

THE GREAT DEPRESSION AND MADRAS IN 1930's

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ABSTRACT:

The Great depression bursts out with the stock market crash. It spreads all over the world and the people were depressed economically and psychologically. Migration played a vital role of the depression. The people lost their hope towards the government. In U.S. unemployed rate was enhanced and some were pushed out and some lead to death due to the economic loss. Nearly one third of the population lost their job. Many of them became unconscious due to the panic situation. People were tried to sell their vehicles, houses and their properties in need of money. In this queue, India was also affected by the great depression. In 1930's India was under the rule of British government. India was affected, particularly the economical trade of imports and exports to the foreign countries were affected. Financial crisis placed over there, the total income of trade markets were reduced in India. In order to rescue their previous position, the government raised the tax price. Railway income was also decreased, especially seaborne trade and gold exports was also reduced. In Madras, the crops rate was descended to export due to fall of prices. The raw materials and goods were step down to export. The supply of the raw materials and the agricultural crops were affected the world market.

KEY WORDS: Depression, Crash, Migration, Unemployment, Crisis, Trade market, Import and export, Poverty, Starvation, Economic fall

INTRODUCTION:

The Great Depression played a vital role of declining the financial development in many countries all over the world. It clashed the economic condition of the people individually. It lead the rich become poor, the owner become labourer, the high status become lower, some lost their family, jobs, properties, agricultural lands, houses, etc. the people got panic due to business loss, unemployment, homelessness, poverty, starvation, migration, hunger arrowed in United States. In India, mainly the trades were affected, particularly the foreign trades were denounced. India's financial income was minimized and so the British Government raised the taxes. This article discussed about how madras was affected during the great depression and how the foreign trades were affected in 1930's.

SPREAD OF THE DEPRESSION:

In the American history, the great depression was the most horrible catastrophe. It encountered many problems in America and other countries. It clashed the development of the entire government. It smashed the people's happiness, hope, peace, money, success, home, agricultural land and properties. The beginning of the depression was busted out with the stock crash. The investors were discouraged to invest and the consumers were pushed into the economic collapse. Due to the crash, the suicide rates were increased. The security prices were declined, it was followed by the failure of American banks. The banks were unable to pay back the money to the investors. The small-scale industries shut off their doors due to economic loss. The large number of people lost their jobs and one third of the people left unemployed. They started migrating towards the other states like California. In the novel *The Grapes of Wrath*, the people from Oklahoma started migrating towards California due to the banks seized the land . so they put their hope towards California for job opportunities in order to rescue their family from the depression. Here

Tom Joad's family lost their grand parents when they were migrating towards California. Ma Joad expressed about finding a good place to stay in order to recover the tragic life of the family:

“ We got to git”, she said. “We got to find a place to stay. We got to get to work an’ settle down. No use a-lettin’ the little fellas go hungry. That wasn’t never Granma’s way. She always et a good meal at a funeral.” (41, *The Grapes of Wrath*)

INDIA DURING THE GREAT DEPRESSION

At the time of Great Depression, India was ruled by the Britishers. They used the India to supply the food products and raw materials. They aroused to supply the industrial goods for the First World War. India placed a vital role for the foreign exports. The Great Depression reduced the half of the total imports to foreign countries. So the government were planned to raise the tax for the sake of total loss. In october 1931, the price was declined to 36 percent in India. By comparing the other countries, the fall of prices were heavy.

Due to the price decline, the market were emptied of peasants. It was a huge loss for the government financially.it lasts for two years. K.A.Manikumar, Professor of History at Manonmaniam Sundaranar University, Tirunelveli says:

“The Depression also dealt a severe blow to the treasury of the government of India. India come under the major heads of revenue declined from Rs. 1,548 million in 1929-30 to Rs. 1,389 million in the following year. It continued to remain at the reduced level for about two years. When the revenue fell the government tried to overcome the crisis by raising taxes and pruning expenditure.”(9, Manikumar, K.A.)

In India, half of the imports and exports were reduced within three years of depression. Higher amount of agricultural exports are as follows:

“The huge exports of cotton, jute, rice, wheat, oil, seeds and other crops formed only a small proportion of the total internal production and was annually consumed within the country. Prof K.T.Shah estimated the value of India’s internal trade to be Rs. 150 million. The impact of the Depression on internal trade is known from the fall in the income of the railway companies. Low prices and consequent constriction of money flow affected the passenger traffic earnings”. (10, Manikumar, K.A.)

From 1930-1932, the Indian railway finances were dropped to Rs. 150 million. The depression affected the earnings of the railway companies. It lead to shrink in the total foreign trade. India suffered a lot due to financial crisis and explains about home charges as:

“In view of colonialism, the exports had to be much greater in India or the presidency in order to cover the invisible imports called Home Charges. It was with the help of gold exports that India was able to pay for her home charges”. (11, Manikumar, K.A.)

The seaborne exports value was also declined in India and followed the imports and exports are as follows:

“Like all agricultural countries, India also witnessed a serious deterioration in its terms of trade. The prices of its exports fell more heavily than the prices of imports”.(13 Manikumar, K.A.)

MADRAS AND THE GREAT DEPRESSION

“The peasant , on account of this new development market abroad” (208, Dadgil,D.R.)

Madras had high export for crops like rice, cotton, groundnut, sugarcane, tobacco and also for textiles and goods and seaborne trade and Tea and Tanning products, skins.

The major work of railway expansion was to stimulate the peasants to cultivate the crops in Madras presidency. Mainly, the industrial crops were cotton, groundnut, etc. The peasants were informed to the Madras presidency that they were borrowed the money to cultivate the crops and they had a hope to export

it for their high amount. In 1929, the world market crops price were crashed. So the food crops price had fallen during the depression. The price of the cotton and groundnut rose 60 percent before depression. But after that nearly 50 percent of the cultivation was declined in the Madras economy. It was a great loss for the world market because it was dependant of Madras export and import economy. The foreign export products in Madras were seeds, cotton , leather, spices, rubber, tea etc. All the prices were fall during the great depression.

In 1931, the depression hit harder . the stocks were stagnated in the godown. The seaborne trade of the presidency was also reduced with the total volume of imports and exports. From Burma, Japan , Indo-China and Siam flooded the rice market. Tanning was the major industry of the presidency. It export skins nearly 80 percent of business carried in Madras. From the Madras presidency, the large quantity of leather were exported to U.S.

CONCLUSION:

In Madras presidency, exports price fall greatly than the imports. The great depression of Madras made all the products price were reduced and created an impact on World market. It suffered not only the agricultural products but also the railway income too. It exposed the economic condition of Tamilnadu to attain the knowledge of depression's back ground. In America, the great depression ended with the new deal provided by the American president Franklin D. Roosevelt. Then the people slowly recovered from the great depression. The author John Steinbeck attempted to concede different perspectives to describe the economic conditions of the nation in *The Grapes of Wrath* in 1920's. The new writers were focussed to visualize the struggles faced by the normal people. The article discussed about the effects of the the economic and financial condition of India during the great depression.

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