

The State Council of Ceylon.

No. 33.

July 10, 1942.



DEBATES

SESSION OF 1942.

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STATE COUNCIL OF CEYLON.

Friday, July 10, 1942.

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

PAPERS TABLED.

(Financial Secretary): Notes regarding 1942-43 Budget.

(Leader of the State Council): Estimates of the Revenue and Expenditure of the Island for the Financial Year 1942-43.

QUESTIONS.

(ORAL ANSWER).

34/42.

Medical Officers: Promotion to Grade I.

*Mr. G. G. Ponnambalam (Point Pedro): (1) Will the Chief Secretary state how many Medical Officers with British qualifications there are in the Medical Department whose promotions to Grade I. are already due but who are not promoted for want of Post-Graduate Clinical training which the officers are not able to obtain abroad or locally owing to the present emergency? (2) Does the Government propose to alter the regulations governing the promotions of Medical Officers to Grade I. and promote them as a war-time measure in view of the fact that their qualifications would have been sufficient for promotion before the present regulations came into force?

The Hon. Mr. R. H. Drayton (Chief Secretary): The answers to that question are as follows:

(1) A Medical Officer has been passed over as he has not obtained the qualification in question; and

(2) It is not proposed to alter the existing regulations but to replace as a war-time measure training abroad by training locally as a qualification for promotion.

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

*Mr. Ponnambalam: Do I understand that the training locally will be a sufficient qualification for promotion to Class I?

The Hon. Mr. Drayton: Yes.

UNIVERSITY: ELECTION OF STATE COUNCIL MEMBERS TO COURT.

Mr. Speaker: The next item is the election of Members of this Council to the University Court. As there are more than five, namely nineteen candidates, the election will now take place as announced by me on Tuesday last.

*The Hon. Mr. G. E. de Silva (Minister of Health): I should like to say that I do not want to put my name forward as a candidate for election to the University Court.

*The Hon. Mr. D. S. Senanayake (Minister of Agriculture & Lands): The first time that I heard that my name had been proposed was to-day.

Mr. Speaker: I had the list of Members posted up in the Library yesterday. Does the Hon. Minister wish to have his name removed?

*The Hon. Mr. Senanayake: Yes, Sir.

Mr. Speaker: The ballot papers containing the names of the candidates standing for election to the University Court will now be issued to hon. Members who are requested to indicate their wishes by marking a cross against the names of the candidates whom they wish to vote for. Ballot papers which show votes for more than five candidates will be regarded as spoilt. The counting of the votes will be done by the Officers of State.

*Mr. F. H. Griffith (Nominated Member): I understand that my name has been proposed. I too wish my name to be withdrawn.

Ballotting proceeded with, and concluded; and the votes having been counted—

Mr. Speaker: I have received the results of the counting by the Officers of State, and the following Members have obtained a majority of votes:

Mr. B. H. Aluwihare.

Mr. R. S. S. Gunawardana.

Mr. P. de S. Kularatna.

Mr. A. Mahadeva.

Mr. R. Sri Pathmanathan.

I declare, under Section 15 (1) (c) (iv) of the Ceylon University Ordinance, No. 20 of 1942, that these Members have been elected to the University Court.

†REORGANIZATION OF BUS SERVICES.

The debate on the following motion of the Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration) was continued:

“That the following recommendations of the Executive Committee of Local Administration for the re-organization of bus services be approved—

- (a) bus services shall not be operated along any road except under exclusive licence, subject to such conditions as may be attached to the licence, including a condition that the grantee shall compensate any persons at present operating buses under licence along the route who are displaced;
- (b) if the persons at present operating buses under licence along a route shall form a limited liability company, that company shall be granted the exclusive licence for that route, provided that the grantee compensates any person operating a bus under licence along that route who does not elect to join the company and whose rights to participate in the company have not been acquired by any other person.”

Dr. A. P. de Zoysa (Colombo South): Sir, yesterday I was dealing with paragraph 5 of the Minister's report when we adjourned. The Minister in his report says:

“The grant of a valuable concession in the form of an exclusive road service licence will carry with it the obligation to provide regular, adequate and efficient services at reasonable fares.”

I have to point out that all these provisions are not only to be found in our law, but that they are also enforced. The services were running according to timetables, as I mentioned, until the present war upset the running of buses. There are adequate services, because before a licence is granted the Commissioner of Motor Transport has to advertise the fact, so that other bus-owners who are interested can file their objections. Also, it is the practice of the Commissioner of Motor Transport to consult the local authorities, such as the Government Agent and the Police, to find out whether there is an adequate number of buses to serve the public in that area. It is after considering all those questions that a licence is granted.

Then, if the party applying for the licence is not satisfied, he can appeal to the Board of Appeal, and if he is dissatisfied with the result of his appeal on a point of law he can take the matter to the Supreme Court. Licences are granted on that principle, and if the Minister, instead of depending on Mr. Nelson, had asked the Commissioner of Motor Transport, he would have been informed that on most of these roads there is an adequate bus service.

The other question is whether reasonable fares are charged by the bus-owners. Again, the Commissioner of Motor Transport has fixed the minimum fares, and the passengers are charged the fares decided upon by the Commissioner of Motor Transport.

Then, the Minister says:

“The obligation will be enforced by conditions attached to the licence”

There is no obligation to be enforced, because these are matters that are adhered to to-day. The Minister evidently thinks of the time when the Motor Ordinance was introduced, and he imagines

† For the Observations of the Financial Secretary and the Report of the Board of Ministers, see HANSARD of July 9, 1942.

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that the bus services are in the same condition to-day as they were prior to the introduction of the Ordinance. There is no need to lay down conditions attached to the licence setting out the requirements as regards time-tables and so on.

Then, let us see also what the English practice is. They grant licences. They do not attach all these conditions. There it is in the law. Our Ordinance was framed on the model of the English law. In England if conditions such as these are laid down in the licence, there would be a hue and cry. People will object to them, will oppose them. Apart from that, such conditions will not be imposed, because the people there have a sense of justice, and also they recognize the liberty and the independence of business people.

Sir, there is no necessity for the Minister to introduce into the motor licence conditions which already exist in the law and which are already being followed:

He goes on to say:

"and providing for the operation of vehicles of a certain type and their proper maintenance at all times."

You will remember, Sir, there were discussions with regard to the nature of the omnibuses to be used on the roads. When the Minister wanted certain seating accommodation, I remember the Hon. Member for Panadura (Mr. Susanta de Fonseka) pointing out how unfair it would be, and amendments to the Bill were made giving the necessary consideration to these business men. If the Hon. Minister thinks that the buses should be larger or that the seats should be fewer, it is for him to amend the Ordinance in that respect. There is no necessity for introducing limited liability companies to improve matters, because it is for him to enforce the law prevailing to-day.

Coming to paragraph 6 of his report—he says:

"Save in exceptional circumstances there will be no overlapping of routes and the company will be freed from the preoccupation of trying to get the better of its competitors."

This idea of trying to get the better of competitors is no more. The Hon. Minister is again thinking of the times prior to the 1938 Ordinance. After the

1938 Ordinance the people are not preoccupied in trying to undercut each other; instead, they are trying to improve their service.

The fundamental mistake the Minister is making in this matter is that he is not acting in the regular manner, in the manner in which he ought to act. I do not say that he should have rejected Mr. Nelson's proposals. But he should have obtained a report from the Commissioner of Motor Transport who has had experience and knows what is going on, and satisfied himself as to the nature of the scheme, or put it before Mr. Nelson and asked for his opinion. He has not done that.

Failing that, the Hon. Minister should have referred the matter to the legally-constituted Advisory Board consisting of officials and other citizens. He has obtained no report from the Commissioner and no advice from the Advisory Board; so it looks as if this is an arbitrary action on the part of the Minister. I wish to know, and I think the House has a right to know, why he did not call for a report from the Commissioner of Motor Transport, and also why he did not consult the Advisory Board for Motor Transport. It is a sad mistake for the Minister to think that the bus-owners are competing with each other in an unlawful or illegal manner.

Now he says, "If a particular individual does not wish to join the company formed by the operators on his route, he will be entitled to compensation by that company". I ask whether the Minister has thought of the implications of that statement of his.

Sir, I draw your attention to the Colombo-Galle Road again. There are some owners who possess over a hundred buses. For instance, the Swarnapali Bus Company, the Panadura Bus Company and several other large companies in Matara and Galle have a large number of buses. If they refuse to join the limited liability company, what will be the position of the small owners who own one or two buses, and who have hardly the means to carry on an adequate service? How can these few bus-owners, who are forced into a limited liability company, pay compensation to the large

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owners? If the Minister says, "Government will form the limited liability companies" we can understand it, because then there is somebody responsible for paying compensation. Will the Minister ask these large owners to depend for compensation on small owners who own one or two buses, merely because they have formed a limited liability company; and are they to hand over their buses? Is that businesslike? Is it practicable? Surely, Sir, before they hand over buses worth Rs. 10,000, Rs. 15,000 and so on, they must have some guarantee that adequate compensation will be paid. The company will have a certain amount of capital on paper, but that capital will depend on the value of the buses.

In the same way, look at the Colombo-Kandy road. I know two bus-owners who have over 100 buses each. If the Minister, in his enthusiasm for limited liability companies, gets a few bus-owners, who are anxious to secure Government favours, such as getting tyres, more petrol, perhaps unfairly, to accept this proposal and to form a limited liability company, will they be able to compensate those large bus-owners adequately? They cannot.

This is a tyrannical method of putting the small owners together with the threat to the large owners of not giving them petrol, not giving them tyres, not giving them spare parts, because owing to the abnormal conditions that prevail to-day the Minister has the right to deal with tyres, petrol and spare parts.

Sir, we have heard of the saying "Divide and rule", but now the attempt seems to be to divide the bus-owners in order to ruin them. If that is the object of the Minister, he should be honest enough to say, "I want this bus business to fail. I want the Government to acquire it". Then one can understand it.

There may be a few bus-owners in Polgahawela and Alawwa and such backward areas who will jump at the idea of being able to get the favour of obtaining a few tyres, a little more petrol, and so on, but we must consider these big bus-owners, and not readily consent to this proposal. I can show you from representations made by the bus-owners—

large bus-owners of Colombo, of Kalutara, of Negombo, all those people who ply buses on the Kandy route, Matara and Galle, most of them large owners, well known bus-owners; some of them owning over a hundred buses, and private bus companies—I can show that all these people are opposed to this scheme.

The Hon. Minister speaks of five companies. Those are some private companies formed just to please the Director of Transport in order to get some favours, but I think their heart is not in the business. Some of these companies consist of eight or nine members, and they have no capital. They have probably started with a nominal capital, not knowing what they would have to spend later. The Hon. Member says that several bus companies have already been formed and are awaiting registration. These bus companies do not answer the Scheme as set out by the Minister.

Take the so-called Matale-Kandy Company. There are many bus-owners who have not joined that Company. Is it fair to get a few bus-owners and promise them a monopoly of the whole route?

The Minister says :

"Any roadworthy buses not required by the company may be acquired by the Government."

Now that is something interesting. According to the plan which the Minister has in view, he may think that a certain road requires twenty buses. Supposing there are thirty bus-owners and the company does not require more than twenty buses, what is the company going to do with the extra ten buses? The Minister says that the Government is prepared to buy them over.

It is startling for us to see the Financial Secretary's statement that if this scheme is adopted there will be no appreciable decrease in revenue. He is thinking only of the revenue. Perhaps he has not read the report of the Minister carefully. Or, I do not know whether the Minister introduced this sentence into the report subsequently—to pay for buses which are not wanted. Sometimes a bus costs over Rs. 15,000 or Rs. 20,000, and the Hon. Minister says that that amount will be paid. I should like to know on what grounds the Government will pay

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for those buses. Will the Government buy those buses as scrap iron or for keeping on show at a museum? The number of vehicles required for Military purposes has been acquired.

***The Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration):** No.

Dr. de Zoysa: There is nothing to prevent the Military commandeering any bus or lorry that may be needed by them. The Minister says that when companies are formed, if there are any buses which are not necessary for the routes concerned, they will be acquired. Has he the authority of this House or that of the Board of Ministers to make a statement like that? Has the Board of Ministers promised to pay, say, a sum of Rs. 1,000,000 or more to acquire the buses which would not be required by the limited liability companies? Before he made such a statement, before he proposes to spend the taxpayers' money in such a fashion, he should have ascertained that the money required was available. Suppose a company is formed for, say, the Colombo-Kandy route and it is said that only 100 buses are required for that route. There may be 300 buses plying on that route, and the people would be prepared to sell the excess 200 buses to Government. I should like the Minister to explain what use he is going to make of those buses that are in excess of the number required, and what authority he had to make the statement that he did make. Had he the sanction of the Financial Secretary to make that statement? The Financial Secretary seems to have been very generous when he undertook to buy up the buses that are not required by the limited liability companies.

After the war, there will be many buses available in the hands of the Government—the buses taken over by the Military. Government should think of what they would do with those buses and other vehicles. Instead of doing that, the Minister proposes to hastily form limited liability companies to run bus services and contemplates buying the excess buses at the cost of the taxpayer.

The seventh paragraph in the Minister's report is again a threat. The Minister says:

"In the unlikely event of the operators on a particular route being unwilling to amalgamate, applications will be invited for an exclusive route licence, subject to conditions as to operation and also to a condition that the grantee would compensate all bus owners who were displaced."

Now, who would do that? Supposing some bus-owners on a route refuse to come into the scheme, the Government must be prepared to buy off their buses, or there should be some other method available whereby a large sum of money could be raised for that purpose. This threat simply means that unless the bus-owners form limited liability companies, as the Minister wants, the right to ply on the routes enjoyed by them would be handed over to a capitalist company. There is no Ceylon company that could buy up such routes. In other words, those routes would be sold to a foreign company. It is only a foreign company, with large capital, that can buy up such routes and compensate the bus-owners.

I should like to know whether the Minister holds out a threat in that manner. It is unworthy of the Minister to hold out such a threat to his own people who are striving in an honest and independent manner to carry on a business to the satisfaction of the public. He not only holds out a threat, but in some manner he tries to influence the bus-owners to carry out his schemes by offering them some kind of bribe, by saying that petrol would be made available only to those who fall in with his views, that tyres and spare parts would be made available only to those who form themselves into limited liability companies, that exclusive licences would be made available to them. To honourable and cultured people, such a threat is distasteful; and more so when it comes from the Leader of the Sinhala Maha Sabha, a person who stands for all that is national. It is very surprising to see such a Minister holding out the threat that the routes on which the buses at present ply would be sold to a foreign company.

In the eighth paragraph of his report, the Minister says that he is out not to crush the bus service but to allow it to operate in a manner that would not be

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prejudicial to that service. He wants the two transport systems to be co-ordinated; that is, the Railway and the road transport system. The Hon. Minister says that the road service must, however, be first organized and freed from uneconomic competition among those who run it.

I should like to ask the Minister why, at a time like the present, when people are very hard hit for want of capital, and when there are other difficulties facing them, he should try to organize the road transport service first, instead of the Hon. Minister of Communications and Works attempting to organize the Railway first in a better way. The Minister concerned and his Executive Committee have ample opportunities to put the Railway on a better footing, and we are also ready to help them to reorganize the Railway. Or else, the Hon. Minister of Local Administration should have undertaken to organize a model bus service and point out to others how it could be worked. He has not in any way attempted to do that.

The Hon. Minister speaks of road-service competition as being peculiar to Ceylon. I believe he has resided for some time in London—in England—and knows the conditions that obtain there. In England, there is very keen competition between the railways, trams and the omnibuses. The tram cars at a certain stage started to charge, what are called midday fares, whereby a passenger was able to go any distance on the tram on payment of twopence. For twopence a person was carried from one terminus to another by tram car, and that might mean a distance of 10 miles or more.

The bus service too adopted that system where the bus service followed the same route as the tramway. A person who gets into one of the vehicles at East End could go up to Kingston on Thames or get down at the Greenwich Observatory or go down to the Strand and Westminster. He can do that from 10 or 11 in the morning till 4 o'clock in the afternoon. The bus service which plied in that area adopted the same principle. They too issued tickets for twopence to cover the same journey, when ordinarily a person would have had to pay 8d or 1s. to travel that distance.

That competition helped the people who used trams and buses. I think, later, in 1937 or so, a combine known as the T. O. T.—“Trams, Omnibuses and Trains”—was formed, and then a person who held a bus ticket was privileged even to go by tram on the same ticket. There are some types of competition which help the passengers.

To say that there is no competition in England is not correct. In London there are the Green Line Buses which ply between outstations and London, and there is also the well established General Omnibus Company—[*Interruption*]. In England, fortunately, buses are used by a section of the middle-class population but here, unfortunately, so far buses have been used mostly by the poorer section of the population. Even Clerks very rarely make use of buses to come to their offices.

The most important thing for hon. Members to consider is this: are the passengers dissatisfied with the road service? Did the Minister or those who informed him of the unsatisfactory—he says “unsatisfactory”—state of affairs ever travel in buses? Did the Minister or the Motor Advisory Board or the Commissioner of Motor Transport receive any complaints from passengers to the effect that the bus service is not adequate or is unsatisfactory? On the other hand, there are many complaints made against the Railway. Passengers complain against the discomfort they experience in the Railway; they complain that the compartments are not kept clean. Those who have travelled in buses during 1938, in 1939 and 1940 will realize the progress buses have made by way of providing comfortable travel.

I do not say that the bus service is perfect. It is very far from that. There is much room for improvement in the bus service. To condemn the bus service, the Minister should receive complaints from the general public. If he received any such complaint, the remedy was in his hands. The Motor Ordinance gives the Minister, through the Commissioner of Motor Transport, power to cancel the licence issued to an omnibus if it does not comply with the conditions required by the Ordinance. For instance, if the brakes of a vehicle do not

act well, or if the machinery is not well maintained or the vehicle generally is in a bad condition and not roadworthy, the Commissioner can condemn that vehicle as unfit for service.

What case has the Minister made out in support of his proposal? He has only told the House what exists in his imagination and all that came his way by hearsay. Did he make out a case to show that the passengers served by the road service are dissatisfied with the service that they get? It is very important, before pleading, on public grounds, that the bus service is unsatisfactory, that he should have obtained evidence from the Police—the Police has no such evidence to offer—or from the Government Agents or from local authorities that the bus services in certain areas are not serving the public in the way that they should. He has not given any such reason for the acceptance of his proposal. He merely goes by what Mr. Nelson thinks. I do not blame Mr. Nelson. He has come to us from, perhaps, England and he sees that the local buses are not up to the standard set by buses in London. We must take some time to improve the standard of our buses. To put better buses on the road, large capital is required.

In his opening remarks, the Minister complained that sometimes drivers are on duty for sixteen hours at a stretch.

***The Hon. Mr. Bandaranaike:** That is what the Hammond Commission said.

Dr. de Zoysa: He has quoted that from the Hammond Commission Report. I am very glad that the Hon. Minister imported it into his speech from the Report of the Hammond Commission. But those defects have now been removed. It is the Minister and his Ministry that should be blamed, if proper wages have not been paid to the bus conductors and the drivers. The bus-owners were ready to pay the salaries stipulated. They met the Commissioner of Transport on several occasions and told him what they paid their workers at the time, and also suggested a certain scale of payments, but the Minister entirely neglected that matter—perhaps owing to his being busy with work connected with the war, and so on.

The Hon. Minister says that after experimenting he has found that the position has not improved. I do not say that the Minister is not quite accurate, but I say that he is entirely misled in making that statement. Experiments have been tried and the position has marvellously improved. I can testify to that, because I travel by bus. But the Minister has never in his life travelled in a bus.

***The Hon. Mr. Bandaranaike:** I have.

A Member: Question!

Dr. de Zoysa: Experiments have been tried, and the Commissioner of Motor Transport, who is under the Minister, will say, if he is questioned on the subject, that there has been a marvellous and marked improvement in the bus service recently. The Hon. Minister speaks about experiments being tried. But it was his duty, if he expected something which was not included in the Ordinance, to get the bus-owners together and advise them as to how their services should be improved.

As the Hon. Minister points out, Mr. Nelson arrived in Ceylon to advise us, to give us a report on the present conditions of transport in general. Instead of doing that the Hon. Minister goes and fits him into an executive post, which I think is a real blunder. An expert and executive officers should be far apart, because an expert looks only in one way. If you ask an expert in any branch of knowledge to advise you on a certain matter, he will look at it from only one and one point of view; and he looks at everything in that way. Therefore many blunders could be committed by making an expert into an executive officer. An executive officer must be able to see other points of view when dealing with a question.

Then where is the authority for the Hon. Minister to employ, as an executive officer, Mr. Nelson, who came here as an expert to advise us? If it is a war measure that Mr. Nelson should be made an executive officer, I can understand it. But this motion has nothing to do with the war.

When Mr. Nelson arrived in Ceylon, actually the position as regards transport in this country had changed. He did not

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arrive here in normal times to see how buses plied. Therefore the opinion formed by Mr. Nelson, after the buses were taken over by the Military, after there was a shortage of petrol, after there was a shortage of spare parts and other accessories which are essential for the efficient running of buses, cannot be an opinion of the state of transport during normal times.

It is a very unfortunate thing in this country that when we obtain an expert to do a certain job, we switch him on to do something else which he is not qualified for. Very often such a thing has happened in this country, and the country has suffered, I say, quite badly. Instead of getting Mr. Nelson to report on the question of transport and asking executive officers to put the scheme into operation, we are making an expert an executive officer. The result is evident from this motion that is before the House.

The Hon. Minister emphasizes that this is a result of war conditions; that it is an emergency Defence measure. I challenge that statement. I want the Hon. the Chief Secretary who is actually in charge of Defence to tell the House on what Defence principles he wants this measure adopted. If the Hon. the Chief Secretary gets up and says that in order to win the war, bus-owners of this country must form limited liability companies or in order to defend this country effectively, the owners of buses must form limited liability companies, I can imagine what a hearty laugh there would be in the Colonial Office in England and among the British public. Perhaps after the war they will have a hearty laugh when they come to relate the different absurd things that had been done in the name of Defence.

In my opinion, if there are buses which are not needed by the Military, they should not be kept together but far apart, because then, if there is an invasion, the enemy may not be able to get at the buses readily. I am no Military expert, but my humble opinion is that if you keep buses together in one place, the result will be disastrous. If the enemy invade Ceylon, they will get hold of the buses, and you will be actually helping

the enemy if you keep buses together. It may be that in Malaya, owing to this plan of amalgamation and bringing buses together, the enemy found it extremely easy to get at them. The fall of Malaya may be partly due to the authorities there having got these buses together.

This question must be looked into. That this is an emergency Defence measure, is groundless. The fact that this matter can be brought up before the War Council should not induce hon. Members to vote for this motion.

I should like to point out another matter. Supposing as an emergency war measure all these buses are taken over and run by the War Department or by a special department created for the duration of the war, then all these bus-owners will have a legal right to obtain compensation and establish their business after the war. The Hon. Minister is trying to deny that right of the owners. If you pass this motion and allow it to become law, you will crush the bus business. If you vote with the Hon. Minister and pass this measure into law, private owners will lose their legal right after the war to obtain the necessary compensation and to establish themselves in business.

I can understand the Hon. Minister's attitude if the bus services had become a nuisance to this country. He has not said anything about that. He is only concerned with introducing the law in regard to this matter. The law is something which every Britisher respects; we are taught to respect the law; it is a principle in British Government. The Hon. Minister, perhaps unconsciously, is trying to introduce the law in this way in order to prevent bus-owners getting the necessary compensation and establishing their rights. This is doing a grave injustice to this country.

The Hon. Minister ought to have thought about that, because the bus-owners are ready to hand over all their buses to the Hon. Minister and to Mr. Nelson to run them as a war measure. [The Military never dared to force people to do a business; the Military may take over a business and run it; that is a different matter. But, Sir, the proposal of the Hon. Minister is to crush the rights of people in a subtle manner after the

war. Suppose some bus-owners refuse to join a company. After the war they will be told that they have no rights because this is the law of the land. The next step the Hon. Minister will take is to bring in amendments to the Motor Car Ordinance; he will tell the House that it is bound to accept the amendments in view of the approval of this report.

Speaking of capital, the Hon. Minister said that the problem will not arise. We have, first of all, to know what the capital is. He cannot enlighten us on that point; neither can Mr. Nelson. The Hon. Minister says that it is a detail. But the most important detail in the formation of a liability company is to decide what capital is necessary for forming the company. Then, is it fair by the bus-owners, most of whom are not educated? They are not given encouragement or any help to ascertain what their capital should be. Without knowing what the capital and the overhead charges are going to be, how can they form these limited liability companies? If the Hon. Minister thinks that loans can be obtained from the Bank of Ceylon—he speaks as if he is responsible for the Bank of Ceylon—and he tells us that he has consulted the Bank with regard to this matter, I can understand it. Without knowing what their capital is going to be they cannot decide on this question. How can they decide on the capital, without knowing what the routes are. These people must know what the routes are. Without supplying all those data, the Hon. Minister says, “Form limited liability companies”.

Now that the Chief Secretary has returned to his seat, I should like to ask him whether he agrees with the view put forward by the Hon. Minister that this is an emergency war measure.

***Mr. E. W. Abeygunasekera (Nuwara Eliya):** Not at all.

Dr. de Zoysa: If the Hon. the Chief Secretary enlightens the House on this point, we are ready to vote for this motion. But if it is the fear of the Hon. Minister that this is likely to be an emergency war measure, there is no need for him to bring this motion before this

House. There is the Commander-in-Chief, or there are the other authorities who would control the buses. But is it a good policy, is it reasonable, to force people who do a certain type of business to form themselves into limited liability companies as a war measure? This is never heard of; not in the history of this world. You can convert an ordinary factory into a factory for making ammunition. But you cannot ask people, as a war measure, to do independent business and in addition to that put certain restrictions on that business. If this proposal is brought up after the war, we can understand it.

We cannot be guided by the Hon. Minister's statement that this is an emergency war measure; we want this point explained by the Hon. the Chief Secretary. He is responsible for Defence. If the Military authorities have advised him that this should be done, we can understand it. But I say that it will raise a grand laugh in the Colonial Office and among the British public—to think that the Hon. the Chief Secretary advised the formation of limited liability companies to win the war or to defend Ceylon.

The Hon. Minister took special pains to criticize the objections which the omnibus-owners put before him, and in doing so he misrepresented one matter; I shall not say he misrepresented, but along with those objections he mentioned an objection raised by the Secretary of a Society who is in favour of these limited liability companies for some reason or other. He says that he is in favour of limited liability companies being formed, but that he is only opposed to them because there will be excess profits. That was never the opinion of the omnibus-owners who presented their objections to the Minister. From the way in which the Minister dealt with the point, the House may have thought that the omnibus-owners had contradicted themselves by saying, on the one hand that they were losing and were likely to have their business ruined by forming these limited liability companies, and on the other hand that they objected to the formation of these companies because they would have to pay excess-profit taxes. That point never came from the owners of omnibuses who sent in objections.

[Dr. de Zoysa.]

Sir, these objections are worth considering because they are objections of people who are affected by the Minister's proposals. The Minister ought not to have brushed them aside. In those objections they say that they do not know how many routes there will be and how many Engineers, Managers and Directors will be required for each company; what the capital required will be and so on. The Hon. Minister was not able until to-day to tell them what the routes are. Some owners wrote to Mr. Nelson himself, and he was also not able to define the routes.

There is one thing: the omnibus-owners are united. It is the people with a large number of buses who are mostly opposed to it; though they feel that they are to be benefited ultimately, and they can get the small bus-owners to sell their shares or interests, yet they feel that this is doing an injustice to these people who are making a living even in a humble way by plying one or two buses.

Without knowing the routes; the number of buses required; the number of Engineers, Managers and Directors necessary to form these companies the Minister, like asking for a blank cheque, says, "Form limited liability companies". How can you form them without knowing these details? He says that those are matters of detail. These details are extremely essential. Anybody who knows anything about companies and the formation of companies will know that these details are necessary. The bus-owners must know what capital has to be subscribed and what money will be necessary for running expenses.

Mr. Speaker: I am always reluctant to intervene and interrupt hon. Members when they are speaking, but the hon. Member must avoid repetition as much as possible. This matter was referred to by the hon. Member more than once yesterday, and I would request the hon. Member not to repeat what he has stated before.

Dr. de Zoysa: I did not intend to repeat myself, Sir. But objections were raised by the bus-owners, and the Minister brushed them aside as details. I

want to point out that they are not unnecessary details.

Mr. Speaker: That was referred to by the hon. Member yesterday.

Dr. de Zoysa: Yes, in my preliminary remarks.

Mr. Speaker: Please be brief.

Dr. de Zoysa: Well, they say that they have existing contracts and other legal obligations. Has the Hon. Minister anything to say on that point? How does he propose to solve the problem? These people have certain legal obligations, and simply buying the buses and compensating them will not do.

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

Dr. de Zoysa: I do not want to keep the House waiting much longer. The Hon. Minister took nearly one and a half hours—.

***The Hon. Mr. Bandaranaike:** Hardly an hour!

Dr. de Zoysa:—and we cannot allow certain important points to be brushed aside without explaining what our objections are.

Sir, Mr. Nelson has not given any detailed scheme in regard to the formation of limited liability companies. We inquired whether he has put a scheme before the Minister, and the Hon. Minister was not able to say anything except that limited liability companies should be formed. The Hon. Minister may be convinced, but people who have interests ought to be convinced.

Then there is the fourth objection—that companies cannot be floated within such a short time. The Minister says that this is an emergency measure, and companies must be formed at once. There are statutory formalities to be observed; under-writing has to be done; the capital has to be found, and, as I said before, there are so many other things to be considered. Are these, I ask, unreasonable objections?

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There is the question of fixing time-tables. The Minister is dissatisfied with the working of the present time-tables and the fares. Well, there is the law and according to the law the Commissioner of Motor Transport has drawn up the time-tables. The Hon. Minister is actually trying to punish them without giving the bus-owners a chance of defending themselves.

There are very many other points which I should like to touch upon, but as it will take time, and as I have touched upon them generally and pointed out the absurdity of the proposition of the Hon. Minister under the plea that this is an emergency measure, I will not go into further details. The war has nothing to do with this measure, and I can assure the Hon. Minister, those concerned and those in authority that if they rush this measure through and force it on an unwilling people, they will be creating dissatisfaction in the country.

The number of people employed in these buses should be taken into consideration, and apart from all that, the present is an unsuitable time to upset existing arrangements. When the whole country is dissatisfied with the Ministers, and perhaps with this House, we are allowed to go on because the time is not suitable to make an alteration in the existing order of things, and in a matter like this, where the employment of hundreds and thousands are concerned, when you propose to make a change like that proposed, there is no doubt that you will create dissatisfaction, and for that you will be responsible.

I pointed out the illegality of this matter, because by this method you are trying to prevent the owners from getting their legal remedies. We cannot expect the war to continue for ever. You may force them and do something with their buses and the routes, but they must be given full compensation.

Then, as I pointed out, the general public are not dissatisfied with the bus services. The method adopted by the Minister is not the proper method, because he has not consulted his immediate Head of Department—the Motor Transport Commissioner—he has not consulted the Advisory Board which is legally established for advising in mat-

ters of this kind—therefore he has acted in an irregular manner. He has threatened the owners and in another way he has tried to influence them by promising certain concessions.

When all these points are taken into consideration, I trust the House will not be rash in deciding on this matter, especially as it affects the livelihood of thousands of people.

A Member: We will adjourn now.

Mr. Speaker: There are five minutes more.

Mr. H. W. Amarasuriya (Galle): My first objection to the scheme is the procedure adopted by the Hon. Minister of Local Administration. I am wondering whether this is a recommendation of the Committee or whether it is a Ministerial measure in which collective responsibility is claimed by the Ministers. I have often drawn your attention to this fact, Sir, namely that the Constitution demands, under Article 46, that a "decision of an Executive Committee which shall require the approval of the Council shall be embodied in a report which shall include the recommendations of the Committee and shall be presented to the Council for consideration.

I do not know whether the Hon. Minister claims this to be a report; but if it is a report it should be brought under Article 46, because the framers of the Constitution who were experienced legislators made this provision so that any recommendation of a Committee can be considered, and if it became necessary to make a variation in those recommendations it was entirely open to Members of the House to do so. I find that the scheme is placed before the Council by way of a motion, and I do not know whether it can be amended in open Council. The Financial Secretary and the Board of Ministers have approved of this motion and the scheme enunciated in this motion.

I have often wondered why the Ministers have abandoned Article 46. It seems to me that they are now putting into practice a new procedure altogether which was never contemplated under

[**Mr. H. W. Amarasuriya.**] our Constitution. The method that is adopted by our Ministers places us in great difficulty. This amounts to a dictatorial attitude on the part of the Ministers. The Ministers have come to a decision, and they want us to say "Aye" to whatever proposals they have placed before us.

I would therefore strongly protest against the procedure that has been adopted, and I would even raise a point of order. If it is a Ministerial measure, then I have no objection, because the Ministers have then probably presented it under Article 57. I would like to know whether this is a recommendation of the Committee or whether it is a Ministerial measure.

***The Hon. Mr. Bandaranaike:** A recommendation of the Committee of which the Board of Ministers has fully approved.

Mr. H. W. Amarasuriya: If it is a recommendation of the Committee, my submission is that it should have been brought under Article 46 by way of a report, and that the provisions of the Constitution have not been complied with by the Hon. Minister of Local Administration.

The other point is also a matter of procedure. You will remember that Mr. Nelson, the expert, was appointed for a certain purpose.

***The Hon. Mr. Bandaranaike:** I do not wish to interrupt my hon. Friend, but it is 12 o'clock, and I think it is very desirable that this debate should be concluded this session. I do not know what the position is.

***Mr. B. H. Aluwihare (Matale):** Meet next week.

***The Hon. Mr. Bandaranaike:** If the House decides to meet next week I have no objection.

Mr. Speaker: What does the Hon. Minister suggest?

***The Hon. Mr. Bandaranaike:** If there is any possibility, if the House agrees at 2 o'clock, after the Hon. Leader has moved the first reading of the Appropriation Bill, we can continue this debate for the normal time. I take it the Hon. Leader's speech will take about an hour or less—he does not usually exceed that time in moving the first reading—and we can proceed for the remainder of the time available to-day to finishing with this motion.

Mr. Speaker: Under the Standing Orders we must resume this debate at 2 P.M.

***The Hon. Mr. Bandaranaike:** We can consider it when we re-assemble at 2 o'clock.

Mr. Speaker: Yes. The sitting is now suspended till 2 P.M.

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

Mr. Speaker: We will continue the debate on the motion of the Hon. Minister of Local Administration.

***The Hon. Mr. Bandaranaike:** I do not know what the position is about that.

Mr. Speaker: Otherwise we will have to suspend Standing Orders.

***The Hon. Mr. Bandaranaike:** There is the first reading of the Appropriation Bill, and I do not know whether, even if this debate is taken up now, it can be finished. It is for the House, therefore, to decide whether this debate should be adjourned for the next session and allow the Hon. Leader to proceed with the first reading of the Appropriation Bill. I am in the hands of the House in that matter.

***The Hon. Mr. G. E. de Silva:** I move, Sir, that the debate on the motion be adjourned.

Question put accordingly, and agreed to.

APPROPRIATION BILL, 1942-43.

The following item stood upon the Orders of the Day:

The Minister of Home Affairs and Leader of the State Council to move,—

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 the first time.

Observations of the Financial Secretary.

The estimated expenditure does not include any anticipated loss on Government purchase and sale of foodstuffs; a substantial loss is by no means improbable.

2. The sum included for Emergency Expenditure not otherwise provided for in the Estimates is Rs. 1,000,000, which is likely to prove insufficient.

3. Some under-expenditure is probable in view of the difficulty in obtaining stores of all kinds, but in view of the above it is not considered likely that the net expenditure for the year, including supplementaries will fall short of the total appearing in the estimates, Rs. 184,000,000, if the war conditions affecting Ceylon remain much as they are, or even improve; if they deteriorate, much heavier expenditure may become necessary.

4. The expenditure of the last pre-war year was Rs. 127,000,000; the figure in this Bill, Rs. 184,000,000, represents an increase of 45 per cent. This cannot be regarded as excessive in view of the war situation.

Report of the Board of Ministers.

The Board of Ministers presents to the State Council the Annual Appropriation Bill for the financial year 1942-43.

EXPENDITURE.—The total estimated expenditure chargeable to General Revenue amounts to Rs. 184,490,128.

The revised estimate of expenditure for 1941-42 is Rs. 166,000,000.

LOAN FUND EXPENDITURE.—The amount to be met from General Revenue pending transfer to Loan Funds is Rs. 2,074,550, the details of which are shown in Part IV. of the Estimates.

LOAN WORKS TO BE CHARGED TO THE 1937 LOAN.—The expenditure proposed under the funds raised in terms of the Loan Ordinance, 1937, amount to Rs. 9,812,478. The details of the expenditure are shown in Appendix I. to the Estimates (Part V.).

RAILWAY ESTIMATES.—The Railway Estimates form a separate Budget (*vide* Part II. of the Estimates) and the appropriation of Railway Revenue is effected by Schedule II. to the Appropriation Bill. The estimated Railway earnings for 1942-43 amount to Rs. 24,145,000, which provides for additional revenue from increased rates of passenger and goods fares. The estimate shows an increase of Rs. 7,145,000 more than the current year's estimate of Rs. 17,000,000 and an increase of Rs. 2,345,000 over the revised estimate of Rs. 21,800,000. The annuities due to General Revenue on account of loans and the interest due on advances amount to Rs. 3,925,000. No credit is taken for this sum in the General Revenue Estimates as there is no prospect of its being paid to Revenue by the Railway. The estimated loss on working of Rs. 3,926,549 is to be met from General Revenue and is provided under Head 128.

ELECTRICAL UNDERTAKINGS ESTIMATES The Estimates of the Department of Electrical Undertakings also form a separate Budget appearing as Part III. of the Estimates and the appropriation of the Department's Revenue is effected by Schedule III. to the Appropriation Bill. The annuities due to General Revenue on account of loans and the interest due on advances amount to Rs. 755,312 and credit for this sum has been included in the General Revenue Estimates.

The Hon. Sir D. B. Jayatilaka (Leader of the State Council): I rise to move the motion standing in my name. The Estimates of Revenue and Expenditure have already been laid on the Table with the Report of the Board of Ministers and the Observations of the Financial Secretary.

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Last July, when I introduced the Budget for the current year, I indicated that, on the basis of the proposal for new taxation before the House on that occasion, there would be, on September 30, 1941, a surplus of nearly Rs. 2,500,000, but the actual surplus on that date amounted to nearly Rs. 10,000,000. The original estimate of expenditure for 1941-42, including Defence expenditure proposed to be charged to Loan was Rs. 151,000,000. The revised estimate is Rs. 166,000,000. The difference is entirely due to emergency expenditure occasioned by the war. The original estimate of revenue for the same year was Rs. 141,000,000. The revised estimate is Rs. 143,000,000. The difference is attributable to increased Customs duties imposed during the year. Thus, the revised figures of revenue and expenditure for the current year indicate that the deficit at the end of the financial year will be nearly Rs. 23,000,000. Setting off against this anticipated deficit on September 30, 1942, the surplus of Rs. 10,000,000 realized at the end of 1940-41, there will still be a deficit of nearly Rs. 13,000,000. In other words, we shall start the year 1942-43 with this fairly large deficit.

If hon. Members will turn to the bottom of page 11 of the Estimates they will see that the total expenditure provided for 1942-43 amounts to Rs. 184,000,000—a colossal figure, many will be inclined to exclaim. 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.

When the Budget was framed in July last, we were far from the scene of war, but Japanese aggression has changed the whole situation. Ceylon has been brought to the fighting line, and its strategic importance has been enormously increased. We have, therefore, to adopt adequate measures to meet the new situation.

Last December the Council voted Rs. 20,000,000 for emergency work in

connexion with the war. A statement showing the allocations from this block vote will be tabled at a subsequent meeting of the Council.

It is clear that there will be a certain amount of under-expenditure in view of the difficulties of obtaining materials and stores of all kinds, but the amount will not be very large as the estimates have been framed on the basis that those difficulties will exist. On the other hand, nothing is charged for loss on purchase and sale of foodstuffs by Government. It is inevitable that certain foodstuffs should be sold at a loss. Further, it will be found that Rs. 1,000,000 only has been provided for unforeseen expenditure caused by the war. It is very probable that this sum will prove insufficient. It is, therefore, unsafe to assume that the actual expenditure for the year will be any less than the total appearing in the Estimates. In fact, the actual expenditure may well prove more even if there are no more enemy attacks on Ceylon.

As regards the revenue for 1942-43, the only important change proposed by the Board of Ministers is the imposition of Excess Profits Duty on profits from agriculture and plumbago. A Bill to provide for this is before the Council. The revenue expected to be derived, if the Bill is passed in its present form, is included in the estimates. The total revenue expected to be received in 1942-43 is Rs. 167,000,000. It need hardly be said that this figure is only approximate. Much may happen to increase or reduce it; the latter is the more probable alternative.

It will be observed that the anticipated revenue for 1942-43 falls short of the estimated expenditure by Rs. 17,000,000. When this is added to the anticipated deficit of Rs. 13,000,000 on September 30, 1942, there will be, on September 30, 1943, a deficit of Rs. 30,000,000 to be reckoned with. The Board of Ministers proposes that this deficit, or in other words, the amount by which expenditure may exceed revenue in each year, shall be charged to the Home Defence Loan which the Council authorized to raise in February last.

The Public Debt of the Island, less sinking fund (excluding money borrowed

on behalf of the United Kingdom) is about Rs. 157,000,000; that is, about one year's revenue at its present level. A moderate increase in this figure is not likely to endanger the Island's financial stability. It is considered that the present circumstances justify charging to Loan some part of the emergency Defence expenditure occasioned by the war.

I now propose to deal with some important items of expenditure which call for comment. The most important single item in the Budget is the provision, under Head 9, of Rs. 27,000,000 as our contribution to the United Kingdom in respect of the active defence of Ceylon. This figure is the result of an agreement with the Imperial Government as a reasonable contribution from Ceylon to cover the active defence of this Island by land, sea and air. It includes the cost of the Ceylon Defence Force which has become a charge on Imperial funds, but not the cost of the Ceylon Naval Volunteer Force which will remain a charge on this Government.

At first glance the amount of this contribution may appear large, but on a full examination of the figures it will be seen that such is not the case. Our liability under the arrangement which existed at the beginning of the war was for a contribution towards the cost of the Garrison, not exceeding $9\frac{1}{2}$ per cent. of the revenue of the Island. The question may well be asked, what is the Garrison to-day? It might well be held to include all the overseas troops now in Ceylon, and even the Royal Air Force stationed in the Island, since no territory can be considered to be properly garrisoned in these days without air defence. It might, therefore, well be expected that the full $9\frac{1}{2}$ per cent. of the revenue in the Estimates for 1942-43 should come to Rs. 16,000,000; but that does not discharge our liability in full. The law compels us to provide from Ceylon funds all lands and buildings which may be required by the Garrison. If a wide view is taken of the meaning of "Garrison", it can be left to the House to imagine what that liability is likely to be. On top of this, we are liable for the cost of the Ceylon Defence Force. That cost was estimated at Rs. 11,000,000 per annum when the Estimates for 1941-42

were framed. Since that date, not a month has passed without some addition to the cadre of the Force proving to be necessary. On the present arrangement, the expenditure on the Force for 1942-43 might well be nearer Rs. 20,000,000 than Rs. 15,000,000. In the light of these figures the contribution of Rs. 27,000,000 cannot be regarded as excessive.

Apart from the question of the amount of the contribution, the necessity for a new arrangement regarding Ceylon's contribution to military expenditure has become more and more apparent in recent months. Addressing the Council on 17th December last, His Excellency the Governor mentioned how necessary it was to have an overhaul of the system of distributing the cost of defence between the Imperial and the local Government. His Excellency informed the Council that the Board of Ministers were in communication with the Secretary of State on this matter.

The present arrangement is unsatisfactory in that any increase in the Ceylon Defence Force which is found to be necessary requires consideration by too many authorities, with the result that delay is bound to occur in taking necessary measures for the defence of the Island. A new arrangement whereby the Imperial Government, which bears responsibility for the defence of the Island, bears the cost of any additional defence which may prove to be necessary, is clearly desirable. This is secured by the proposed arrangement, and the new arrangement will produce other advantages. A lump-sum payment will be recognized as a fair contribution from Ceylon revenue during the war towards the cost of the whole of the Garrison and the defence service provided by the Imperial Government. We shall no longer feel that we are contributing little towards the cost of the defence of Ceylon by sea and air.

Another feature of the proposed settlement will be to put the financial arrangements regarding the Imperial Forces in Ceylon on a more satisfactory footing. Until now it has been urged with considerable force that as Ceylon was contributing little or nothing towards naval or air defence, any goods

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supplied and services rendered, or lands and buildings provided, should either be charged at the bare cost of the material or given free. This will no longer apply. It is part of the settlement that each Government shall charge the other the full cost of stores, services, buildings, and so on.

On this Head alone, Ceylon revenue may expect to benefit considerably, and credit is taken in the Estimates for receipts of Rs. 1,000,000 under this Head in 1941-42 and Rs. 3,000,000 in 1942-43. This is on the basis of actual sums likely to be received in those years. The division of the total of Rs. 4,000,000 between the two years would be materially different if it were based on sums due, but in our accounts we have to deal with actual receipts.

The Board of Ministers have no hesitation in recommending the proposed settlement for the approval of the House. This approval will be formally sought by means of a Supplementary Estimate to be presented at the next meeting of the Council for the difference between the sum already provided in the Estimates for active defence and the amount of Rs. 27,000,000 which it is proposed to pay to the Imperial Government as the contribution for 1941-42.

The period for which the proposed arrangement is to last is from October 1, 1941, to the date of the Armistice. When that happy event occurs, a new financial arrangement will be negotiated with the Imperial Government as regards the cost of defence in the light of post-war conditions.

I would like to invite the attention of the House to a few other large items of expenditure occurring in the Estimates. Under Head 42, Miscellaneous Services, there is a large increase of Rs. 8,115,325. This is mainly due to the inclusion of a sum of Rs. 7,250,000 for war allowances to officers in receipt of Rs. 250 or less per mensem to meet the increased cost of living occasioned by the war, and also to the provision of Rs. 2,000,000 in respect of loss of stores, as it is anticipated that under existing conditions Government may have to meet larger losses.

It will also be noticed that a new Sub-head, for a token vote of Rs. 100, namely Risk allowance to Government employees

(other than those of the Railway and Electrical Departments) drawing less than Rs. 100 per mensem and working in target areas, has also been included.

It will also be observed that under the new Head 44, provision is made for a Port Requisitioning Agent. This is one of the several new Departments that have had to be created in order to meet the war situation.

It will generally be agreed that the problem of food-supply is only second to that of Defence. The problem became acute when the Japanese occupied Burma which used to supply about three-fourths of the rice annually imported into Ceylon. In view of the grave situation that was thus created, the Government decided upon certain emergency measures for the purpose of increasing the food-supply of the country.

The most important of these measures was the appointment of over twenty (Emergency) Assistant Government Agents who were placed in charge of food production in specified areas, in addition to the permanent Government Agents and Assistant Government Agents.

The Ministry of Agriculture and Lands is, of course, directly responsible for production of food in this country, but as these special Officers form part of the Provincial Administration, the Ministry of Home Affairs also became partly responsible for this food-production campaign. During the past few months I have visited most parts of the country and seen the progress of the work under the emergency schemes. I have no hesitation in saying that, with one or two exceptions, these (Emergency) Assistant Government Agents have risen to the occasion.

A special feature of the campaign is the effort made to secure the co-operation of the people in this essential work. Every Emergency Officer has a Consultative Committee, of which the representative of that area in the State Council is a Member. With the advice of the Consultative Committee, every (Emergency) Assistant Government Agent has divided the area in his charge into convenient units, for each one of which a Local Assistance Committee is formed at a public meeting. In most parts of the country people have responded heartily to the call.

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I do not propose to give figures on this occasion, but I may safely say that during the past few months a vast acreage has been brought for the first time under cultivation, and the process is going on apace.

The (Emergency) Assistant Government Agents are working in close co-operation with the Agricultural Department, whose help is essential for the securing of planting material and expert advice.

An experienced officer of the Agricultural Department stated the other day in a letter to the Press that there is sufficient food in the soil of this country. To a large extent, I agree with him, and I have no doubt that if the present effort is maintained for a few years Ceylon can be made self-supporting in the matter of food-supply.

Here, I should like to invite the attention of all concerned to one important fact. In the course of my tours one thing that impressed me most was the poverty of the yield of our fields. In some districts, it is only three-fold, and in most parts of the Low-country the average yield is about fifteen-fold. This I consider extremely unsatisfactory. A fertile land like ours should produce much more than it is doing at present. The Agricultural Department, I am glad to say, is making every possible effort to increase the yield of our fields, but this effort will not go far unless the people themselves are made to realize the importance of increasing the yield of their fields. If by introducing better methods of cultivation we can double the yield of our fields, the food problem, which is troubling us so much at present, will solve itself.

It will be noticed that under Head 53, Rs. 1,000,000 has been provided for food production, while under Head 66, Department of Agriculture, a sum of Rs. 2,000,000 is included for the same purpose.

I do not propose on this occasion to discuss the connected questions of food control and food distribution, beyond saying that in spite of enormous difficulties, not the least of which is the lack of transport facilities, the rationing system is working smoothly.

I must make at least a passing reference to the token vote provided under Head 63

for the Department of Fisheries. It cannot be denied that although the fishing industry affords occupation to many thousands of people and is a source of food supply, it has been long neglected. The Council will therefore note with pleasure the special efforts now being made by the Ministry of Local Administration to develop the industry and help the fishing-folk, who are generally poor, to carry on their business with better results.

The several Ministries have supplied me with copious notes dealing with the activities of the Departments under them, but though the temptation is strong to deal with many other topics of interest, I feel I must now draw to a close.

But before I do so, I must refer to an important development in the sphere of education. I refer to the vote under Head 112 for a grant to the University of Ceylon. It was formally established a few days ago, an event which marked a consummation for which some of us had laboured for many years. It will, of course, take some years before the University is able, to move into its own home on the banks of the Mahaweli, but whenever it does, I have no doubt that it will fulfil our highest expectations and inaugurate an era of unprecedented educational progress in the country.

I must say a word with regard to another important topic. I refer to the difficulties of the transport system, both rail and road, due to the abnormal demands made on it, and also to the need for conserving supplies of petrol. The matter is under the daily scrutiny of the two Ministers concerned, and it is hoped that with the help of the expert Director of Transport a satisfactory solution will ere long be found for the problem.

Speaking about transport, I should just like to mention in passing that the Railway Department has begun to show distinct signs of improvement as regards its income.

I have done. It is almost a truism to say that we are living in difficult times. It is the lot of all to suffer hardships and privations these days, of course in different degrees. Nobody can take it upon

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himself to say when relief will come and when normal conditions of life will be restored. There is however one fact which we must not forget in the midst of our troubles. So far, Ceylon has been spared the horrors of war which countries less fortunate than ours are experiencing to-day. Let us hope that that experience will not be ours in the future too and that ere long the blessings of peace and freedom will be restored to the world by the complete victory of Great Britain and the Allied Nations.

Question, "That the Bill be now read the first time", put, and agreed to.

Bill read the first time.

ADJOURNMENT.

The Hon. Sir D. B. Jayatilaka: I move that Council do now adjourn until Tuesday, July 28, 1942, at 2 P.M.

Question put, and agreed to.

Adjourned accordingly at 2.30 P.M. until 2 P.M. on Tuesday, July 28, 1942.