber works a joint venture of the private and government. Like the rubber factory another major industry that faced serious crisis was the sugar industry. The sugar industry was initially dull as the rubber industry. The most famous industry which emerged during the period of C.P. was the *Thackalay sugar industry* which began with very good auspices, but they were not paying the required amount of dividend to the government and shareholders for a very long time. C.P. after an initial assessment of the work of the factory said that the problem was not with the quality of sugar produced in Travancore, but due to its difficulty in marketing their products. The sugar industry was not in a position to face the stiff competition in the market. The most famous sugar factory at the time was owned by *Parry and Company* . They enjoyed a great part of the monopoly of the sugar products. C.P. adopted a strategy by entering into negotiations with Parry and Company and entered the crisis of the industry [xi]. This was a very impressive effort by C.P. that helped a dying industry to success.

The sugar scarcity during of second world war (1939-1945) necessitated the setting up of new sugar factories. Thus the Travancore sugar and chemicals with Parry and Company as managing agents was finally set up in 1945. The government now decided to give permission to import the necessary machineries from abroad. The government was ready to extend encouragement and support to all industrial units. New areas were provided for further extension of sugarcane cultivation. This helped the industry that was on deteriorating process to come up with expected progress.

Another major industry which was started by the Travancore government was forest industry. Travancore limited was started at alwaye in 1946. The forests of about 113 sq. miles in the reserves of malayattur was made available to the company. The company was allowed to use these areas and its forest products. The main aim was to obtain firewood to F.A.C.T. and it also made possible the marketing of leftover timber. Timber had very high demand in other industries also.[xii] During the administration of C.P., ideas sprang up for the development of various industries. Rayon industry developed during the reign of C.P. as Dewan. During the early 20th century Japan was prospering out of trade of artificial silk which was produced from rayon. C.P. had the idea of starting a Rayon factory in Travancore because he knew about the greater industrial possibility of starting a rayon factory that will be successful as Travancore had rich deposits of reed out of which rayon is manufactured. The rayon industry also required heavy machines that at the time were readily available in England. So under his instigation efforts were made to import machines for establishment of rayon industry. M.C.T .Chidambaram Chettiyar had started some preliminary works for the manufacturing of rayon and artificial silk but this was purely a commercial concern that was not part of the basic industries run by the state at the time. The *Travancore Rayons limited* which was the first rayon factory to be set up in India was founded in Travancore. The factory started its production in 1950 only.[xiii]

The next important industry that was started by the state was Glass industry. C.P. was greatly influenced by the Ogela Brothers who had presented the idea of establishing an extensive and impressive glass factory. The factory which was planned by the Ogela brothers was a source of inspiration to many other industrialists. The glass factory project was finalised in the year 1942 and work for the same also started in the same year. Materials that were essential for the glass factory was available in Travancore. The factory collected the necessary materials from Cherthala in Alappuzha district. The area chosen was the best due to the ready availability of labour and capital. This provided an impetus to the growth to the glass factory. The second world war period (1939-1945) had provided an impetus to several industries in India due to heavy demand for war products. Like other industries which benefited from the war crisis the glass industry also benefited due to heavy demand from various parts. The glass industry did not face much problems like rubber and sugar industries in the initial phase of its operations. [xiv]

The next important industry that was established in Travancore under C.P's leadership was aluminium industry. Even though C.P knew the fact that the establishing of an aluminium industry was an easy task as lot of incentives would be required. He knew that industrial development was possible only with the joint effort of government and private enterprises. In the case of aluminium industry though Travancore was not having any iron ore deposits it was rich in Bauxite which was the principal source of aluminium. C.P. succeeded in the task of bringing a company which actually decided to set up an industry in Mysore to come up to Travancore. The aluminium factory was to be established in Alwaye in Ernakulum taking into consideration its close proximity to Cochin port and also

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availability of electricity at lower rates. With the completion of the plant in alwaye, Travancore was expected to rank high in industrial and economic development on the lines prepared by C.P.[1] The Fertilizers and Chemicals Travancore limited was one of the most important company started in Travancore in 1943. The company produced heavy chemicals and other products for the need of the state. The new industry helped the development of agriculture and improvement in agriculture with use of artificial fertilizers. The government had already introduced various means to extend cultivation to attain self - sufficiency in food grains but it was not working as expected. C.P. as a member of the irrigation portfolio in Madras had gained enough knowledge about the methods for improving agriculture. In madras presidency several measures were taken up by the government .This included the Pykara and Periyar schemes aimed at improving agriculture. The nitrogenous products were very important for replenishing the soil. So a factory was the need of the hour that would provide the necessary fertilizers. for the purpose C.P. approached the famous Seshasayye Brothers who were big industrialists. But the company at the time had not enough capital. C.P faced strong opposition from members of council. They were of the opinion that at the near future the factory will not able to compete with imported chemicals and fertilizers so it is better to drop the plan of starting our own factory. Even some of his very close friends who were top industrialists of the time discouraged him. But C.P. was very adamant about his decision. C.P. continued his negotiations with many companies in America. But it was not working out as he thought. Finally his efforts were to have results when the Fertilizers and Chemicals Travancore Limited was started. C.P. on the occasion of inaugurating the company said this is yet another instance in which the state of Travancore took advantage of its abundant natural resources and intelligence of its people to bring a coordination between agriculture, industry, and manufacturing units. The factory was established with a huge capital. At the time many criticised C.P.[xv]

State and Public Transportation

The next important scheme introduced by C.P. was in the field of state transport.[xvi] In 1937 the state transport service was started and the department of transport was established. C.P was greatly influenced by the model that was followed up in states like Hyderabad which provided huge benefit for the public. This also marked a safe and efficient system of transport to the people. C.P. was of the opinion that the state should own transportation system and the profit from the services could be added up to the total income of the state. The establishment of transport department by the state created job opportunities. C.P. appointed a foreigner named Salter as the head of the department.[xvii] The first measure was a trial run of the buses from Trivandrum to Kanyakumari. C.P. also had plans in mind to improvise the canal system to regulate canal transportation as it would be easy to reach the hinder lands. As promised by C.P., the transport department earned huge profit. By 1941, four years after its establishment the net profit of the transport department was Rs.2.66 lakhs which was 24% of the total outlay.[xviii] Regular services from Trivandrum to other places had commenced after the ceremonial inauguration back in February 21 1937. The inauguration was also very impressive as the Maharaja of Travancore and the dewan travelling in the state transport.[xix]

Tourism Development

Tourism also developed under the able leadership of Sir.C.P. Travancore become a favourite tourist destination of foreigners. The development of tourism, its promotion began during his tenure as Dewan. Soon tourism became a very flourishing industry in Travancore. Schemes were devised to promote tourism. The most important tourist centre being Thekkadi, a wildlife sanctuary in Kerala become popular. C.P entered into negotiations with Thomas Cook and Sons and they agreed to promote tourism and also to advertise the products from Travancore in their offices. They received an annual subsidy from government. Munnar and Devikulam attracted large number of tourists. Sir Leonel Leach who was the Chief Justice of Madras High Court visited the wild life sanctuary in Thekkadi and was very impressed. He later wrote a letter to C.P. stating that '*the Periyar game sanctuary will become one of the wonders of India and when it has become fully known, will attract tourists from all parts of the world'.* His words become true as the Periyar wildlife sanctuary still attracts thousands of visitors from across the world.[xx] The state benefited from the tourism industry and it provided encouragement to its expansion. Travancore was very fortunate to have C.P. who had the capacity to negotiate with big and famous industrialists to come up to Travancore. The next important development was the rise of coastal shipping in Travancore. This was finally fulfilled on 1944, with the establishment of Travancore Steam Navigation Company. The company started work with the vessels owned by the state. The company and its establishment soon turned to practice the schemes for development of roads, canal transportation and coastal transportation. The development of shipping industry turned the face of Travancore to a modern state. The shipping industry had impressive growth rate as time passed. It was a joint venture of Travancore government and a Bombay based navigation company. Though the company started the work with the help of state vessels, soon it had begun the work of with its own vessels. The growth of shipping industry was another development. Like the road transport, coastal transport was also given greater importance. C.P. had personally visited many of the ports in Travancore and studied the conditions. The possibility of Vizhinjam port was also was in consideration.

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DATA COLLECTION

The research article is written by using both primary and secondary sources. Primary sources of the study include Travancore state manuals and Travancore administrative reports of various years. Secondary sources of the study include books and articles.

METHODOLOGY

The article follows descriptive and analytical method. Primary and secondary sources are analysed and conclusions are drawn.

CONCLUDING DISCUSSION

Sir C.P. Ramaswami Aiyar occupied a very important place in the history of Travancore. His appointment as the Dewan of Travancore saw remarkable progress in the industrial development of the state. He had been mapping out plans for the overall development of the state. Though he faced criticism from all sides, he never bothered about it. It can be said that his policies helped the state in achieving economic stability in the later years. But it has been criticised by many on the grounds that C.P. ignored local capital and local enterprises. He replied to this that he was not able to find anyone who was willing to take up the responsibility. C.P. identified himself as a native of the state and made all efforts to improve its economy. The industrialisation of Travancore was spectacular during his tenure. His economic reforms were legendary. The hydro-electric project provided electricity to every major towns in Travancore. He took necessary steps to improve the working of various industries of the state.

ENDNOTES

[i] *Shakuntala Jagannathan.(1999) Sir C.P. Remembered , Mumbai : Vakils, Feffer and Simons, p. 50*

[ii] *Saroja Sundararajan.(2012) Sir C.P. Ramaswami Aiyar: A biography, Chennai :CPR Publications,2012, p.409.*

[iii] *Ibid., p.404*

[iv] *S. Uma Maheswari.(2015) Sree chithira Tirunal Life and Times, Trivandrum: Martanda Varma Literary and Charitable Trust, p.335.*

[v] *A. Sreedhara Menon.(2003) Sir C.P. Tiruvathamkoor Charithrathil, Kottayam:D.C. Books, p.149.*

[vi] *Ibid., p.418.*

[vii] *Uma Maheswari, Op.cit., pp.335-336.*

[viii] *Ibid., pp.336-337.*

[ix] *Ibid .,p. 410.*

[x] *T.K.Velu Pillai.(1940)The Travancore State Manual (volume II) ,Trivandrum: Kerala gazetteers department, p.784.*

[xi] *Ibid., p.424.*

[xii] *A.Sreedhara Menon.(2001) Triumph and Tragedy in Travancore : Annals of Sir C.P's 16 years, Kottayam : DC Books, p.97.*

[xiii] *Ibid., p.96.*

[xiv] *A.Sreedhara Menon, Sir C.P. Tiruvathamkoor Charithrathil, Op.cit ., p.156.*

[xv] *Ibid,. p.434.*

[xvi] *A.Raghu (2014) Duty, Destiny and Glory: The life of C.P.Ramaswami Aiyar, Delhi : Orient Black swan, p.99.*

[xvii] *A.Sreedhara Menon, Sir C.P. Tiruvathamkoor Charithrathil, Op.cit., p. 163.*

[xviii] *Saroja Sundararajan, Op.cit., p.436*

[xix] *Sadasyatilika T.K.Velu Pillai, The Travancore State Manual, volume II. Op.cit., p.497.*

[xx] *A.Sreedhara Menon, Triumph and Tragedy in Travancore: Annals of Sir C.P's 16 years, Op.cit., p.111.*