The State Council of Ceylon.

No. 40. August 6, 1942.

DEBATES

SESSION OF 1942.

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STATE COUNCIL OF CEYLON.

Thursday, August 6, 1942.

The Council met at 10 a.m., MR. SPEAKER [THE HON. SIR WAITIALINGAM DURAISWAMY] *in the Chair.*

PAPERS TABLED.

(Leader of the State Council): Ten Supplementary Estimates for 1941-42.

RICE SUPPLIES FROM INDIA.

***The Hon. Mr. G. C. S. Corea (Minister of Labour, Industry & Commerce):** Before you proceed, Sir, will you permit me to make a short statement on a matter of some importance?

Mr. Speaker: Yes.

***Mr. B. H. Aluwihare (Matale):** Cannot the Hon. Minister make this statement on a motion for adjournment?

***The Hon. Mr. Corea:** I would like to make the statement now. In the afternoon there is time always for an adjournment motion and for a discussion of any further points arising from my statement. I shall supply any information I can when questions are raised at adjournment time.

The House will remember that at the time supplies of rice had to be obtained from India, we made arrangements with the Government of India for the supplying of 38,000 tons of rice monthly for Ceylon requirements. That quantity fell short really only by about 10 per cent. of the normal requirements of the country.

Mr. G. A. H. Wille (Nominated Member): For what period?

***The Hon. Mr. Corea:** Per month.

The Government of India allocated the sources of supply of 35,000 tons out of the 38,000 tons, and we were permitted to obtain 20,000 tons from one Province and 15,000 tons from another Province. We have been obtaining these supplies from these two sources for some time since the arrangement was made, but recently the supply of 20,000 tons ceased to be available from that area.

***Mr. S. Abeywickrama (Udugama):** Which is that area?

***The Hon. Mr. Corea:** We could not get the supply which was allotted to us from that area. That, as the House will realize, was a very serious turn of affairs for us. Therefore negotiations were speedily undertaken with the Government of India in order to find out if an alternative source of supply within India could be found to make up for the loss of this rice from that area. We had information that there were certain surpluses available in certain other Provinces.

The Government of India was very helpful in the matter and proposed to assist us to obtain a large quantity of rice, not on the basis of a monthly supply from that other area, but at any rate a very large quantity for the time being. There was, however, very serious difficulty with regard to that from the Provincial Government of the area from which we were seeking to obtain that supply. The Central Government of India is taking up the matter with the Provincial Government, and no final decision has yet been reached.

In the meantime, Sir, the general position of food supplies from India is becoming more and more difficult because of the very, I might almost say, abnormal demand made upon India for rice, not only by Ceylon, not only by the States within India, but also from several countries outside India. Consequently there is great competition to obtain supplies for those countries which, like Ceylon, depended on rice from places other than India; with the result that in addition to the difficulty I have mentioned, there is the difficulty created by this attempt on the part of every country to obtain its supplies from India.

Mr. H. W. Amarasuriya (Galle): Are they Empire countries?

***Mr. Aluwihare:** Countries under the Axis powers!

***The Hon. Mr. Corea:** In these circumstances, I recommended to the Board of Ministers that it had become urgently necessary and imperative that someone should be sent immediately to India while these important negotiations are being conducted by the Central Government on our behalf. We are well aware of the helpful attitude which the Central Government of India has taken up in this

[*Note.*—An asterisk (*) against the name of a Member indicates that his remarks have not been revised by him.]

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[The Hon. Mr. Corea.]

matter right through, but as the House will agree, it is perhaps safer and better for us where our own interests are concerned, when this attempt is being made to obtain further rice to make up for the rice which has ceased to be available to us, that we should have someone authoritative to deal with the matter in India, at Delhi, and to use every endeavour to see that this rice is made available to Ceylon.

I do not want myself to go there at the present time. There is the Budget debate going on, and the Board has decided to ask the Leader of the House to undertake this very important task. It was at the unanimous request of the Board of Ministers that the Leader of the House has agreed. It is a very difficult job, and I am sure the House will agree that the Hon. Leader will be able to discharge this very onerous and responsible duty to the entire satisfaction of this House and this country.

***Mr. Abeywickrama:** Have the other two failed?

***The Hon. Mr. Corea:** I feel, in view of the great importance of securing our supply of rice, that this step should be taken.

I am not now dealing with other matters connected with the food position. I shall deal with them in the course of my remarks on the Estimates before the House. But I thought that I should mention this matter to the House at the earliest possible opportunity.

***Mr. T. B. Jayah (Nominated Member):** Can we discuss the statement made by the Hon. Minister?

Mr. Speaker: Not unless there is a motion before the House. The Hon. Minister has said that he would speak on this subject when he speaks on the second reading of the Appropriation Bill.

***The Hon. Colonel J. L. Kotalawala (Minister of Communications & Works):** Members can speak on an adjournment motion.

Mr. Speaker: Yes; hon. Members can debate this matter at adjournment time.

***Mr. Jayah:** The Hon. Minister said that it has been decided to ask the Leader of the House to go to India. If that is so, it is very necessary that the public should know what the exact position is.

Mr. Speaker: We can discuss that at 5.30 P.M.

***Mr. Susanta de Fonseka (Panadure):** May I just ask one question of the Minister—whether he is in a position, in the interests of the public, to state how many days' rice we have in Ceylon? I think it is not a panicky matter. In other countries people have been taken into the confidence of Government in great crises, and the people have responded, and I am equally certain that the people of this country will rise to the occasion.

***Mr. S. Natesan (Kankesanturai):** I quite agree that this matter might be raised on an adjournment motion, but the House is anxious to discuss it and come to a decision. Just now it is the decision of the Board of Ministers. The House must be given an opportunity of discussing it and ratifying it or doing otherwise.

***The Hon. Mr. Corea:** I personally do not think that it is in the public interest to state how many days' supply of rice we have, but I want to give the fullest information which I possibly can give when I speak on this matter later. That is my own opinion—that we should not at this time state the total number of days' supply we have.

***Mr. Aluwihare:** The point raised by the hon. Member for Kankesanturai (Mr. Natesan) and the hon. Nominated Member (Mr. Jayah) is important, because we are here told that a decision has been come to to send a Member of the Board of Ministers abroad. Now, the Hon. Minister has told us that we could discuss his statement on the adjournment motion. Will, that is not going to give us an opportunity of coming to a decision as to the sending of the oldest Member of the Board on a very strenuous mission. Sir, will that matter come before the House for discussion?

Mr. Speaker: It is for any hon. Member to take up the matter and place a motion before the House. On this statement, there can be no debate. The Hon. Minister has been allowed to make a statement and there can be no debate

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on the matter unless there is a motion before the House. At adjournment time it can be debated.

Mr. Wille: A Member can give notice of a motion.

***Mr. G. G. Ponnambalam (Point Pedro):** Would it be in order to adjourn the debate on the second reading of the Appropriation Bill to discuss matters arising out of this statement? In the House of Commons even without notice a Minister can make a statement. If somebody moves that the House do adjourn——

Mr. Speaker: I do not think any Private Member is entitled to move the adjournment of the House.

***Mr. Susanta de Fonseka:** The matter is very important.

Mr. Speaker: It is important. But an hon. Member must place a motion before the House which can be taken up as early as possible.

***Mr. Ponnambalam:** We did not know that that statement was going to be made, and in so far as a statement has been made in relation to a subject of some importance, can we not, upon a motion to adjourn the debate before the House, discuss the matter?

Mr. Speaker: Matters relevant to an adjournment motion only can be debated at a particular time.

***Mr. Ponnambalam:** Is that your ruling, Sir?

Mr. Speaker: That is the usual procedure.

†APPROPRIATION BILL, 1942-43.

The debate on the following motion of the Hon. Sir D. B. Jayatilaka (Leader of the State Council) was continued:

"That the Bill intituled 'An Ordinance to make provision for the Public and Railway Services and the Electrical Undertakings for the financial year 1942-43, to authorise the payment by way of advance out of Revenue of moneys required during that financial year for specified purposes, and to provide for the refund of such moneys to Revenue" be now read a second time."

† For the Observations of the Financial Secretary and the Report of the Board of Ministers, see HANSARD of July 10, 1942.

Mr. H. W. Amarasuriya (Galle): When we adjourned last afternoon, Sir, I was dealing with the expenditure side of the Budget.

The expenditure provided for in the Budget is Rs. 184,500,000, but in addition to that there are two other items of expenditure, namely, Loan expenditure of over Rs. 2,000,000 on works to be undertaken during the next financial year and also a further expenditure of Rs. 9,800,000 under the Loan Scheme already sanctioned by this House. So that, during the next financial year, the total expenditure that it is proposed to incur is in the neighbourhood of Rs. 200,000,000. The proposed expenditure falls short of that figure by a sum of only Rs. 3,700,000. I feel that the proposed expenditure of nearly Rs. 200,000,000 is a record for this Island.

I have taken some trouble to analyse this colossal expenditure proposed. The Hon. Leader of the House told us in presenting the Budget that the proposed expenditure was only Rs. 57,000,000 over the amount actually spent during the year 1940-41; and he attributed the whole of that extra expenditure of Rs. 57,000,000 to war measures. He said:

"In fact, it represents an increase of about Rs. 18,000,000 over the revised estimates of expenditure for the current year, and an increase of Rs. 57,000,000 over the actual expenditure in 1940-41. Practically the whole of this increase is due to expenditure occasioned by the war".

I think the Leader of the House put the figure a little too high when he tried to make out that the additional expenditure of Rs. 57,000,000 was entirely due to the war. According to the figures that I have worked out, the extra expenditure occasioned by the war amounts to some Rs. 40,000,000-odd; it is under Rs. 45,000,000. Under the Head "Chief Secretary" there is provision made of Rs. 28,500,000 to meet additional expenditure occasioned by the war, due to Defence measures; the expenditure under "Miscellaneous" comes to Rs. 7,750,000; under "Emergency", Rs. 1,000,000; under "Police", Rs. 1,000,000; under "Petrol Control", Rs. 77,000; under "Food Control", Rs. 570,000; under "Controller of Imports, Exports and Exchange", Rs. 140,000; under "Commissioner for War Risks Insurance", Rs. 740,000.

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[Mr. H. W. Amarasuriya.]

The total of those items amounts to Rs. 43,000,000.

As only Rs. 43,000,000 is expenditure due to the war, I submit the balance Rs. 14,000,000 is due to expenditure proposed by Ministers on normal expansion of the Departments under the various Ministries. Out of this Rs. 14,000,000, "Pensions" alone comes to Rs. 2,000,000, "Public Debt", Rs. 2,000,000; "Provincial Administration", Rs. 450,000; "Excise", Rs. 400,000; "Land Commissioner", Rs. 700,000; "Department of Agriculture", Rs. 2,600,000; "Forest Department", Rs. 200,000; "Irrigation", Rs. 175,000; "Department of Commerce and Industries", nearly Rs. 1,000,000—over Rs. 900,000; and under the Head "Education", there is an increase of Rs. 5,000,000. But Rs. 3,000,000 out of the increase on the Education vote is due to war expenditure. There is also an increase of Rs. 1,300,000 in respect of feeding of school children.

I therefore do not think the Hon. Leader drew a true picture when he said that the increase of Rs. 57,000,000 over the actual expenditure for 1940-41 was occasioned by the war. On account of the war we are called upon to spend between Rs. 40,000,000 and Rs. 45,000,000 over and above the expenditure incurred during 1940-41. War expenditure is inevitable, because this country has no control over world affairs. As a part of the British Empire, we have been called on to take upon ourselves the burden of an additional expenditure of Rs. 45,000,000. I do not think this country would grudge it, but at the same time a small country like Ceylon finds it very difficult to raise all the money required for the prosecution of the war without the imposition of heavy taxation.

I do not think the people of this country have any serious complaint to make in regard to the taxation proposals that have been placed before the Council by the Board of Ministers in their attempt to raise the additional money required. But, I believe, in spite of heavy taxation, inspite of the fact that this country is called upon to bear a very heavy burden, on account of taxation occasioned by the war, at the close of the next financial year there will be a deficit of nearly Rs. 30,000,000. The Board of Ministers propose to transfer that deficit to a Home Defence Loan. I do not propose to discuss the merits of that proposal at this stage. I shall take that up along with the Loan policy of the Government and make some observations later.

I should now like to turn to the revenue side of the proposals. The Board of Ministers propose to raise extra revenue by the imposition of the excess profits duty on agriculture and plumbago. I should like to join the hon. Member for Matale (Mr. Aluwihare) when he said that it was rather unfortunate that there had been some discrimination made as between agriculture and plumbago in that proposal.

On the last occasion when agriculture and plumbago were excluded from the operation of the excess profits duty, the arguments urged in favour of such exclusion were, more or less, the same in regard to plumbago as well as agriculture: but on this occasion, for some unknown reason, plumbago has been dealt with as the favoured industry. I do not know whether plumbago plays a greater part in the successful prosecution of the war than rubber. I was under the impression that rubber was needed even in a greater degree than plumbago, for the successul prosecution of the war. In fact, Ceylon's position in regard to rubber should be considered very enviable. Prior to the war, Ceylon's quota was about 8 per cent. of the world's total production, but owing to aggression by the enemy, and consequent occupation of rubber-producing territories by them, over 90 per cent. of the world's output of rubber is to-day in enemy hands. So that, Ceylon and India have to supply the Allied Nations with the raw rubber necessary for the successful prosecution of the war.

In my opinion, if any preference has to be given, it should be in respect of rubber. Rubber should have been treated more favourably than plumbago. On the other hand, if it is argued that both rubber and plumbago play an equal part in the prosecution of the war, there is really no reason why the excess profits duty on plumbago should be 30 per cent. whilst that on rubber is 50 per cent. I should like the Board of Ministers to consider this matter again; in fairness to everybody no discrimination should be shown in their taxation proposals.

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If any additional expenditure is necessary it should be borne by all the taxpayers and there should be a much fairer distribution of the incidence of taxation amongst those who can afford to pay taxes. I do not think for a moment that it can be contended that the owners of plumbago mines are not in a position to pay the extra 50 per cent. excess profits duty. But, on the other hand, I think they are in a position to pay even more than 50 per cent. I am not asking that we should be so hard on them. But there is really no reason why there should have been a reduction in the case of plumbago; and I believe if the rate is raised to 50 per cent. the additional revenue to be derived would be something appreciable. I am not in a position to make any calculation. But I should like to say this, that at the end of the year, the deficit of Rs. 30,000,000 will be greatly reduced if plumbago is taxed in the same manner and is brought into line with other commodities. I would therefore like the Hon. Ministers to reconsider this matter in view of the serious financial situation that they are confronted with.

With regard to revenue, during the next financial year there is a decrease as against the yield of revenue in the financial year 1940-41 ". " Customs " show a decrease of Rs. 1.7 million; " Port Dues ", Rs. 400,000; " Licence Fees ", Rs. 100,000; " Interest ", Rs. 2.3 million and " Currency Surplus ", Rs. 3.1 million. So that there is a decrease of our normal revenue of Rs. 7,000,000 to Rs. 8,000,000. I think we should expect that in the event of a further shrinkage in shipping, difficulties are likely to arise in securing the necessary freight to bring goods into this country and to take away goods from this country, and the Customs revenue would certainly depreciate further. We must naturally expect that there would be a further decrease in the Customs revenue. But I think we shall be able to maintain the present rate of revenue, in which event it would certainly help us to tide over these very difficult and hard times.

It is estimated that the excess profits tax would bring us Rs. 23,500,000. I venture to suggest that this estimate is on the low side. I am not making a general statement, but I am making a statement based on good premises. This is what the Hon. the Financial Secretary said when he spoke on the Appropriation Bill last year:

" It is very difficult to estimate what would be the yield of a general excess profits duty having regard to the effect on income tax and having regard to adjustments in respect of excess profits duty paid in England. I had an estimate made for the Bill which was introduced fifteen months ago, when the figure of Rs. 15,000,000 was given as the net yield. I am now told by the Commissioner of Income Tax that the present figure would be from Rs. 30,000,000 to Rs. 35,000,000. It is obvious that a general excess profits duty would solve all our financial difficulties and would leave us with a handsome surplus."

When he made that statement, I believe he based that figure on a charge of 50 per cent. being made on all trades, agriculture and plumbago. Having made that statement on August 7, 1941, the Hon. Financial Secretary made a further statement when the Excess Profits Duty Bill was introduced in this House. This is what he said:

" In my speech on the second reading of the Appropriation Bill I gave an estimated figure of Rs. 30,000,000 to Rs. 35,000,000 as the yield of a general excess profits duty of 50 per cent. and from further figures I have obtained I do not think that that figure was far out. However, since that date certain concessions have been granted in this Bill, such as increasing the percentage standard from 6 per cent. to 10 per cent. and on the basis of this Bill the yield from a general excess profits duty of 50 per cent. would be about Rs. 29,000,000."

He first estimated the revenue to be Rs. 30,000,000 or Rs. 35,000,000. Then, when the Bill was actually introduced in this House, he revised this figure in view of certain concessions that were contained in the Excess Profits Duty Bill and revised the figure of Rs. 35,000,000 to Rs. 29,000,000. I fail to understand why the Hon. the Financial Secretary now gives this figure as Rs. 23,500,000. I would like the Hon. the Financial Secretary to make a further statement in regard to this matter, because you will find that it was estimated last year that we would receive only Rs. 3,000,000 out of trade. But now we are likely to get Rs. 5,000,000 during the financial year out of excess profits duty. Does the Hon. the Financial Secretary estimate that only Rs. 18,500,000 would be realized from agriculture and plumbago? I think we shall get very much more; and

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[Mr. H. W. Amarasuriya.]

the figure, in my opinion, will be nearer Rs. 30,000,000 than Rs. 23,500,000. Well, if my estimate of Rs. 30,000,000 is correct and, if the Hon. the Financial Secretary actually realizes that figure, it will certainly further reduce our deficit next year.

But in making this criticism I would also wish to invite the attention of hon. Members to the fact that the Income Tax Department has always been underestimating the yield of income tax. The Department originally estimated the yield at Rs. 24,000,000 during the present financial year. The revised estimate is Rs. 27,500,000, which is an improvement of Rs. 3,500,000. I do not know why the Income Tax Department should be wrong by over 10 per cent. in the estimate. This Department can make a more accurate estimate of the yield from income tax because the figures are actually based on returns that have been received by the Income Tax Department. At the time the estimates are made, these returns are available to the Income Tax Department and the Department should be in a better position to make a more accurate estimate of the yield from income tax.

I have been criticizing this figure for several years past, and the Hon. the Financial Secretary on every occasion attempted to defend the figure given in the Estimates. But I am in a position to state that my criticism has always been justified, and all along the yield from income tax has been higher than the original estimate of the Hon. the Financial Secretary.

The Hon. Mr. H. J. Huxham (Financial Secretary) : That is not so.

Mr. H. W. Amarasuriya: With regard to the new revenue proposals, if an excess profits duty is to be introduced into this country, we have to consider its repercussions in relation to agriculture.

Perhaps the House is aware that in the case of our agricultural products like tea, rubber, and coconuts, the prices have been controlled by the United Kingdom Government. The Minister of Food proposes to buy practically all our coconut products. I suppose rubber is being purchased by some other Department, perhaps the War Department.

With regard to coconuts, but for the control of prices, in the normal market the price would have been very much higher to-day. The same applies to rubber. As I said earlier, the Allied countries have to depend mainly on Ceylon and India for the necessary supplies of rubber for the prosecution of the war. Therefore if the price of rubber is not controlled, rubber would fetch a very much higher price to-day; the price of tea also would be higher. The prices of these commodities would have been much higher than what the Minister of Food proposes to pay for the entire crop of Ceylon.

So that if an excess profits duty is to be levied on our agricultural products, I would like the Hon. Ministers to consider whether the United Kingdom Government have been fair and just in fixing these prices for the various commodities.

A quorum not present, and division bells rung. Later, a quorum being present—

Mr. H. W. Amarasuriya: Let us consider, for a moment, the position in regard to imports into this country. There is a certain amount of control in this connexion. But there is absolutely no control of prices in the importing countries. For example, take the price of a tyre. Rubber is exported from this country, and various articles are manufactured from it in countries like England, America, and so on. When these goods are imported here, the users of these goods have to pay, I believe, about 300 to 400 per cent. more than the price they paid in peace-time.

My submission, therefore, is that if our prices are being controlled, it is only fair and just by this country that the prices of articles which come into the country should also be controlled; otherwise inflation of currency, inflation of everything will naturally come on. I hope the Board of Ministers will see that this ugly feature is removed and that consumers in this country get a square deal.

I would like to turn to the position with regard to our Loans. The balance left out of the loan raised during the year 1937 is Rs. 23.5 million. You will find that figure in Statement I. of the accounts of the Island for the year

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1940-41. Out of the Rs. 100,000,000 loan that was authorised by this Council, only Rs. 57,000,000 has so far been raised. Out of this Rs. 57,000,000, the total expenditure to the end of September, 1941, was Rs. 33.6 million, leaving a balance of Rs. 23.4 million. There is also other expenditure incurred by this Government described as " Advances from Revenue for Loan Works ". You will find that figure in Statement XVI. (at page 27), and it amounts to Rs. 6,648,846. Out of an authorized expenditure, the amount chargeable to Loan expenditure is Rs. 8,866,000, and out of that they have spent so far Rs. 6,648,846. So that the Ministers can incur further expenditure of only Rs. 2.2 million, and they are incurring that expenditure during the next financial year.

Sir, according to these figures the cash position of our Treasury must be rather precarious at the moment. The cash balance amounts to nearly Rs. 36,000,000, but all this cash balance has been invested in other parts of the Empire, and the details of these investments appear on page 20 in Statement XI. of the accounts of the Island. Now, out of this Rs. 36,000,000, a sum of over Rs. 22,000,000 has been invested in countries which are known as independent countries which enjoy Dominion Status, countries such as Australia, New Zealand and other parts of the Empire.

Our rupee investments amount to Rs. 13.9 million, and out of these rupee investments only a sum of under Rs. 100,000 has been invested in Ceylon Inscribed Stock and Ceylon War Loan. I make reference to this matter because I have been urging for several years past that larger investments should be made in Ceylon especially in view of the difficulties we will undoubtedly experience in an attempt to raise loans outside Ceylon after this war is over. I do not think it is possible to raise any money now from outside Ceylon even if we need raise a loan. I do not know whether any money can be raised in India; the political situation in India is so tense at the moment that it will not be possible for us to do so. Therefore, we shall always have to look to Ceylon to find the money that we may require for the future industrial, agricultural and general economic development of this country.

The position with regard to the public debt, as was stated by the Hon. Leader of the House when he introduced the Budget, appears to be satisfactory, because the figure is about Rs. 157,000,000. The actual outstanding debt is about Rs. 180.7 million, and the sinking fund amounts to Rs. 31.3 million. Therefore, the position may be considered at the moment as fairly satisfactorily, but it must naturally deteriorate if we keep on adding more and more to our Loan Account.

The Hon. Ministers must therefore take a serious view of the position and look ahead, because I think world-famed economists have stated that after this war, as it happens practically after every war, there will be a period of depression. If we have to face another serious depression in this country, we shall find ourselves in a very difficult way with regard to our finances, and unless the Ministers take a long view and prepare themselves to meet such a situation in the future, we shall, I am afraid, be heading for complete financial bankruptcy. I do not think that we want to face a situation of that kind especially when we want to develop our industries. Faced with such a situation, we shall be completely paralysed and strangled in our efforts.

I would now like to deal with the immediate war repercussions on the economic life of this country. The war has now gone on for the last three years, and during the first two years of war this country was not seriously affected, but after the entry of Japan into the war we have been very seriously affected in regard to the general economic life of the country. Thousands of people have been dehoused because their properties have been acquired for military purposes. The people whose properties have been acquired have been put into very serious inconvenience, and they have had to wait for many months before they could get their money as compensation. In a large number of cases, I am personally aware that adequate compensation has not been granted, and those cases have to be reviewed again by this Government.

I know three areas along the coast, where aerodromes are being constructed —in the constituency of my hon. Friend the Member for Kalutara (Mr. Batuwantudawe), and in my own constituency a

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[Mr. H. W. Amarasuriya.]

very large extent of land has been acquired, and there is hardly any land elsewhere for the people of the villages to purchase and put up houses and start life over again.

Sir, it is not only acquisition of land; but properties have been requisitioned. Round about aerodromes, several villages have been requisitioned, and the people have been asked to quit those villages within a very short time. They had to obey those rules and regulations, as otherwise they would have got into serious trouble. Thousands have been put into serious inconvenience.

There are also people living along the coast who were earning a living as fishermen. Owing to rules and regulations with regard to lighting, those people have lost their only occupation in life; and it is the duty of this Government to give compensation to such people whose occupations have been lost to them as a result of the war and for no other reason.

Then, we are all aware of the rising prices of commodities, especially articles of food and clothing and things of that kind. The entire economic structure of this country has been seriously affected by the war, and I think we must congratulate our people on their having so far put up with all these inconveniences. But a time may come when they will be unable to tolerate such a state of affairs any longer.

Coming to our food position, I think the situation is very serious. The statement that was made by the Minister of Labour, Industry and Commerce a few minutes ago makes me think that the position with regard to food is very serious indeed. The ration that people are getting to-day does not make it possible to keep body and soul together, and if further supplies do not come we will be placed in a most serious plight. The people of this country cannot be blamed even if they take a serious view of the effects on their economic life.

We must also think of post-war reconstruction in this country. It is very important, to my mind, that a policy of drift should not be followed. We should not merely face the situations that arise from day to day, but look ahead and have well-thought-out plans for post-war reconstruction. Even after the signing of an armistice and the end of the war, it will take many years before the normal trade of the world is restored, and we will have to expect further difficulties. The best way to meet those difficulties, to my mind, is to engage ourselves in making this country self-sufficient in regard to our food supply and other necessaries of life. For this purpose very large sums of money will be required.

It is true, the Minister of Agriculture and Lands is spending very liberally in the prosecution of schemes of food production, but during the last ten years, although large sums of money have been spent, comparatively speaking only a very small extent of new paddy land has been brought under cultivation. Under the emergency scheme of food production, large tracts of land have been given out to the villagers for the purpose of producing food. It is true, the villagers have been very enthusiastic, and certain amount of aid has been given to them.

But, Sir, the mere production of chena crops, or either kurakkan or meneri, or any kind of hill paddy, or the planting of sweet potatoes or manioc, is not going to be a permanent solution of this problem. If we are going to face the situation that is likely to arise in the near future, and if we are serious in whatever we say, we must see that gradually a very large extent of land in the dry zone is brought under paddy cultivation.

While I advocate that, I am not suggesting for a moment that the wet zone should in any way be neglected. There are small schemes in the wet zone, and cultivators in the wet zone should be given every possible help by way of manure and encouragement to introduce improved methods of cultivation. By doing this it will be possible to increase the yield of our paddy in the wet zone. In the wet zone, as you are aware, the cultivators have to depend a great deal on natural conditions, namely, rainfall, and in certain areas at certain times there are floods and an excess of rain which wash away the crops and are a great source of disappointment to the cultivators. Therefore, it is only in the dry zone that irrigation can be controlled and paddy cultivation made a success.

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With regard to the large tracts of land that have been given to people as an emergency measure, I would like to submit that the future in regard to those lands is very uncertain, and we know the mentality of the villager; he will only be encouraged to look after and improve that plot of land if some assurance is given by the Government that he would ultimately become the owner of that land. But up to now these villagers have been told that the lands will be taken away from them at the end of the war. The Minister of Agriculture and Lands, therefore, should make up his mind and settle these lands on these people under the Land Development Ordinance. It is true that he could not, in an emergency, have acted quickly if he went through all the procedure prescribed by the Land Development Ordinance, but now that the lands have been given to the people, I think, those lands should be permanently settled on them if they make good use of the lands. I would like the Minister of Agriculture and Lands and his Committee seriously to consider this matter; and if they are serious about getting more food grown in the country, it will be very necessary to settle these lands permanently on the people to whom they have been given.

It is also regrettable to note that there has been a certain amount of slowing-down of the progress made on lands given under the Land Development Ordinance. I believe, there is a certain amount of discrimination shown in favour of lands that are given under the emergency scheme, with the result that the people who have received such lands are not so keen about developing them. During the present emergency I do not see any reason why lease rents should be charged from people, under the Land Development Ordinance. I think some concession like the exemption from the payment of irrigation rates should be given, and I would ask the Hon. Minister to follow the same policy and exempt these people from the payment of these lease rents in regard to lands that have been given to them under the Land Development Ordinance.

The hon. Member for Matale (Mr. Aluwihare), I think, made an uncalled for criticism with regard to the health services of this country. I am aware that the Minister of Health is sufficiently strong to defend himself. But if you examine these figures you will find that there is an increase of Rs. 2,000,000 in the votes of the Minister of Health. It is true that there is a curtailment of the progress in regard to Maternity Homes and Clinics. I believe, he is only undertaking buildings that are in progress and he does not propose to undertake new buildings. He tells me that he has included 10 Maternity Homes. If you examine the votes of the Health Minister, I am sure you will agree that the criticism with regard to the increase of Rs. 2,000,000 in the next financial year is justified. But we would like the Minister of Health to continue the forward policy which has been adumbrated from the time of the late Minister of Health; and knowing the present Minister as we do—he is very energetic and believes in travelling throughout the country and seeing things for himself—I hope he will see that there is no curtailment of these services whatever.

In this connexion I have to refer to the unfortunate remarks that were made by the hon. Member for Colombo Central (Dr. Kaleel), in regard to the indigenous part of the health services. It is rather unfortunate that the hon. Member should have given expression to those sentiments, because if he knew the full facts I am almost sure that he would not have made those statements. Those statements might have carried some weight some years ago, when the indigenous practitioners were not properly organized and when they did not have any institutions through which they could have shown the efficacy of their drugs and their treatment. Even to-day over 90 per cent. of the people of the country have recourse to Ayurveda, and as against, I believe, 1,000 or 1,500 practitioners of the Western system, there are over 5,000 Ayurvedic practitioners in this country. Therefore, in the interests of the health services of this country and its people, we must promote Ayurveda if they are to receive the necessary attention and treatment without much cost.

I think it would be foolish to neglect Ayurveda. It will have to be further improved, and I now feel confident that the College of Indigenous Medicine, the hospital, the outdoor dispensary and the

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pharmacy which have been made Government institutions will be better managed and administered and more funds will be placed at the disposal of those institutions.

I do not think we can be expected to make a comparison between the British Medical organization and the Ayurvedic organization. As against the Rs. 15,000,000 which we spend on the Medical Department what do we spend on Ayurveda? It is only the paltry sum of Rs. 100,000. It is only a drop in the ocean. Therefore, my hon. Friend, if he had been aware of the full facts, I am sure, would not have made that criticism.

At the present moment the Board of Management is engaged in reorganizing this Institution and several Sub-committees have been appointed, one for the reorganization of the College; another for the reorganization of the hospital and pharmacy and the outdoor dispensary. Their reports have still to be considered by the Board, and the Board has to come to certain decisions before the reports can be placed before the Minister of Health. I hope when those recommendations are placed before the Minister he will see that they are adopted and the necessary money voted by this Council for that purpose.

In those circumstances, I hope my hon. Friend, one of the new entrants to this Council—the hon. Member for Colombo Central (Dr. Kaleel)—will revise his opinion with regard to the indigenous system of medicine. I know that the medical practitioners of the Western system have vested interests, and that they have a natural bias against Ayurveda. I do not blame them because, I think, the British Medical Association is one of the best trade unions in the whole world. I do not think they can be blamed for taking that view. But I hope my hon. Friend, as a Member of this House and as a public-spirited gentleman, and as one who has the welfare of the people of the country at heart, will investigate matters further and satisfy himself that Ayurveda must have a place in the medical services of this country.

With regard to our industrial undertakings, it is gratifying to note that a number of factories have been opened. But I would like to make particular reference to the Plywood Factory which is situated in my own constituency. This factory at the present moment is not working to its full capacity. I believe the work of the factory was once crippled because they could not get the necessary timber. Then, when the timber was supplied, it was found that there was something wrong with the felling and that it could not be used, with the result that the work of the factory was greatly restricted. It is a pity that the work of this factory should have had to be curtailed just at the time when this factory could be of the greatest service to one particular industry—I mean, the tea industry.

The tea industry requires a very large number of packing cases, which are known as chests—several millions of them every month—and, I believe, this factory was asked to turn out these tea chests. When the chests were turned out, they were found to be infested with borers and were useless. I would, therefore, like the Hon. Minister of Labour, Industry and Commerce to investigate this matter and see that whatever is produced at these Government factories is properly turned out, and that the users as well as the State are benefited by these undertakings. I believe the factory cost us very nearly Rs. 1,000,000—I am speaking from memory—and we expect to see the factory worked on commercial lines. I know, this factory is being managed by an expert who has the necessary knowledge, but I feel that due to Government routine the factory is not functioning efficiently.

The other day a Leather Factory was started, and very soon we shall see the Steel Rolling Mill working. But once these factories are established and then put in charge of the persons concerned, they should be given a proper chance and supplies should be provided to enable them to make these factories a success. The Hon. Minister is not here, but I hope my hon. Friend the Nominated Member who is here will see that these things are done properly.

I come to the Railway. My Hon. Friend the Minister of Communications and Works has been doing his very best

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to improve conditions in the Railway, and I think we can congratulate him on having achieved something by reducing the annual recurrent loss on the Railway. Next year too he estimates that there will be a loss of Rs. 4,000,000. That loss of Rs. 4,000,000 is the loss only on the working of the Railway, and the actual loss on the Railway amounts to very much more. It is over Rs. 8,000,000 and nearly Rs. 9,000,000, including annuities and interest.

Then, if you examine the Budget you will find that they propose to spend a further Rs. 1,000,000 out of Loan funds. That expenditure would normally have been a charge on the Railway proper. Therefore if you take that sum of Rs. 1,000,000 also into consideration, you will see that the Railway of this country will lose Rs. 10,000,000 in the next financial year. It is true that the cost of running the Railway has gone up because of the increased prices of coal, lubricants, and so on. The Hon. Minister brought forward a proposal the other day to increase the rates on goods, and I believe he has already increased the passenger fares. But for these increases in rates, the Railway's loss for the next financial year would have been very much more—perhaps double the estimated amount.

We must congratulate the Hon. Minister on his bold policy in facing the public with proposals for raising rates. These increases are inevitable. I know, with the help of Mr. Nelson, the expert, the Hon. Minister will be able to improve matters further. I find from the Estimates that Mr. Nelson is a Railway official. He does not appear in the Estimates as the Director of Transport; although you find a vote for the Director of Transport in the Budget, there is no Director of Transport as such. His salary is provided not in the Personal Emoluments under that vote, but in the Railway Estimates. Therefore I hope the Hon. Minister will make the best use of Mr. Nelson and his wonderful experience in Malaya.

Sir, there are two other Departments under the control of the Minister of Communications and Works which can be termed commercial departments, namely, the Post and Telegraph Department and the Electricity Department. The Post and Telegraph Department shows a loss of Rs. 1,000,000 a year. The Electricity Department is working at a small margin of profit.

I would like the Hon. Minister, when he speaks on the Budget, to give some information with regard to the present position of the Hydro-Electric Scheme. I understand that there is great difficulty in obtaining the necessary materials for this scheme, and that they are even considering the question of suspending all work. I do not know how far those facts are true, but I would like the Hon. Minister to give us some information with regard to the scheme, because after the war this scheme will be of the greatest benefit to this country in our industrial enterprises.

I do not propose to take much more time of the House. I do not intend to say anything about education, except that a progressive policy in education will have to be launched by this country, and the Board of Ministers will have to be prepared to vote more and more money for the expansion of education. When the hon. Member for Balapitiya (Mr. Kularatne) was speaking, I heard one of the Ministers remark that education was costing Rs. 25,000,000 a year. Out of this sum of Rs. 25,000,000, as I have already pointed out, a sum of Rs. 3,000,000 is absorbed in war bonuses to teachers and a sum of Rs. 1,500,000 is spent on the feeding of school-children. Those two items amount to Rs. 4,500,000, and therefore the actual increase is only about Rs. 500,000, which certainly is quite inadequate considering the recent expansion in our educational work.

We have also to congratulate ourselves on the fact that after over half a century the University of Ceylon has been established. I think it is a great achievement of the Hon. Minister of Education and his Committee and the present Vice-Chancellor of the University. Great credit is due to the present Vice-Chancellor for having got the Ordinance speedily through the Committee and to the Minister for having got it through the Council, because with the establishment of the University the future policy of education will certainly be altered, as the University in the future will have better control over education in this country. Therefore the Hon.

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Minister of Education and his Committee have to be congratulated on getting the University established.

We have yet to learn what provision is made in Kandy for putting up the necessary buildings for the University. I do not think the Education Committee could be blamed for any delay in providing the buildings, because I understand that materials cannot be obtained at the present time. But I hope that when materials are available there will be no delay whatsoever in establishing the University at Kandy, because we have spent already over Rs. 100,000 on consulting architects, and other preliminaries. I hope the scheme will come to fruition very soon and the seat of education planted in Kandy as soon as possible.

This Budget, Sir, is undoubtedly a war budget, and except for a few criticisms in regard to the financial policy of this country in relation to our domestic policy there is nothing much to say. The Ministers have been compelled to be cautious with regard to the expansion of work in their Departments. Considering the difficult times we are passing through, I wonder whether the Ministers will take full responsibility for the execution of the policies embodied in these Estimates. In past years we have had the experience of restriction of these votes; and excesses on these votes have been very heavy with the result that those excesses were transferred after the passage of the Appropriation Bill to purposes other than those for which they were originally intended.

It is very difficult to forecast with accuracy the figures of revenue and expenditure for the coming year, because we are going through a terrible war. But if all goes well, I believe the figures furnished in these Estimates will prove accurate. The present problems of the day require immediate attention, and I hope the Ministers responsible for performing those duties will discharge them to the satisfaction of this country.

***Mr. S. Abeywickrama (Udugama):** I would like to make a few comments on the Appropriation Bill that has been presented by the Leader of the House.

To start with, I must congratulate the Hon. Minister of Education on the establishment of the University, and I associate myself with what has been said by the hon. Member for Galle (Mr. H. W. Amarasuriya) in that connexion. But I shall have a different story to narrate when I come to other votes of the Education Ministry. I also associate myself with all the good words said by the hon. Member for Matale (Mr. Aluwihare) regarding the late Minister of Health, but I dissociate myself from the criticisms that were levelled against the present Minister of Health.

There have been two major events that have taken place in this Island during the year, namely, the appointment of Sir Geoffrey Layton as the Commander-in-Chief, with supreme powers in this Island and the creation of a Civil Defence Department with the Auditor-General as the head of the Civil Defence organization. I think we ought to congratulate ourselves on the fact that both the Commander-in-Chief and the Civil Defence Commissioner have been of invaluable help to the Island at this time.

Of course, one or two Members have brought up the matter unofficially in this House and in a murmuring way said, "Why should there be a Commander-in-Chief? According to the Constitution he has no place". But I can tell you, Sir, that as a Private Member I made two representations to the War Council—and that was to the Commander-in-Chief—through my Minister, the Minister of Communications and Works. Those representations were in regard to the acquisition of land at Koggala and the taking over of bicycles by Military personnel. I came over to Colombo and made those representations to the Minister. The Minister asked me to wait until that evening, and he went to the meeting of the War Council; and before I could get back to my constituency a telegram had been sent to the Government Agent, Galle, asking him to pay Rs. 700,000 to the people whose lands had been acquired. I interviewed the Government Agent on Saturday, and I found that the intention was to pay half the compensation. So I had to make speedy representations. As a result of those representations, the Commander-in-Chief readily agreed to pay Rs. 700,000, which was the full compensation that the people were entitled to, and that money was paid by the Government Agent within four days.

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Then on the question of bicycles, there was great difficulty in the villages. People were afraid to come to urban areas because it was said that soldiers took away their bicycles and handed chits to them to call at such-and-such a camp when the bicycles would be returned to them. As a result of my representations, the Commander-in-Chief circularized all the Military personnel and asked them not to touch the bicycles of civilians but to apply to him if they wanted bicycles. There are many other things for which we must be grateful to the Commander-in-Chief, but I do not want to mention them because it would not be proper to do so now.

There is one other matter which I should like to mention in this House. It is a curious fact that nobody has ever mentioned a word about our late Chief Secretary. Where he has gone, and what has happened to him, nobody mentions. We adjourned for the Easter recess, and a few days later we saw a Press notice to the effect that the Legal Secretary had been appointed as the new Chief Secretary. Of course, I fully approve of the appointment, and I welcome the appointment of Mr. Drayton as Chief Secretary as the one and only eminent solution of the matter.

Sir, in normal times we had an institution called the Civil Service Association. It was a body of Civil Servants who in their own groove never allowed anything to be done against their wishes especially where their jobs were concerned. But I ask you, where is this great Civil Service Association whose principles have been thrown to the winds by the appointment of an eminent lawyer to the post of Chief Secretary? If during normal times a non-Civil Servant had been appointed as Chief Secretary the Civil Service Association would have sent memorial after memorial to the Secretary of State for the Colonies and would have also gone in deputation to Queen's House. Where is this Civil Service Association to-day? Has it been banned, like the Sama Samajist Party of Ceylon?

They now admit that they are not the only people who, to-day or in the past, can be saddled with responsibility, or who have the capacity to run a Department. I am very happy that whoever was responsible for this appointment has made it. He has done the best thing possible, and the whole country is satisfied with Mr. Drayton's appointment as Chief Secretary.

You know, Sir, what an impossible man Mr. Wodeman was as Chief Secretary. If he were now in that seat, I would have said what I have to say, although I am reluctant to say all this in his absence. But for the timely assumption of office by the Commander-in-Chief, we do not know what our position would have been during and after the Easter raid, if the Defence of the Island had been in the hands of the previous Chief Secretary, as under normal conditions Defence would have been within his domain. I do not think anybody regrets the departure of Mr. Wodeman; the change is all the more welcome, and Mr. Wodeman's departure is also welcomed. [*Interruption.*] I cannot help but say that, in view of the arrogant and evasive replies Mr. Wodeman used to give in this House in answer to questions relating to matters that concerned our very lives and the defence of the Island. Mr. Wodeman would not grant any of the wishes of the people. He was seated there, conscious of his own greatness and the greatness of the Empire. He never realized the practical difficulties confronting the country.

I was one of the many people who wrote to the present Chief Secretary, congratulating him and offering him one hundred per cent. co-operation. The appointment has the approval of the whole country, and Mr. Drayton is filling that post with great efficiency.

Another bogey—parallel with the bogey of the indispensability of the Civil Service—has been laid. When the Commander-in-Chief assumed duties in this country, he wanted certain major works to be carried out as speedily as possible. I am glad to say that the Minister of Communications and Works has brought credit to the whole country, and proved the efficiency of the Ceylonese, by executing certain works, which were entrusted to him in many parts of the Island, in a lesser number of days than he was actually given. "Somewhere in Ceylon", as the papers would put it, we found assembled on a single day 37 steam-rollers with about 40 Engineers

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on the spot, with 150 lorries bringing metal—scenes which we had never seen or heard of in the past in this country. That clearly proves the capacity of Ceylonese for executing works of major importance. In the past, the suggestion would have been to get down a European from England to do the work. Such is the capacity of our people, but all that was overlooked in the past, and Ceylonese were not given a chance to show their efficiency.

I do not want to go into details of events that have occurred during this year, but certain matters have to be mentioned in view of the conditions now prevalent in this country. During the last two months I have dwelt unceasingly on the serious food situation—the food crisis—in this Island. The House will remember that I brought in a motion of no-confidence in the Minister of Labour, Industry and Commerce, and I congratulate him on the fact that this House registered its confidence in him on that occasion, when only four Members voted with me, ten Members declined to vote, and the rest voted for the Minister.

The Minister of Labour, Industry and Commerce and I have been friends even before he and I entered this Council, and I bear no ill-will towards him. I thought that he was not handling or solving properly the problems which he had to tackle as Minister of Labour, Industry and Commerce, and the only satisfactory means of bringing home that fact to him was by way of a vote of no-confidence. If in the course of the debate on that motion I uttered any harsh words, I feel very sorry; but if, on the other hand, the Members of this House in passing a vote of confidence in him have not played fair by the country, I feel sorry for the country and for those Members.

I am unable to say that the position has improved after that motion of no-confidence was discussed, but a curious event has occurred during the last two or three days. Some unknown person with some authority, or perhaps the Board of Ministers in conclave, have thought it fit to reorganize the Food Control Department as an urgent necessity. That amounts to the passing of a vote of no-confidence in the Minister of Labour, Industry and Commerce by those much closer to the Government than the back-benchers of this House. We are told by the Minister of Labour, Industry and Commerce himself on the Floor of this House that he has agreed with the Board of Ministers that the Civil Defence Commissioner should be entrusted, not only with the purchase and distribution of food, but also with its control.

Then why was that farce enacted in this House about two weeks ago? I quote the words of a paper called *Public Opinion* on the conduct of the Ministers —[Extract quoted.]

I have discovered another curious fact after I entered this Council, and that is that a Minister shows two faces, one inside this Chamber and the other outside it, in matters of policy. When the food-control scheme is severely criticized, I have heard Ministers say, " This is wrong; that is wrong ", but when they come into this Chamber, they always vote with the Minister concerned, as if nothing was wrong about his policy.

In obedience to your wishes, I will not make further quotations from the paper I was reading from a little while ago. But there is just one relevant passage which makes no insinuation against the Board of Ministers, and I crave your permission to quote it. It refers to the voting on the motion of no-confidence introduced by a Member of this House. I will not mention the name of the Member, although he is referred to by name in the paper. The paper first quotes the remarks of the Member in this House on the motion of no-confidence—[Extract quoted.]

This is the opinion of the public. That is how Members are referred to in public. I do not, however, associate myself with that statement, but when the situation was so clear to hon. Members, they ought to have taken up a forthright stand and acted according to their conscience in the matter.

The vote of no-confidence introduced by me was seconded by the hon. Member for Colombo South (Dr. de Zoysa) and while the debate was going on, the hon. Member for Horana (Mr. A. P. Jayasuriya), at the dictation of a

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Minister, proposed "That the question be now put," with the idea of muzzling hon. Members and curtailing the debate; there was no reason at all for moving a closure motion at that stage. But for the wide powers vested in the Governor and the Commander-in-Chief over the decisions of the State Council, the steps that have now been taken would not have been taken to save the country from starvation.

What is the position in the country to-day? The rice ration is only one measure a week, and a small quantity of some wretched wheat is issued, which the people do not want to eat.

In regard to the food situation, there is another charge which I want to make against the Board of Ministers. We are budgeting for an expenditure of Rs. 184,000,000, to be met out of revenue collected from the Island. It is not fair to put the whole blame on the Minister of Labour, Industry and Commerce for the present food situation, because after all he is only responsible for the distribution of food in this country, not for its production. I would ask the Leader of the House and the Minister of Agriculture and Lands what amount out of the country's revenue they are spending on the production of food in this country to-day.

We passed a vote of Rs. 20,000,000 for emergency measures. This country has a population of 6,000,000, and it is only fair that substantial sums should be spent on food production. How many State Farms have been opened? How is the problem of food production being handled? Should we not spend even Rs. 5 per head of population to save this country from starvation? How much has been spent so far? The whole position appears to be in a muddle.

When the emergency food "drive" was launched, 22 (Emergency) Assistant Government Agents were appointed. At that time all Government Officers realized the seriousness of the situation, and they did all they could to promote the food "drive". They started the work all right. I must say to the credit of the Leader of the House that, in spite of his years, regardless of his own personal comfort or health, he toured the country; he made lightning tours, and I have seen more of the Leader of the House than the Minister of Agriculture and Lands in tours connected with the food "drive." That must be said to the credit of the Hon. Leader.

But what is the position to-day? The 22 (Emergency) Assistant Government Agents were appointed and they started work and carried on for some three months. But now there is general slackness all over the country, with the result that the food "drive" is not very earnestly or urgently carried out. In the Southern Province you find various audit queries being raised, and the Kachcheri Government Agents are competing with the (Emergency) Government Agents and saying: "You did not do this or that, but I did it". There are various queries being sent out to the (Emergency) Assistant Government Agents, and they are all "fed up" to use a colloquialism. They are now saddled with all kinds of queries. When they indent for agricultural material, they do not get it, because circulars have been sent out to the effect that no more planting material is to be issued.

***The Hon. Mr. G. E. de Silva (Minister of Health):** Circulars sent out by whom?

***Mr. Abeywickrama:** The Director of Agriculture has sent out a circular to the effect that planting material is not to be issued. The Leader of the House says that although originally we started issuing planting material, the villages must now be self-supporting and obtain their own planting material. No assistance is being given now. Is that the correct attitude to adopt?

The situation has deteriorated to such an extent that the right policy now would be to intensify the food "drive" two-fold. If there was any justification for the appointment of the 22 (Emergency) Assistant Government Agents there is justification now for the appointment of double that number of officers. We have a fertile soil, but the Minister of Agriculture and Lands is unwilling to release the reserved Crown forests for which there is a great demand for purposes of cultivation in food crops. I must say, to his credit, that the Hon. Minister has given out a sufficient acreage to the people in my electorate, but applications from other areas have not received too much atten-

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tion; and the reservation of forests is a great drawback to the food "drive."

There are various other matters. To-day the country is practically on the border-line of starvation, due to the fact that only one measure of rice is issued to an adult per week. I went to the Government Factory, and most of the labourers there said: "How can we work? Normally we have two meals of rice a day." That means that for a week they used to have fourteen meals; one during the day and one at night. In the mornings they ate something else. Now, with one measure of rice, they have only four meals for the week. They are minus ten meals. They complained that they had not the strength to work. The whole time they congregate in their sheds and talk of the food situation, cursing the State Council, cursing the Minister and cursing everybody else. That is the prevailing situation.

I must say that the Ministers have not devised a proper distribution scheme. Normally, manioc bears tubers in six months, and sweet potatoes take four months to bear. Can the Hon. Minister of Agriculture and Lands say that he has devised a scheme of distribution from the areas of production? To-day, in Baddegama, you find sweet potatoes being sold at three cents a lb. In Mount Lavinia the rate is 12 cents a lb. and even at that price it is not available. In the Galle District manioc is sold at two cents a lb. but in Mount Lavinia the price is eight to ten cents a lb. The distance between the two places is only sixty miles. Why have the Ministers failed to evolve a scheme of distribution? Sweet potatoes and manioc are good food. They can be eaten in the morning or at night. It is no use saying that you have no lorries or other means of transport.

Sir, even the emergency food "drive" is a great bungle, because I have not seen a proper place assigned in the scheme to the Agricultural Department. Where does it come in in this emergency food "drive"? Where is the power of the Minister to influence the Agricultural Department? We know that the Civil Servant who was administering the Department has gone on leave. He is ill. There is another gentleman—a Mr. Crawford—acting for him. Then there was a new appointment made, and a Mr. Murray is there. But what are they doing to-day? I have closely associated myself with this food drive. Those gentlemen only act as brokers to the manure sellers in Colombo. When the (Emergency) Government Agents require manure, they have to apply to the Director of Agriculture. He simply sends his order down to Colombo and says: "Supply the A. G. A. so much." That scheme utterly failed, and later on the Assistant Government Agents were authorised to buy manure direct from Colombo or anywhere else and issue it.

***The Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration):** There is no manure now.

***Mr. Abeywickrama:** That is my grouse. We cannot initiate anything. The leader of the Sinhala Maha Sabha is not troubled. When there is starvation in the country, he is satisfied and he says: "There is no manure in the country!"

***The Hon. Mr. Bandaranaike:** I am not satisfied; I am very dissatisfied.

***Mr. Abeywickrama:** In Ceylon there is a curious thing in our administration, and that is that unless a crisis occurs—and that too a major crisis—no forward policy is adopted at all. I will give you some interesting figures, subject to correction by the Hon. Minister of Agriculture and Lands.

Sir, the Director of Agriculture had booked certain quantities of manure at Rs. 90 a ton. He did not take the trouble to book all the manure at the time and at certain times he placed orders at Rs. 90. Then, later on, more manure was indented for, and the rate rose to about Rs. 115 or Rs. 120 per ton. At the third stage, the manure had to be bought at Rs. 160 per ton by the Assistant Government Agent.

The Director of Agriculture should normally have in his Office all particulars relating to agriculture in the whole Island. He should have figures as to the number of fields in the different districts, what the production is, and so on. Can the Hon. Minister take pride and say in this House to-day what the number of acres of paddy land in the different districts are? Can he say what the yield is like? Can he say how much food was

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available in the country when the rationing scheme was introduced, and how much food had to be indented for from India?

Sir, the Hon. Minister of Labour, Industry and Commerce never "covered" the stock in the country as part of the food to be rationed. He merely indented for 35,000 tons of rice from India; and the man who had food has more than he needs, whilst the man who had no food is starving. In an Island-wide scheme, when everybody is appealing to him to have equitable distribution, has he effected such distribution? I know of a case in Matara. A man has 2,000 bags of paddy in his bungalow, but, on the adjoining land, there is a man who is fainting and vomitting for want of food. Do you consider that state of affairs fair—when you have not appropriated the extra stocks in the hands of people for distribution to others who need the food? That is the great flaw in the scheme.

The Hon. Minister must be firm in these matters. He is a good parlour gentleman; he is very nice in conversation, and he does not want to hurt anyone. He is acceptable to all kinds of society. That is all right. But to administer a difficult scheme and to carry on food control in this country, he must certainly have stricter views and greater command over his officers. Even at this late stage I ask that the Hon. Minister should adopt that suggestion. What he should have done immediately on introducing the rationing scheme was to have taken stock of the quantities of rice, kurakkan, and so on, in the Island. Of course, the rights of the purchaser must be acknowledged. If I am a purchaser of paddy I must be allowed to retain six months' stock for my use but must hand over the remainder to Government at a defined price.

In that instance I quoted of a certain gentleman having 2,000 bags of paddy, he may need about twelve bags for six months for himself under the rationing scheme. There would then be a balance of 1,900-odd bags of paddy. The paddy is going bad, and this gentleman cannot get a price for it.

I would like to know what encouragement is given to the cultivator in the country. To-day, as matters stand, Indian paddy is sold to the villagers at Rs. 4.32 a bushel. I hope the Hon. Minister will not contradict me when I say that Indian paddy is sold to the villagers at Rs. 4.32 a bushel. But what is the price that the great Minister of Agriculture and Lands—the sympathetic Minister of Agriculture, on whose advice millions of people have to-day taken up the mamoty, and are producing food—what is the price that he pays for Ceylon-grown paddy?

In the case of Ceylon paddy, we can find out whether there has been any deterioration, but in the case of Indian paddy we do not know when the crop was harvested. The meagre sum of Rs. 2.50 is paid for a bushel of Ceylon paddy, when in the same village parallel sales of Indian paddy take place at Rs. 4.32 a bushel. Will any human being consent to give paddy to the Government in those circumstances? That is most iniquitous. I cannot for the world of me understand why the Board of Ministers and especially the Financial Secretary—I am told that he is also responsible to some extent for fixing this price—are not paying the same rate to our own cultivators as is paid for Indian paddy.

Sir, there should be a tribunal established in the country to try people who have failed to handle this matter satisfactorily. In Anuradhapura the Government Agent says that he has no place to store the paddy, and he has refused to buy paddy. In Colombo, only one measure of rice is sold to a person a week. What are they doing with that paddy in Anuradhapura. The paddy is sold at Rs. 2.50 and Rs. 3 a bushel to others. The Government Agent should be assisted by the Board of Ministers in putting up temporary sheds, requisitioning bungalows, and so on, for storing the surplus paddy.

I have been to Anuradhapura several times. What is the use of maintaining the Grand Hotel, which covers about fifteen acres of land? Sheds can be put up overnight with cadjans. There are other buildings, such as the Irrigation bungalow, the District Engineer's bungalow, and so on, that can be used for storing paddy.

Can the Hon. Minister not requisition one or two of those buildings and arrange for the transport of paddy to other places? The people can then have rice conje at least in the morning. Can we say with satisfaction that the Board of Min-

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isters have solved this problem? This is not a Socialist country, nor is it a Communist country, where certain laws operate and each man receives an equal quantity. This is a Capitalist country. The poor man is much poorer to-day whilst the rich man becomes richer by the war as well as in other ways.

Mr. Speaker: The sitting is suspended till 2.00 P.M.

Sitting accordingly suspended until 2 p.m. and then resumed.

***Mr. Abeywickrama:** Sir, when we adjourned for lunch, I was dealing with the food distribution scheme, but the Minister is not just now in his seat and I do not know whether I should go on with the same subject or whether I should take up something else, The two Ministers concerned, both the Minister of Agriculture and Lands and the Minister of Labour, Industry and Commerce, are not here. Most of the back-benchers who hold the same views as I do, wish to impress those views on the Board of Ministers, and whether it would be of any use making any suggestions when the two Ministers concerned are not here is the question that is troubling my mind now.

I think, Sir, I will therefore take up the question of commandeering the buildings of certain educational institutions within urban areas.

Adequate assistance should have been given to principals and managers of schools by way of helping them to get buildings for the proper conducting of their schools. I find that most of the larger buildings of these educational institutions have been commandeered by the Military, taking advantage of the request of the State Council to the Minister to give the schools their vacation earlier—from March 1. Going on the assumption that these are vacant buildings, the Military have gone on occupying the buildings of colleges and various other educational institutions, and I find that the school authorities are now unable to get any houses to accommodate their children for teaching purposes. Isolated buildings here and there have been taken, but considerable difficulty is felt by the parents in that they cannot secure accommodation close to the schools because rows and rows of houses in such areas are occupied by the Military. For instance, in Dickman's Road, where St. Thomas' College has opened a branch, there are no houses available; nor are there any houses close by. And with petrol rationing, it has become next to impossible to send children to school, however willing the parents may be.

I drew the attention of the Minister earlier also to the need for giving facilities to the educational institutions. For instance, if a school of some importance has been established in a street, the Minister should make representations to have the houses in that street vacated to enable others to run hostels or boarding houses.

After all, the principals and managers have done a great service by allowing their buildings to be taken over by the Military. On the other hand, it is an essential service to proceed with the uninterrupted education of the Island. We find that to-day, in this Island, the essential services are all one-sided. You find the rubber industry, the tea industry, the plumbago industry and various other industries declared essential for war purposes. But, when it comes to a question of essential services for this Island, no representations have been made by the Board of Ministers through the War Council to the Governor or the Commander-in-Chief, nor have they themselves taken any action.

Now, in the matter of food, if Ceylon is expected to produce sufficient rubber—the maximum quantity—and sufficient tea, the people must be fed, the people must be clothed, and there must be adequate health facilities provided. But those matters have all become secondary. It is due to the general apathy of the Board of Ministers in not pressing that side of the question that these things are being neglected. To produce these essential commodities in order to help the war effort, they must point out to the authorities that the people also have essential needs which must be supplied.

With regard to the proposal of the Financial Secretary and the Leader of the House, that Rs. 27,000,000 should be given for war purposes, I do not think any cash contribution should go from the Ceylon Treasury at all, because we

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know the world situation to-day—that this is the only rubber-producing country that produces this essential commodity to any extent for war purposes, and that the Government has controlled the price at 71 cents per lb. when, in the open market to-day, with nine-tenths of the rubber in enemy hands, our rubber will fetch—

***The Hon. Mr. G. E. de Silva:** Rs. 5 per lb.

***Mr. Abeywickrama:** The Hon. Minister says Rs. 5, but I think it will fetch even more. The assessment of this Island for rubber is something like 218,000,000 lb. or something very near that figure.

***The Hon. Mr. G. E. de Silva:** 110,000 tons.

***Mr. Abeywickrama:** If you give this country credit for Re. 1 on every lb. of rubber we produce, then we are giving the Home Government for war purposes a contribution, a hidden subsidy of nearly Rs. 250,000,000 by way of supplying the most essential raw product in this war.

Now, is it not fair for us to ask, on behalf of the poor, that sufficient money should be spent in producing food within the Island, so that the people may engage themselves in producing this essential commodity for the British Empire, in the supplying of which, taking our loss at Re. 1 per lb., we are also at the same time making a contribution of Rs. 200,000,000 from this small Island to a large Empire?

Those things go unaccounted. It is a sad fact that the Financial Secretary and various other enthusiastic people should go on looking at the newspapers and keep on asking us: "What is the contribution that Ceylon has made?" and daily criticize us for not making a larger contribution towards the war effort. But as a matter of fact, the country is responding more than it is given credit for to-day. Not only in regard to rubber and tea and plumbago—of course, in the case of plumbago, it may be said that plumbago had no market before the war—but in regard to various other things we are helping the war effort to the extent of about Rs. 500,000,000. We must be making that contribution easily, but credit is not given to us for that.

But when it comes to a matter of assisting the cultivator, the village farmer, the Financial Secretary always grouses that his assistance should not be given and that assistance should not be given, and various obstacles are put in the way of any assistance we propose to give the cultivator.

Sir, if the Board of Ministers have failed in their efforts, we will have to appeal to other authorities to have the food supply of this country properly established, because it is very essential. The two things must go hand in hand: if we are to produce rubber and tea and support the Empire's war effort, then our people must be fed properly and they must be in good health. That is a matter that deserves the attention of the Board of Ministers. Very meagre assistance is doled out to the poor cultivators whose food we consume, and we come here and talk of the facilities that we are going to give. I would like to drive home to hon. Members the fact that we ourselves do not produce food: it is the poor farmer who produces it.

But the Minister of Agriculture and Lands too has of late shown a little indifference in the matter of assistance. He has absolutely no statistics to go on. He is supplying implements. Every responsible Member of this House will be surprised to know the way in which that assistance is being given. I would like to tell you of the present method of giving agricultural implements.

Now, in a Police Headman's area, there are roughly about 1,500 people on an average in the Low-country districts. The Mudaliyar is sent about 200 mamoties to be distributed in the whole area or Pattu. He divides that by the number of Headmen in his area, say 40; and each Headman is given 5 mamoties. The Mudaliyar says: "Well, these are the property of the Government. You have to lend these to the villagers and whenever Government wants them you must surrender these mamoties".

The Headman is a poor, ill-paid person, drawing Rs. 20 or Rs. 25 a month, and his area is about four to five square miles. So he keeps the mamoties at home for his own safety, and tells the

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people: "You may come and remove the mamoties in the morning, but in the evening you must bring them back again." Well, that is what is happening; I am giving you first-hand information. So this poor man—the cultivator, the farmer—this great man who is now supposed to have his hand on the plough to relieve the food situation of the country, has to go four to five miles to the Headman to obtain a mamoty. By 10 o'clock in the morning he gets it on loan, and by 4 o'clock in the evening, before it is dark, he must go to the Headman to return it.

Now, is that assistance, Sir? Is that assistance? I am all the more surprised because every Member of this House, in fact the whole country, applauds the Minister of Agriculture and Lands as the most progressive man in this country. And this is what you get from the most progressive man! If that is what the most progressive Minister is doing, I will not blame the other Ministers, who are non-progressive in the eyes of the public, for doing less.

That is one aspect of the matter. If you want to have a proper method of distributing implements, you must take stock of the total requirements of the Island by circularizing the Mudaliyars and Headmen and have a return made of the number of people who require implements. Even if one area is properly supplied it does not matter. In fact, as it is, the villager who is the first to borrow the mamoty has to fix a handle to it, and I hear that when he finishes his work, he removes the handle he has put in and brings the bare mamoty to the Headman. That is the farcical situation to-day.

This country of ours, Sir, I can tell you with authority, can produce sufficient food if proper steps are taken. But proper steps are not taken.

Take the issue of manure. Certain districts have manure but certain other districts have no manure. With regard to manioc and other cuttings for planting, there is a sad story to tell in the different parts of the country. Some people have obtained them at very high prices, exorbitant prices, and others have secured them free; there is no co-ordination at all.

Our great Agricultural Department has totally disappeared from the scene of assistance. In normal times we voted lakhs and lakhs for the Agricultural Department, and I would like to ask the Minister what has happened to the Agricultural Department to-day. The officials of that Department have either taken to their heels or else the whole Department has dived under water like a torpedo-boat. In our hour of need, the Agricultural Department is doing nothing.

Those are the complaints I have to make to the Hon. Minister of Agriculture and Lands. Unfortunately, the Minister is not here. I presume he himself will agree with me in certain of the matters I have just mentioned. After all, if we are to fix responsibility for the food "drive", we have to ask these questions in the first instance, of the Minister of Agriculture and Lands and, in the second instance, of the Agricultural Department, which is normally expected to help the agriculturist.

The (Emergency) Assistant Government Agents—some 22 of them have been appointed—are doing very good work in the country. They are faced with great obstacles, placed in their way by the permanent Kachcheries, by the Civil Servants who are administering the country for Revenue purposes. I would suggest to the Board of Ministers that the number of (Emergency) Assistant Government Agents should be increased to 50, by the appointment of a further 28 such officers—[*Interruption*]. I do not know what amuses the hon. Member for Matale (Mr. Aluwihare), who indulges in a horse laugh. The situation in the country is very serious, and I make that suggestion in all seriousness.

The greater part of the work at present being done by the (Emergency) Assistant Government Agents is the doling out of a little manure and a few mamoties to the villagers. That does not go far enough. There are yet untouched sources of food-supply in the Island. If there are at least 50 (Emergency) Assistant Government Agents appointed for the purpose of growing food, we need not go to India—now, every week-end, a Minister has to go to India and beg at the feet of the Viceroy—to obtain supplies of food for us.

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I should like to know whether the Minister of Agriculture and Lands or the Minister of Home Affairs has considered the different other aspects of the food problem. Now the (Emergency) Assistant Government Agents are devoting their attention in the village areas, in the interior, to augmenting the supply of food crops by giving the people manure, cuttings, and so on, but nothing has been done in regard to coastal areas. Food can be obtained from the coastal areas, too. We want (Emergency) Assistant Government Agents to be appointed to the coastal areas too to consider the question of augmenting the supply of fish.

Ours is an Island and the sea surrounding us is teeming with fish. The catch from the sea has now been reduced to practically a tenth of the normal quantity. The Military have imposed certain restrictions on the fishermen as a Defence measure, saying that at Singapore the fishing boats were made use of by the enemy. The Navy could patrol the sea for a distance of about 10 miles from the shore and allow the people engaged in fishing to have their usual hauls. Every (Emergency) Assistant Government Agent has been provided with money to help in producing food. They do not restrict their activities to merely offering lip service, like the Agricultural officers. Actual hard cash has been spent on the production of food.

I want the whole Island to come under the influence of these (Emergency) Assistant Government Agents. (Emergency) Assistant Government Agents, if they are appointed to coastal areas, will not devote their time and labour to issuing manure and manioc cuttings as manioc and other foodstuffs will not grow in sandy areas. They will devote their time to finding ways and means of augmenting the fish supply, by giving the fishermen boats and nets. Even if we cannot get trawlers, we can do very much to increase the fish supply. The Minister of Local Administration has not done anything in this matter, which is a subject in his charge.

Sometimes the Board of Ministers say that they assume collective responsibility and at other times, when it is found necessary to blame a particular Minister, one Minister will say that he is not concerned with the matter and the others will also say likewise. Combining the two, I should like to say that the Minister of Local Administration has not taken any initiative in that matter, and the Board of Ministers did not take the initiative and ask the Minister of Local Administration to carry on that work.

Sir, in the dry zone, in places like Minneriya, Vavuniya and Hambantota, you can have large cattle farms. Such farms will also augment our food supply. But what has the Minister done in that direction? Absolutely nothing. Regarding the fish supply—also a staple food which has now contracted to about a tenth of the usual quantity—nothing has been done, and with regard to the meat supply also absolutely nothing has been done. The suppliers to the Military buy all the cattle and poultry available. Fowl, which sold for Re. 1.50 per bird formerly, now fetch about Rs. 4 or Rs. 5. Poultry is now fast disappearing. The Agricultural Department should have considered these questions and opened poultry farms and cattle farms. There is also difficulty about obtaining cattle food, the price of which has gone up by four or five times.

I feel guilty in fixing the blame for the prevailing state of affairs with regard to the food supply of this country solely on the Hon. Minister of Labour, Industry and Commerce. The other Ministers responsible for augmenting the various sources of food in this country should have helped him in his task. The Hon. Minister of Labour, Industry and Commerce is not the producer; he is the distributor. The other Ministers do not appear to have put their hands to this matter.

After all, the office of an (Emergency) Assistant Government Agent does not cost the country more than Rs. 2,000 a month, whereas a Kachcheri, with a horde of clerks, with practically half of them doing nothing except making money in the present crisis, costs this country a tremendous amount. People are reluctant to go to the Kachcheries although they very readily go to the (Emergency) Assistant Government Agents. What is the reason for the people taking so kindly to the (Emergency) Assistant Government Agents? The (Emergency) Assistant Government Agents are accessible to the people from morning till night for any adjustments that are necessary

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to be made in the scheme or for any complaints that people may have to make. The Government Agents, however, come to the Kachcheries at 10 o'clock in the morning and leave at 4 o'clock in the evening and even if matters go to the dogs after that, the people cannot get at them.

For instance, in the Galle District, there is an (Emergency) Assistant Government Agent and also the Kachcheri. The people in that district are thoroughly satisfied with the conduct of affairs by the (Emergency) Assistant Government Agent, whilst they are displeased with the Kachcheri officials, who have been there for a large number of years. Normally, we would expect the Kachcheri officials who have been there for some time to be more popular with the people than the (Emergency) Assistant Government Agent, who was sent there quite recently. Why the people do not want to go to the Kachcheri is because of the unhelpful, non-co-operative attitude adopted by members of the Civil Service and also because of the horde of bribe-taking clerks found there.

About two weeks ago, I represented certain matters to the Acting Auditor-General, who is now investigating them. A distributor of rice in the Island to-day is not a person who can trade freely in that article. He is a distributor on behalf of the Government, and he has to sell the rice given him at the Government controlled price. He is not a person carrying on a free trade but is only a distributor of that commodity.

The Minister of Labour, Industry and Commerce announced that the price of rice would be increased by 4 cents a measure as from 6th July, which was a Monday. Well, on Friday, Saturday and Sunday, namely, the 3rd, 4th and the 5th of that month, a large number of bags of rice had been issued from the Galle Customs to the wholesale dealers at the lower price. The higher price came into operation from Monday, giving the wholesale dealers an additional net profit of Rs. 3.20 per bag. As many as 6,000 bags had been removed from the Galle Customs on that Friday, Saturday and Sunday. Those 6,000 bags of rice were issued by the Government Agent and the clerks of the Galle Kachcheri at the old lower rate, with the full knowledge that the price of rice was being put up from Monday by Government regulation. The wholesalers who took that rice kept their doors closed to business and opened them on Monday morning, when rice was sold at the higher price. The retailers had to pay Rs. 3.20 per bag more to the wholesalers, into whose pockets that extra money went. The net loss to revenue, on that transaction alone, was Rs. 19,000. The poor man in the village had to pay four cents extra on every measure of rice purchased by him, and all that money was appropriated by the wholesalers, who came between the Kachcheri and the retail dealers.

The whole Island is covered by the Food Control Scheme. The Village Headmen, the Mudaliyars and the (Emergency) Assistant Government Agents and others devote a great deal of their time to this matter, and if any sensible man is in charge of Food Control he would be able to get any facts regarding that scheme within 24 hours. If the Minister had circularized the Deputy Food Controllers and the (Emergency) Assistant Government Agents that they should take stock of the unsold rice in the hands of wholesalers and retailers on Sunday, 5th July, and get them to pay to the Kachcheri a sum of Rs. 3.20 in respect of each bag of unsold rice in their possession, revenue would have benefited to the tune of at least Rs. 19,000. The Government Agent seemed to have connived at the wholesalers making huge profits at the expense of the poor man, who to-day wants and deserves the greatest relief, the poor man who carries the greatest burden.

I do not know how far bribery has occurred in respect of this one transaction which passed on to the hands of the wholesalers an additional sum of Rs. 19,000, but I am positive, knowing the country as I do, that some private transactions too might have taken place in the way of bribery. The Acting Auditor-General has written to me to say that he has sent the Senior Audit Examiner to investigate the matter, and for the last so many days an inspection has been carried on in the Kachcheri.

That is how things are done. The traders are making thousands of rupees at the expense of the poor man. That

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is due to the fault of the Food Control Department. If that is the way in which things are done by one Kachcheri, which issued rice to the wholesalers without any consideration being paid to the fact that the price of rice was being increased a day or two later, you can imagine what the total loss to Government is with Kachcheries scattered throughout the Island.

I should like to know whether the Minister has any information on that matter. Yesterday he promised to give me that information. I am quite prepared to resume my seat to permit the Minister to furnish that information.

***The Hon. Mr. Corea:** The matter is being inquired into. I told the hon. Member yesterday that I would get him that information.

***Mr. Abeywickrama:** Normally, having the necessary machinery, the Food Control Department could have instructed the Government Agents to surcharge the traders in respect of the bags of unsold rice available in their stores on the date on which the price of rice was increased by Government notification. If a thing like that cannot be done, what is the use of having a Control Department? I cannot understand the use of having a Food Control Department and Price Control if the poor people have to pay a much larger price than the Government intends to charge for their rice, a third party making all the profits. That is one instance where this system has gone completely out of control.

There is another point, and that is with regard to the control of articles like tyres, rubber goods, and a number of other commodities. Time after time the prices are published in the Press. I told the Hon. Minister—he cannot plead ignorance—both privately and in public, that before he controls an article he should use the present machinery of Government, namely Government Agents, Police Headmen and other officers who are available, to take stock of the articles that are going to be controlled. He can have that done in the case of wholesalers at least, not petty traders in the villages who have a tyre or two for sale in their boutiques. He can take stock and control prices and have an officer for the purpose of issuing permits for the purchase of such articles.

But what does the Hon. Minister do? He issues *Gazette* notifications. These notifications come in by every post, and I do not look at them. I only use the wrappers for rough work and throw the notifications away, because they are absolutely useless; they merely say: " I, ... Controller of Prices, do hereby control such and such an article ". Now, immediately this order is issued, certain traders remove their stock and hide it. They do so and say: " We have no stocks." They keep a sort of go-between in the verandah. When people go to the boutiques to buy certain articles, they are told that the goods are out of stock. Then comes the go-between; approaching these people, he says: " Although you do not find it here, I can get it for you at another place. But you will have to pay a little more for it ". The man who wants the article is compelled to pay the price demanded.

Now, I will have no grouse, and the country will have no grouse, if the Hon. Minister, for instance, says: " There were 5,000 bicycle tyres available when I introduced the controlled price. All the tyres have been sold. There are none in stock now." If that was done, the matter would end there. Why create loopholes for people unnecessarily to harass consumers? We do not ask the Hon. Minister to do impossible things. It is very unpleasant to talk like this and criticize the Hon. Minister's actions everyday. But we must face facts regarding the control of rice and other commodities.

With regard to tyres, when I go to the dealer and ask him for a tyre, I am told that there is none available. But when my driver goes for it, he is able to buy it at a price which is Rs. 10 more than the controlled price. That is the fault of the system.

I now come to sugar. The control of sugar remains the scandal of the day. Why did the Hon. Minister allow five bags of sugar, amounting to 10 cwt., to be exempted? Why did he not want that quantity included in the returns? That is a very large quantity to be exempted.

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I know what happens in the Pettah. When a trader has 1,000 bags of sugar, he distributes five bags each to every trader whom he can trust and retains a small quantity in his store. He then submits a return, showing 200 bags as being the stock in his store, having managed to secrete about 800 bags.

What does the Food Control Department do? They issue permits to village traders to buy at the rate of ten bags each. But the Department carefully omits the place from which the sugar could be purchased; they intentionally send the lamb to the wolf. The trader in the Pettah, who has declared that he has 200 bags in his store, carries on a black-market with his 800 bags. The Food Control Department should tell the trader that he should buy his sugar from a particular store, as the books of the Department will show, at any time, the permits issued to cover the quantity in such store and what balance is left. They do not do that.

What is the position? When people are issued permits, the 200 bags are exhausted on the first day. On the second day there is no sugar available. When small traders go to the Pettah they are told: "Sugar is not available. You can get it in the black-market if you pay 50 per cent. more". I know of instances where people had to pay Rs. 80 for a bag of sugar. The Hon. Minister of Labour, Industry and Commerce should control commodities in a proper manner. This is something like having paddy in the country and allowing people to starve in the towns. I cannot understand why a quantity like 10 cwt. should have been exempted.

There are 6,000,000 people in Ceylon. If every trader acted within the law and sugar was made available, we would have had about 30,000,000 bags of sugar available. But that quantity has gone out of stock by the machinations of traders. Is it a correct scheme of control that is in existence to-day? These are the difficulties that confront the food-control scheme. The Hon. Ministers also know it; in private conversation they say; "Yes, the system is bad". But when they come to this House, they have a different story to tell.

***The Hon. Mr. Corea:** Who?

***Mr. Abeywickrama:** You know who it is and I know who it is. Everybody is discontented. When the Hon. Ministers come and sit in the charmed well of this House, they speak quite differently. I referred to what public opinion was this morning.

We Members have to face the people as much as the Ministers have to. If the Hon. Minister has not the proper staff, he must see about getting it. After all, merely appointing a Civil Servant will not do. You must appoint somebody from outside the Service. There is the example of the Hon. the Chief Secretary. After all, Civil Servants are not indispensable. You must appoint people who are capable of doing a good job of work. The other day, the hon. Member for Colombo Central (Dr. Kaleel) said that he had sent a very efficient man to see the Hon. Minister of Labour, Industry and Commerce in connexion with a certain appointment. But this man was rejected.

There are people in Galle, even to-day, who have business connexions in Tuticorin and other places from which we obtain rice, Maldive fish, and sundries. But owing to this wretched and cursed system of control, they are not able to get the articles from wholesale importers. These traders in Galle used to import about 8,000 to 12,000 bags of rice. The rice used to be unloaded at Galle and sent to Colombo. These traders in Galle have the capital; they have the means to carry on the business. But they are unable to do so owing to the control system.

It is a curious fact that when the Hon. Minister of Labour, Industry and Commerce is responsible for Commerce, the power of negotiation should be delegated to the Hon. Leader of the House. The Hon. Leader has been delegated to go to India and negotiate. What is the meaning of this? I cannot understand it. We know that the Hon. Leader is a religious man. Unless he goes to Buddha Gaya and makes vows that India should supply Ceylon with rice, I cannot see how he is going to achieve the impossible. Perhaps, Sir Baron might don a white cloth and go to Buddha Gaya. He might make offerings and say that Ceylon

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is suffering to-day; he might invoke the help of the gods to help Ceylon. He might succeed in his prayers. Unless he achieves his object in that manner, I cannot see how he is going to do it. It is impossible to achieve it otherwise by personal visits to India.

There are large war schemes being operated successfully to-day. They say that the Viceroy and General Wavell are the people concerned. Why not take our troubles to the Commander-in-Chief, who has come to our rescue on more than one occasion? A telegram from him would, I think, be more effective than the visit of the Board of Ministers to India.

***The Hon. Mr. Corea:** Several telegrams were sent.

***Mr. Abeywickrama:** Do you think that the Hon. Leader will be able to help in a crisis like this? Although many people question the presence of the Commander-in-Chief in our midst, the only salvation that we have in the case of many of our troubles is his presence here. I have a very high regard for him.

I will give you one instance of how the Commander-in-Chief once helped us. But for his help a very serious thing would have happened. One fine morning, the General Manager of the Railway reported to the Hon. Minister that he had sufficient coal only for 1½ days' running. He asked the Hon. Minister what he was to do. Of course, the Hon. Minister flared up. The Hon. Minister thereafter rang up the Commander-in-Chief and said: "I have coal only to last 1½ days". And what do you think the Commander-in-Chief did? He wirelessed about five or six steamers that were somewhere in the Indian Ocean, and asked them to change course and put into Colombo. These ships did so, and three days later we had 10,000 tons of coal unloaded in Colombo. Would anything like that have been normally done by a Minister?

***The Hon. Mr. G. E. de Silva:** What happened to the General Manager?

***Mr. Abeywickrama:** As usual, that great institution, the Public Services Commission, saved him. They said: "What can he do? Everything is done under war conditions to-day"; and ultimately the Deputy was sent away. He had to pay the penalty, of course, for other accumulated sins as well. This man has taken to his heels and left the Island.

If the Commander-in-Chief is unable to negotiate in the matter of our rice supply with his brother officer in India, I cannot understand how the Hon. Minister of Home Affairs is going to do that for us. These are matters that deserve the attention of the House. It is a curious thing that the Hon. Minister of Labour, Industry and Commerce was not sent by this House to India to carry on these negotiations.

I would personally like the Hon. Minister of Agriculture and Lands to go to India—that is my honest and sincere opinion—because he is the person responsible for producing food. Let him bring the article and hand it over to the new organization for distribution. I do not see any reason why he should not go along with two other Ministers. It means, that if they go and fail, it would be a confession of failure on their part.

I cannot understand why an aged gentleman like Sir Baron should go, unless it is a trap set for him. I do not know whether he is going to be caught in a trap at the inducement of the Board of Ministers, by trying to achieve something which is impossible of achievement. I do not know whether the Ministers want him to take the blame by going to India and failing in his mission, and so save their skin. I view with great suspicion this honour done to Sir Baron; his selection was unanimous.

I want to know why the Hon. Leader was not sent in the first instance to India. Why was he not sent about two months ago? What are the fresh qualifications that were discovered in the Hon. Leader?

I have heard that the Viceroy and General Wavell have nothing to do with this matter; that it is the Provincial Governments that are supplying paddy and rice, and that they refuse to negotiate with the Government direct. They say that the traders must handle the commodities and that they cannot negotiate with the Government of Ceylon; that their representatives in Ceylon must be the channel of distribution, because they

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normally do not want to go out of employment or close down their shutters. Every obstruction is created when the Government of Ceylon tries to deal with the Government of India. If Sir Baron can achieve the impossible, or if he can give relief to the people of Ceylon, it would be a wonder. I hear that he has refused to travel by air and that he will be going by train. That means that it will be two or three weeks before he comes here and issues a report. I do not know what kind of a report he will issue.

The matter is urgent. The Hon. Minister of Agriculture and Lands should charter a plane and go to India and try to settle this matter in three or four days' time.

The Hon. Minister of Agriculture and Lands was selected to deal with a situation far more complicated than this, namely the settling of the Indian question. The Hon. Leader of the House had no voice in that matter; his services were not required in India. It is the Hon. Minister of Agriculture and Lands who went to India and satisfactorily settled this question. He was also responsible for carrying on the talks in Ceylon satisfactorily; it was he who signed the Agreement arrived at between the two Governments, on behalf of the people of Ceylon. Therefore, the Indian people know the status of the Hon Minister of Agriculture and Lands in this matter.

As I said previously, I cannot understand why this great confidence which has not been reposed in the Hon. Leader on certain other occasions is now sought to be reposed in him, unless of course it is a trap for Sir Baron.

***The Hon. Mr. G. E. de Silva:** I must say that there is no such trap.

***Mr. Abeywickrama:** We will have to see whether it is a trap or not.

***The Hon. Mr. G. E. de Silva:** Why impute motives to others?

***Mr. Abeywickrama:** If the Hon. Minister of Health is a little patient——

***The Hon. Mr. G. E. de Silva:** I shall be very patient if motives are not imputed to the Board of Ministers.

***Mr. Abeywickrama:** There are no motives imputed.

***The Hon. Mr. G. E. de Silva:** Surely, I cannot sit here and listen to these accusations being made without entering a protest.

Mr. Speaker: The hon. Member should not insinuate.

***Mr. Abeywickrama:** There is no insinuation made, Sir. I am speaking of the insinuations on the part of the Board of Ministers.

Will the Hon. Minister of Health tell us why the Leader of the House was not selected to go to India and negotiate on the Indian question and sign the Agreement? As Leader of the House he should have signed it.

***The Hon. Mr. G. E. de Silva:** The answer is so obvious. The negotiations were carried on by another Minister and that Minister had to sign it.

***Mr. Abeywickrama:** The Minister of Agriculture and Lands is not the Leader of the House. Does not the Minister of Health think that a person like the Leader of the House should have been on the deputation that went to India to negotiate? When it suits him, the Minister of Health can, of course, bring forward any argument. But that is how I feel about that matter: I may be wrong, but still that is how I feel about it.

I shall be happy if the present negotiations are carried on successfully but I have my doubts about it. A feeble old gentleman is being sent to India at a time of crisis. A decision regarding the launching of the non-co-operation movement of Mahatma Gandhi is to be taken to-morrow, and civil disobedience may take place. In the midst of that crisis, when things are becoming paralysed, we are sending a venerable old gentleman when younger people have failed, when there are energetic Ministers who can brave the journey. We are delegating on old Minister, the most feeble Minister, one who occasionally falls ill, to go on this mission. If he chooses to go, we have no grouse: let him go. But the only point is whether we will achieve

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our object because this is not a matter to play with. I would like to quote the hon. Member who has repeated on the Floor of this House many times the words of Abraham Lincoln:

"You cannot fool all the people all the time; you can fool all the people some time and some of the people all the time, but not all the people all the time."

Well, those were utterances made when the Hon. Minister of Health was a back-bencher. Now I am struck by the way in which he is defending the much maligned Board of Ministers who, he used to say, were fooling the country. It reminds me of the times of the Crusades. Can an Ethiopian change his skin or a leopard its spots? A back-bencher who was fighting hard against the Board of Ministers is now in the Board of Ministers, and I wish to know whether he has changed his skin to suit the Board? The charming Board of Ministers have enchanted our leader of the opposition and taken him into their fold.

Whatever argument the Hon. Minister of Health may bring forward, I shall not be satisfied that sufficient steps are being taken to relieve the situation in the country to-day.

***The Hon. Mr. G. E. de Silva:** It is an impossible thing to satisfy him.

***Mr. Abeywickrama:** There is another matter of some importance which I wish to refer to, and that is the question of the appointment of non-Ceylonese. From time to time motions are brought up by the Board of Ministers for the appointment of non-Ceylonese to the Service. It is a shame that, after the State Council has existed for 11 years in this country, non-Ceylonese are very easily accommodated in high positions in the country to-day. Only last week we had to turn down the proposal of the Leader of the House to recruit two Assistant Superintendents of Police. Then there was a great deal of criticism about the appointment of a Chairman to the Port Commission and various other persons. Even the Minister of Education has moved a March Resolution for the appointment of a Professor to the University. These posts could easily have been filled by Ceylonese if the Board of Ministers had had the foresight and trained people to fill them.

The order of the present day seems to be that anything is permissible under the pretext of war prevailing conditions. A large section of the Inspectorate of the Police Department is seething with discontent as a result of the policy adopted by the Hon. Minister of Home Affairs and his Committee. They feel that they will not, during their period of service, be able to rise sufficiently high in consideration of the services they have rendered to the Department, if in between officers are imported. I could have understood it if officers were brought out specially from England after advertisement. These officers have come to Ceylon from enemy-occupied countries and, lo and behold, we find places created for them even before they arrive here! The Board of Ministers have violated the wishes of the country and the State Council in this respect.

I am sorry that the Leader of the House is not present, as I wish to say something about bribery and corruption. These have not yet ceased in Departments under the Ministry of Home Affairs. As was very rightly pointed out by the new Member for Balapitiya (Mr. Kularatne), it is only in the Zoological Gardens that you do not find bribery and corruption. They are found in all other Departments under that Ministry.

Sir, I do not know whether you have read of the noble example set by the Premier of Madras, Mr. Rajagopalachariar. Representations were made to him that in the villages in the interior Headmen were charging illegal fees for writing cattle vouchers. One day this great Premier went to a village, disguised as a cattle purchaser. He went with the seller of the cattle to the Headman, and having settled the price and paid the fees, and so on, when the Headman inquired for the name of the purchaser to write the voucher, he revealed his name as Mr. Rajagopalachariar, Premier of Madras. The Headman collapsed! The Premier of Madras went disguised as a cattle purchaser to find out the truth about bribery. The story spread throughout Madras and bribery ceased in that particular respect after that noble act.

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[Mr. Abeywickrama.]

Now, has any attempt been made by our Ministers to stop the bribery and corruption that is going on in their Departments? Our Ministers, when they tour the country send their programme two or three weeks ahead to Government Agents and others. Even the Constables on the way know that the Ministers are coming on a particular date and a different picture to what normally happens is presented to them. Bribery and corruption is prevalent to a larger extent with the establishment of the Food Control Department, but no attempt is made by the Ministers or the Departments concerned to stop this evil of bribery. It is a very sad state of affairs. I feel that there is absolutely no use even in telling the Ministers of these things, because they simply listen as a pastime and take no action.

I wish to deal with the Minister of Health now. I shall not take much longer, but the Minister has provoked me, and I shall tell him something about his Department. We know that his election as Minister has had the full approval of this House as a 100 per cent. efficient man. He has only one Department under him, namely the Medical Department, whereas other Ministers have a large number of Departments under them. How is the Head of this Department behaving towards the Minister and the other officers in his Department? The Medical Department is seething with discontent owing to favouritism on the part of the Director of Medical and Sanitary Services. Do you know, Sir, that the Senior Medical Officers in the Department are disgusted with the management of that Department?

I shall give you an instance where the Minister of Health, on an invitation from me, came to Baddegama to select a house for a Maternity Home. The Minister visited the premises twice. It was a bungalow belonging to a private party and was to be rented out. The Minister gave orders to the Medical Officer of Health, Ambalangoda, to equip the place and take early steps to establish the home, and he returned to Colombo. Two weeks later the Director of Medical and Sanitary Services, having heard that the Minister had sanctioned the renting of a house for the establishment of a Maternity Home sent another junior Medical Officer of his Department, a Dr. Nadarajah, to inspect that house and report whether it was suitable! The Director is sitting on judgment on his own Minister! Dr. Nadarajah had told another Medical Officer, who had to accompany him, that though the Minister had approved of the house, they did not know whether the buildings were all right, and that he had come from the Head Office and his would be the final say in the matter. He went there; and sent in a report. I presume at the time the Director of Medical and Sanitary Services sent this Doctor, the Minister's letter stating that he had personally inspected the place would have reached him.

Then, there is another matter. There is the Medical Officer of Health of Ambalangoda who has written a treatise on filariasis. The late Minister of Health recommended him for an honorarium of Rs. 500. Well, the Director of Medical and Sanitary Services turned down that book; he refused to publish it and recognize it. Apart from that, there is no initiative in that Department for writing any treatise or making fresh discoveries, because the Director discourages any Doctor from doing research work. That is a well known fact in the Island. Sir, apart from rejecting the treatise of the Doctor I referred to, something or other was brought up against him and his promotion denied to him. He is a very senior officer, and his promotion to Grade I. was due. Later I was told that another vacancy had occurred and though it was his turn to be promoted, some other thing was brought up against him and it is being inquired into. Such is the venomous type of man who is under the progressive Minister of Health. I want the Minister to take action because he cannot glory in the fact that he is managing that Department efficiently with this man.

I know that the Hon. Minister is doing everything possible. He has visited a number of hospitals which no other Minister had visited during the lifetime of this Council or at any time. The country and the Council are looking to him for improvement in the Medical

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Department. I am bringing these facts to his notice, and whatever opinion he may have of his Director, the country has put him down as the enemy of the Medical Department, and I trust that the Minister will take due notice of these complaints made in open Council which I am prepared to substantiate.

I shall not take any more time of the House; and I thank the house for the patient hearing given me.

3 P.M.—

Mr. Speaker: The House will kindly excuse my absence. The Deputy Chairman of Committees will now preside.

MR. SPEAKER *thereupon withdrew, and* MR. DEPUTY CHAIRMAN OF COMMITTEES [MR. R. S. TENNEKOON] *took the Chair.*

Mr. H. de Z. Siriwardana (Negombo): I rise, Sir, to make a few observations on the Budget presented to us by the Leader of the House. I do not want to weary the House by speaking on all subjects, as they have already been touched upon by the various Members who have preceded me. I want to speak only on subjects which are of some importance to me and which have not been dealt with by the previous Members.

With regard to food control, I wanted myself to speak at length, but after the able manner in which the hon. Member for Udugama (Mr. Abeywickrama) has spoken I do not think it is necessary for me to do so. I agree with the views expressed by the hon. Member, but I would like to place before the House another aspect of this question.

Although the Minister of Labour, Industry and Commerce initiates policy, yet it is the Government Agent and the Korale Mudaliyar who carry out orders, and they are under the control of the Minister of Home Affairs. Most of the trouble with the Korale Mudaliyars is due to the fact that the Government Agents leave the matter in their hands, with the result that they do not care to co-operate with the elected representatives of the people. They do things as they want, and they commit blunders. In fact they resent any advice being tendered to them by the elected representatives. They have special reasons for it.

I can cite a personal experience of mine. When I was Vice-Chairman of the Negombo Urban Council, this question of the control of rice was discussed. The Korale Mudaliyar came to Negombo and appointed three merchants as wholesale agents when in Negombo there were over twenty wholesale agents who in normal times stocked over 100 to 200 bags of rice. Further, the Korale Mudaliyar had not even the courtesy to consult the Chairman of the Council. There was, as a result, a great deal of dissatisfaction; and wild accusations were made by the other traders against the Korale Mudaliyar. Of course, they said that large sums of money had been paid to him. It was worth their while to pay the Korale Mudaliyar Rs. 500 to Rs. 1,000 in order to secure the wholesale agency.

When I was in the Urban Council, what happened? A deputation of traders came and saw me and made representations to me. I immediately discussed the matter with the Chairman, and he thereupon summoned a meeting of the Council, to which we invited not only the traders but also the leading citizens of the town. We discussed the matter fully, and after obtaining their views, we got in touch with the Minister, and invited him to a special meeting of the Council.

At that special meeting we informed the Minister of the views of the traders and the Members of the Urban Council, and requested him to appoint the Chairman of the Council as Deputy Food Controller for that area. The Minister listened to our views and, in fact, agreed to place our suggestion before his Committee. We thought that everything would be all right, but in 1942, when rice control actually came into force, we found that none of our suggestions had been adopted. The result was that there was quite a great deal of dissatisfaction.

Some traders were ruined thereby. In Negombo, there are wholesale agents and retail traders, and the wholesale agents had given credit to the retail traders. When rice control came into force, the people were compelled to purchase their

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goods from the wholesale agents, with the result that the wholesale merchants found themselves in the position of not being able to recover their debts from the retail traders.

Then, as regards the allocation of householders to dealers, they arbitrarily allocated a certain number of householders—without any reason—to a certain boutique. What happened was that a person who usually bought his goods from a particular boutique was asked to buy his goods from another which was about half a mile away, and some others were asked to buy their rice from non-existing boutiques. The whole thing was thus in a mess.

This state of affairs was brought about by their not taking the advice of the elected representatives of the people. They committed the blunder, but the Minister had to take all the blame. The Hon. Minister is a busy person. He has a number of Departments under his control, and he is unable to attend to every detail minutely. The food situation is daily becoming very serious.

We are thankful to the Minister of Agriculture and Lands for the excellent schemes he has started in different districts. But I am sorry to say that the minor irrigation works have been neglected. In every Budget debate different Members, I find, have brought the necessity for these minor irrigation works being attended to to the notice of the Minister. The late Member for Balapitiya (Mr. Francis de Zoysa) stressed this matter at the last Budget debate, but the Minister for Agriculture and Lands has not yet given sufficient attention to it.

In my constituency there are large tracts of fields—within Kochchikadde and Katana—and these fields cannot be cultivated as the *elas* have not been repaired properly. These *elas* are repaired, not by the Irrigation Department, but by the Government Agent—it is the Works Inspector who prepares the estimates—and the clearing of *elas* is therefore not done properly. I think there is great waste of money. Properly speaking, it is the Irrigation Engineer who should attend to this matter.

The Board of Ministers have appointed a large number of (Emergency) Assistant Government Agents to improve food production. The other day there was a meeting in one of the villages in the constituency of the Hon. Minister of Agriculture and Lands at which the (Emergency) Assistant Government Agent informed the villagers that Government was prepared to give them manure in order to improve their fields. Then a Member of the Village Committee who knew the district well interviewed the Government Agent and told him that manure was not needed, but that the money that it was proposed to spend on manure could very usefully be spent on repairing three anicuts in that area.

I do not know whether hon. Members are aware that, unlike the Chilaw District, the fields in my district are manured with artificial fertilizers. So what we require is not so much manure as the building of anicuts and the clearing of *elas*. Government should give this manure to districts which do not use artificial manure for the improvement of their fields. Now the fields in my district yield more than the fields in the Chilaw district, because the people of my district use artificial manure. So what we really need in my area is the improvement of these minor irrigation works.

Another matter to which I would like to draw the attention of the Board of Ministers is the question of the major irrigation works. These will take a long time to repair. The war might last a long time, and in the meantime the food situation may become serious. So we must spend large sums of money in improving these irrigation works. What is the use of issuing manure for the fields, if we cannot cultivate them on account of lack of water?

Yet another thing that I would like to mention is the large number of forests in this country. I should like to know why we cannot employ the unemployed and clear the forests and plant them with Cassava and other yams. We want food quickly; and after planting we must see to it that the yams and other food crops are made available to the people of the towns. The villagers can find substitutes for rice, but in the towns the situation would become acute if there are no substitutes.

When I went round my district in connexion with my election campaign, I noticed that inferior grades of rice were

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being imported from India at very high prices. The rice was shown to me, and I must admit, it was not fit for consumption. I do not know why our representative bought the rice at such a high price as is said to have been paid for it.

I notice that paddy is now being distributed in certain towns. What is the use of issuing paddy to town folk when they do not know how to convert it into rice? I feel that those responsible do not understand the prevailing conditions of life. For instance, a fisherman who goes out to sea at daybreak comes in in the evening; and his wife waits for him on the beach. He makes a little money on the fish caught by him, and gives a portion of it to his wife. He then goes to the tavern and has a drink of toddy. Now, how could you expect the wife of that fisherman to convert the paddy into rice in a few minutes? When the fisherman comes home after a couple of drinks and finds that the rice has not been cooked, the poor wife will get a thrashing.

There is another matter that I wish to bring to the notice of the House. Whilst going through the Estimates, I found that only some Rs. 70,000-odd has been set apart for the protection of the seaboard. That is quite insufficient. Valuable portions of our country are being washed away by the sea yearly, and the Government has not taken proper steps to protect the shore from erosion.

At present we are experiencing a very serious sea erosion in Negombo. About half an acre of land and a row of tenements have been washed away. During the time of the Local Board, the Government used to protect the coast. In fact, the sea coast is not vested in the local body. During the time of the Local Board, the Government not only protected the sea coast, but paid compensation to the people whose houses were damaged by sea erosion. After the Urban Council was established, the Government refused to contribute anything towards the protection of the coast.

In the year 1930 there was a serious sea erosion at Negombo and strong representations were made to the Government. I wish to read a letter written by the Government Agent to the Chairman of the Urban Council. This is what it says:

"With reference to your letter No. 276/117 of 21st ultimo, I have the honour to inform you that it is observed that the property which has been damaged by erosion is private property.

I have to inform you that Government does not accept responsibility for expenditure required to safeguard private property against sea erosion. Special consideration will be given by Government only in exceptional cases in which it can be shown that the public interest is substantially involved and that the local authority or private person cannot afford to pay.

In this case I suggest that you ask the Director of Public Works to allow you to use empty tar barrels filled with earth for places along the sea shore which is liable to erosion. I regret I cannot recommend to Government that a sum of Rs. 2,000 should be provided as its share of the cost of the proposed protection work."

I am sorry, Sir, that the then Members of the Urban Council did not pursue this matter further. In this letter the Government has admitted its responsibility for protecting the sea coast under certain circumstances. The letter says:

"Special consideration will be given by Government only in exceptional cases in which it can be shown that the public interest is substantially involved and that the local authority or private person cannot afford to pay."

In this case the Government Resthouse which is not vested in the Urban Council was threatened. In another ten years it will be washed away. Then there was the George V. Health Centre in which public interest was substantially involved. There was also the Wesleyan Mission Girls' School in which public interest was involved. Then there were the houses of the poor fishermen which were washed away. Those people were unable to rebuild their houses.

I am sorry that the then Members of the Urban Council did not pursue the matter. If they had pursued the matter, they would have been able to get the Government to take full responsibility for the protection of the sea coast. Later on—since 1930—the Urban Council has spent about Rs. 2,000 or Rs. 3,000 a year for the protection of the sea coast. The Government also gave a similar sum. Although we have contributed about Rs. 10,000 or Rs. 20,000 for the purpose, we are in the same position. Unless large sums of money are spent, sea erosion cannot be stopped. The Urban Council cannot afford to spend large sums. I am not going to pursue this matter further because on another date I propose to bring up a resolution dealing with the whole matter.

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[Mr. Siriwardana.]

Sir, there is another matter for which no provision has been made. There are a large number of trunk roads running through towns administered by local bodies. It is the duty of the Central Government to widen these roads. It is useless saying that the cost is prohibitive. Of course, they admit that it is their duty to widen those roads. If the cost is prohibitive, the Central Government can widen these roads section by section. Or they can acquire all the properties along these roads, and after widening the roads they can sell the balance road frontages which will fetch a very good figure. This is a matter over which I have been agitating for some time. I have brought this matter up at the Conference of Urban Councils, but the Government have not paid any heed to it.

I am sorry to say that some Government Departments like the Railway and the Public Works Department treat the local bodies as alien Governments. They do not give any assistance to local bodies at all. When I was an elected member of the Urban Council I took up the question of side drains along Public Works Department roads. At that time we had the District Engineer as a member of our Council, and he said that his department was concerned not with drains but only with the maintenance of roads. I had to bring up this matter also at the Conference of Urban Councils, and it was only after the present Minister of Communications and Works came into office that the matter was satisfactorily solved. The Public Works Department agreed to clear the surface drains, and with regard to cement drains they agreed to contribute half the cost.

There is another matter that I wish to bring to the notice of this Council. When I was the Vice-Chairman of the Negombo Urban Council, I got the Council to build a cement drain, and we asked the Railway Department to build a cement drain of about 30 yards on their property on which there were several tenements for workmen employed in the Railway. They at once refused to do it. We found that the water stagnated on the Railway property for want of a drain, and that it was proving to be a nuisance to the inmates of the tenements on the Railway property. We then issued a notice on the Railway Department asking them to abate the nuisance. Their reply to that was that they were not bound by the by-laws of the Urban Council. This is how some of the Government Departments treat local bodies.

Then, I am informed that the Irrigation Department has not sufficient Engineers. To solve that, I would make a suggestion to the Board of Ministers. In distant places like Vavuniya we find Irrigation Stores and Public Works Department Stores. I suggest that the construction of Irrigation works be done by the Irrigation Department and that after the work is completed it should be handed over for maintenance to the Public Works Department. This is done, I understand, in the Madras and Bombay Presidencies. What happens now is, the Irrigation and Public Works Department people may have to go about forty miles to take gravel. Although they take gravel from the same place the stores of the two Departments are about half a mile apart. They could be brought together as in the case of the Railway and Government Stores which have been amalgamated.

With regard to Ayurvedic medicine, I do not want to speak much because the hon. Member for Galle (Mr. H. W. Amarasuriya) has dealt with the remarks of the hon. Member for Colombo Central (Dr. Kaleel). Practitioners of the Western system seem to be jealous of the Ayurvedic physicians. I believe even now sufficient attention has not been paid by the Government to Ayurvedic medicine. We have in Negombo a free Ayurvedic Medical Hall to which the Urban Council gives a grant of Rs. 100. But the Central Government gives this institution only Rs. 200 a year. This free medical institution is carrying on with the greatest difficulty. I would appeal to the Hon. Minister to increase the grant that is given to it.

There is another point to which I wish to draw the attention of the Hon. Minister of Labour, Industry and Commerce. An economic survey has been carried out in the Chilaw and Kurunegala Districts, but no such survey has been carried out in the Negombo District. I would ask the Hon. Minister to cause such a survey to be carried

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out in our district and also have some cottage industries started there. The poor fishermen are experiencing a very hard time. If cottage industries are started in that district, the womenfolk can earn a few cents to supplement the incomes of their husbands. Then, a cottage industry could be started for making sail cloth. A coir yarn factory has been just started in Negombo. There are various other industries which can be started.

Mr. G. A. H. Wille (Nominated Member): Sir, there is an old Latin maxim, not to be taken literally, that in the midst of arms laws are silent. Not so however with legislators. We are expected, however loud the roar of cannon, to fire our pistols or our pop-guns at Ministers and Ministries. And some hon. Members would even fire big guns on behalf of great causes, such as the Kandyan Convention or independence.

***Mr. Aluwihare:** Dutch Reformed Church!

Mr. Wille: I do not think the hon. Member for Matale (Mr. Aluwihare) would think that a great cause. He had other things to think of, such as, for instance, higher imperial functions.

However, Sir, I shall be very brief. I do not intend to circumnavigate the different Ministries and fire a shot at each one of them before passing on to the next. I was greatly disappointed that since this morning the Ministerial seats have been so often vacant. A good many suggestions have been made to Ministers and a good many charges have been levelled against them. But they are not here to listen to these things.

***Mr. Aluwihare:** They are present in the Lobbies.

Mr. Wille: It seems to me, if I may be pardoned the Irishism, like casting pearls before absent swine.

I have been in the habit—good or bad habit, I do not know—of characterizing the Budget for the year according to its predominant feature. Sometimes I have called the Budget a humdrum Budget, or once a confiscatory Budget when, for instance, the Leader of the House pounced on the poor Savings Bank depositors' surpluses. The present Budget I would characterize as a gloomy Budget. The darkness of the war seems to lie heavily on it, and it is not only the Budget in itself that is very depressing, but the prognostications, so to speak, implicit in it.

One cannot help noticing that there are many items of revenue that will disappear from future Budgets, while many items of expenditure will remain, and there will be also many items of expenditure which we shall have to undertake which are not in the present Budget, that is, to overtake arrears in connexion with buildings and roads, and social services.

For instance, we have on the revenue side in the present Budget, Rs. 23,500,000 from excess profits duty. That, of course, will disappear after the war. Then, from Customs export duties we have, in connexion with tea, rubber and plumbago, over Rs. 15,000,000, whereas the pre-war income from that source was only about Rs. 3,000,000. We may well expect that Rs. 10,000,000 or Rs. 12,000,000 will disappear from that head. Then, we cannot expect income tax to stand at its present figure. I anticipate, with due deference to the Financial Secretary, that it will be about Rs. 5,000,000 less, because incomes have been earned on inflated prices during recent times.

So that, nearly Rs. 40,000,000 will disappear from our revenue, and, as I said, I do not think that could be compensated by the saving on items of expenditure.

Sir, the Budget, whether it is gloomy or bright, has a good deal of human interest. It is not merely a mass of figures. It expresses on the Revenue side what the representatives of the people consider as the best way of getting in money for the public needs. It also represents on the Expenditure side the methods which the people's representatives intend to use for the satisfaction of those needs. From that point of view, I should like to make a few comments on some items in the Estimates of Revenue and Expenditure.

What we have to note in the first place is that our Customs import duties which have played such a prominent part in

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[Mr. Wille.]

our revenue do not show signs of hopefulness unless we ourselves can supply the goods now imported. Till very recently the Customs import duties came to nearly half the revenue. Next year not only is it expected that the Customs import duties revenue will go down positively, but of course considerably more relatively to the total revenue which, as I pointed out, has been inflated by many items which will not appear in the future.

The Customs import duties revenue estimated for the following year is only in the neighbourhood of Rs. 43,500,000, whereas it is very long since we had less than at least Rs. 50,000,000.

There is something to be learned about our country and the ways of its people from one special item here, namely, grain. Before I pass on to that perhaps I might mention that the biggest individual item under any Subhead in the Estimates of revenue is tobacco and cigarettes. We are indebted to these items for no less than Rs. 11,500 000. In the year 1940-41 the revenue from that source was only nearly Rs. 6,000,000. As the hon. Nominated Member (Mr. Newnham) suggested, this is largely due to the presence amongst us of the soldiers who have come in. But apart from that, I think the duty on tobacco and cigarettes has been growing of late years because of the greater indulgence in these two commodities.

Then, Sir, we come to a very important item, and that is the revenue from grain, which is put down this year at Rs. 8,200,000. "Grain" covers a large number of items of edibles, but 90 per cent. of the item represent rice imported into the country. The importance of this item lies in this: the estimate of Rs. 8,200,000 revenue from rice imports means that we are getting the old quantity of rice into this country, that there has been no improvement in rice production.

That is what I have been urging over and over again, much to the consternation of the Minister of Agriculture and Lands. But there is no getting over that fact. If you calculate on the basis that we pay Re. 1 duty on a cwt. of rice, and that a cwt. is represented by about 2¼ to 2½ bushels, I think we arrive at about 20,000,000 bushels of rice imported into the country. That is what the Ministers expect to be imported in the next year. That is to say, we are importing no less than two-thirds of the rice consumed in this country.

This morning the Minister of Labour, Industry and Commerce made a statement in the course of which he said that provision had been made for 38,000 tons of rice as representing consumption for a month. If you work on that basis, you arrive at the same figure, that is to say, about 20,000,000 bushels a year coming from abroad.

I wish the Hon. Minister of Agriculture and Lands will not rest satisfied with the bouquets that are thrown at him but will look into the matter very seriously. The Leader of the House in his opening speech said that he was not at all satisfied with the yield of rice per acre in this country. That has been said for the last half a century, and there is not the slightest improvement. In fact, I think I quoted some time ago, to the horror of the House, a statement made by a great Planting member of the old Legislative Council, which was supported by no less a person than the late Mr. George Wall, a friend of the *goiya*, that Ceylon is not suited for paddy cultivation. The reason for that remark was that paddy cultivation was the most unremunerative and toilsome occupation that any Ceylonese could engage in. It is as true to-day as it was true before. It was only in a report issued two years ago that the Director of Agriculture uttered these words:

> "The embarrassingly ready response which the offer of a price of Re. 1.25 per bushel by the Anuradhapura Rice Mill received was evidence of production in excess of the immediate requirements of the grower."

This shows not only how little the cultivator can get for his trouble but what wrong ideas there are with regard to the yield of rice in this country through cultivation. I dwell on this matter because I think it is of the utmost importance. It has now become critically important that our rice supplies locally should be increased, but that cannot be brought about until something is done which will have an effect on the work of the cultivator.

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The Director of Agriculture is supported by a large number of scientists in his Department, but they do not seem to have made any impression. Over and over again we are told that the peasant should go in for improved methods, seedline paddy, preliminary cultivation, new methods of ploughing, etc., but that seems to make no appeal to the cultivator. He does not respond; he is satisfied with the paltry sum he gets for his paddy, to meet his requirements, and so the old story goes on. What I want the House to feel convinced of is this, that the rice production of the country is by no means increasing in spite of the very heavy money votes we have accorded to the Department of Agriculture.

I have already just mentioned that the export duties from tea, rubber and plumbago, at their present level, are almost abnormal. The estimate for next year is Rs. 16,870,000, while for 1940-41, the duties amounted to only Rs. 5,640,000. In pre-war years the export duties brought in only Rs. 3,000,000. We shall certainly revert to that position, if not be worse off, after the end of the war.

Then, I would like to draw the attention of the House to another very big sub-head of revenue, and that is from country liquor. That again, unfortunately, is one of the largest items in our estimates of revenue. No less than Rs. 9,637,000 is paid as Excise duty by the poor man who goes in for arrack and toddy, as compared with Rs. 2,000,000 brought in by Customs duty from those who indulge in foreign liquor.

I am sure that among these consumers of arrack and toddy is the sort of husband the last speaker referred to, who was so exacting with his wife. Something really ought to be done to wean the common people from this terrible drink habit. None of us would like to be inside an arrack or toddy tavern of an evening when it is filled by a large number of the working-classes. If some subsidy is granted to workmen's resorts which would act as a sort of counter-attraction, much good will be done in this direction.

I am not trying to preach a crusade, although there is much to be said from that point of view, but I am just showing that there is a good deal of room for improvement in the matter of how some of our poor folk spend their money. Rs. 9,637,000 is an enormous sum to come from the wage-earners.

I will not take up more time with the estimates of revenue. I will come to some items of expenditure which require some comment. You will find on page 78 of the Estimates that there is a sum of Rs. 7,250,000 on account of war allowances, under "Special Expenditure". Now, these allowances have been given to Government Servants, and I have had representations made by many pensioners and by widows of Government Servants pointing out forcibly that their case deserves consideration. Although one would not like to add to the estimated expenditure at this time, it is difficult to resist the plea of these people when Government Servants' hardships have been duly considered. I trust that some consideration will be given to this by the Financial Secretary.

Then, we have increases in Provincial Administration and the Police, and the Department of Prisons and Probation, which are almost inevitably consequent on the present situation. But I am rather surprised at the extent of the increase in the case of the Department of Prisons and Probation, because the whole of the increase is due to a bigger victualling vote. I should have thought that with our new Probation system, the prison population would have come down. In fact, it was one of the grounds urged on behalf of the scheme, and we expected that we would be spared an increased expenditure on the victualling of prisons.

Then there is the Department of Agriculture to which we allow the sum of Rs. 2,000,000 for food production. I must say that I sympathize greatly with all the dissatisfaction that has been expressed in this House in connexion with food production. You will remember that there was an emergency vote of Rs. 20,000,000 this year and there is a note that out of this Rs. 20,000,000 no less than Rs. 1,600,000 has been awarded to the Minister of Agriculture and Lands for food production. What he has done with the money, I do not know. Very few Members who live in outlying districts seem to have seen much of food production. [*Interruption.*] I

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[Mr. Wille.]

was going to say that it is due to this House that the Minister of Agriculture and Lands should, from month to month at least, issue a statement of the progress he is making with food production. We are all greatly concerned about it and are speaking about it, but there seems to be no improvement whatever. I do not know, Sir, whether the result of giving this Rs. 20,000,000 will be any more beneficial than the award of Rs. 1,600,000 to the Hon. Minister this year.

Now, reference has been made to the Fish Department, and you have heard very sad tales of the fishermen. We know, their plight is worse than that of the peasant, however bad the plight of the peasant may be. But nothing seems to be done to improve their position. The Hon. Minister of Local Administration is not here, and I wish he was present to hear something that some of the other Members and I have to say.

It was two or three years ago that we gave a large number of officers to the Fisheries Department expecting that the fishing industry would be put on a proper basis. Just note the number of them taken on in the last three years. They are the Director of Fisheries, an Assistant Director, a Probationary Assistant Naturalist, a Probationary Biochemist, two Instructors in the Fisheries Training School, two Fishery Inspectors, and a Fish Curing Officer. These are research officers also. The Marine Superintendent and Hydrographer, a Master and an Engineer. Has any Member of this House heard of anything being done to improve the condition of the Fisherman? In fact, one Member who was living in the biggest fishing district in the Island, said that all these things are very unsuitable and will not be accepted by the fisherman, and that they ought to be given employment of some other sort in order that they may eke out a livelihood. I cannot understand why there is indifference when the Council has shown such liberality in the question of votes.

Then, out of this emergency vote of Rs. 20,000,000, you find that a large sum has been given to the Minister of Local Administration for the supply of fish. I wonder what story he has to tell. I do not think Rs. 5 has been spent out of this sum and the people have not been receiving their supply of fish.

With regard to the Department of Local Administration generally, you will remember that over and over again I have pointed out to the Hon. Minister how essential it was that a large scheme of better housing and slum clearance should be started. He promised to take up the matter, but there is not the slightest attempt. What is the good of giving a grant of this kind for instance? Rs. 85,000 has been given to local bodies for Maternity and Child Welfare Centres that is to say, he gives money to help children being brought into the world in that they may go through a period of infancy, and then they are allowed to live in insanitary surroundings wanting light and air; and the last state is worse than the first.

I do not think I can help repeating that a big loan for the purpose of slum clearance and proper housing should be one of the most remunerative schemes that we could undertake. When we think of the amount that will be saved in hospital administration, when we think what better economic results will come from people with healthier bodies, apart from the moral aspect of the question, we cannot hesitate to approve any loan scheme for the improvement of housing conditions in Ceylon.

Now, as a sort of apology, there is a vote of Rs. 50,000 granted for all the local bodies in the Island. It is a pitiable sum of money. I do not see why the Minister should not embark upon a loan scheme for the purpose which I have mentioned.

I do not think I will mention some of the other items that call for comment, though they are interesting, because some of them have been referred to already by previous speakers. But one is glad to notice that under the Controller of Labour the vote for unemployment relief has been greatly reduced. A large number of people who never earned before are now earning, and a large number of them are earning far more than they did before. But we have to keep in mind the end of the war and the transition to pre-war conditions or possibly worse than pre-war conditions.

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With regard to the seemingly large vote for Education, which is always a target on the part of false economists, one has to remember that a very large part of this vote is due to the feeding vote being included in the Education vote, and also to the vote that the Assisted school teachers are getting by way of a special war allowance. That accounts for nearly Rs. 3,000,000, out of a sum of Rs. 24,581,774 allotted to Education.

Then, with regard to the grant of the University to Ceylon, nobody grudges it, but we have to face the fact that this represents about fifty per cent. over the cost of the Ceylon University College. We had a vote for the University College —say about Rs. 600,000—and we had the benefit of the fees of the students which amounted to about Rs. 100,000. So that this Rs. 900,000 represents an increase of more than fifty per cent. over the University College vote. Of course, it includes the former Medical College vote of Rs. 200,000-odd.

I think we all congratulate the Hon. Minister of Communications and Works on the improvement that the Railway is showing and we hope that, with the improved transport system, the Railway will still further improve not at the expense of the transport system but by reason of the efficiency of it. I think there is room for both the Railway and the transport system to prosper. The mischief so far has been that each had to cut the other down to some extent.

I like, before I sit down, to make a few remarks on one or two matters mentioned in the Hon. Leader's speech in introducing the Budget. I do not think that I can approve of the proposal to charge to Loan account the deficit of Rs. 30,000,000, that is Rs. 17,000,000 in the coming year and Rs. 13,000,000 net deficit this year. It will be remembered that we had in our present Budget, that is the Budget of 1941-42, no less than Rs. 11,000,000 to be applied to the Home Defence Loan, as it is called. Then, we also had out of the Supplementary Estimates that were passed this year Rs. 1,333,333 earmarked to be applied to the Home Defence Loan. That makes it Rs. 14,333,333. In this year's Budget you will find that Rs. 2,000,000 is earmarked for allocation to this Loan, and that brings it up to Rs. 16,333,333, and, lastly, it is proposed to charge this Rs. 30,000,000 deficit to the Home Defence Loan.

Well, if only the Excess Profits Duty Bill were improved, there would be no necessity to resort to this loan which is a dangerous thing owing to the present circumstances and considering what the future has in store. I am not going into the merits of the Excess Profits Duty Bill, because that matter will come up in the ordinary course. But, it seems to me that the number of concessions that are proposed in that Bill are like the famous fancy franchises in well-known Reform Bill of the last century. Those ought to be cut out, and we will have no necessity to resort to this loan.

I wish to draw attention to one important point in connexion with this loan. It ought to make the Board of Ministers hesitate less to refrain from applying this to meet the deficit from the loan. The remarks made on this year's Budget as well as on the coming year's Budget with regard to the items that are proposed to be referred to this loan are these:

> " Provision made under this Head for expenditure will in the first instance be advanced out of the revenue of the Island pending the charge to loan funds. If the advance has not been refunded to revenue out of loan funds, the amount, or so much thereof as has not been so refunded, will be charged to revenue in the financial year 1947-48 ".

So that, this is not really considered seriously as Loan expenditure, and I trust that the Board of Ministers will reconsider the matter and drop this idea of using this loan for the purpose of meeting the deficit. It can easily be met from the excess profits duty if the Bill is improved in the direction suggested.

I have already referred to the food production vote of Rs. 20,000,000 under Head 66, Department of Agriculture. But there seems to be a mistake in the Hon. Leader's speech when he said that under Head 53 Rs. 1,000,000 was provided for food production. That Head refers to the Government Analyst. He must have meant Head 43 which refers to Emergency expenditure which may include food production. It is for various emergency purposes connected with the war.

Sir, side by side with his remarks on food production, the Hon. Leader of the House strangely referred to the Fishing vote and the help he expected from the

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[Mr. Wille.]

Ministry of Local Administration. I was inclined to say, when I heard him speak, *absit omen*. Just as the Department of Agriculture has done little for food production, I have great fear that the scientists in the Fisheries Department will do very little for the poor fisherman.

Congratulations were offered on the establishment of a University, and we certainly can congratulate ourselves that this great institution has come into being. I only wish it to be remembered that a University necessarily implies universality of knowledge, and I trust that no narrow spirit will confine the culture that will emanate from this University to the one connected with a particular religion. I do not think it will do the Island any good, or the University any good, unless a very broad view is taken in the matter.

Those are all the remarks I wish to make on the Budget. I think we all realize that we have come to a serious crisis in our public life and we shall have to exercise more caution in the way we collect money on behalf of the people and in the way we spend that money in their name.

Mr. Deputy Chairman of Committees: The sitting is suspended till 4.30 P.M.

Sitting accordingly suspended until 4.30 p.m., and then resumed.

The Hon. Mr. H. J. Huxham (Financial Secretary): It is usual for the Financial Secretary to reply to various points made by hon. Members.

I would deal first with some of the remarks of the European Nominated Member (Mr. Newnham). He said that the normal revenue was up by Rs. 8,500,000 in the Estimates for 1942-43. But that is not quite correct, because he has assumed that the increase in the yield of excess profits duty will be only Rs. 15,500,000, whereas it will be Rs. 18,000,000. The reduction in income tax yield consequent on the new excess profits duty will not take effect until the following year.

The European Nominated Member (Mr. Newnham) and also the Burgher Nominated Member (Mr. Wille) drew attention to the increased estimate of the yield of Customs duties on grain, and doubted whether it would be realized. A part of the increase is due to the fact that in the next year rice imports will be replaced, to some extent, by flour and the duty on flour is at a higher rate than the duty on rice. The estimates do not assume that the quantity of grain next year will be more than usual.

The European Nominated Member (Mr. Newnham) also thought that the export duty on tea, of Rs. 9,000,000 for 1942-43, would not be realized. That must be a matter of opinion. But I may mention as a matter of interest that the actual yield for July was over Rs. 1,000,000. I admit that it does not take us anywhere except to indicate that exports can proceed at a rate which would more than yield our estimate of Rs. 9,000,000.

As regards debt, the European Nominated Member (Mr. Newnham) drew attention to the fact that the figures of interest payable on the Home Defence Loan indicated that comparatively small sums were likely to be borrowed and deduced that the plan of the Board to meet deficits from the Home Defence Loan was hardly practicable. I would not deny that it is difficult, at the moment, to borrow money in Ceylon in view of the very large sums which have been transferred from Ceylon to other countries. But I agree with the hon. Member that the figures given in the Estimates as the amount of the Home Defence Loan on which we are likely to pay interest next year are insufficient. That, however, is not the end of the story.

The House will know that we pool all our funds and that funds borrowed under one Loan Ordinance are, in practice, used for the purposes of another Loan Ordinance, the accounts being rectified when we are able to borrow to the full extent; and, in fact, we hope to have available from Loan funds during 1942-43 more than sufficient to meet any deficit likely to be incurred between now and September, 1943. There will probably be some Rs. 20,000,000 available under the 1937 Loan. There is, in addition, a fluctuating amount on Treasury Bills which is usually close on Rs. 10,000,000, and I trust that the Home Defence Loan will, by September, 1943, amount to Rs. 20,000,000. If we add these together they come to Rs. 50,000,000; and that is more than we require for the purpose of meeting deficits.

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I would not, however, deny that there may be difficulty about cash during the coming year, because if we are successful in raising our stock of foodstuffs to the figure at which we would like to have them, a sum of about Rs. 25,000,000 will be required, being the value of the stock in hand at any given time. That is a big call to make on the Treasury at a time when we are admittedly somewhat short of cash. But I think it may be met. In any event, I am satisfied that the Home Government would not hesitate to make available to us, if necessary, some part of the Rs. 55,000,000 which we borrowed in Ceylon and lent to the Home Government for war purposes. I think the House will agree that we should be very reluctant to go to the Home Government and ask them to provide us with cash which they so badly need themselves for carrying on the war. But there is that possibility and I myself have no anxiety on the score of cash, at any rate during the coming financial year.

The European Nominated Member (Mr. Newnham) referred to the weight of debt charges and thought that if we borrowed, as the Board of Ministers proposed, our Budget would be overburdened with these charges. If one refers to the accounts of the Island one will find that in 1932-33, which was in effect the first financial year of this Council, the actual cost of the public debt was Rs. 12,500,000. In the year 1942-43, our estimate of the cost of the public debt is Rs. 11,600,000. So that our debt charges are less than they were ten years ago. But that is by no means the whole story. In 1932-33, the debt charges represented 15 per cent. of the revenue; in 1942-43 they represent only 7 per cent. If it is pointed out that the 1942-43 revenue is inflated and it is claimed that the debt charges should be related to what one might call normal revenue, I do not think anyone can make the charges more than 10 per cent. of the revenue compared with 15 per cent. ten years ago. We, therefore, have a good way to go before our Budget can be said to be overloaded with debt charges.

The European Nominated Member (Mr. Newnham) said that in his opinion there should be more taxation and that we should not rely to the extent the Board proposes on borrowed money for meeting our expenditure. I would not say much on that point except that, in my opinion, the income-tax payer is lucky.

The hon. Member for Matale (Mr. Aluwihare) said that I had estimated the normal peace-time revenue at Rs. 108,000,000. I have tried to trace that statement in HANSARD and all I can find is that in 1938 I remarked that Rs. 110,000,000 was, in my view, the normal peace-time yield of the taxes then in force. The war has changed——

Mr. Aluwihare: And you said that taxes had reached a reasonable maximum.

The Hon. Mr. Huxham: Yes. The war has changed the value of money, and we do not know whether it will go back to its pre-war value; possibly the war will leave us with different ideas as to what is maximum taxation. I certainly cannot now undertake to estimate what will be the post-war yield of taxation in Ceylon.

The hon. Member for Balapitiya (Mr. Kularatne) remarked that the interest on our Government balances is going down. I think that must obviously be the case when we are budgeting to spend more than our revenue and also in view of the fact that we have to finance very large stocks of foodstuffs, which certainly do not yield interest and are more likely to leave a loss than a profit.

***Mr. Aluwihare:** Are you selling your securities?

The Hon. Mr. Huxham: We want more cash both to buy foodstuffs with and also to meet deficits. There must therefore be sales of securities.

The hon. Member for Galle (Mr. H. W. Amarasuriya) remarked that he did not know where our cash was to come from, as our investments were spread all over the world, and he seemed to imagine that the money must stay where it is invested. That is not the case. All our investments are of a kind which can be readily realized, and they are being realized as the need arises. We were fortunate not to have investments in Malaya or Hongkong.

The hon. Member drew attention to a printing error in the Estimates. I can

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[The Hon. Mr. Huxham.]

assure him it is actually a printing error, and I do not think it is of very great importance. It is indeed surprising that there is only one error in this book which has to be produced at top speed under great pressure.

The hon. Member also drew attention to what I admit is a legal difficulty regarding the Defence contribution in that we have provided one sum of Rs. 27,000,000 without splitting it into the amount provided by Special Law, namely, the obsolete Defence Contribution Ordinance and the balance which is provided by vote of this Council. I think that the question of repealing that law will have to be considered. But I would ask the House not to press that point, because to calculate the sum which would be payable under the Defence Contribution Ordinance would involve a great deal of work both to the staff of the Treasury and also to the Army Account Department, and when we have got the figure it will not serve any useful purpose. I think there is no chance of the House reducing the provision of Rs. 27,000,000 below the figure which would have been payable under the Defence Contribution Ordinance, and therefore the amount which would have been payable under the Ordinance is merely of academic interest.

The hon. Member for Galle (Mr. H. W. Amarasuriya) also indicated that the Board of Ministers had not been fair with the House in suggesting that Rs. 27,000,000 covered all the expenditure on active defence, because sums were provided separately for items such as Coast Watching and would apparently still be paid. The Rs. 27,000,000 covers the cost of the Defence Force, land and buildings for the Garrison and the old Military contribution under the Defence Contribution Ordinance. Admittedly, there are other items of expenditure which may be regarded as active defence, and in respect of those items claims will be and are being made on the Services for reimbursement.

As the Hon. Leader mentioned in his opening speech, we hope to get really substantial sums from the Services under the new financial arrangement in respect of goods supplied, rent of buildings, services rendered, and so on, by this Government which we should not have claimed under the old arrangement. The Rs. 27,000,000 therefore covers the direct items of active defence, but that does not mean that revenue will bear in addition the cost of other items. If such other items are in fact paid out of Ceylon revenue they will be recovered from the Services and will appear in revenue under reimbursements.

The hon. Member drew attention to differences in my Estimates of the yield from excess profits at different dates. Well, Sir, the estimated yield from any proposed tax must vary every time the proposed law varies. The original estimate was on the basis that there would be a percentage standard of only 6 per cent. on capital, and the moment the percentage standard of 10 per cent was granted the estimate had to be substantially reduced. In the Bill now before Council other concessions are given, such as minimum capital figures for various kinds of estates, and these in themselves must mean a very considerable reduction in the yield. Apart from that, the rate proposed on plumbago is now 30 per cent. instead of 50 per cent. and that also accounts for a reduction.

These items explain most of the differences between previous Estimates and the figure appearing in the Estimates for 1942-43, but there is still a further difference. In reporting on proposed taxation legislation to this House, I have always given an estimate of what the annual yield would probably be; that is to say, yield for a full year of the tax, but in the Estimates placed before the House I have to arrive at a different figure, namely, the amount which is likely to be collected during a particular financial year. If we had the Excess Profits Duty for one year only the House would not expect the whole of that duty to be collected and not a rupee be unassessed or outstanding at 30th September next. Obviously there would still be unsettled cases and still be items to collect, with the result that the amount we may expect to collect in the coming financial year is less than the annual yield.

I am afraid that the explanation is rather involved, but I may assure the House that there is no important difference in the estimate of yield from this tax which cannot be fully accounted for.

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I may say in passing that I do not put forward the estimate as being likely to be precisely fulfilled at all. In the United Kingdom the Treasury refused to give any estimate of the yield from Excess Profits Duty for the first year in which it was imposed. They simply left the figure blank and said that it was not possible to give an estimate. Well, Sir, here we are giving a figure and if it is, say 20 per cent. out I think it will have been quite reasonably accurate.

The hon. Member for Galle wound up his speech with a prediction of bankruptcy. I could not quite follow how he arrived at that result, but possibly I shall get him to explain it to me during the tea interval one day. I do not see myself that this present Budget is landing us in bankruptcy. Admittedly, we propose to borrow some money, as almost every other country involved in the war is doing in order to meet exceptional war-time expenditure, but as I have endeavoured to show already, the borrowing of that amount is not likely to result in damaging our credit or landing us with an undue weight of debt charges.

Various Members have spoken about the Excess Profits Duty and have hinted that the Board of Ministers has been very much to blame in the matter. I think, Sir, that is rather amusing. I would like the House to bear with me for a few minutes while I give the history of this tax.

In the first week of the war, I proposed to the Board of Ministers that Excess Profits Duty should be levied on all businesses at 50 per cent. without any exception. If that proposal had gone through, we should have collected by now about Rs. 50,000,000 which we have not collected, and it would have come from people who could very well afford to pay. However, the Board of Ministers thought that the House would not accept a Bill imposing that duty on all businesses, and in December, 1939, less than three months after the war had started, I moved the first Excess Profits Duty Bill in this House imposing a duty of 50 per cent. on all business except agriculture and plumbago-mining. The second reading took place on 25th January and the House rejected that Bill without a single dissentient. There was a chorus of "Noes" and not a single "Aye" and it was obviously useless for me to call for a division.

The second Bill, which again excluded agriculture and plumbago-mining, was read the first time on 26th August, 1941, and on 2nd September, 1941, the House rejected a proposal to refer back the Bill to the Board of Ministers in order that it might include agriculture and plumbago-mining. This showed that the Board had correctly guessed the feeling of the House, namely, that a clear majority was opposed to the taxation of agriculture and plumbago mining at that time. Incidentally, in the Committee Stage of that Bill, the Ceylon put forward the date proposed by the Board of Ministers for the commencement of the duty in order to exempt the profits of 1940, and thereby reduced the yield by several millions. That change of date had the effect, as the House was told at the time, of exempting from the duty such items as the very large profits made by sugar importers in 1940 when the rate of sugar duty was altered. The House passed that Bill and it is now in force.

A third Bill which is to tax agriculture and plumbago-mining is now before the House. It will be interesting to see how the House reacts to that Bill. I trust that there will be no question of seriously diminishing the anticipated yield by such an amendment as that proposed in the newspapers recently on more than one occasion, namely, that the minimum capital standard of various classes of estates included in the Bill should be substantially increased. Those figures, Sir, represent the minimum value of the estates in question before the war. They are not a maximum, nor are they an average. They are a minimum. Writers to the paper have suggested that the figures ought to represent present-day average value. Well, if you take any business at its present-day value and allow 10 per cent. of it as a standard, are you likely to get any excess profits duty at all? I should say that in a very few instances only will there be excess profits. The figures in the Bill therefore represent minimum pre-war values, and in the opinion of the Commissioner of Income Tax, who has access to all the necessary data, the values are already too high.

To come back to my point, Sir. Some Members of the House hinted that the

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[The Hon. Mr. Huxham.]

Board of Ministers is very much to blame for not having imposed excess profits duties on all businesses long ago. As I have endeavoured to show it is not the Board which is to blame; it is this House. It is a case of a very black pot drawing attention to an odd smudge or two on a comparatively clean kettle!

As regards the Estimates generally, I would warn the House, as the Leader has already stated, that they are prepared on an optimistic basis. They assume that there will be no further enemy attacks on Ceylon. They assume that there will be no serious deterioration in the shipping position, and in the case of many items of expenditure the figures are on the low side.

I have already indicated that the interest on the Home Defence Loan will (I hope) prove to be insufficient, because we want to borrow more money. Another item about which I have considerable doubt is the provision for war allowances. That was estimated on a basis of a cost of living of 64 points above pre-war. I believe that the figure at the end of July was 73 points above pre-war and if that average is maintained during the coming year the provision will be insufficient by about Rs. 2,000,000. We cannot close our eyes to the fact that not only might that figure of 73 points above pre-war be maintained, but it might increase substantially. One hon. Member, I think, said that in his view the cost of living was bound to rise to 100 points above pre-war during the coming year. If so, the expenditure on war allowances will be nearly doubled.

Sir, a number of Members have commented on the war allowance and have indicated that in their view Government ought not to pay this allowance at all to its employees; it ought to use the money provided for that purpose to reduce the cost of foodstuffs or to give a benefit to the community generally in whatever way may be most desirable. I would ask the House to realize that Government as employer and Government as Government are two different persons. We like to say that Government should be, and in fact is, a model employer.

Now, what does the House expect a good employer to do to-day? As regards the estates, we know what has happened. They are being compelled to pay war allowances which in some respects is more generous than that which Government gives to its employees. I would ask hon. Members what they would expect the average bank or big commercial house to do? Would they not criticize a business very severely if it continued to pay its lower-grade employees merely the sums they were getting before the war in spite of the very great present increase in the cost of living?

I do suggest, therefore, that Members who say that the war allowance ought to be distributed among the community generally, instead of being granted to Government Servants, have lost sight of the fact that Government as a model employer is involved. In that capacity Government must deal with its servants with reasonable generosity and make up to its lower-paid servants a considerable portion of the increase in the cost of their daily needs.

We have heard from more than one Member regarding the old question of social services. Most of the Members who are new to this Council have made proposals which they appear to think may be new to the House, for sickness benefits, old age pensions and various other things of that kind. Sir, I can assure those Members and the House generally that the Board of Ministers, including myself, are not in the slightest degree opposed to the payment of such benefits. It is merely a question of ways and means. We have not got sufficient money to render social services on the scale which applies in England, New Zealand and places of that kind, and at the same time to finance the very necessary development of the country. It is much more spectacular and is much more likely to appeal to one's constituents to urge the expenditure of Government money on old age pensions and benefits of that kind. But I would ask Members to consider whether such expenditure is in the higher interests of Ceylon if it results in our inability to find money for development.

I have mentioned many times before in this House the extraordinary rate at which the population of Ceylon is increasing and the necessity for any Government which does not confine its outlook to the immediate future to have a definite plan for dealing with the large

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increase in population which may be expected, at any rate in the next twenty to twenty-five years. We have to expect during that period nearly 2,000,000 extra inhabitants of Ceylon, and if we are doing our duty we must give attention to the question how those extra inhabitants are going to earn their living.

My idea of the proper way of dealing with the subject immediately after the war is to undertake a scheme or schemes to bring under food crops at least 1,000,000 acres during the next twenty to twenty-five years. To do that properly with all the roads, hospitals, dispensaries, schools, post offices and everything of that kind which would be required, would cost us no less than Rs. 400,000,000.

We need not be frightened at that figure provided our finances are otherwise on an economic basis. But if we stretch our revenue to the utmost to provide for old age pensions and very expensive luxuries of that kind, then I must warn the House that we shall not be able to finance a scheme of that kind. I would ask hon. Members which the average citizen really requires most: will he be content to be given up-to-date medical facilities, and old age pensions when he reaches sixty-five years, and benefits of that kind, if he is going to starve to death long before he reaches that age? Our primary object must be to provide a good living for every citizen of Ceylon, both present and prospective, and to raise the standard of living of the people.

As I have stated 1,000,000 acres are required during the next twenty to twenty-five years to be brought under cultivation to take care of the increasing population which will undoubtedly occur. In addition, we should stretch every nerve to ensure that the areas now under cultivation yield better crops in order to improve the standard of living of the existing cultivators. If we are to carry out these schemes, we simply have not got sufficient money to provide for social services on the scale which many Members, including myself, would like to see.

***Mr. S. Natesan (Kankesanturai):** Sir, in one part of this shattered world there are millions of people clinging to the Atlantic Charter, for the resurrection of their freedom, and in this little world of ours here the Member for Matale (Mr. Aluwihare) thinks wistfully that by harping on the Kandyan Convention we can bring back Lanka's lost glory and freedom. There was a time, in the early stages of the war, when people concentrated their attention upon what they were going to do after the war was over. They were visualizing the future and thinking of plans for a new world order.

But just now we are passing through the most fateful period in the world's history. Churchill himself [illegible]ring to England, said, " We are fig[illegible]g for our existence ". Perhaps when he said that he referred to England fighting for its existence as a great political Power. Here in Ceylon we can say that we are fighting for our existence in a more literal sense.

We have come to a state where we have to face a more insidious enemy than a possible invader of our shores. Some months ago, we had the aggressive invader almost at our door, and we do not know what is going to be the designs of that invader in the near future, but we are now face to face with the great problem which affects the physical existence of our people. Our people are already in a half-starving condition. Perhaps we are already on the verge of a worse situation. I wonder why the Hon. Minister of Labour, Industry and Commerce does not deign to give us full and complete information as to what the exact position is in this matter, but we can easily guess what it is going to be.

The Hon. Leader of the House in his Budget speech said in the most complacent way which is always characteristic of him that the rationing system has been working very smoothly. We can only tell him and his colleagues that they have eyes and see not, they have ears and hear not. We, as Members who come into touch with the masses in our constituencies, know how much the people are suffering. It is a wonder that the suffering of the people has not become as articulate yet as one would think it would become under ordinary circumstances. Perhaps, it is due to a sense of frustration, resignation, fatalism. They are not prone to start violent

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[Mr. Natesan.]

and revolutionary stunts, but the discontent is there already. There is seething dissatisfaction throughout the length and breadth of this country with the system of rationing rice adopted by the Ministry of Labour, Industry and Commerce, and now in addition to the hardships arising out of the rationing system we have the amazing rise in the scale of prices affecting foodstuffs, and clothing and affecting, in a most vital manner, rice; and also wheat is now being offered as a substitute for rice.

I do not know why the Board of Ministers does not give this matter the attention which it deserves. The Board of Ministers rose to the occasion when there was a malaria epidemic. They were able and were willing to spend millions of rupees to save the people from extinction. But to-day we are faced with a worse crisis than that, and what are the Ministers doing? They are very niggardly about this question of raising sufficient taxation, probably because they are influenced by vested interests, some of them at least are the spokesmen of the plumbago industry, and they are not looking at this question as we are. Sir, politicians are good when they think of politics in terms of service and patriotism.

***The Hon. Colonel Kotalawala:** Never judge others by your own standard.

***Mr. Natesan:** I am judging properly, and the country will be behind me when the verdict is passed about the conduct of the people at the helm of affairs. They are not doing their best by the country.

Now take the price of rice. Are the people able to sustain themselves by paying this high price? The rationed quantity is already so inadequate that they have to lead a half-starving existence. The credit system was already shattered when the rationing system was introduced, and on top of it all there is this high price. How are the people going to sustain themselves? There is a remedy for that, but that has not been seriously thought of, by the Board of Ministers. I must demand in the name of the people that the Board of Ministers should do everything in their power to equip themselves with the revenue necessary for the purpose and reduce the price of this essential of life. If they do not do that, then they have no business to transact the affairs of Government in the name of the nation here. They are not here as commercial people adding figures and saying, "Oh! on account of so many items, transport, this office, that office equipment, and other things we have to raise the price of rice in order that the Government may not suffer loss". Is this the time to calculate in those terms? We cannot afford to do that.

Take England and the other countries. Look at the way in which they are spending enormously for the sake of fighting this war. Here we are fighting with a more insidious enemy, with a more potent enemy, an enemy who will decimate the whole population because of half-starvation, malnutrition, disease and epidemic. It is time that we took stock of the situation, the dangerous situation that is facing us, and did something. We ought to be brave, if it involves a loss or deficit—to face it for the sake of the people, because if the people do not exist, if the vitality of the people is going to be affected, then what is the good of carrying on the Government? We are here to think of this most essential problem and, I think, this House should demand in the name of the people of this country that the Board of Ministers should tackle this question, that they should make it possible for the people shackled as they are, fettered as they are with all sorts of hardships about the inadequacy of the rationed quantity, to see to it that it is possible for the people even with all these hardships to have the wherewithal to buy the rice that is available for their consumption.

I want to touch upon another aspect of food rationing. It is a tragic thing to contemplate the possibilities which the Minister of Labour, Industry and Commerce had to avert a catastrophe of the kind which is confronting us. I am full of sympathy for the Minister who has had to tackle a very difficult problem. It is no doubt a problem of unprecedented difficulties and complications, but certainly the problem could have been

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handled in such a manner that we need not be faced with this crisis.

Now I would point to the case of two Native States in India which had to face a similar problem, precisely the same problem as that which Ceylon has to face. I am referring to Travancore and the Cochin States. They were dependent upon Burma rice. The population of Travancore is nearly the same as that of Ceylon. I know, Sir, what those Governments did when they had the first intimation of a possibility of a rice shortage arising owing to Burma being involved in hostilities. I was at the time in Travancore. When our Government was not thinking of any steps, they had already started storing, stocking rice to meet a crisis. They had the same difficulties. But the other day the Dewan of Travancore, addressing the State Assembly during the Budget session, was able to say that they had no reason to anticipate any future shortage of rice in their State. They were well provided with stocks of rice to meet any situation. How were they able to do it?

This Government sent its ambassadors in the persons of the Minister of Agriculture and Lands and the Minister of Labour, Industry and Commerce, and India, though it had had some reason to adopt an indifferent attitude towards any request coming from this country at that time, was magnanimous. The Indian people did not think of past bickerings; they did not think of the attitude adopted by this country towards the nationals of India, but they brushed aside all those memories, bitter as they were, and undertook to allow this Government to take a liberal quota of rice supplies from India.

But what is the position today? Were we able to make use of that magnanimous offer? At whose door have we to lay the blame? People will say that there is no use crying over these past mismanagements. But it is necessary for us to know why this business was so badly mismanaged. Just as in the case of individuals, rigorous self-examination is necessary, so also in the case of national affairs if we want to reach any high standard of performing our duty, of doing our best, of adhering to great ideals of efficiency, we have to do some self-examination. And it is tragic, as I said, when you think of the way in which the whole business was mismanaged.

What is the actual position? Have we been able to deliver the goods to the extent that it was possible for us to deliver them? We could not bring to these shores even half the quantity that was available to us. Now take those other Governments to which I made reference. They arranged transport facilities with the Central Government. The Central Government would certainly have given us accommodation in this matter. Just now [illegible], thanks to the efforts of one European gentleman stationed at Trichinopoly as Immigration Commissioner, a Mr. Lindon, we have secured some transport facilities owing to his personal influence with the Railway authorities. But we could have obtained the transport facilities. If, for instance, this Government secured the entire goodwill of the Central Government of India—I am using these words advisedly, because if the Central Government was thoroughly satisfied with the way in which this Government went about its business there would have been certainly more goodwill on the part of the Central Government—they would have given us more facilities than actually have been available with regard to transport and other matters.

I do not want to refer to the way in which, for instance, certain undertakings given by this Government were not carried out. To refer only to one thing. The Indian Government stipulated that the Ceylon Government should get its rice through the usual trade channels. What happened after this agreement between the Central Government and the Ceylon Government was effected and our ambassadors returned with beaming smiles on their faces? They sent officials of this Government to go into the market in India and buy rice. That is what happened; it cannot be denied. The officials went into the market and bought rice, and with what result? Naturally, when the traders found that the Ceylon Government officials themselves were in the market—people who knew the desperate situation which had been created in Ceylon owing to food shortage—they put up the prices, and India too began to suffer. In some parts

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[Mr. Natesan.]

of India there were complaints that owing to this the prices had gone up and that the people had to suffer. Lately the Madras Government had to take serious notice, and they even went to the extent of saying that the issue of licences would be stopped. But somehow or other we have been able to get those permit licences renewed.

It is a legitimate grievance of the Indian Government that the Ceylon Government officials themselves went into the market. We know how badly they bungled matters. I am not touching upon that aspect of the matter at all now. But the fact is that this undertaking was not faithfully carried out. Without thinking of other aspects of the case, if the Central Government of India knew that the Ceylon Government was respectin all its undertakings in the best manner possible, in the best spirit possible, then there would have been more good will coming from the Central Government of India, there would have been ready transport facilities available. And I do not know why our Ministers did not ask for some sort of priority transport facilities.

Again, Sir, I must say that there were several other ways in which the business aspect of the matter was very badly bungled owing to official ineptitude, owing to delay in answering the queries from exporters in India about contracts to be entered into as regards prices, and so on. There have been difficulties created for these people who were exporting rice from India to Ceylon. Some exporters were thoroughly disgusted with the manner in which the business part of it was handled. The Indian rice market is fluctuating constantly, and if there is delay in attending to correspondence for ten days or two weeks, the prices go up in the meanwhile.

Then, again, the buying of the rice was very badly done. This Government had all the money for buying supplies of rice and stocking it. But they used to send orders just for short periods, just a little in advance to enable those exporters to send rice here, with the result that just now when the available stocks are being reduced in the Tanjore District, for instance, we are faced with a crisis. Tanjore, if properly tackled and if proper transport facilities are arranged, could help us considerably.

Again, Sir, what was the technique adopted by our Government in dealing with this really complicated business? Did they get proper expert advice? Surely they had no idea of the business but they went into it; and it is no wonder that they bungled matters; it is a wonder that the bungling was not worse than it is. You know, Sir, the people of Ceylon, however eminent they may be, however high may be the position which they hold, many of them do not have a knowledge of the geography of India, to say the least. They do not know where rice is grown in India. Rice is grown and is available in the Eastern coast of India, but they have bought that rice in the Western coast of India.

This morning, we had a statement from the Hon. Minister of Labour, Industry and Commerce that the Leader of the House was going to India on this mission of obtaining more rice. I wish him well. But I do not know how far these missions are going to be successful without proper guidance. Take the Minister of Labour, Industry and Commerce. He had in his own Committee some Indian Members, the hon. Nominated Member (Diwan Bahadur I. X. Pereira) and the hon. Member for Hatton (Mr. Natesa Iyer). Their guidance would have been useful. But were their services utilized? I suppose the Minister of Labour, Industry and Commerce, like several other Ministers, simply relied upon the emergency powers given to Ministers to act when there was an emergency, and I do not think the Executive Committee had a hand in coming to a decision on this matter though the Minister was fortunate in having in his own Committee some people who had a good knowledge of India and its conditions, of the rice trade particularly. It is a pity that having had all these opportunities, there has been a colossal and tragic waste and miscarriage of splendid opportunities.

It being 5.30 p.m., proceedings on business under consideration were interrupted under Emergency Standing Order 2 (4).

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ADJOURNMENT.

***The Hon. Sir D. B. Jayatilaka (Leader of the State Council):** I move, Sir, that the Council do now adjourn.

***Mr. B. H. Aluwihare (Matale):** In regard to the proposed mission of the Hon. Leader of the House, one would like to know the scope of it. Is it to be that we are sending an ambassador to Delhi, or is it to be that we are sending someone who can translate the promises given to the Minister of Agriculture and Lands into actual deeds?

So far as the Central Government is concerned, I understood that something above our normal requirements was promised to the Minister of Agriculture and Lands. Then the Minister came back. Later the Ministry of Labour, Industry and Commerce found itself unable to produce this rice from the sources allotted to us. Now it appears that there was only one understanding between the Indian Government and ours, and that was that normal trade channels were to be used in procuring the rice.

Anyway, the Ministers were unable to obtain the rice for us. Now what is the position? Is the Hon. Leader of the House going to Delhi to get the Central Government to reiterate its offer, or is he going to see that rice is sent to this country from the various Provinces which had been allotted to us?

Hon. Members will see the difference. The Provincial Governments in India are largely autonomous. The Central Government has almost only a supervisory power over the Provincial Governments in certain matters, and so far as the release of rice is concerned, it is mainly a matter for the Provincial Governments—the actual release from the Provinces. Now, where has the arrangement failed? Is it that the Central Government have gone back on their word and said, "Well, we cannot allot you any Provinces"? I understand that that is not the case, because the Minister said that the Central Government have allotted sources. So it is unnecessary for anybody to go, full of dignity, and sit in Delhi.

Then it must be that the sources allotted to us have failed, that we have not been able to buy rice from these sources and someone has to see that these normal trade channels function. If it is that latter purpose, is the venerable Leader the best person to run from Province to Province and see that this thing happens? I would like the Minister to tell us the purpose for which the Hon. Leader of the House is going.

***Mr. R. Sri Pathmanathan (Mannar-Mullaittivu):** This has come as a surprise to us. The proposal to send the Leader of the House to Delhi was not notified to the Executive Committee, and it has come on this House as a bombshell. What on earth is the use of this old gentleman going to far off Delhi? We might send him to Kumbakonam to enjoy himself. That would be a much better place for him. And how will the Leader of the House do his work in Delhi? To-morrow Mahatma Gandhi is starting his general strike—in the course of next week. The whole of India will be in turmoil, and I think the Leader of the House would be placed in a safe corner at Spencer's at Dhanushkodi, and will never reach Delhi at all.

What a waste of public money! We had two of our Ministers going to Delhi. Is the Minister of Agriculture and Lands not able to tackle the question? Is the Minister of Labour, Industry and Commerce, with his suave smile and "Yes" to everybody, not able to fix a deal? Would this old gentleman, the Leader of the House, be able to tackle the Indian merchants, the Viceroy and the officials there? It is well known to us that the Madras Government will not send a *chundu* of rice to us. They say, "We are in a state of panic; we cannot send any rice to you". What is the Leader of the House going to do? Is he going to give them sugar-coated pills in the form of rupees? They have encugh of them. They are prepared to buy rice at any price. The position is the same in the other Provinces.

With all the goodwill in the world, the Leader of the House will not be able to get any rice in any part of India. They want the rice for themselves. The situation is serious enough in India itself. We are wasting far too much public money in sending these ambassadorial

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[Mr. Sri Pathmanathan.]
missions, which might flatter the pompousness and vanity of certain Members, but they will merely go and come back with empty hands.

This is not the way of tackling the problem. I wish some more serious endeavours were made to solve this problem, by giving more land out for cultivation, as the Minister of Agriculture and Lands has done, and by spending more money in cultivating the fields which are not now cultivated in this country. You will get nothing from India for another two or three months. That is the honest, true, position. I have read report after report sent to us by the Central Government. "Our necessity is greater than thine", they tell us.

Where is the Leader of the House going to get the rice from? This is a foolish mission. Let us get all the Sindhi merchants here and ask them to get the rice. The greatest mistake we made, as pointed out by the Member for Kankesanturai (Mr. Natesan) was to entrust the work of purchasing rice to amateurs who have no knowledge of the rice trade. Even the best of rice that now comes here is not up to *Mutt samba* standard. There is a supply of boiled rice at Kankesanturai which is absoluately worthless, not fit even for a dog to eat. This is how money is wasted.

I think the whole mission of the Leader of the House will be a total, absolute failure.

The Hon. Mr. D. S. Senanayake (Minister of Agriculture & Lands): I do not think hon. Members are acquainted with all the facts, and that is why I presume they object to the Leader of the House or anyone else going to India.

As the House is aware, India also is a country which consumes a little more food than she normally produces within her own territory. Her production is said to be about 10 per cent. less than her requirements. India has agreed, even in these circumstances, to give us the same quantity as proportionately would be available for her own requirements, that is 10 per cent. less than our normal requirements.

The hon. Member for Matale (Mr. Aluwihare) was wrong when he said that we were to get a little more than our normal requirements. We were to get 10 per cent. less than our normal requirements, which would be the amount proportionately which India herself expected to obtain for her own requirements——

***Mr. S. Vythilingam (Talawakele):** Ten per cent. less than normal imports?

The Hon. Mr. Senanayake: But this quantity had to be obtained from different Provinces. The production in these Provinces of India is not the same every season. It was not possible for the Indian Government to say, "You can have this quantity from this Province and that quantity from the other Province". They were trying to adjust matters themselves to see that we obtained the necessary quantities from places which could spare them, from places which would be least inconvenienced by sending us those quantities which we required.

When I went to Delhi the last harvest was just being reaped. The Central Government had to get the figures from the different Provinces before they could make any allocation. We did not know what the allocation was going to be, but since then we know this, that there have been demands from other countries. The Indian Government has tried to accommodate those countries as well. So there were greater difficulties in getting rice from India than there were when the Minister of Labour, Industry and Commerce and I were there.

What has actually happened since then is that certain districts were allotted to us for the purpose of sending different quantities of rice to us. We got our requirements from certain districts, but certain other districts were not able to give us any rice.

My hon. Friend the Member for Matale (Mr. Aluwihare) is under the impression that anyone who goes on a mission to Delhi has to go about hopping from one district or Province to another. All the work involved in that is done by the Central Government. They communicate with the different Provinces and Governments. What we have to see is

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that we get a proper allocation at the proper time, and that the necessary arrangements are made. When other countries are trying to get supplies of rice for themselves and we ourselves are trying to do likewise, our representative in Delhi would be able to make better arrangements for this country than anybody else there.

Mr. Aluwihare: Is it a very big struggle?

The Hon. Mr. Senanayake: If it were not, we would have had all the rice we wanted. It is not a question of fighting anyone. You have to consider the fact that there is not only a shortage of rice in many countries but that there is the same problem in India itself. Just as we are experiencing trouble in this country over transport—we are finding it difficult to transport paddy and rice from the interior areas to the coastal areas—similar difficulties exist in India.

It is quite easy to blame this or that person, but if we realized the difficulties we would understand how great is the problem that is to be tackled. In Ceylon we find it difficult to transport our own paddy from one Province to another. To-day, in certain parts of India there is rice available but, as the hon. Member for Kankesanturai (Mr. Natesan) has said—[A MEMBER: The Member for Mannar?]: I was not referrring to the member for Mannar; he has got to say something; he wants to be funny and he was that. I do not think I need pay any attention to what he had to say.

As I was saying, there is a certain quantity of rice available in the Tanjore District, but this district supplies rice to some of the Indian States and to other parts of India as well. We can only get a quota of that rice. That will not be sufficient.

What we want is that when the time comes for allocation, our representative should be there to see that we get our rice and to make the necessary arrangements. It is a matter of our representative being with the Central Government who are arranging things for us till such time as we make ourselves secure and see that the rice comes here.

We know, Sir, that at this time food is the most important commodity that we should have available, and we know that unless we have a person who can be accepted by the Indian Government as a person who is a representative of Ceylon, we would find it difficult to get what we want. I do not think the Indian Government can consider anyone better than the Leader of this House as our representative. The very fact that our representative is the Leader of the House himself, shows what great importance we place on getting this rice. Therefore we are sending him. It is for no other reason than because of the position he occupies here and because of the importance of this problem.

***Mr. Aluwihare:** What about the struggle there?

The Hon. Mr. Senanayake: There may be certain struggles people may have in mind. But the struggle that we refer to is the struggle between different people who want to compete and get the rice. It is not a physical struggle to which you must send your armies. Sir, I would say that this is an occasion when we must consider this matter very seriously. Our position is not such that we can lightly pass off or make remarks which will show that we do not appreciate the situation.

***Mr. Aluwihare:** That is the point—we appreciate it.

The Hon. Mr. Senanayake: Having been there myself, I feel that I know the position, and knowing how anxious the Indian Government is to help us, I am convinced that we can do no better than see that the agreement with India is fulfilled; and I feel that no one is better suited than our Leader for this mission. In those circumstances I feel that he should go to India.

There is another thing. Some people want to know why the Minister of Labour, Industry and Commerce was not selected to go. He went to India some time ago; at the same time we must

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[The Hon. Mr. Senanayake.]

remember that he has to tackle the problem here itself. We have to consider the situation here. I feel that the Board of Ministers did give serious consideration to this matter. We were anxious not to put the people in to greater inconvenience; we felt that it would take a long time to adjust matters; perhaps, we may not succeed in getting our quota. We felt that the Indian Government may not be willing to go further unless one of our representatives was there to see that everything was settled properly.

Mr. H. K. Freeman (Anuradhapura): Sir, in 1918 we sent a Deputation to Simla and we were told quite firmly that we must fend for ourselves. Well, the Deputation came back. In those days you could not clear a chena without being prosecuted. But in the then emergency, lands were given freely for food production and jungles were cleared extensively and progress was made with food production. Clearing jungles is the essence—the basis—of the whole business. That is the beginning of food production. There is some progress now but much more is needed and it is better to go on clearing jungles and producing than going begging to India.

***Mr. G. G. Ponnambalam (Point Pedro):** I will take just two minutes. We are going on from one tour to another since the war with Japan started. We have had excursions by two Ministers already, and a third Minister is to venture forth. I will only say this: the situation is sufficiently grave for even a person in the position of the Leader of the House to leave this country and go to India. I would not, as a Member of this House, like to say anything which will embarrass his position in India, but I do say this, that this country and this House have a right to expect that the position should have been foreseen when some of us advocated this very thing of entering into negotiations on the day Sir Andrew Caldecott addressed this House soon after Japan entered the war.

We then suggested negotiations with India. It took precisely three months thereafter for the first Minister to go to India, and thereafter another Minister went there. It really is most unconvincing for the Hon. Minister of Agriculture and Lands to say, at this late hour, that there is a great struggle of competing interests and competing buyers, that there are transport difficulties and a shortage of wagons and engines, as if the propelling power of the Hon. Leader of the House is likely to accelerate of its own means the vehicles that will bring in paddy and rice from the utmost corners of India to Ceylon.

Those are the difficulties one really fails to understand. I am taking the words of the Hon. Minister of Agriculture and Lands that the Central Government is anxious to give us rice, and if negotiations have been properly implemented, that it requires this Council in desperation to send the Hon. Leader of the House to implement that undertaking. It beats me to know whether the Central Government has been unable to impose its will upon the Provincial Government to supply the quota that has been allowed to this country—that where the Central Government has failed by negotiation, the Leader of the House will succeed. We wish him God-speed, because, I honestly feel that this country will be faced almost with famine if rice does not come in, and come in quickly. That is all.

But there is another aspect of this question which I wish to emphasize. Has the question of food, the purchase and distribution of food, become an all-Board-of-Ministers affair, or does it still remain the affair of one Minister? It beats me; I simply cannot understand it. Here is a Member of the Executive Committee saying that it was known to him that the Leader of the House was going to India. This makes it three Ministers, quite apart from the rather extra-Constitutional Minister, namely the person who has been recently appointed, who takes a place on the War Council on the same footing as the Minister of Labour merely because he is the Director of Food Supplies or Food Production. I wish him well too. One does not see anything against him personally. But the whole position is most intricate, if a person who is in the position of a Head of Department under the Minister is to take a place as the Minister himself on the

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War Council. Then we have an extra-Constitutional Minister who is answerable to the people of this country and to this House.

Sir, I wish this matter to be put on the Agenda for to-morrow. I should like to know, in view of the emergency orders, whether the Board of Ministers will be pleased, particularly in view of the impending departure of the Leader of the House, to have that motion debated. I would make an earnest appeal and I would like the decision to be made known now.

Mr. G. A. H. Wille (Nominated Member): I understand that a Civil Servant will accompany the Hon. Leader of the House. Why should not a Member of this House, the hon. Member for Kankesanturai (Mr. Natesan) go?

***The Hon. Mr. Corea (Minister of Labour, Industry & Commerce):** Sir, I will first state one thing at the beginning, and that is about the Leader of the House. I wish to say that he accepted the decision of the Board that he should go to India. He is only undertaking a duty placed on him at the instance of the Board of Ministers.

With regard to the necessity for going to India, it is not quite correct to say that negotiations with India were not started till too late. Long before the Minister of Agriculture and Lands went to India, negotiations were started, and owing to the importance of those negotiations, the Board of Ministers decided to ask the Minister of Agriculture and Lands to go. He succeeded in his mission in that he secured for Ceylon the same position as a Province of India. He succeeded in getting a certain definite quantity of rice earmarked for Ceylon.

Then, the quantity was distributed among two Provinces which the Government of India thought were the Provinces which had a surplus. Unfortunately in one Province supplies continued for some time and then ceased because the quantity available in the Province had ceased to be sufficient to supply not only Ceylon but also the demands from different other countries. That is nobody's fault. It is not the fault of the Minister of Agriculture or the fault of the Government of India. They expected that the rice would be obtainable from there, but they found that supplies failed, as had never happened before.

Then, this Government took the matter up with the Central Government and asked about another place from where we might be able to obtain this rice, because it was so urgently required here. The Central Government undertook to look into the matter. They had done their best, and indicated to us that supplies would be available from another Province. Then we experienced some difficulty from the Provincial Government, and the Central Government of India are taking the matter up on our behalf.

I say that it is very important that a representative should be there, and we felt that the Leader of the House should go in order to do his best in the exertions which the Central Government were making on our behalf, to find another alternative source of rice supply, until the new crops in Sind would enable us to obtain supplies from there. We have to get the rice from some other part of India before November or December this year; the new crop will be harvested at that time and it is possible that we will get the supplies that are allotted to us.

I do not say that there is any fault that can be attributed to this Government or to India. The present position is due to no fault of anyone but simply to the fact that the rice that was allowed from one Province and from which we obtained a large quantity was not available. I believe there is no harm in mentioning the figure. For the three months that we were allowed to get rice, it was about 50,000 tons. We got very near that figure from that area; it was 48,000 tons. Now, when rice from that source was not available, we had to find another source and it was to secure that source of supply and place our case before the Central Government—and do it fully—that we felt that someone should go there; and I am sure the House will not object to the Hon. Leader of the House going.

With regard to the motion which the hon. Member for Point Pedro (Mr. Ponnambalam) proposes to bring, the Board

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[The Hon. Mr. Corea.]
of Ministers is meeting now to consider that matter.

***Mr. Ponnambalam:** No, Sir. I understand from the Clerk to the Council that the Board of Ministers had agreed to take it up at 10 A.M. to-morrow.

***The Hon. Mr. G. E. de Silva (Minister of Health):** It can be taken up at 2 o'clock to-morrow.

It being 6 p.m. MR. DEPUTY CHAIRMAN OF COMMITTEES *adjourned the Council without Question put, pursuant to Emergency Standing Order 2 (3), until 10 a.m. on Friday, August 7, 1942.*

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