CHAPTER ONE

INTRODUCTION

1.1 From Coffee to Tea

In the year 1972, the former British crown colony Ceylon—indepen-
dent since 1948—changed its constitution and became a republic under the name of Sri Lanka. Its former name Ceylon, however, was—and is—still in wide circulation. Even official institutions, such as the Ceylon Tourist Board or the Ceylon Chamber of Commerce, refer to the old name of the island in their own identifiers. The label ‘Ceylon’ sticks. And not only at the local level, where the people had grown used to the name during 150 years of British domination. Much of the rest of the world as well still likes to think of the small island as Ceylon. This is but little surprise, as it had been under the very same name that the country had been introduced to the world (i.e. the world market) under the British. The island had been the model crown colony of the nineteenth-century British Empire with a (mostly) thriving plantation agriculture and an economy resting exclusively on cash crop exports. Ceylonese plantation products had been despatched to every corner of the so-called Western world and were the first thing that many a Briton, mainland European or American indulged in every morning. During the nineteenth century, Ceylonese agricultural products conquered Western households, particularly their breakfast tables. Ceylon became world famous for its non-alcoholic stimulants—first for its coffee, later for tea. Today, scarcely anybody thinks of Ceylon when he sips his morning cup of coffee. But to the tea aficionado, the prefix ‘Ceylon’ on the tea box is still a sign of tradition and quality. Although the island’s economy has long since been transformed and moved away from its agricultural foundations, Sri Lanka’s tea exports still produced 13.8% of the total export value in the year 2002.1

Today it is little known that Ceylon has once been famous for the outstanding quality not of its tea leaves but of its coffee beans. Searching for a suitable export crop to grow in their newly acquired island colony, the Dutch had already experimented with coffee cultivation on plantations in the eighteenth century. But the Dutch only controlled the coastal lowlands of Ceylon and had no access to the higher elevations in the interior of the island that were much better suited to the cultivation of the coffee bush. Thus, their experiments with coffee yielded only unsatisfactory results, and until the 1820s the miniscule quantities of the crop produced on the island must be largely credited to petty coffee cultivators among the highland peasantry who supplemented the proceeds of their paddy fields with the cultivation of the crop. The British, however, conquered the interior of the island and started to develop and open up the new territories for capital investment soon after their take-over. Coffee cultivation responded favourably to the climate and soil conditions, the availability of European capital and the presence of a seemingly inexhaustible labour supply from neighbouring South India. It proved to be a high-yielding field of investment for the British government official, the proprietor-planter or—not quite so widespread—even the absentee investor from Britain. Within only a few decades, coffee cultivation had transformed Ceylon’s agricultural economy completely. By the early 1850s, a fully-fledged plantation economy had been established on the island running on European capital, Indian labour and Ceylonese land. In fact, the coffee plantation industry, at that time, had already gone through one major crisis in the late 1840s and emerged from it refined. During the 1850s and 1860s, a genuine “coffee mania” grabbed the investors and the administration. Between 1865 and 1869, Ceylon exported an annual average of 939,000 cwt. of coffee. The export peak was reached in the year 1870 when 1,014,000 cwt. of coffee were transhipped from the island. The coffee was sold in the London market at an average price of 63 shilling and 9 pence and, thus, realised £3.23 million. This amounts

---