

The Galle District economy in the face of the depression - 1929-1933

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Abstract

Sri Lanka's economy during the early twentieth century was sustained through plantation activities. It was the plantation crops that supported the entire economy of the island. The chief exports at that time were tea, rubber, coconuts and several by-products from these crops. However, the export economy of the Galle district was mainly based on rubber, coconut products, and plumbago. Of these products rubber was exported to countries like Great Britain, the United States of America, and several other European countries. Eventually the demand for rubber became impressively higher due to the rapid development of the motor industry. Sri Lanka's natural rubber supply especially to United States doubled particularly during the period after the World War I. When the USA became of the very first victim of the economic depression in 1929 the demand for natural rubber dropped heavily. Owing to this crisis the plantation economy in Sri Lanka had an unprecedented downfall. However, it did not affect the plantation economy of the Galle district, because the plantations in the Galle district developed as smallholdings managed by the proprietors themselves with local labour and indigenous capital. In this environment, the planters had the expertise for cultivating alternative cash crops, maintaining subsistence agriculture, and managing various cottage industries making use of their own domestic resources and the technical know-how. This led to a miraculous recovery of the Galle district economy when the rest of the island was in a panic. This paper examines the situation in question in theoretical framework developed from an economic point of view.

Geography of Galle

The Galle district is situated in the northwestern edge of the Southern province of Sri Lanka. The city of Galle, with its prestigious harbour has its bearing throughout the history of east west navigation. It is bounded by the river Bentota from the north, the Indian Ocean from the south west, the canal of Goyyapana from the east and the land masses of the Kalutara and Matara districts from the north and south respectively.

Transition from Coconut to Rubber

Tea, which had been cultivated extensively during the latter part of the nineteenth century, became the chief export article in Sri Lanka in the beginning of the twentieth century. By the 1890s many Europeans as well as Sri Lankans had been impressed with the commercial prospects of growing rubber. Rapid increases in prices indeed with the development of the motor industry served as an incentive to the expansion of rubber cultivation. As a result, in 1910, rubber replaced coconut products as the next largest export article after tea. (See Gunasekara, 1962:46) Soon the Galle district became one of the major rubber cultivators of Sri Lanka and rubber became the chief export item that left the shores of Sri Lanka from the Galle harbour.

Impact of Depression on Trades in Sri Lanka

During the period under review, the economy of Sri Lanka depended mainly on the plantation industry. A period of gradual economic expansion that had been going on in Sri Lanka for about a hundred years was brought to a temporary halt in the early 1930s. The great economic depression that first occurred in the United States of America in 1929, affected many primary product economies like Sri Lanka in general. In common with the rest of the island the district suffered a low income due to the low prices paid for the three major plantation products: tea, rubber, and coconut during the depression. The depression indirectly affected trades and the lesser agricultural products, such as cinnamon in the district. (See A.R, 1929: C3)

Since there were no national income figures available for this period it is difficult to make any direct reference to the movement of the national income. However, it can be realized from Table 1 below that the total value of Sri Lanka's exports fell from 418 million rupees in 1928 to 227 million rupees in 1935 while its chief exports at that time were rubber, tea, coconut and various sub products such as poonac, desiccated coconuts, coir yarn, etc.

Table 1. Sri Lanka's Exports and Imports

Year	Exports. (million rupees)	Imports. (million rupees)
1928	418	400
1929	423	403
1930	323	302
1931	233	218
1932	189	196
1933	177	183
1934	217	245
1935	227	235

Source: Ceylon Blue Book, 1938, p.16

According to the Government Agent for the Galle District, Mr. C. Harrison Jones stated in the Administration Reports (ARs) that, in 1929, the value earned from the district production that was composed of coconut oil, poonac, copra, rubber, and tea was Rs. 71,854.51 as against Rs. 72,640.67. This shows a decrease by Rs. 789.16.

Galle's Recovery

However, from 1933 onwards the export import value index began to show a notable increase in the Galle district. The revenue of the district for the financial year 1934-1935 was Rs. 1,548,534. This showed an increase by Rs. 2,492 over the figures of the previous year. Customs produced the largest increase as Rs. 31,488, which was due to the improvement of trade. (See A.R, 1935,p. C3) It was evident that the Galle district despite the consequences of the economic slump gradually recovered its economy. It is clearly stated in the Government Agent's report that large numbers of ships and sailing vessels had anchored in Galle harbour for trading purposes. Even the port of Dodanduwa, one of the minor ports in the Galle district, was opened for direct trade with foreign countries from this period onwards. This was a remarkable economic recovery whereas the all-island economy of Sri Lanka was in a desperate situation.

Galle's Resilience Compared to Other Provinces

The plantation industry in the highland areas in the country was developed by foreign investors with expert knowledge of agriculture gained elsewhere who invested their financial resources with government support and used Indian labour heavily. But the cash crop plantation in the Galle district was managed only through indigenous capital and local labour. The tea and rubber estates in the up country did not rely to an appreciable extent on local labour. The fall in export incomes affected the peasant economy (in the up-country and elsewhere) as well since the outlying villagers supplied various ancillary services to the estates. Moreover a fair proportion of the wages paid out on the estates was spent in the neighboring villages, usually on rice and vegetables. By and large, the impact of depression on the peasant economy was an aggravation of its permanent state of under-employment and a fall in the prices of its products.

Table 2. Indian Population on Estates in the Galle District.

	1925	1931
Men	2,422	2,377
Women	1,918	2,030
Children	1,792	2,385
Total	6,132	6,792

Source: Administration Report, Report of the Board of Immigration and Quarantine, 1925, pp. 23 and Administration Report, Controller for Labour, 1931 p. 15

Most of the Indian labourers lost their jobs in estates due to the economic slump but the local labourers from Sri Lanka in the Galle district despite the economic depression had other alternative ways to make their living.

Sources of Income Other than Plantation Industry

Apart from cash crop plantation, there were two great industries in the Galle district, which provided employment for men, women as well as children. They were plumbago and coconut based industries such as the coir industry. Along the sea coast from Bentota to Matara in almost every verandah or garden people were engaged in the coir industry. Men collecting and carting the coconut husks and soaking them in pits, women beating the husks and picking the fibres, old men, women and even children twisting the fibre into yarn and men engaged again in bundling

and carting the yarn or weaving the same into matting. In this way both old and young in the district could find work and earn a moderate living despite the economic instability. Again along the road sides in the towns and villages, stores of all sizes, varying from the humble shed of the villager to the large stores of the wholesale dealer and exporter, in which plumbago is picked, sorted and packed into bags or barrels. This industry provided a considerable number of employments for men who had lost their jobs in the estates. Most of the mines were located particularly in Wellaboda pattu near Hikkaduwa and Talpe pattu near Ahangama. (See A.R. 1934, p. D1)

New Vistas of Development in Industry and Agriculture

The slump in the trade and industry had thrown considerable number of *Galleans* out of employment. One major impact due to the depression was that in the rural areas of the Galle district the unemployed were forced to cultivate the hither to abandon lands with paddy and other varieties of foodstuff for their survival. . Hinidum pattu, the most backward part of the district made a significant contribution in this endeavour. (A.R. 1934, p. C4)

Moreover a large extent of lowland that had been left uncultivated was planted with vegetables, yams, plantains and other crops, which gave the local people a quick return. Even in the coastal areas, the people themselves raised an adequate food supply though the lack of ready cash forced them to forego many delicacies, which better times used to have made possible. If it was not for the economic slump most of the paddy lands in the district would have not been cleared or would still be lying as meadows. However a pleasing impact of the depression was that it led to cutting down the expenses on rice imports, which had used to absorb a good slice of the Galle economy.

The urban people in the district who had been dependent wholly on wages found better earnings from coral digging and from lime burning. This industry was carried on extensively along the coastal belt of the district. (See A.R. 1920, p. C3)

Carpentry had been a local industry with a future before it. More and more skillful men in the district turned out to create excellent furniture out of it. So it became a profitable industry for the indigenous people whose livelihood had been affected. One of the major industries in the district affected by the depression was the coconut industry. Its products especially coconut oil, poonac, copra became worthless during the period under review. But the demand for coir yarn in the market was still in a favorable condition. This condition made the people to engage themselves in different cottage industries using coir yarn; mats, rugs, brooms, baskets, coir ropes, etc. This cottage industry provided employment not only for men, but also for the women and children. Especially women in their numbers were involved in this market. Table 3 indicates that the women in the low country earned better wages than the women who were employed in the up country.

Table 3: Daily Wages for Women in Cents – 1933

Up country	33
Mid country	30
Low country	36

Source: Administration Report, Controller for Labour, 1934

It was quite evident that the demand for women labour in the low country may have been high due to the cash crop industry and moreover by the popularity of the coir industry. Cane work became a handy cottage industry during the thirties.

Conclusion

In conclusion, the economic depression gave a new beginning to the local industries in the Galle district, which had not been prominent before. As a result of the Great Depression, unlike those of the other parts of the country in general, the economy of the Galle district was lucky enough to recover from the heavy slump rather quickly because of the indigenous and self-sustainable pattern of industry over there.

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