

2.9 The Galle District Economy in the Face of the Depression (1929-1933)

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During the period under review the economy of Sri Lanka was sustained through plantation activities. Among them rubber, tea, coconuts and the by products of coconut such as copra, coconut oil, poonac, coir yarn etc. played a vital role in strengthening the economy of the country.

The demand for rubber became impressively higher due to the rapid development of the motor industry during and after the World War I. United States of America was the chief buyer of rubber. the great economic depression firstly occured in USA in 1929, had its repercussions in the primary producing economics like Sri Lanka in general. This lead to a remporary halts in the gradual economic expansion that had been going on in Sri Lanka for about a hundred years. However the depression did not affected the economy of the Galle district compared to the rest of the country in general.

The planataion in the Galle district developed in small holdings, managed by the planters themselves with the local labour and indogeneous capital. In this enviornment the Galle district planters had the advantage of their cultivation of alternative cash crops and the dependence on subsistance agriculture and in cottage industries making use of their available natural resources and the technical know-how. This led to a miracles recovery of the economy when the rest of the island was in a crisis.

This paper examiners this situatiion in general and the recovery of Galle economy and its features during the period of the great depression.