

# CEYLON *Today*



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**OCTOBER, 1962**



# CEYLON TODAY

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# CEYLON

# Today

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## Shri Nehru in Ceylon

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THE Prime Minister of India, Shri Jawaharlal Nehru, arrived in Colombo on October 13th for a three-day visit and was given a warm and tumultuous welcome.

A large number of people braved the inclement weather and gathered at the Ratmalana Airport to see the Indian Prime Minister. Shri Nehru, accompanied by his daughter, Shrimathi Indira Gandhi, alighted from the special plane to the throbbing of drums and was greeted by the Prime Minister, Mrs. Sirimavo Bandaranaike. Cabinet Ministers, Members of Parliament, Senators and diplomats were among the others who were at the airport to welcome the distinguished visitors.

In a brief address of welcome Mrs. Bandaranaike said that Shri Nehru's presence in Ceylon, despite pressing problems at home, was a demonstration of his affection towards the people of this country. She added that this visit would further strengthen the good relations that existed between Ceylon and India.

Replying Shri Nehru said he was happy to be once again in Ceylon. The cultural heritage of India and Ceylon was an ever

binding link between the two peoples. He recalled that on his last visit to Ceylon he was welcomed by the late Premier, Mr. S. W. R. D. Bandaranaike, and it saddened him to think that on this visit he was to declare open a memorial to the late Prime Minister. In conclusion Shri Nehru said that visits such as this served to strengthen the bonds between countries.

From the airport the Prime Minister of India drove in state followed by a long motorcade to Queen's House.

### Address to Both Houses

THAT afternoon Shri Nehru addressed Members of both Houses of Parliament. He said methods of Government were conditioned by many factors—historical, sociological and economic—and it was left to each country to decide which form of Government suited it best.

Pointing out that Ceylon and India were among the countries in Asia which had a Parliamentary system of Government, Shri Nehru remarked that this system was not free of failings. However, given a certain measure of tolerance, co-operation and





The Prime Minister of India, Shri Jawaharlal Nehru, and his daughter, Mrs. Indira Gandhi (*left*), seen after their arrival in Colombo, with the Ceylon Premier, Mrs. Sirimavo Bandaranaike

acceptance of basic things, the ideals of government could be realised.

He outlined the various problems facing India and said he hoped the experience of India would help Ceylon in solving her own problems in the manner she thought fit.

Shri Nehru was introduced to the assembly by the Speaker of the House of

Representatives, Mr. R. S. Pelpola. A vote of thanks was moved by the Minister of Industries, Home and Cultural Affairs, Mr. Maitripala Senanayake, and was seconded by the Leader of the Opposition, Mr. Dudley Senanayake. The address was preceded by a tea party given by the Ceylon Branch of the Commonwealth Parliamentary Association,



The following morning Shri Nehru visited Horagolla to pay his respects to the late Prime Minister, Mr. Bandaranaike. He laid a wreath of pink anthuriums at the Samadhi. The Indian Premier also presented two water coolers for installation at the premises of the Samadhi.

**Research Centre Opened**

ON the afternoon of the 14th October, the Prime Minister of India ceremonially

declared open the Bandaranaike Memorial Ayurvedic Research Institute in the presence of a large gathering.

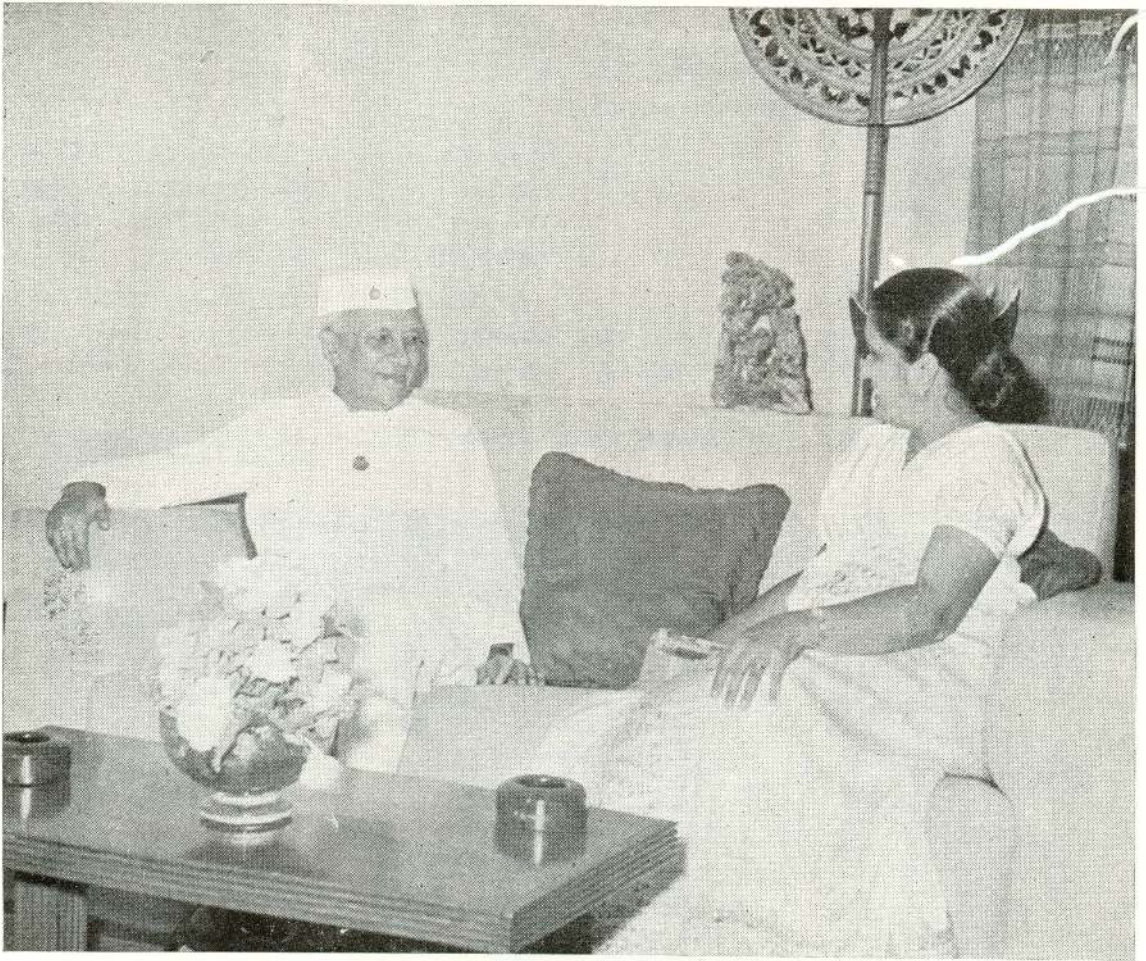
The Minister of Health of Maharashtra State, Mr. P. K. Saravat, and about 30 members of the All-India Ayurvedic Congress had also arrived specially from India to participate in this ceremony.

At the Navinna Institute, Shri Nehru unveiled a commemorative tablet and a portrait of the late Mr. Bandaranaike. He

Shri Nehru unveiling a plaque at Navinna where he declared open the Bandaranaike Memorial Ayurvedic Research Institute







Shri Nehru with the Ceylon Premier, Mrs. Sirimavo Bandaranaike, at " Temple Trees ", Colombo

also laid a foundation stone for a research hospital and launched a campaign for the planting of medicinal herbs and plants by himself planting a sandalwood plant. Shri Nehru was also shown round an ayurvedic exhibition, the exhibits including ancient ayurvedic surgical instruments, medicinal herbs and plants, ayurvedic drugs and a series of paintings depicting events in the long history of ayurveda.

Speaking on this occasion, Shri Nehru said the ancients had devised an efficient system of medicine in relation to the knowledge at that time. But scientific and

medical theories were in a state of constant change with new discoveries. He said ayurveda should have a forward outlook and not be content with a mere recital of past achievements. It would be useful to emulate a scientific method of inquiry and experimentation. Shri Nehru hoped that the research institute would benefit not only Ceylon but also India.

Mrs. Bandaranaike, speaking at the same ceremony, pointed out that about eighty per cent. of the population of Ceylon still resort to ayurvedic treatment. It was for this reason that the late Prime Minister was



strongly of the view that ayurveda should be fostered and developed as a scientific system of medicine. It was to fulfil that hope that this research institute had been established.

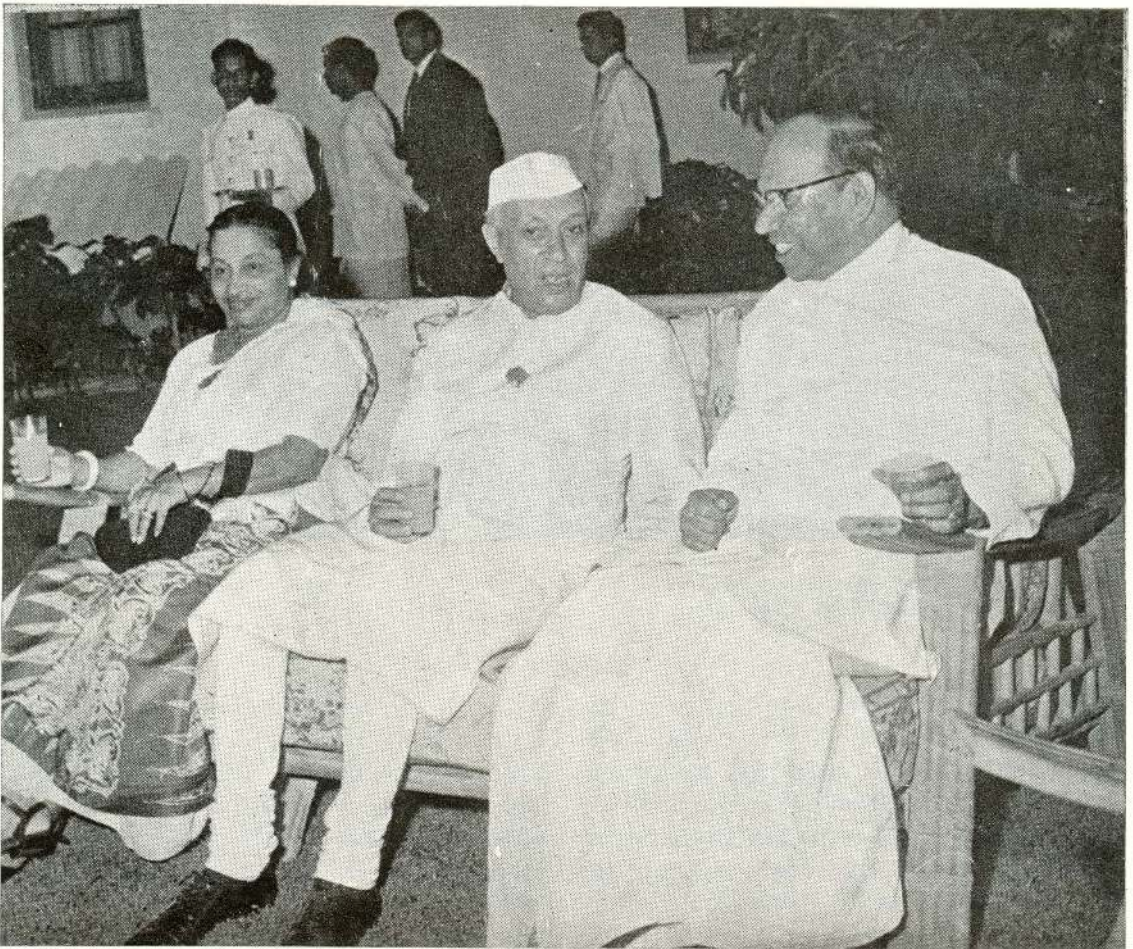
### Press Conference

ON October 15 the Prime Minister of India visited the office of the High Commissioner of India in Ceylon at Kollupitiya and declared open a new building for the Rama Krishna International Cultural Centre at

Wellawatte. He then held a Press Conference at which he answered a number of questions on various subjects ranging from India's border dispute with China to his likely successor.

Replying to a question in regard to persons of Indian origin in Ceylon, Shri Nehru said he would be very happy to get a satisfactory solution to this problem. He felt that it would have to be first referred to officials and then taken up at a higher level. He said the relations between Ceylon and India were very good and it was a pity that this problem continues.

Shri Nehru at a party with His Excellency the Governor-General of Ceylon, Mr. William Gopallawa, and Mrs. Gopallawa







The Indian Premier laying a wreath at Horagolla, at the mausoleum of the late Prime Minister of Ceylon, Mr. S. W. R. D. Bandaranaike

Shri Nehru was given a reception by the Indian Community in Ceylon at the Galle Face Hotel. Later he addressed the Ceylon Association for the Advancement of Science on the place of science in the development of nations. Later in the evening the Governor-General gave a state banquet in honour of Shri Nehru.

On the seventeenth morning Shri Nehru left for India in the special Indian Air Force plane. From Queen's House there was a state drive to the Ratmalana Airport, and Shri Nehru was seen off by a large gathering including the Prime Minister, Mrs. Bandaranaike, Cabinet Ministers, Parliamentarians and diplomats.





Shri Nehru walking up the steps of the House of Representatives, Colombo, where he delivered an address to members of both Houses of Parliament



# The Late Mr. S. W. R. D. Bandaranaike -- Recollections

J. L. C. RODRIGO

(Professor Emeritus, University of Ceylon)

THREE years ago, on this very day, I was pacing the deck of a ship, returning home from some work among our students in London which Mr. Bandaranaike in his kindness had offered to me. One of our fellow passengers rushed up and half pulled me to the lounge, saying "Listen, here is terrible news for you." It was the news, broadcast to the world, of the attempt on our Prime Minister and of his death. This was indeed terrible news, and we Ceylonese were moved by the sympathy it produced among those who were with us at the time. The Captain himself and several of the officers down to the Quarter Master, showed themselves genuinely sympathetic. This was just one manifestation of the widespread sorrow felt throughout many lands when people heard that our leader, a Prince among our people, had fallen, cut off in his prime, at the height of his powers.

To me this news came with the sense of a personal tragedy. He and I had been nursed upon the self same hill, the University of Oxford, that he loved so much and that honoured him; we had followed the same academic pursuits, enjoyed the same kind of reading and sat at the feet of the same Tutors. Many of his friends there were my friends too, and these friendships, as I discovered, when I met them a few years ago, remained unimpaired to the end. The friends were preparing to welcome him at the Union, when he arrived that October, and his contemporaries were planning a Dinner for him at the House of Commons. They quoted to me phrases from his speeches of long ago, and recalled his splendid hospitality where they had enjoyed "good food, good wine, good cigars and above all good conversation".

With me personally, for over 40 years, he had maintained a friendship, kindly and helpful, with which were mingled the cheerful banter and the laughing jest, which gave delight and hurt not. It was all good-natured, good-tempered and good-humoured. He showed a personal interest in his friends, and always had a smile, a cheerful word for us. That was why there were so many who grappled him to their hearts with hoops of steel. Not that he was incapable of an indignant retort or of a stinging phrase. These however were reserved for appropriate occasions and for the appropriate victims. But he did not descend to vulgar invective, to cheap abuse that dishonours him, that is guilty of it no less than him at whom it is directed. Look through the bulky volume of his Parliamentary Speeches, entitled "Towards a New Era", and note the distinction, the dignity of his style, the refinement of his language, the wit that almost reconciles, though it tears to pieces, an opponent and his arguments. There are not many today who can rival, much less surpass, his magnificent utterance.

## Inspired Eloquence

THAT eloquence was inspired by the tradition of humane letters in which the Macmillan and Baldwin and so many of the Prime Ministers of England, he had once been nurtured. At St. Thomas' College, that great nursery of Classicists, which he was proud to call his *alma mater*, he had once listened to the surge and thunder of the Odyssey, and been thrilled by the bright speed of the Homeric hexameter. At Christ Church, Oxford, the home of four English



Prime Ministers, he steeped himself in the rhetoric and the patriotism of Cicero and of Demosthenes whose rolling periods shaped his own dignified and sustained eloquence. These were the masterpieces among whom he lived and their memory lingered with him throughout his life. He was once to address a Youth Conference in North Ceylon, and I remember his telling me how surprised he was when at the last minute he found he had to speak of "Homer". He did this almost extempore, in a speech which must have been a rare delight to the youth of Greekless Jaffna. Much later, when some of us met him to discuss the Language of the University, he pointedly addressed me saying "You and I can read a Greek or a Latin Book in the quiet of a Library, but if our lecturers speak to us in these languages we shall be lost. So with the new generation of undergraduates you will soon have. They will read English, but lectures in English they will not understand." The Classics were always in his mind and heart. I have seen in the book-lined library of his home volumes of these writers, dating back to school and undergraduate days, the works of Virgil, of Plato and of the Tragic Dramatists of Greece. These formed a cultural oasis among Blue Books and Hansards and Administration Reports.

These studies, and the care which like Winston Churchill he devoted to his speeches, provide the key to his felicity of diction, his lucidity and his argumentative effectiveness. Hence came the influence he had over his listeners. The Union Society of Oxford cheered and delighted in his eloquence. The United Nations heard him with appreciation. The applause of his own people and of our listening Parliaments he always commanded. I have heard him unbend on smaller occasions, at school functions at Old Boys' gatherings, and even at wedding receptions. Whatever he spoke, whenever he spoke, he spoke pleasantly, eloquently and wittily. He twice addressed the Hostels of which I

happened to be in charge—on "Oxford" at Brodie and again at Jayatilaka Hall in Peradeniya. It was a time of intense political controversy over the price of rice, and an effort was made to divert him to some safer topic. "What," he said, "fiddle while Rome is burning? No, I speak on Rice and on nothing but Rice," and speak he did for one full hour with a closely-reasoned, hard-hitting eloquence which carried his listeners with him. He stands out best in the cut-and-thrust of a fighting speech, and in the heat of the fiercest debates his phrases remain neatly rounded, the argument is skilfully built up and the whole speech is marked by sustained and convincing argument. This oratory, as persuasive and compelling in Sinhalese as it was in English, has been a powerful factor in his triumphs in the political arena.

### Hard work

APART from this mastery of language he was capable of very hard work, of the blood, sweat, toil and tears that politics demands. As Secretary of the National Congress he edited a comprehensive History of the Reform Movement in Ceylon. It was a full, careful and systematic document, the work of a gifted researcher and a keen politician. Nowadays when the red carpet is rolled out and Dukes welcome our Ministerial representatives, we appreciate the progress we have made from those earlier days when our leaders had to wait on the doorstep of a Secretary of State, for weeks before he would grant them an interview. This same industry went to the making of the Sabhas and Associations he built up, culminating in the Sri Lanka Freedom Party, and to the routine, day-to-day work, whether of a Village Committee, of the Municipal Council or of Parliament. And what energy he showed, what sacrifices he made, riding in the whirlwind of an election campaign! Mind and spirit and personality triumphed over a frail body and



helped him to persevere. He may have been tired out and his voice became hoarse, but his speech lost none of its fire, his brain none of its acumen. It was this leadership and this inspiration that led to the overwhelming successes he scored for the Party he led. He has left his impress on Local Government, which he decided to organise on democratic and independent lines, on the Ministry of Health, and indeed wherever he worked. Permanent Secretaries considered it a political education to confer with him. He grasped in a moment the point they were urging, and received from him advice and suggestions which they found invaluable. He has presented more than one Budget and secured its acceptance by his reasonableness. The subjects he handled range from Constitutional Reform to Education, Official Languages, Transport, Foreign Affairs and Indians in Ceylon. His outlook extended beyond these shores. He paid several visits to India on Conferences, and came back after impressing and being impressed by the able

men who confronted him at these talks. They were men, he said, who have all the facts at their fingertips and knew all the answers to all the questions. Mr. Bandaranaike too was a man of the same calibre. He had read widely in Economics, History and Politics; he thought out his problems; he mastered his facts; he spoke with authority.

The secret of his success, of his appeal to our people lay in the traditions he was heir to, in his cultural and educational background, in his resistless eloquence, in his indomitable spirit, in his love for his countrymen, the great and lowly alike, and in the independence he helped to secure for local bodies and for the country at large. Ceylon was to be not a mere residuary legatee of British Imperialism, but a country bold and free, where the head is held high and the mind is without fear—that was his ideal, that was his policy.

*(A commemorative talk broadcast over Radio Ceylon on September 26.)*



## Ceylon at the Commonwealth Premiers' Conference

*THE Minister of Justice, Senator the Hon. Sam P. C. Fernando, represented the Prime Minister at the Commonwealth Prime Ministers' Conference held in London from 10th to 20th September, 1962. The other members of the delegation were His Excellency Mr. R. S. S. Gunawardena, Ceylon's High Commissioner; Mr. N. Q. Dias, Permanent Secretary, Ministry of Defence and External Affairs; Mr. H. E. Tennekoon, Additional Permanent Secretary, Ministry of Commerce, Trade, Food and Shipping; Mr. R. C. S. Koelmeyer, Counsellor, Ceylon High Commission; Mr. D. A. de Silva, Charge d'Affaires, Netherlands; Mr. V. Santiapillai, Trade Commissioner, London; Mr. A. T. Jayakody, Assistant Secretary, Ministry of Defence and External Affairs.*

*The following is the text of the statement made by the Minister of Justice on September 25th in the Senate regarding the conference:—*

This was the first occasion on which Sierra Leone, Tanganyika, Jamaica and Trinidad and Tobago were represented as independent countries at a Commonwealth meeting and the Prime Ministers of these countries were welcomed by the other Commonwealth Governments. The Meeting was informed that Uganda will attain independence in October, 1962, and it was agreed that she should then be admitted as a member of the Commonwealth. The Meeting was also informed that as from December, 1962, Tanganyika would have a republican form of constitution within Commonwealth, and that progress was being made towards the establishment of the Federation of Malaysia by August, 1963.

A message from the Prime Minister of Ceylon was read regretting her inability to attend and extending her best wishes for the success of the Conference, the outcome of which was being watched with great

interest in view of its importance to the Commonwealth.

In the course of their discussions the Commonwealth Governments took the opportunity to hold their customary review of international affairs and exchanged views on the political situation in various parts of the world. They took note, in particular, of the proposals relating to the Congo which were recently put forward by the Acting Secretary-General of the United Nations, and they expressed the hope that these would prove to be the basis for a speedy and constructive settlement.

### **Need for Disarmament**

THE Commonwealth Governments agreed that the need for disarmament had been intensified by the steady development of even more powerful weapons. They reaffirmed the principles laid down in their Statement on Disarmament of 17th March, 1961, and expressed their conviction that the Eighteen Nation Disarmament Committee at Geneva should continue its efforts towards a Treaty for General and Complete Disarmament in accordance with these principles.

They noted that discussions on the cessation of nuclear weapons tests had also been taking place in Geneva and expressed the hope that these efforts would be successful in bringing into being an effective Treaty to eradicate this source of fear and danger to mankind.

The primary object of this Meeting was, however, to review the progress made in the negotiations in Brussels about the conditions on which Britain might join the European Economic Community and to examine the nature and prospects of safeguards for the trade of other Commonwealth countries.

The Prime Ministers were informed of and considered the stage reached in Britain's



negotiations with the European Economic Community, and discussed the arrangements which might be made to meet the special needs of other Commonwealth countries if Britain joined the Community.

British Ministers set out the broad political and economic considerations which had led the British Government to initiate the negotiations in Brussels. They emphasised that, in the view of the British Government, Britain's accession to the Community on satisfactory terms would have the result of strengthening the position of Britain, of the Commonwealth and of Europe.

The British Ministers stated that the Community were prepared to negotiate as soon as possible trade agreements with India, Pakistan and Ceylon which would have the declared objective of developing mutual trade to maintain and, as much as possible, to increase the level of their foreign currency receipts and in general facilitate the implementation of their development plans.

The Commonwealth Governments took note of the considerations which had influenced the British Government in deciding to accede to the European Economic Community if satisfactory terms could be secured. They recognized that, after full and continuing consultation with the other countries of the Commonwealth and in the light of the further negotiations to be held with the members of the Community, the responsibility for the final decision would rest with British Government.

The Commonwealth Governments took note that the negotiations in Brussels were incomplete and that a number of important questions had still to be negotiated. Only when the full terms were known would it be possible to form a final judgment.

It was agreed that when the negotiations were resumed, British Ministers would take full account of the views, both general and particular, which had been expressed on behalf of other Commonwealth Governments at this Meeting and would continue

their efforts to safeguard essential Commonwealth interests. The British Government undertook to continue to arrange for the closest consultations with other Commonwealth Governments during the remainder of their negotiations with the European Economic Community.

### **Peace and Economic Progress**

THE Commonwealth Governments declared that their constant objective of policy is to promote peace and economic progress throughout the world and thus to help to create conditions in which mankind can flourish in freedom, unfettered by poverty, ignorance or disease. In furtherance of this purpose, all Commonwealth Governments are resolved to do their utmost to foster the harmonious development and steady expansion of world trade.

They noted with concern that trade and industry in the developing countries, as well as in some of the more developed countries which are large producers of primary products for export, have been adversely affected by widely fluctuating commodity prices and a progressive worsening of the terms of trade. They saw this as a problem which calls for progressive policies in relation to international trade and finance so that demand for the products of those countries can be sustained and increased, and larger and more dependable trade outlets assured to them. To meet the needs of developing countries they would support policies designed to raise the standards of living of the peoples of these countries and to help them to achieve the economic, social and cultural progress to which they aspire. To this end they considered that improved opportunities and conditions for trade were even more important than financial aid. They recognized the need for the developing countries to have easier access to outside markets for the products of their industries as they become established and the



desirability of this being reflected in the policies of the more developed countries.

The representatives of the other Commonwealth countries acknowledged the efforts which the British Government have made to ensure on the part of the Six a full understanding of the safeguards required, of Britain's entry into the Common Market is not to be on such terms and conditions as to impair their vital interests. They expressed their hope that the members of the European Economic Community will wish to preserve and encourage a strong and growing Commonwealth, in furtherance of their own ideals of an expanding and peaceful world order.

At the same time, the representatives of various Commonwealth Governments expressed anxieties about the possible effects of Britain's entry into the European Economic Community. They trusted that, should there be closer association between Britain and Europe, it would not be allowed, as it developed, to weaken the cohesion of the Commonwealth or its influence for peace and progress in the world. They drew attention to the difficulties of trade both with Britain and with other countries. They explained the economic points of special concern to their respective countries and the extent to which their interests had not so far been met in the Brussels negotiations.

The Prime Ministers and their representatives expressed the readiness of their Governments to join in comprehensive international efforts by all available means to expand world trade in both primary products and manufactures. They recognized the important contribution which the European Economic Community and other regional groups could make in such efforts. They hoped that the general objectives set out above would be shared by the members of the European Economic Community.

#### **Commonwealth Ties**

ALTHOUGH many differences of view point and many uncertainties were revealed in the

discussions, it was apparent that there was a determination to strengthen the links between the countries of the Commonwealth.

All that I have said so far has been embodied in the final communique that was issued after the Conference. I wish to add that on behalf of the Government of Ceylon we stated at the discussions that we appreciated the assurance given by Britain that the interests of the Commonwealth would not be forsaken in her negotiations for membership of the European Community, and that while Ceylon recognized that the decision to enter the Community was one which Britain could make for herself, the other Commonwealth countries had a right and even a duty to examine whether Britain's participation was likely to affect the Commonwealth. It was not clear what institutional shape the European political union would take, particularly in the international sphere, and therefore Ceylon asked Britain to consider the fears that had been expressed and to act towards preserving the integrity of the Commonwealth and the interests of security and peace.

Ceylon stated that while it was possible that Britain's association in the new Europe would enable her to carry into the Community the views of the Commonwealth partners and assist in realising the Community's declared objective to be outward looking, and that while the unified and stable Europe could act as a force for peace, we were not oblivious of the danger that the new Europe may tend to move in a less desirable direction. We hope that such a development would not take place and that the future actions of the new Europe would be in consonance with the objectives which give meaning and significance to the Commonwealth. Ceylon pointed out that it was not quite evident that the economic policies of the European Community supported its claim to be an outward looking organization and hoped that the prosperity



of Europe would not mean that the poorer developing countries of the world would not soon be split into 'privileged' and 'underprivileged' areas.

Ceylon stressed that various international bodies such as GATT and FAO had frequently called on the industrialised countries to admit freely the products of tropical countries and urged that the Community should be asked to re-examine such of their policies as would impair the development and trading prospects of these countries.

Ceylon stated that the preferential treatment, which her products enjoyed, had determined the pattern and growth of her economy. Her economy had been oriented to supplying some of the needs of the Commonwealth, and the termination of existing arrangements without adequate safeguards would damage her economy very seriously and undermine her prospects for sustained growth and development. For a less developed country striving to improve the living standards of its people, it was imperative that it should be able not merely to maintain but to increase steadily its foreign exchange earnings. Foreign trade was an important instrument for economic development and Ceylon which depended on three major export products must feel acutely the impact of European commercial policies. Ceylon could not afford any set-backs to her economic development programme as would detract from the content of independence as the people had come to understand.

### **Ceylon's Export Trade**

CEYLON also drew attention to the fact that our export trade had been adversely affected by low commodity prices and urged that the policies of international trade should not be such as to make the rich countries even richer at the expense of the poorer countries. We urged that Ceylon's potential

industrial products also should find foreign markets without restrictive measures against them.

I feel it is my duty to place before the House, even in brief, the negotiations going on at Brussels, particularly in regard to our primary products. Although the negotiations are still incomplete, the Government of Ceylon is of the view that considerable progress has been made towards obtaining the economic safeguards we seek.

The major permanent long-term arrangement that has been achieved at the Brussels negotiation was agreement on a zero tariff for tea. I need hardly say that tea is the mainstay of Ceylon's economy. During the years 1958 to 1961 Britain took 40 per cent of our exports of tea, which, of course, entered the U. K. market duty free. If the common external tariff on tea, which the Community had fixed at 18 per cent, had been levied on our exports to Britain the effect would have been to increase the retail price of the better qualities of tea by about 1 sh. 3d. per pound. This would inevitably have led to a contraction of our best market and, in the context of our present financial position, the severe loss of our foreign exchange earnings would have proved disastrous for our economy.

A common tariff of 18 per cent would also have affected our European market. During the years 1958 to 1961, 55 per cent of the tea exported by Ceylon to the Community went to the Netherlands, where the national tariff was the relatively low one of 10 per cent. By 1970 the Netherlands too would have been obliged to accept the common tariff—and undoubtedly our best continental market for tea would also have contracted.

In the circumstances, the agreement on a zero tariff for tea has been of decided benefit to Ceylon. It will enable our tea to enter Britain on the same terms as it does now and could also open up our continental market for this commodity. It is desirable



however that we do not exaggerate the benefits to be derived from this. In the first place, the effect of a zero tariff in Britain would mean that the preferences we hitherto enjoyed over tea from Indonesia, China and Formosa would be removed. These teas would now also enter the British market duty free and we would of course be exposed to their competition. However, we do not anticipate this would impair our trading prospects to an appreciable extent, especially since we are protected by our high quality. Secondly, the danger exists that in our European markets the benefits of a zero tariff may be neutralized by the imposition of increased fiscal duties and internal taxes. On this point, I may add, we have been informed by the British Government that the Community is not likely to countenance such action.

On balance, however, the removal of the common tariff on tea must give us cause for satisfaction. Certainly it has given us opportunities in Europe which would not have otherwise arisen. The British negotiators at Brussels merit our thanks for their constant efforts to safeguard our vital interests.

### Rubber and Coconut

RUBBER, which is next in order of importance, enters the Community duty free and, therefore, does not pose any special problems. We have some cause for concern, however, at the treatment proposed for our coconut produce and, in particular, coconut oil. The E. E. C. is the largest market for vegetable oils and oil seeds, and during the years 1958-1960 absorbed 42 per cent of our total exports of coconut oil to all destinations. Quite clearly, therefore, the tariff and other policies of the European Community—whether it includes Britain or not—which affect our exports of coconut oil, must be of immediate interests to us.

In view of the increased supplies of Soya oil which have been imported into the E. E. C. in recent years, it is particularly necessary for us to retain our outlet in what, when it is finally constituted, will be the world's biggest market for oils and fats. The tariff and non-tariff aspects of the Community's policy, however, are likely to have a deterrent effect. In 1961 alone, over 50 per cent of our oil exports to the E. E. C. went to Italy.

Coconut oil has yet not been discussed in the Brussels negotiations. We have expressed the anxieties which the Government has on this subject, and urged the adoption by the Community of a nil tariff on coconut oils as being the best possible solution in all the circumstances. I believe, however, that this will meet with very strong resistance from the Community.

In the case of desiccated coconut, the difficulties we foresee are directly linked to Britain's membership of the Common Market. We have suggested that we be allowed a permanent duty-free quota into the U. K., and we hope that the British may persuade the Six to accept this. I am afraid that this proposal is also likely to be resisted, and in that event we will need to re-examine the relative merits of a nil tariff and duty-free quota into the U. K. during the transitional period of Britain's alignment with the Common Market, that is, until 1970.

We will also lose our preferences in the British market for coir fibre, coir yarn and graphite. These products will enter the Community duty-free, but our exports to the U. K. will suffer from the fact that non-Commonwealth suppliers will also have the same terms of access to this market. As regards our other products, a suspension of duties is envisaged for cinnamon oil, while pepper, cloves and nutmegs will be examined later. A limited suspension until the end of 1966 is envisaged for cardamom, cinnamon and citronella oil. At the end of this period

*(Continued on page 23)*



## Animal Production and Dairy Project

THOUGH today it would appear that all hands in the Department of Agriculture are deployed on the production of rice and subsidiary food crops, there is yet another field, namely, the dairying industry where a ceaseless campaign is on to step up the production of milk, meat and eggs aimed at—

- (i) lessening our dependence on imports ;
- (ii) conserving our foreign exchange reserve so vital for the purchase of capital goods (for further development and industrialization).

Ceylon imports nearly Rs. 100 million worth of milk, meat and eggs and other animal by-products annually. These imports are necessary to feed the nation and keep it healthy. But meat, milk and eggs and other by-products can be produced locally to meet our requirements as we are fortunate in having ideal conditions conducive to animal breeding. Besides, animal proteins are far superior to any vegetable proteins in the human diet, and that is why in most advanced countries animal production such as milk, meat and eggs forms the staple diet of man.

The Government has therefore given the highest priority to the project which aims at the stepping up of the production of milk, meat and eggs. This project is many faceted but basically it seeks to—

- (a) achieve self-sufficiency in milk and milk products and thereby prevent the present annual outflow of Rs. 71 million (or thereabouts) worth of foreign exchange ;
- (b) increase the per capita consumption of milk per day from the present low figure of 2 ounces ;
- (c) cater to the increasing population ;
- (d) create new avenues of employment and income based on milk-producing industry.

The 'meat' aspect of this project aims at—

- (a) self-sufficiency in meat, beef, mutton, pork, bacon, ham, sausages, chicken, thus saving Rs. 5,100,000 worth of foreign exchange going out for imports annually ;
- (b) preventing the importation of by-products such as bone meal, blood meat, dripping, hides and leather products worth about Rs. 9 million annually.

The poultry aspect of the project seeks to—

- (a) stop egg imports completely which is possible in a short time, even bearing in mind the increase in population and increased consumption ;
- (b) increase the earning capacity of the rural population through poultry production as a sole means of livelihood or as supplementary vocation ;
- (c) stop the imports of poultry meat.

The project also bears in mind that sufficient animal foods have to be produced locally to meet a developing dairy industry and steps have to be taken to provide an adequate veterinary service and planned research undertaken for economic livestock and poultry production.

As stated earlier one of the aims of this animal production and dairying project is to achieve self-sufficiency in milk and milk products. Since Government is also interested in the health of the nation it encourages the milk-drinking habit as milk is one of the few complete foods and it should form a basic part of the human diet.

Unfortunately in Ceylon at the current rate of milk production, the great majority of people do not have the opportunity to take milk. The average consumption of milk



is about 2 ozs. per person per day as compared to 20 ozs. in Britain. Besides, there appears to be a prejudice against fresh milk. This prejudice is quietly dying out in the face of the propaganda activities of the Milk Board, Agriculture Department and the Department of Health Services. But it can also be said that the partiality for powdered and tinned milk is due to their practical advantages such as their keeping qualities.

A demand for fresh milk can be created by a restriction of the imports of milk products, but for such an eventuality the dairy industry must be ready to supply the entire requirements of the country's fluid milk. To reach that target the local dairy industry should produce 200 million pints of milk in addition to what is now produced and keep on increasing its supply to feed the increasing population.

With a view to utilizing all the milk which could be purchased in the future, the Milk Board has taken steps for the establishment of a Spray Drying Plant for the production of whole cream powdered milk at a cost of Rs. 1,500,000. This factory will be established in the Nuwara Eliya district and will have a production capacity of 20,000 pints fresh milk, yielding 1,400,000 lbs. of dried milk per year.

At present over Rs. 7 million worth of full cream powdered milk is being imported into this country and the establishment of this factory will not only help the development of dairying in the Island but will also help to conserve foreign exchange. A start has already been made in connexion with the construction of this Milk Spray Drying Plant. The Nuwara Eliya Plant will absorb the large quantities of milk now being produced in the up-country area as well as the large output of milk expected from the Government's Ambawela-Bopatalawa dairy project.

During the financial year '62-63 the Board will also set up a Condensed Milk Factory which will work a double shift, producing 20 million cans of condensed milk per year.

This project is being undertaken by the Milk Board in collaboration with the New Zealand Dairy Production and Marketing Board which will provide the Milk Board with the technical know-how. This factory will be established at Welikande where the Agriculture Department has already opened up a dairy development programme covering an area of 20,000 acres.

Aid amounting to 105,000 dollars which is expected from U.N.I.C.E.F. is to be used by the Milk Board to reorganise the transport and distribution of milk in Colombo and the outstations by the establishment of four large refrigeration units.

Another aspect of the dairy project is to improve the local breed of cattle. There are 1,500,000 cattle in Ceylon. The Sinhala cow produces only about 90 gallons of milk during the first lactation. So in order to achieve maximum improvement within a short period a programme of cross-breeding with an improved dairy cattle breed has been considered necessary. For this purpose the indigenous Sinhala cow is being used and the foundation stock and exotic breeds such as the Jersey bulls are used as sires, resulting in the first-cross producing 270 gallons of milk. Other temperate breeds of sires are also being tried out along with artificial insemination. This breeding system is being popularised in all parts of the country.

An important traditional market for buffalo milk in Ceylon is for curd which has become extremely popular. Hence the expansion of this market has been undertaken. The Ceylonese traditionally prefer buffalo curd and the advantages of a buffalo curd enterprise are bright indeed.

### **Tamankaduwa Livestock Project**

IF one refrains from referring to the massive livestock project at Tamankaduwa, a discussion on the local animal production and dairy industry is indeed incomplete.



The Tamankaduwa area in the Polonnaruwa district has been known as good cattle country but until a few years ago no real attempt had been made to explore the potentialities of Tamankaduwa.

Reports however had referred to Tamankaduwa as "a vast extent of luxuriant grazing grounds where large herds of good cattle were seen".

In fact, for many years, reference had been made to the existence of a Tamankaduwa breed of cattle as distinguished from the normal local Ceylon by their predominantly white colour and good size.

In Ceylon's ancient literature, one can read of these herds of white cattle and how several of the Sinhalese kings took special interest in building up such herds.

The *Mahawamsa* refers, for instance, to the desire of some kings of Polonnaruwa to have all white cattle of good size turned over to the royal herds.

It is probably an exaggeration to speak about the existence of a Tamankaduwa breed as such, but the fact remains that the cattle found in this area are on the whole superior to the average Sinhala cattle. One explanation for this is that the original local breed of the area was improved by the importation of breeding stock from South India, and another that the good standard of these cattle is due to environmental factors, namely, the excellent grazing grounds available for them.

The natural grazing grounds or pastures in the Tamankaduwa area take the form of *villus* covering nearly 20,000 acres and situated on either banks of the Mahaweli Ganga.

These natural grasslands are capable of maintaining about 20,000 herd of stock on an extensive grazing management system, but larger herds could be kept if management methods are intensified. The project is capable of producing 50,000 pints of milk a day on completion. Financial provision

was made for the Tamankaduwa Livestock Project in the year 1961/62 and again money provision has been made for 1962/63 for further facilities for the project.

So far a total of 250 acres have been developed in the Tamankaduwa scheme and 2,000 local and Indian cattle, together with nine Jersey sizes of proved strain, have been introduced under this scheme.

This project, apart from providing the breeding material for distribution in the area round about and eventually in the Dry Zone, will also provide the milk for the Welikanda Condensed Milk Project.

A broad scheme of development drawn up for the Tamankaduwa livestock project phased over 16 years aims at primarily—

- (a) minimising the importation of milk products by supplying liquid milk to the condensed milk plant at Welikanda;
- (b) efficiently utilising the natural pasture lands on the banks of the Mahaweli for milk production;
- (c) establishing a large state dairy herd on these pastures;
- (d) securing maximum milk production from this herd by efficient management and breed improvement;
- (e) raising and fattening surplus bull calves for meat production;
- (f) accommodating all surplus stock from departmental farms for further breeding and multiplication;
- (g) distributing surplus male and female stock to the rest of the Dry Zone for the expansion of the dairy industry.

To stock these natural pasture lands, it is envisaged to multiply the existing stock, transfer all existing surplus stock from other farms and by the purchase of about 400 head of local cows for upgrading to a dairy type animal.



Both milk production and profits are expected to rise with the progressive improvement of the herd at Tamankaduwa.

### Poultry Production

THE Government is today faced with this problem of feeding a population of over 10 million, rapidly expanding at a rate considered one of the highest in South-East Asia. The problem is further aggravated by the fact that the diet of the average Ceylonese is deficient in animal proteins. Hence a large increase in poultry-keeping and egg production is particularly desirable since eggs possess essential food nutrients and egg protein is perfectly balanced for human nutrition.

It should be realised that in comparison with other livestock, poultry have a short life cycle; therefore they (a) can be multiplied rapidly, (b) can be purchased and raised with a small investment, (c) can be successfully kept in complete confinement and require no arable land.

Hence poultry production in Ceylon should contribute to an eventual rise in the standard of living by providing a readily accessible enterprise for those rural and middle class groups who want to supplement their income. Indeed poultry-keeping on scientific lines can be one's sole means of livelihood.

Earlier large-scale poultry-keeping was not undertaken due to fear of epidemic diseases and religious sentiments. Now, however, considerable improvement in this regard has taken place and a large number of people both in town and country have taken to poultry-keeping, largely due to the efforts of the Department of Agriculture and private enterprise selling poultry foods or deep litter equipment. In spite of the rapid increase in egg production, until quite recently about 20 million eggs were imported annually from outside sources, mainly India (at a cost of 3.1 million rupees in 1961). The recent import restrictions imposed in regard

to eggs have acted as a great stimulus to egg production, and more and more have taken to poultry-keeping as a steady income is assured.

According to targets of the dairy project, the Government feels that before long, may be in a few months, Ceylon will be self-sufficient in eggs in spite of a tremendous increase in per capita egg consumption.

The limiting factors to the poultry industry was the short-supply of day-old chicks and the high cost of poultry food.

Government has already taken steps to increase the flock and incubator strength in Government Farms so as to provide increased supplies of day-old chicks to poultry-keepers.

The animal production and dairy project has ascertained that—

- (a) the consumption of eggs has more than doubled during the period 1946-1959,
- (b) the dietary habits of Ceylonese in respect of eggs have definitely changed,
- (c) local production of eggs has nearly doubled from 1954 and the import of eggs during the past seven years has almost been constant till quite recently Government applied import restrictions which have however stimulated the local poultry industry.

The rapid improvement of the poultry industry since 1953/54 was due largely to the issue of poultry stock by the Department of Agriculture for breeding at subsidised rates. In addition, the Department intensified its efforts at educating the public on the modern methods of poultry management.

This took the form of—

- (a) Issue of day-old chicks of the pure exotic breeds.
- (b) Issue of pure bred cockerels for upgrading.
- (c) Issue of hatching eggs.



- (d) Increase of the departmental incubator capacity. In this connection it must be mentioned that recently 26 new incubators with a capacity for hatching 20,000 to 30,000 eggs were landed in Ceylon to be installed at Kundasale.
- (e) Disease control and veterinary services in regard to poultry management have been extended to all poultry-breeding areas. A new step in this connection is the training to be given to Food Production Overseers in inoculation of poultry under the supervision of Veterinary Surgeons.

Turkey and Duck rearing is to be taken up on a large scale shortly. At present rearing of Turkey and Duck is confined to a few areas mainly around Colombo, and that too on a home-garden scale.

Meanwhile the production of poultry food, which could become a serious limiting factor to the further growth of the poultry industry, is being taken note of and areas are being opened out in sorghum and maize to ensure that ready supplies of poultry food are available at all times.

The Animal Production and Dairy Project has given importance to Pig and Goat Farming and it is considered that with little effort Ceylon could be self-sufficient in regard to all requirements of meat and by-products proceeding from these two branches of farming. It is therefore intended to give all assistance possible to those interested in these branches of farming.

Pig-farming is an extremely profitable form of animal husbandry. Little investment is required while management and feeding are also comparatively simple and inexpensive. Government therefore intends to encourage the rapid expansion of this line of animal husbandry. With this end in view, Government has established a pig-breeding farm at Welisara to provide breeding

material to farmers and piglings to house-holders for fattening. Since religious scruples in the past have inhibited the expansion of this industry, it is intended in the first instance to concentrate all efforts to encourage pig-rearing in the coastal belt—between Chilaw and Kalutara—where the religious factor does not operate to that degree. The marketing of pork has also presented some difficulties due to the religious susceptibilities of those engaged as butchers, who have discouraged the entry of pork into the organised markets. Steps are being taken to overcome these difficulties without embarrassing the religious feelings of butchers.

The Government also intends to restrict the import of pork products to stimulate the local industry.

Due to the lack of development in goat-farming hitherto, goats and mutton were imported to the value of Rs. 1,900,000 per year, while the cost of mutton, which is a very popular meat, remains at prices without the reach of the ordinary shopper. Government proposes to encourage goat-farming and with this in view large goat farms are to be opened by Government in areas most suitable for goat-breeding.

Goat-farming is one of the most economic forms of animal husbandry and can be practised on marginal and waste lands which cannot be put to any other productive use. Thus the arid and semi-arid areas of the Puttalam, Mannar and Hambantota districts can be made to yield considerable returns through the development of goat-farming.

In order to encourage this form of enterprise and to provide breeding material to farmers, it is proposed to establish large goat farms in each of these districts. These farms will carry 6,000 animals each, of good meat breeds imported from India. These farms will not only act as examples to those who want to branch out on goat-farming enterprises but also provide breeding material to farmers.



# Conciliation Boards

HEMA GOONEWARDENE

LITIGATION in Ceylon costs a tidy sum by way of fees to lawyers, stamp fees, etc., thus rendering the parties to a case almost destitute at the conclusion of the case. It certainly reminds one of the Sinhalese proverbial saying "*Nadu Yanno Vanesen- noya*" (those seeking litigation get ruined).

One of the major pre-occupations of the Government of the late Prime Minister, Mr. S. W. R. D. Bandaranaike, was to set up machinery to eliminate litigation costs to the poorer sections of the people, namely, the workers and the rural peasantry. This the Government sought to achieve by enacting the Conciliation Boards Act, No. 10 of 1958, which empowered the Minister of Justice to appoint a Panel of Conciliators for the setting up of Conciliation Boards to settle minor disputes and offences.

"In the circumstances of our country, a measure such as this is very necessary because in the villages very trivial disputes are taken to court, entailing a good deal of expense and trouble to the parties." So said the late Mr. M. W. H. de Silva, who was then Minister of Justice, when moving the second reading of the Conciliation Boards Bill in the Senate on 11th March, 1958.

Today we see the truth of his statement being borne out in the working of the ten Conciliation Boards that have since been appointed. According to returns submitted to the Ministry of Justice by five of these Boards, no less than 499 cases out of a total of 667 cases referred to them have been settled, thus enabling the people to save quite a substantial portion of their money which they would otherwise have had to spend had they gone to court.

The Conciliation Boards Act was passed therefore with the idea of providing "an

inexpensive and speedy means of promoting harmony among persons estranged by civil disputes or breaches of certain penal laws by amicably settling these disputes and compounding the offences arising out of those breaches".

The Act provided that where a Conciliation Board is functioning, no court would have jurisdiction to entertain any complaints regarding civil disputes and offences that come within the purview of the particular Conciliation Board without a certificate from the Chairman of the Panel of Conciliators appointed for that area. This then made the Conciliation Boards really effective to be of service to the people.

## How Conciliation Boards are Appointed

LET us now see how these Boards are appointed. The Minister of Justice issues a *Gazette* Notification calling for recommendations from Rural Development Societies, Community Centres, Registered Co-operative Societies and Village Committees. After the recommendations are received, a report is called by the Minister from the Divisional Revenue Officer regarding the suitability of the persons recommended by the Societies. All persons recommended by the Societies are then called for an interview to be held by the Minister at a convenient spot in the particular Village Committee area. The Minister usually travels down to hold such interviews, but if he is unable to go, then the Permanent Secretary to the Ministry of Justice will go to hold it.

The Minister of Justice or the Permanent Secretary will make his own notes on the merits of the candidates present at the interview and after returning to Colombo will make the appointments. The order



appointing the Panel of Conciliators will be published in the *Gazette* and letters of appointment will be issued simultaneously.

The Minister will also appoint one of the selected candidates as Chairman of the Panel.

### Powers and Functions

CONCILIATION Boards have the power similar to that of a judicial court to issue summons on any person whose evidence is required in regard to a case. If a person fails to appear before the Board on receipt of summons without sufficient cause, such person is liable to be fined a sum of rupees one hundred.

As stated earlier where Conciliation Boards are functioning, no civil court will entertain any complaints made to them regarding disputes or offences, which would normally come under the purview of the Conciliation Boards, without a certificate from the Chairman of the Board.

The disputes that are dealt with by these Boards mainly relate to those in respect of movable or immovable property in a particular village. The offences coming under their purview are of a minor nature, such as voluntarily causing simple hurt, wrongful confinement, committing mischief, house trespass, criminal intimidation, intentional insult, etc.

If the parties say that they cannot settle the matter or if they are not prepared to settle it, then they could get a certificate from the Chairman of the Board and go to court at once. But if they are prepared to consider a settlement, then the Board will go into all the facts and try to settle the dispute. If they enter into a settlement, a certificate will be given as to the form of settlement entered into.

It would therefore be seen that though Conciliation Boards generally deal with minor disputes or offences, they perform a vital service, since it is these minor disputes

that form a preponderant portion of the sum total of cases that are to be heard in a particular year.

In the new financial year (1962-63) the Government has made provision for Rs. 60,600 to meet the running expenses of the ten Conciliation Boards that have been appointed and the new Boards to be appointed shortly.

### Ten Boards already functioning

THERE are ten Conciliation Boards functioning at the moment. They are :—

- (1) Maha Pattu Village area in Kalutara District.
- (2) Aluthgama Village area in Colombo District.
- (3) Yatigaha Village area in Colombo District.
- (4) Megodapotha Village area in Colombo District.
- (5) Otara Plata Village area in Colombo District.
- (6) Kinigoda Korale Village area in Kegalle District.
- (7) Galboda Korale Village area in Kegalle District.
- (8) Otara and Gandolaha Pattu Village area in Kegalle District.
- (9) Tunpalata Pattu East and West Village area in Kegalle District, and
- (10) Akmeemana Village area in Galle District.

The Minister of Justice is also due to proceed to Matara to hold interviews for the appointment of Panels for the following areas :—

- (a) Morawake Village area in Matara District.
- (b) Kandapita-Walakada Village area in Matara District.



The Minister of Justice in a *Gazette Notification* issued on 19th October announced the appointment of Panels for the following areas:—

- (i) Godakaha Palata Village area in Colombo District.
- (ii) Kanuwana Village area in Colombo District.
- (iii) Weke Village area in Colombo District.
- (iv) Matale Medasiye Pattu Village area in Matale District, and
- (v) Hewawissa Korale Village area in Kandy District.

Preliminary steps have also been taken for the appointment of 25 more Panels of Conciliators in various parts of the Island.

### Phenomenal Progress

OF the ten Conciliation Boards functioning, five have sent in their returns giving the number of cases dealt with over the last ten months. The statistics reveal that some of the Boards have been a phenomenal success. For instance, the Conciliation Board for Maha Pattu Village area in Kalutara District had been able to settle 214 of the 240 cases

brought before it in September this year. Similarly the Conciliation Board for Kinigoda Korale village area in Kegalle District had settled 32 of the 54 cases brought before it in July 1962.

The following figures will further illustrate what measure of success these Boards have achieved recently:—

Month	Conciliation Board	No. of Cases heard	No. of Cases settled
November 1961	Kinigoda	11	8
December 1961	"	18	11
January 1962	"	26	21
February	"	16	8
March	"	22	12
April	"	22	16
May	"	9	5
May	Mahapattu	7	—
June	"	11	10
June	Kinigoda	30	10
June	Alutgama	3	—
July	Mahapattu	36	31
July	Aluthgama	11	3
July	Kinigoda	54	32
August	Mahapattu	89	82
August	Megodapattu	3	3
August	Kinigoda	32	22
August	Yatigaha	5	—
August	Alutgama	22	11
September	Mahapattu	240	214
		<u>667</u>	<u>499</u>

## CEYLON AT THE COMMONWEALTH PREMIERS' CONFERENCE

(Continued from page 15)

a fresh decision will have to be taken as to whether this suspension will be prolonged or whether the duty applicable is to be modified.

In conclusion, may I say that the Conference demonstrated the strength and usefulness of the Commonwealth. There was a full and frank expression of views; and although divergent views were expressed, there was never any mistrust

whatsoever. It was the general consensus of opinion that the discussions at this Conference, which some feared would mean the end of the Commonwealth, made it possible for the Commonwealth to emerge stronger than ever before.

May I also add that I am personally most grateful to my Prime Minister for the very great privilege given to me to represent her and my country at this Conference.



## The Insurance Corporation of Ceylon—II

M. RAFEEK

(Chairman, Board of Directors)

THERE is a fundamental difference between the position of the Corporation in the Life Insurance field and its position in the General Insurance field. In Life Insurance it has a monopoly, whereas in General Insurance, it transacts business in competition with private companies. Its role in the two fields would naturally differ greatly.

There has been no formal Governmental pronouncement as to the role the Corporation is expected to play in the General Insurance field. However, from a study of the provisions of the Insurance Corporation Act, and the debates in Parliament, one could define its objectives as follows:—

Firstly, conservation of foreign exchange.

Secondly, providing an efficient insurance service at rates of premia, fair both to the insurer and to the public.

In General Insurance, a drain on our foreign exchange can arise in two ways:— One, on account of the profits made locally by foreign insurers and remittable abroad; and the other, on account of re-insurance placed abroad on terms which do not provide adequate reciprocity.

General Insurance is international in character and in most markets it is not unusual to find companies from several countries operating. Of course, in the case of most countries their companies, too, operate abroad and what they lose on the swings they gain on the roundabout. In Ceylon, however, I find that while the foreign companies do a considerable volume of business here, the business transacted abroad by Ceylon companies is negligible. The inevitable result has been a drain on our foreign exchange resources.

What I have said just now should not be taken to mean that all that a Ceylon

company has to do to earn profits for itself and foreign exchange for the country, is to rush into the foreign market. Insurance business is highly competitive, and particularly so in the foreign markets, and one has to be ever watchful. Any expansion in the foreign field must be done cautiously.

The other cause for the drain is, as I mentioned earlier, re-insurance abroad of local business on terms which do not provide adequate reciprocity. I am not suggesting for a moment that either re-insurance itself is unnecessary, or that all re-insurance could be confined to the Ceylon market. Re-insurance is as necessary to an insurance company as insurance itself is to the public. Suppose an insurance company insures a tea factory for, say, two million rupees. The company cannot afford to carry the entire risk on its own account; if it does and if the factory were to be destroyed by fire, it would mean the end of the company. What a company, therefore, does is to retain only what it can safely carry and re-insure the rest. Re-insurance in full locally is not practicable as it would lead to accumulation of risks in the portfolios of individual insurers which every prudent insurer must avoid. Re-insurance abroad thus becomes inevitable.

While it is thus necessary for companies to re-insure abroad, the companies are expected, in their own interests, as well as in the interests of the country, to obtain good reciprocity for the business they cede. In other words, they should not sell their business but exchange it for business of good quality and adequate volume. In this, quality is more important than quantity, as, ultimately it is the profit or loss that determines whether the exchange is beneficial.



It has generally happened that Ceylonese companies have not been able to get adequate reciprocity, with the result that a sizeable foreign exchange drain has been occurring year after year.

### In Two Ways

THE Corporation addressed itself to the question of foreign exchange drain in two ways—one by the manner in which it handled the re-insurance compulsorily required to be ceded to it and the other, the manner in which it handled its direct business.

In terms of section 15 (i) of the Insurance Corporation Act, and the Regulations made thereunder, all companies, both Ceylonese and foreign, are required to re-insure with the Corporation 20% of every policy of General Insurance they issue in Ceylon. The Corporation has put the entire business received in terms of this requirement into a separate "pool". The Corporation also contributes to the "pool", in the same manner as other insurers, 20% of its business, though there is no obligation on its part to do so. From the "pool" each company gets back, by way of re-insurance, one half of what it puts in. The "pool", in effect, is a partnership venture, the Corporation having a 50% share, the other 50% being distributed among the various companies in proportion to their respective contributions to the "pool". This arrangement renders it unnecessary to re-insure any part of the "pool" business, except for an "excess of loss cover" involving a small outgo. This is a fine example of the old adage "Unity is strength". The Corporation can thus claim that at one stroke 20% of the entire non-Life business written in Ceylon is retained and digested in the country, and to that extent all expenditure of foreign exchange completely eliminated.

In the handling of its other business too, the Corporation has kept the need for

conserving foreign exchange paramount. The Corporation, like any other prudent insurer, has its own retention limits, that is, limits up to which only it would retain risks on its own account. The rest has necessarily to be re-insured. While making arrangements for re-insurance, the Corporation gave Ceylonese companies the first choice. In fact, we informed them that they were welcome to take as much business as they thought they could retain on their own account. Our treaties with the foreign insurers, from whom we got very good terms, including reciprocity, covered only the balance. It is noteworthy that the terms the Corporation received from its re-insurance abroad were more favourable than the terms on which it ceded business to Ceylon insurers—a clear demonstration that conservation of foreign exchange and building up of local companies were considered more important than a little more or a little less profit.

### Several Branches

NOW I turn to the second objective, which is service to the policyholders. The Corporation writes every class of non-Life insurance business and is in a position to back its policies with an efficient service. To service our policies we have opened a number of branches and development centres in provincial towns. These offices are equipped to render every type of insurance service. The business that has been transacted till now has been very satisfactory and this showed abundant confidence in the organization. By the quality of its service, the Corporation hopes to attract an increasing number of policyholders.

The Corporation, being one of several competing units, cannot lay claim to regulate the entire general insurance field. But as a leading unit and, what is more important, as a State-sponsored institution, it will be an important force in this field. This was demonstrated at the very



commencement of his career, in the matter of premium rates.

Determination of the premium rates to be charged was among the important matters that had to be tackled before the Appointed date. For this purpose, the Corporation had to go into the premium rates charged by the Tariff companies in Ceylon. Perhaps I should explain why this was relevant. Unlike in Life insurance, where each company has its own table of rates, in General Insurance the practice has been to have common rates. These rates are framed by the respective Tariff Associations of which most companies are members. There are good reasons for this practice. One is that the experience of individual companies would be too small to afford a base for a scientific formulation of rates. Another is that in most classes of General Insurance, particularly fire, re-insurance is the rule rather than the exception and common rates facilitate exchange of business. The third is that the Associations maintain a trained staff to inspect risks and to advise on measures to reduce fire hazards, a service which an individual insurer cannot provide. The last is that the Associations exercise a restraining influence on the ever present tendency towards a rate-war.

Our examination of the Tariff rates left us with the feeling that however appropriate they might have been at the time they were originally framed, they were no longer so and were on the high side. Two courses were open to us. One was to fix our own rates which, of course, would have been lower; the other was to discuss the matter with the Tariff Associations with a view to evolving new rates fair to both the insurer and the insured.

We naturally preferred the second. As a national institution, we thought it our duty to help to bring the benefit of lower rates to the entire public of the Island and not merely to those who insure with the Corporation. There was another reason as well. The other

alternative, namely, fixing our own rates, would have triggered off a rate-war. In an effort to retain their existing connections, insurers would have indulged in competitive slashing of rates regardless of the consequences of such reductions. The first casualties of such a rate-war would have been the Ceylonese companies who have neither the worldwide spread of business nor the immense resources their foreign competitors have.

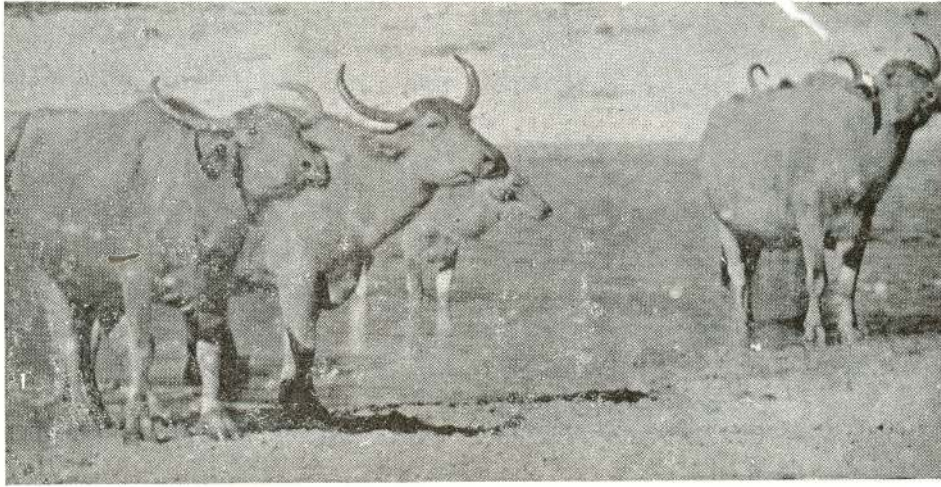
The discussions with the Tariff Associations proved fruitful and the rates in force today are lower than the rates that obtained for many years in the past. The Corporation can thus take some credit for these revisions which benefit the entire insuring public and not merely those insuring with the Corporation.

I have outlined the objectives for the fulfilment of which the Corporation was established. I have also endeavoured to give a factual account of the progress made till now. The objectives, particularly those relating to Life Insurance, are of great economic and social import, and their importance has been stressed more than once by the Honourable the Prime Minister and the Honourable Minister of Commerce. In fact, it would not be too much to say that our progress towards a realization of these objectives would have an important bearing on the economic history of our country.

It is, therefore, in a spirit of dedication that all of us have addressed ourselves to our tasks. We have had the best of advice and we have striven our best to lay a foundation which will support the mightiest edifice. We are grateful to the public of the Island for their confidence and support and assure them that it will be our constant endeavour to translate into reality the dreams of those who brought the Corporation into being. The Insurance Corporation of Ceylon will play a vital part in the building up of socialist Ceylon.

(Concluded)





Wild buffaloes near a pool

## Wild Life Resources of Ceylon

A. S. A. PACKEER

TODAY, one often speaks of the spiralling growth of the earth's population which has increased by 500,000,000 persons since the beginning of the present century. But this and the concomitant demands of modern civilization for more food and for more space have meant that the few untouched natural areas of the earth where animal herds can still roam freely are being steadily encroached upon. They are rapidly shrinking in size and their wild life threatened into extinction and that is why National Parks and nature reserves which now exist in every civilized country are considered of greater importance than ever before. Wild Life and its natural habits are a scientific and cultural heritage of all mankind.

But nature conservation is not merely a matter of protecting species and environments and constituting in the form of National Parks a series of "standard" natural habitats through which it becomes possible to appraise the good or bad effects of the transformations imposed by man on nature. It must also be deliberately dynamic for progress in ecology makes it possible to

give mankind effective help in its fight against hunger and to contribute towards better living conditions.

In Ceylon, ideas concerning the preservation of wild life have changed within the past fifty years or so. The public are now aware that unless our birds and animals are protected they will also cease to exist. It is a well established rule that it is our duty to preserve the wild life of today for the benefit of future generations. Ever since the country was colonized, there has been a steady decline in the number of our birds and animals. Part of this decrease has been brought about by cutting down forests and the draining and cultivation of land. The works of Samuel Baker and other writers of the nineteenth century would convey an idea of the vast animal population which then existed and the immense and easy toll taken by European hunters.

### Rich Variety

CEYLON, in proportion to its size, possesses a rich and varied collection of wild life to



exhibit to the visitor. Fortunately, unlike in other countries, there is no wild animal as such on the verge of extinction, except for the wild elephant.

Protection to our wild fauna is given mainly in National Reserves and Sanctuaries. The National Reserves first proclaimed in 1938, now occupy 1,123 square miles and consist of—

- (a) four Strict National Reserves. In these areas the fauna and flora are left completely undisturbed and into these areas admission is prohibited except for research ;
- (b) three National Parks. 401 square miles, being areas into which the public are freely admitted on permits and are areas in which they can study and observe the fauna and flora ;
- (c) six Intermediate Zones, 487 square miles, in which shooting is permitted during the open season. During the close season, the zones are open for photography. All national reserves are state forests.

The two largest strict National Reserves are 111.6 and 112.5 square miles in extent. The remaining two, which are smaller areas, 55 and 4 square miles, are essentially flora reserves, one possessing the characteristic flora of the highest mountain zone and the other a mixed and unusual flora of a mountain in the arid zone. A strict natural reserve should primarily be a localised area extending over the habitat of a species in danger of extinction or requiring special protection and which needs to be completely isolated from and undisturbed by man in order to enable it to rehabilitate and survive.

### National Parks

THERE are two National Parks, Wilpattu National Park, 212 square miles, and Yala National Park consisting of two blocks—91 square miles. Topographically the Ruhunu

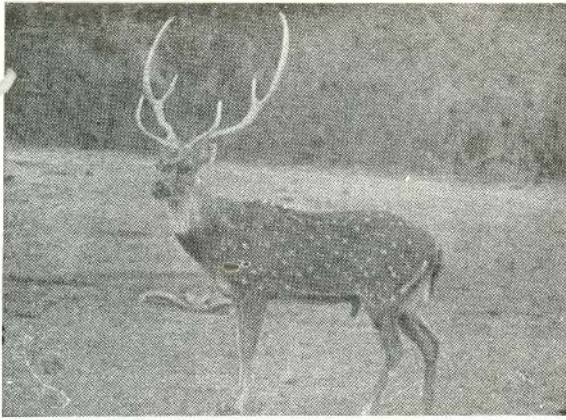
and Wilpattu National Parks are strikingly different but equally picturesque and attractive. The Ruhunu park is bounded by the sea ; the coast line being broken by the sea. Interspersed between stretches of forest, scrub, and large extents of park country are picturesque rocky hills rich in ancient ruins. By contrast, the Wilpattu Park has few rock outcrops and hills ; its characteristic feature is sand but in it there are 26 natural lakes of varying size and beauty—two salt and the rest fresh.

In Wilpattu elephants are fewer than in Ruhuna but bears are much more numerous. Walking within the Park is prohibited. Experience in the National Parks of Ceylon has confirmed the experience in Kruger and other National Parks that many animals soon cease to exhibit alarm at the passage of motor vehicles because no harm can come to them from vehicles or passengers inside them. Peafowl appear to be most tame, deer graze or move a short distance only to resume their grazing. Lone bull buffaloes which wallow in water-holes sometimes do not even raise their heads to look and elephants are liable to behave in an unconcerned way to the great alarm of visitors. But this picture of peaceful content changes when one of the occupants alights from the vehicle and is recognized

Bear looking over cliff







Deer in a national reserve

by the animals as a man on foot. The animals are instantly alerted and begin to move into cover and concealment.

Other animals found are sambhur, wild boar, leopard, porcupine, crocodile, hare, &c. Junglefowl are also common. Birds of varied plumage and description are also found in rich profusion; of these the more fascinating are the painted storks.

Many opportunities are available for the observation of animal behaviour, enumeration of animals and ecological studies over a wide field. Animals, like elephants and buffaloes, are likely to make hostile demonstrations. Bears, liable to be more dangerous than elephants and buffaloes, generally run away as soon as they see an approaching vehicle or a man on foot. Leopards present a very remote danger.

There are six intermediate zones.

Sanctuaries can include private lands and have been established (a) to prevent killing in religious places; (b) to be bird sanctuaries and (c) to be buffer or protection zones.

### Protected Animals and Plants

THE list of birds, beasts and reptiles which are absolutely protected at all times include 6 families, 22 species of birds, 5 beasts and one reptile. Six of the birds are migrants which visit Ceylon from September to April.

Absolute protection is given to certain trees which have historical associations and also to some orchids.

Poaching occurs mostly during drought in jungles close to villages and along banks of perennial rivers such as the Kalu Oya along the Wilpattu boundary, the Kirinda Oya from Wellawaya to Tissamaharama and sections of the Yan Oya, Deduru Oya and the Amban Ganga in the Dry Zone. The usual form of poaching is by sitting up at night over water holes, Kamas, Walas, &c., either in hiding on the ground (Kotuwas) or more commonly in stages on trees (messas or serembis). The poacher accounts for a greater part of the elimination of game in most regions.

Still worse is the market hunter because he kills birds and animals for commercial purposes. Commercialization of all forms of wild life is prohibited. In Ceylon the Hog deer is almost extinct like the Quagga and the white-tailed Gnu of Africa. The wild elephant here would suffer a similar fate if more effective remedial measures are not taken immediately to arrest this condition. The elephant is persecuted so much and killed in alleged defence of crops.

Conservation of wild life would be most effective if it operated on an ecological basis. It is a science of interrelations and studies the balance to be achieved in a system of interacting factors. Some ecological systems are in stable equilibrium, for instance climax communities in nature, such as in disturbed rain forest. But in others the equilibrium may be upset either by natural causes or by human interference—accidental or deliberate.

The wild life of Ceylon is a resource of unique value. It must be preserved both as an object of study and as a necessary basis for proper land use policies and as an increasing number of people from all over the world are finding unique satisfaction and interest in it as a spectacle.



## Foreign Affairs

AGREEMENT was reached on 15th September between representatives of the Ceylon Government and the Government of the People's Republic of China on the terms of the third Five-Year Trade and Payments Pact, the Protocol relating to the Exchange of Commodities in 1963 and the rubber-rice contracts between the two countries.

The Ministry of Commerce, Trade, Food and Shipping, issued the following communique in this connection :

“Representatives of the Government of the People's Republic of China and the Government of Ceylon, after negotiations conducted in Colombo, have reached agreement on the terms of the third Five-Year Trade and Payments Agreement between the Government of the People's Republic of China and the Government of Ceylon, the Protocol relating to the Exchange Commodities between China and Ceylon in 1963, and the contracts for the purchase of 33,000 metric tons of rubber by the Government of the People's Republic of China from the Government of Ceylon, and for the purchase of 200,000 metric tons of rice by the Government of Ceylon from the Government of the People's Republic of China. Views have also been exchanged preliminarily between the representatives of both parties on the question of economic and technical co-operation.

“The discussions were conducted in an atmosphere of utmost goodwill and cordiality.

“The Government of the People's Republic of China has invited the Hon. T. B. Ilangaratne, Minister of Commerce, Trade, Food and Shipping of Ceylon, to visit China and to sign the above-mentioned documents and continue the negotiations on the question of

the economic and technical co-operation in Peking”.

### Rice Agreement with Burma

AN agreement was signed in Burma on 22nd September between the Ceylon Minister of Commerce, Trade, Food and Shipping, Mr. T. B. Ilangaratne, and the Burmese Minister of Trade Development and Industry, Brigadier Aung Gyi, under which Burma would supply 225,000 tons of rice to Ceylon in 1963 with a further 25,000 tons at her option.

The Ministry of Commerce, Trade, Food and Shipping issued the following communique in this connection :—

“The Ceylon Trade Delegation led by the Hon. T. B. Ilangaratne, Minister of Commerce, Trade, Food and Shipping, reached Rangoon on September 16, 1962, and had talks with a Burmese Trade Delegation led by Hon. Brigadier Aung Gyi, Minister of Trade Development and Industry. The matters discussed were the development of Burma-Ceylon trade and the sale of Burma rice under the agreement of September 1959, between the two countries.

“In regard to the contract for the supply of rice in 1963, it was agreed that Burma will supply 225,000 tons of rice to Ceylon with a further 25,000 tons at her option at the following prices :—

- (1) Ngasein S. M. S. 42 per cent—£34 per ton f.o.b.
- (2) Full-boiled—£34.12.0 per ton f.o.b.

“It was also agreed that Burma will increase her imports of Ceylonese products such as coconut oil and coir yarn in the coming year.

“Letters were exchanged on September 22, 1962, between the Hon. T. B. Ilangaratne and the Hon. Brigadier Aung Gyi embodying the above conclusions.”



### **Cotton Agreement with U.S.S.R.**

AN agreement was signed on September 21, between the U.S.S.R. and Ceylon, under which the former has agreed to render technical assistance in clearing and planting 2,000 acres of cotton in the Hambantota District.

The following communique was issued in this connection by the Ministry of Finance:—

“In accordance with the agreement on Economic and Technical Co-operation signed between the Governments of Ceylon and the Union of Soviet Socialist Republics on February 25, 1958, a contract was signed this morning between the Ministry of Finance, Ceylon, and the All Union Export Import Corporation ‘Technopromexport’ of Moscow. The latter has agreed under this contract to render technical assistance in clearing and planting 2,000 acres of cotton in the Hambantota District. The contract provides for the supply of machinery, equipment, and specialists necessary for the project.

“The total cost of the project so far as provision of equipment alone is concerned amounts to Rs. 189,450 (roubles 35,813).

“Mr. C. Balasingham, C.C.S., the Deputy Secretary to the Treasury, signed on behalf of the Ministry of Finance and Mr. S. Samusenko, Counsellor for Economic Affairs of the Union of Soviet Socialist Republics Embassy in Ceylon, signed for ‘Technopromexport.’”

### **Railway Wagons from China**

THE first shipment of a large consignment of railway wagons for the Ceylon Government Railway from China under the economic aid agreement between Ceylon and China arrived in Colombo on 14th September aboard the “Belkarin”.

The “Belkarin” has 200 dismantled wagons, 2 assembled wagons which will serve as a guide in the assembly of the other wagons, 13 tanker wagons, eight passenger coaches and other accessories.

Under the agreement, Ceylon will get 700 wagons and 70 passenger coaches, valued at over Rs. 25,000,000 from China.

The rolling stock, which is intended to improve the long-distance passenger and goods trains services, has been designed to suit local conditions.

### **German MP's Visit**

A Parliamentary Group from the Federal Republic of Germany visited Ceylon from 30th September to 3rd October on their return journey from Japan where they had been invited by the Speaker of the Japanese House of Representatives.

The group was led by the Speaker of the Federal Parliament, Dr. E. Gerstenmarier, and comprised members of the Government and the Opposition.

### **Three Foreign Ambassadors present Credentials**

HIS Excellency Mr. Hsieh Ke-hsi, who has been appointed by the Government of the People's Republic of China as their Ambassador Extraordinary and Plenipotentiary in Ceylon in succession to His Excellency Mr. Chang Tsan-Ming, presented his Letter of Credence to His Excellency the Governor-General at the Queen's House on 14th September.

His Excellency Mr. Jiro Takaso, who has been appointed by the Government of Japan as their Ambassador Extraordinary and Plenipotentiary in Ceylon in succession to His Excellency Mr. Yasusuke Katsuo, presented his Letter of Credence to His Excellency the Governor-General at Queen's House on 14th September.

Mr. Takase has held diplomatic assignments in the U. S., China, Belgium and Thailand. Prior to his present appointment, he was Director of the Immigration Bureau, Ministry of Justice, Japan.

His Excellency Lieut.-General Hassan Arfe, who has been appointed by the



Government of Iran as their first Ambassador Extraordinary and Plenipotentiary to Ceylon, presented his Letter of Credence to His Excellency the Governor-General at Queen's House on 14th September.

His Excellency Lieut.-General Hassan Arfe, who is concurrently accredited to Ceylon and Pakistan, will reside in Karachi.

### **Gift of Vitamin Capsules**

MR. Lawrence Delliquadri, Mission Chief of CARE, presented the vitamins, which were donated to CARE by the Rexall Drug Company of the U. S.

The total quantity of capsules valued at Rs. 125,000 can supply 1,350 adults with a majority of their daily vitamin requirements for a period of one year.

This donation is in addition to the regular CARE Program which annually supplies 48 million pounds of flour and nine million pounds of milk powder to school-children and medical clinics.

### **Small Industries Seminar in W. Germany**

CEYLON was represented at the Seminar on "Promotion of Small-Scale Industries" held from 12th September to 17th October by the German Institute for the Developing Countries in Bonn. The delegates were Mr. D. R. J. Joseph, Assistant Director of the Department of Cottage Industries and Rural Development, and Mr. B. W. Soysa, Director of the Small-Scale Industries Service Institute.

The Seminar served as a forum for the discussion of appropriate measures for the establishment or further development of small and medium sized enterprises.

### **Peace Corps Volunteers arrive**

A batch of thirty-nine volunteers of the American Peace Corps arrived in the Island on 6th September and were welcomed by Mr. Wijebahu Wijesinghe, M. P.

In welcoming them Mr. Wijesinghe expressed the hope that they would make a

substantial contribution in the field of science, health and technology whilst benefiting themselves from a study of local customs and traditions.

The Peace Corps volunteers are attached to schools in the following places where they will help the teachers:—Horana, Katukurunde, Balapitiya, Hikkaduwa, Galle, Deniyaya, Ratnapura, Tholangamuwa, Polgolla, Uyanwatte, Nugawela, Kandy, Ibbagamuwa, Kurunegala, Jaffna, Bandarawela, Addalaichana, Batticaloa and Anuradhapura.

### **Spain's Ambassador to Ceylon**

THE Government of Spain has, with the concurrence of the Government of Ceylon, decided to appoint His Excellency Dr. Pelayo Garcia-Olay, Ambassador of Spain in India, concurrently as Ambassador Extraordinary and Plenipotentiary of Spain to Ceylon, with residence in New Delhi, in succession to Count de Artaza.

### **Afghanistan's Ambassador to Ceylon**

THE Government of Ceylon and the Royal Government of Afghanistan have agreed to raise the status of the diplomatic relations between the two countries to "Embassy" level and to accredit His Excellency Sir Richard Aluwihare, K.C.M.G., C.B.E., High Commissioner for Ceylon in India, concurrently as first Ambassador of Ceylon to Afghanistan with residence in New Delhi, and His Excellency Sardar Ala General Mohamed Omer, Afghan Ambassador in India, as first Ambassador of Afghanistan to Ceylon with residence in New Delhi, respectively.

### **Mongolia's Ambassador to Ceylon**

THE Government of the Mongolian People's Republic has, with the concurrence of the Government of Ceylon, decided to appoint His Excellency Mr. Dashyn Adilbish, Ambassador of Mongolia to India, concurrently as first Ambassador Extraordinary and Plenipotentiary of Mongolia to Ceylon with residence in New Delhi.







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