



Delhi – Its Changing Face of Industrialization

Delhi, the unvanquishable Phoenix, had renewed its spirit from ashes during the mid nineteenth century. In my recent archival diggings to trace the importance of Delhi's role during the 1857 Sepoy Mutiny and its subsequent annexation to Punjab, a few lines of H.P. Tollinto, I.C.S. struck me. The Officiating Chief Secretary of Punjab recorded that "Province and a city that had been specially made over to the Punjab after 1857 in the recognition of the great part which the Province had played in the reconquering of Delhi". Thus the province of Delhi attracted British attention in the early second half of Nineteenth Century and due importance was given to it.

Delhi, unlike other metropolis like Bombay or Calcutta, had coursed through progress with rapid industrialization by installation of large scale heavy industries. Delhi, with its estimated population of 1,54,000 (1866) got engaged in innumerable Small Scale and Cottage industries. A few old Mohammaden families who once represented Mughal Imperial court were engaged in making and distributing artistic wares, and few earned their livelihood from country produce. Menials who dwelled in Hamlets like Paharganj facilitated themselves with the work of kankar, lime, burning-bricks etc. Indications are there that many were engaged in making and repairing of *Thelas* which were the only mode of transport.

It was only in the early seventies of the nineteenth century Delhi started its industrial venture in a modest way with three Iron Factories which came up between 1872 to 1879. A decade later in 1889 the much celebrated DCM Textile Mill was set up. Veteran Lala Shri Ram with his long industrial background established his business with other Delhi businesses. Shri Ram Group made its fortune with the army supply business during the days of the 1857 uprisings. Through the passage of time it grew into a big concern during the 1st World War under Shri Ram's direction when Military tents were supplied by DCM to the armed forces. Furthermore, it had diversified its business by setting up two more textile factories in 1918 and 1929. DCM's long story of diversification and expansion will be discussed later. With DCM's set up one more textile factory came up. In the next two decades, three flour mills, a biscuit factory, two spinning mills, and two ice plants came up.

Sadar and city were the key centre of trade and business. The wholesale Grain Market was situated in Gurstin Bastion Road. Fruit and Vegetable markets



Lala Shri Ram: idealistic visionaries

Growing old with Delhi

Ask any person to name the industry most associated with Delhi and the automatic response is DCM.

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were centred in Sabji Mandi. Sadar Bazar was the market for general wares. Besides, innumerable small-scale manufacturing units, Ganesh Flour Mill, Birla Cotton Mill, Ice Factory and one slaughter house were added to the mainstream of trade and industry of Delhi.

With the transfer of the Imperial British Capital from Calcutta to Delhi in 1911, Delhi turned a new leaf in its history. Later on, Delhi was carved out to become the British Administrative Capital rather than a congested Metropolis with much industrial smoke. At the process of Capital building, S.A.I. Imam noted on 30.4.1912 "The acquisition of land east of the Jumna and its inclusion in the Enclave (Delhi) seems to be absolutely necessary. The smoke nuisance in Calcutta would not have been half so bad if the growth and development of Howrah had been controlled as the land east of the Jumna can be controlled if acquired". Thus it shows the Government was inclined to check the growth of Industrial population and smoke so as not to repeat the situation of Calcutta.

From records of the National Archives of India it is found that the British tendency was to make Delhi more as a collecting and distributing centre for goods. It is recorded in the document that "... the place and the location of new capital is not more likely to bring trade, i.e. Commerce into Delhi than its removal from Calcutta takes away commerce from Calcutta. The trade in wheat, cotton and oil seeds depends not upon the Capital, but on the production of the surrounding country which it attracts as a collecting and distributing centre"

In the Report of Indian Industrial Commission (1919), the Chairman Sir Thomas Holland noted "As in other places, facilities for finance and transport have led to the construction of a few spinning and weaving mills and others for the manufacture of flour and biscuits and the extraction of oil seeds. The trading community consists of a few Europeans mostly representative of large export and import firms with their headquarters at Bombay or Calcutta, Managers



and employees of local or branch banks and of one or two Mills and a number of Marwari dealers and financiers. There are also some representatives of Indian firms and Bombay and Calcutta shops'.

It is further learnt that goods were received on indent or order from Europe or the Indian manufacturers housed in Bombay, Calcutta, Ahmedabad and Nagpur. The goods were mainly piece-goods like yarn and kerosene oil. Some partially manufactured articles like metal sheets, iron bars, brass hollow wares and sheets, cutlery, cheap ornaments, trinkets, umbrellas were part of the trade flow. Nine local or branch banks financed the Delhi trade.

In the year 1916-17, imported goods by rail to Delhi were 431,000 tonnes which included coal and coke, piece goods, grains and pulses, sugar and metals. As per export goes, in the same year of survey 168,000 tonnes of goods mainly consisted of piece-goods, flour, skin, sugar etc.

Initially neighbouring traders made their purchase from Delhi dealers, but before long they started dealing directly with the authorities or the main agents of Bombay and Calcutta.

Sir Holland mentioned in his report that it is mainly as a market for local export or consumption that Delhi continues to hold its own.

In regard to the development of mills and the employment opportunities created, it is found that "... is even less specialised (and skilful) than that of Bombay or Calcutta and the cotton Mills only comparatively low counts for which the cotton of the district is suited. Engineers and fitters find their way here from larger manufacturing centres". In the wake of the 1st World War, Britain's total share in India's total import was 62.8%, but by the beginning of the IInd World War, it was reduced to 30.5%. From 1920-4 to 1939, India's import of manufactured goods came down from 76.7% to 64.4%, subsequently Indian export of manufactured goods was increased from 24.8% to 30%.

In the inter-war period, Dalmias Rohtas started diversifying its trade activities. By 1932, DCM started its sugar manufacturing unit in UP. By 1934 Shri Ram started another venture by installing a new cotton Mill in Punjab, and Jay Engineering was acquired by the Shri Ram Group. During the IInd World War, DCM started a power alcohol plant at Daurala. DCM Chemicals also started manufacturing Vanaspathi Oil by 1945. From a meagre start of a small cotton spinning Mill in 1889, DCM expanded to a thousand varieties of cloth manufacturing and ruled supreme in the Chemical industry by providing heavy chemicals, sulphuric acid, caustic soda, hydrochloric acid etc.

The British Company, Dunlop Rubber, started supplying tyres to India since the late nineteenth century. By 1926 Dunlop Rubber Co.(India) Ltd. came in and had spread its activities covering Delhi, Calcutta etc. It stood with the demand of Indian market as they supplied considerable quantity of motor tyres.

Along the lines chalked out by G.D. Birla, FICCI started playing its controlling role, and in 1930 Lala Shri Ram was elected President of FICCI. He followed Gandhian Principles during the days of the civil disobedience movement, and offered unending support to it, and declared FICCI's adherence to the minimum eleven point programme for reform insisted by Gandhiji. Shri D.P. Khaitan declared (1930) "... acceptable to the country including the Indian Mercantile community which does not give sufficient effective powers to a responsible Indian Govt. to carry out the administrative and economic reforms indicated by Mahatma Gandhi in his eleven point and which does not vest full economic control in Legislature of India."

Lala Shri Ram organised the Swadeshi Prachar Association. The organisation drew the list of Mills who did not use foreign yarn and stamped them as genuine Swadeshi. Shri Ram, owner of the big DCM Textile factory championed the cause of 'no profiteering' during the boycott of foreign cloth. He insisted that no Mill owner should profit more than 8 per cent. Industrialists worked hand in hand with the soldiers of the freedom struggle.

Delhi's core of industrial activity is Small Scale Industries. Cottage industries and small scale industries in Delhi are engaged in a wide range of production like textiles, readymade garments, footwears, sports goods, food items, bicycle and electrical appliances and even sophisticated items like taperecorders, transistors, auto parts, scientific gadgetary, plastic goods, lathe and drilling machines.

In 1939, Delhi had around 111 registered factories. By 1945 it reached 227. By 1950 it scaled to 437. With the steady growth by 1968, it reached 1,800, and latest survey (1983) records around 4,168 registered factories.

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Cottage industries are vital for Delhi's industrial production as it accounts for 6% of total industrial production employing 18% of workers. With very little investments cottage industries had sprung up in almost every locality of Delhi, serving bigger industries such as repairing, laundering, printing, dyeing etc. They are also engaged in weaving, handicrafts etc. In 1968



recorded cottage establishments figure around 15,783.

The phenomena of industrial growth in a city as a rule goes with the progress of neighbouring cities. The same can be applied to Delhi. Delhi's industrial growth was supported by the rapid growth of Rohtak and Gurgaon. Rohtak began to specialize in a wider dimension covering engineering, electrical and scientific instruments and durable consumer goods, and obviously kept moving with traditional manufacturing and processing. Gurgaon was initially engaged in textile production with a working force of around 650 persons. In later years, it developed industries in the field of electrical, and rubber goods, engineering, manufacturing of utensils and chemicals.

Joint Stock Companies (JSC) had paid great attention in processing and manufacturing. In 1954-55, number of registered JSC in Delhi was 434 with an authorised capital of 144 million. By 1963-64, the number of JSC increased to 698 with a capital of Rs. 1,239 million. The latest survey shows (1982-83) number of JSC has increased upto 1966 with the authorised capital of Rs. 1454201000.

Veteran Ashok Mitra noted that the wage bill of industries had risen from Rs. 73 million in 1958 to Rs. 162 million (1966). He commented '... that small savings were still possible among blue collar workers notwithstanding a steady rise in cost of living'.

In 1960, Delhi had sent out 1.84 million postal money order worth of Rs. 81.9 million. By 1965-66 number of money order rose to 2.38 million with the total value of Rs. 133.6 million.

To show the depth of Delhi's industrial activity, rail traffic of goods are of much importance. To cater to this need New Delhi and Old Delhi railway stations continued to contribute to this cause. Main imports of commodities are paper, gunny, tea, structural materials, industrial raw materials and wide range of perishable domestic goods. Most of the exports consist of large number of livestock mainly transported to Bihar and Uttar Pradesh. Other items like cotton, yarn, woollen textiles, piece goods, grains, pulses, flour, oil-seeds, sugar, woods and timber were also exported to almost all the states.

To decipher the industrialization and its production activity, consumption of electricity stands foremost. In 1951, high-voltage electricity was consumed in Delhi to the tune of 10.7 million units. By 1965-66 it scaled to as high as 109.7 million units. Low-voltage and medium voltage consumption went upto 65.7 million units (1965-66) from 21.7 million unit in 1951. As per the latest consumption figures available (1981-82), it records 75300 k.w. per hour (including electricity for irrigation purpose).

Sadar : *home to many industries*



For the overall growth of industries, population played a very vital role (see table). With the vast increase of population, Delhi's consumption kept a steady growth. With better rail-road and air connections, Delhi had developed itself more as a distributing centre for Northern India. Industrial products and raw materials are brought to Delhi and assembled here. The finished pro-

TABLE
Decennial Growth of Population of Delhi

<i>Year</i>	<i>Population (in Lakh)</i>
1901	4.06
1911	4.14
1921	4.88
1931	6.36
1941	9.18
1951	17.44
1961	26.59
1971	40.66
1981	62.20

ducts are further distributed to the States of Haryana, Punjab, Rajasthan and Uttar Pradesh. Nearby towns like Gurgaon, Rohtak, Bahadurgarh, Sonapat etc., buy raw materials and market their finished products in Delhi. With the influx of refugees after partition, entrepreneurial skill was found in abundance and this gave a dynamic dimension to energise economic and industrial growth. Finally, with the establishments of Okhla, Mayapuri, Naraina Industrial Areas complied with the Government's liberal policy, Delhi marched forward towards overall progress.

Availability of skilled and unskilled labour, and the constant Research & Development success, the setting up of scientific laboratories, polytechnics, engineering colleges facilitated industrial progress. Especially engineering industries or units which are engaged in manufacturing cable wires, electrical goods, pumping sets, television etc., are adding to the process of greater production. These industries have changed the industrial fabric of Delhi.

Everyday Delhi is inching forward and its borders getting expanded. Industrial activities in NOIDA in neighbouring UP are on the increase. The population increase and the steady rise in demand for consumer goods will guarantee the further industrial growth of Delhi. With the available resources, ample technical personnel and know-how, disciplined entrepreneurial groups with streamlined transportation facilities, Delhi holds a great hope for greater industrial growth in the years to come.

