

The State Council of Ceylon.

No. 38.

August 4, 1942.



DEBATES

SESSION OF 1942.

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STATE COUNCIL OF CEYLON.

Tuesday, August 4, 1942.

The Council met at 2 p.m., MR. SPEAKER [THE HON. SIR WAITIALINGAM DURAISWAMY] in the Chair.

PAPERS TABLED.

(Minister of Local Administration): Regulation made by the Executive Committee of Local Administration under Sections 125 and 174 of the Motor Car Ordinance, No. 45 of 1938.

SITTINGS OF COUNCIL.

The Hon. Sir D. B. Jayatilaka (Leader of the State Council): I beg to move that on August 5 and 12, 1942, Government business do have precedence over other business.

Question put accordingly, and agreed to.

SUPPLEMENTARY ESTIMATES, 1941-42.

The following item stood upon the Addendum to the Orders of the Day:

The Leader of the State Council to submit for the approval of the Council the Supplementary Estimates set out in this item, to present to the Council the reports of the Board of Ministers on such estimates, and to move the Council into Committee to consider the same:—

(Financial Secretary.)

(1) Supplementary Estimate, 1941-42.

Head 36, Currency.

Sub-head 1, Personal Emoluments.

Amount: Rs. 10 (token vote).

Nature of Service: To obtain authority to meet from savings the salaries and rent allowance of two Chief Assistant Shroffs from July 1, 1942, on the scale Rs. 1,500—60—2,100.

Observations of the Financial Secretary.

The expansion of the note issue, which is now $2\frac{1}{2}$ times the pre-war figure, and the issue of subsidiary notes in lieu of subsidiary coin has thrown a very considerable amount of extra work on the Shroff's Department of the Treasury.

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

The staff has been increased by a number of daily-paid Assistants and it is necessary to raise the status of two Shroff's Assistants from July 1, 1942, in view of the extra responsibility thrown on them and the larger staff they are called upon to supervise. It is proposed that two Assistant Shroffs now on the scale of Rs. 900—60—1,380 be appointed to the two new posts (temporary) of Chief Assistant Shroff on the scale Rs. 1,500—60—2,100 during the period of the emergency. These posts will be abolished when pre-war conditions are re-established.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Financial Secretary. The Board of Ministers approves.

(2) Supplementary Estimate, 1941-42.

Head 42, Miscellaneous Services.

New Sub-head 15, Loss in connection with purchase of Mine Sweeping Trawlers.

Amount: Rs. 142,222.

Nature of Service: To meet loss incurred in connection with the purchase of 2 Mine-sweeping Trawlers.

Observations of the Financial Secretary.

In terms of the provisions made under Part IV. Loan Fund Expenditure, Sub-head 1, Estimates 1941-42, an agreement was entered into with the Irrawaddy Flotilla Company, Ltd., of Rangoon, for the construction and delivery of 2 mine-sweeping trawlers. A part payment of Rs. 142,222 was made in accordance with the agreement in December, 1941, when one of the vessels was partially completed. Advice has now been received that the two vessels which were in the course of construction at Rangoon must be considered lost, as at the time of the enemy occupation of Rangoon neither of them was in a sufficiently completed state to be towed away. As the possibility of recovering any portion of this money is remote, the payment cannot fairly be taken into the Island's Balance Sheet at the end of the financial year as an asset. This vote is therefore necessary to write off the expenditure.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Financial Secretary. The Board of Ministers approves.

(Agriculture & Lands.)**(3) Supplementary Estimate, 1941-42.**

Head 67, Forest Department.

Sub-head 8, Extraction of Firewood.

Amount: Rs. 4,100.

Nature of Service: Payment of Wages of Overseers employed in connection with the emergency supply of firewood.

*Observations of the Minister of
Agriculture and Lands.*

The vote for 1941-42 is Rs. 2,400. Expenditure and liabilities up to date amount to Rs. 2,400 and expenditure during the financial year is estimated at Rs. 6,500.

2. It has been found necessary to employ 20 temporary overseers at Re. 1.25 per diem for about 8 months in connection with the emergency supply of firewood to the Railway Department at an estimated cost of Rs. 4,100.

3. Supplementary provision amounting to Rs. 4,100 is required.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Minister of Agriculture and Lands. The Board of Ministers approves.

(4) Supplementary Estimate, 1941-42.

Head: 71, Irrigation Extraordinary.

New Sub-head 96, Provision of Workshop and Storage accommodation for Tractors.

Amount: Rs. 16,000.

Against corresponding under-expenditure on: Sub-head 32, Improvements to spill tail channel of Iranamadu Tank, Karachchi Scheme.

*Observations of the Minister of
Agriculture and Lands.*

To supplement the present food production drive agricultural machinery to the value of about Rs. 1,500,000 was ordered early this financial year. The machinery included *inter alia*, about 40 tractors and though at one stage it was believed that these tractors would not be available it is now learnt that they

are on their way. It is therefore necessary to arrange a central organization for a storage and handling of the machinery *before their arrival* and it has been decided to renovate and use the old Ceylon Government Railway Foundry at Maradana for the purpose as it is the only suitable accommodation available at present. Supplementary provision in a sum of Rs. 16,000 is requested.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Minister of Agriculture and Lands. The Board of Ministers approves.

(Local Administration.)**(5) Supplementary Estimate, 1941-42.**

Head 78, Commissioner of Local Government.

New Sub-head 18, Grant-in aid to the Sanitary Board, Galle, towards the Hikkaduwa-Dodanduwa Electric Lighting Scheme.

Amount: Rs. 4,359.12.

Nature of Service: To give a grant to the Sanitary Board to pay the balance due to the contractors for executing the Hikkaduwa-Dodanduwa Electric Lighting Scheme.

*Observations of the Minister of
Local Administration.*

A loan of Rs. 60,000 for an electric lighting scheme for Hikkaduwa and Dodanduwa was approved by the Local Loans and Development Commissioners to the Sanitary Board, Galle, in October, 1936. Before the work was commenced there was a marked increase in the prices of all electrical materials and on the Board's application a further loan of Rs. 20,000 was approved by the Local Loans and Development Commissioners in January, 1937. The total capital expenditure including liabilities still to be discharged has amounted to Rs. 88,718.50 against the loan of Rs. 80,000 obtained for the purpose. As it was not possible to meet the entire expenditure in excess of the loan from its funds the Sanitary Board applied for a further loan to settle the accounts of its contractors.

According to an interpretation of section 17 of the Small Towns Sanitary Ordinance (Chapter 197) given by the Attorney-General subsequent to the grant of the loan of Rs. 80,000 referred to above, the Board is legally debarred from raising further loans to enable it to settle outstanding liabilities, which amounted to Rs. 8,718.50. The Board has hitherto paid a sum of Rs. 4,359.38 leaving a further sum of Rs. 4,359.12 still outstanding to be paid to the contractors.

The Board is levying the maximum property rate leviable under the Small Towns Sanitary Ordinance, viz., 6 per cent. It has been compelled to levy a further 5 per cent. conservancy rate to place it in a solvent position. The situation has however not improved as the Electric Lighting Scheme is still being run at a loss. The contractors are, pressing for payment of outstanding claims, which have been held up for a long period and are threatening to take action against the Board if an immediate settlement is not effected. In the circumstances a grant of Rs. 4,359.12 to the Board is recommended.

Observations of the Financial Secretary.

It is unsatisfactory that Government should be called upon to pay part of the cost of a Local Authority electricity scheme because the Local Authority is unable to find the money after committing itself to the scheme. The trouble seems to be that the limitation by-law of the property rate to a maximum of 6 per cent. of the annual value is far too drastic. The usual level of rates in small towns in England is about 60 per cent. The combined income from property rate in the two towns for 1941, at the highest percentage the law allows, was Rs. 4,562. With such an income it was absurd from the financial angle for these two small towns to undertake an electricity scheme costing Rs. 80,000 which might or might not prove self-supporting. But I do not consider that they should have been deprived of the benefits of electricity if they were prepared to pay for them; the proper remedy is to increase very considerably the maximum rate which they are permitted to levy.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Minis-

ter of Local Administration. The Board of Ministers approves.

(6) Supplementary Estimate, 1941-42.

Head 78, Commissioner of Local Government.

New Sub-head 19, Building and equipping a resthouse at Minneriya.

Amount: Rs. 15,000.

Nature of Service: Building a resthouse at Minneriya and for equipping it.

Observations of the Minister of Local Administration.

A resthouse is an urgent necessity at Minneriya which is a rapidly developing colony. A considerable number of persons visit the colony and there is no suitable place at which they can spend a night or have a meal. Much inconvenience is caused as a result. The Provincial Road Committee, North-Central Province, is not in a position to bear the expenditure with its limited funds. It is therefore proposed to make a Government Grant of Rs. 15,000 to the Provincial Road Committee for the purpose of building a resthouse and for equipping it.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Minister of Local Administration. The Board of Ministers approves.

(Labour, Industry & Commerce.)

(7) Supplementary Estimate, 1941-42.

Head 103, Director of Commerce and Industries.

Sub-head 11, Expenses of administering the Match Ordinance.

Amount: Rs. 350.

Nature of Service: Administration of the Match Ordinance.

Observations of the Minister of Labour, Industry and Commerce.

A sum of Rs. 200 has been provided in the current year's Estimates under Head 103, Director of Commerce and Industries, Sub-head 11, Expenses of administering the Match Ordinance. This provision is intended to cover all

Incidental Expenses connected with the administration of the Match Ordinance. Owing to uncertain conditions in the Match Market, advertisements had to be inserted in the local newspapers which involved an expenditure of approximately Rs. 135 so far. The cost of Railway Warrants for transport of banderols sent to outstations and other incidental expenses are also charged to this Vote. Only an unexpended balance of (approximately) Rs. 8 is available out of this provision and it is estimated that the expenditure in this connection up to the end of the Financial Year will be as follows:—

	Rs.	c.
Cost of advertisements in local newspapers ...	150	0
Cost of railway warrants for transport of banderols ...	100	0
Other incidental expenses ...	100	0
	350	0

This Supplementary Estimate is therefore presented for the excess amount of Rs. 350 required for expenditure for the rest of the Financial Year.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Minister of Labour, Industry and Commerce. The Board of Ministers approves.

(Communications & Works.)

(8) Supplementary Estimate, 1941-42.

Head 123, Post Office and Telegraphs.

Sub-head 16, Postal Orders, Saving Certificates, Stamps and Stamped Stationery.

Amount: Rs. 100,000.

Nature of Service: To meet the anticipated excess on the vote for stamps.

Observations of the Minister of Communications and Works.

It is anticipated that the sum of Rs. 128,000 provided under Sub-head 16, Postal Orders, Savings Certificates, Stamps and Stamped Stationery in the estimates for the current financial year

will be exceeded owing to the following reasons:—

- (1) Shipments of stamps which were expected to be made last year were delayed owing to war conditions with the result that a large part of the money voted last year remained unspent and payments have had to be made in the current year for stamps ordered last year.
- (2) A considerable increase in the use of postage stamps.
- (3) Alterations in postal and telegraph rates which necessitated sending orders for increased stocks.
- (4) An increase in the cost of stamps.
- (5) The necessity of obtaining fairly large stocks to be kept in reserve owing to the present situation.

The estimated excess is Rs. 100,000 for which supplementary provision is now sought.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The financial implications are as explained in the Observations of the Minister of Communications and Works. The Board of Ministers approves.

The Hon. Sir D. B. Jayatilaka (Leader of the State Council): I submit for the approval of the Council the Supplementary Estimates set out in this item, present to the Council the reports of the Board of Ministers on such Estimates, and move the Council into Committee to consider the same.

In Committee—

MR. SPEAKER presided as Chairman.

(1) Salaries and Rent Allowance of two Chief Assistant Shroffs.

The Hon. Mr. H. J. Huxham (Financial Secretary): Sir, I move that Supplementary Estimate (1) be passed.

Head 36, Currency.

Sub-head 1, Personal Emoluments.

Amount: Rs. 10 (token vote).

Nature of Service: To obtain authority to meet from savings the salaries and rent allowance of two Chief Assistant Shroffs from July 1, 1942, on the scale Rs. 1,500—60—2,100.

The very large increase of work in the Currency Office, which has been caused by the note circulation being more than doubled, as well as the introduction of subsidiary notes, has resulted in a very large increase in the staff of the Office. This motion seeks authority to create two supervisory posts on a temporary basis.

Mr. B. H. Aluwihare (Matale): May I ask the Hon. the Financial Secretary why there has been such a large increase in the note issue—an increase of 250 per cent.?

The Hon. Mr. Huxham: The note issue of every country in the world is going up, and our increase is about the same as that in India. It is due partly to the increase in prices both of the things we buy and of the things we sell; it is due to the reduction of credit given by shops to retailers, which has resulted in goods having to be paid for daily or weekly instead of monthly; it is due also to the presence of a considerable number of His Majesty's Forces who are not normally in this Island and who are paid in our currency. I can assure the hon. Member that the increase is not alarming since it is not greater in proportion than that in India.

Mr. Aluwihare: We know very little about the financial position in India, and, from the Indian point of view, it is one of the major grievances against the British and one of the reasons why India wants to be free. But, so far as we are concerned, I think, under the old Ordinance, the Currency Commissioners were required to have cover for half the amount of the note issue in silver coin, and, I think, the balance was to be covered by a reserve of notes or investments. Now, under the new Ordinance, have the Currency Commissioners abandoned that basis altogether and are they issuing paper without cover of any kind?

The Hon. Mr. Huxham: No; the Currency Commissioners in Ceylon will never, I hope, as long as there is a Ceylon Government, issue currency notes without backing. Not a single additional note is issued without the transfer to the Currency Commissioners of Indian rupees in Bombay. Those Indian rupees are used for the purchase of Government securities of the Empire, mainly the United Kingdom and India. The basis

of the currency is exactly the same as it always was, with one difference only, and that is, that we no longer have to keep a mass of Indian silver rupees, on account of our notes being a promise to pay such rupees to bearer on demand. Our notes now promise to pay Indian currency in Bombay. That is the only difference, and all our notes are represented by solid investments.

Mr. A. Mahadeva (Jaffna): Sir, it is supposed to be a well-understood principle that when there is more circulation of notes and less goods, the purchase prices of goods automatically rise. Now, what I wish to know is whether the present increase of prices which we notice in all articles of goods in Ceylon has anything to do with the limited quantities of goods available in Ceylon and to the large increase in the currency issue—it amounts to over 250 per cent. over the pre-war level—that exists at the present moment.

The Hon. Mr. Huxham: Sir, the hon. Member is asking a very large and difficult question. It is rather a difficult matter to deal with on a Supplementary Estimate.

The reason is that the vast majority of goods—perhaps I am wrong in saying that—a large part of the goods which are sold in this Island are imported, and, as long as we can keep down profiteering, there can be little or no inflation in the case of those goods, because we buy them as cheaply as we can in the country of origin and then have to pay very largely increased freight and insurance charges, with the result that when the goods are landed in this Island they frequently cost at least twice as much as they cost in pre-war times. If we buy them at those prices, with a reasonable margin for the distributors, the fact that they cost two or three times pre-war prices does not mean that there is inflation, nor is that increase caused in any way by there being a very large supply of notes in Ceylon.

On the other hand, the price of goods in the Island might tend to rise disproportionately if the circulation were excessive and the prices could not be controlled. In such circumstances the local distributor will make very large profits and the consumer will pay an unduly high price. We try to deal with that

[The Hon. Mr. Huxham.]

by anti-profiteering measures and price control, which are not always effective.

But the abundance of notes in the Island is not a matter which can be controlled by the Government or the Currency authority under the existing law. To endeavour to control the volume of the note circulation in a country like Ceylon, whose currency leans on another currency, is practically impossible. The whole basis of our currency is that if anyone brings us Indian rupees, we will give him Ceylon notes; and if anyone brings us Ceylon notes, we will give him Indian rupees. The moment we interfere with either of these pillars of our currency structure, we get into very deep waters indeed.

I cannot, therefore, agree with the hon. Member's suggestion that the increase in the note circulation is causing rises in the prices of goods. It is rather an effect than a cause.

Mr. G. A. H. Wille (Nominated Member): I did not hear it mentioned that there is a greater demand for goods owing to the very large number of soldiers in the Island. That is an element in the rise of prices. I do not think there is anything like an artificial inflation of prices.

Mr. H. W. Amarasuriya (Galle): Sir, in spite of such a large issue of notes, I believe there is still a shortage of notes of the smaller denominations.

The Hon. Mr. Huxham: There has never at any time been a restriction of either main notes or subsidiary notes. Coins are the trouble.

Mr. Aluwihare: Sir, during the last war what happened was that the Treasury, at the request of certain Exchange Banks, issued an enormous number of notes without proper cover as required by the Ordinance; and the result was an inflation. I think the older Members of this House will remember the result of it immediately after the war. One of the results of it was, I suppose, the Fernando-Wood Renton Salaries Commission.

I would like to ask the Hon. the Financial Secretary whether notes are being issued now at the request of the Exchange Banks again without proper

cover. The Hon. the Financial Secretary spoke of deposits in the Reserve Bank of India, I think. Strictly speaking, I suppose, under the Ordinance the Currency Commissioners are entitled to make such deposits, but, in view of the Cripps proposals, I wonder whether it is safe to act under Section 14, because according to the Cripps proposals, at the end of the war India would not be bound in any way by any undertaking given by England.

If deposits and securities in India are to be relied on, it can only be on the old basis. Supposing at the end of the war India does secede, then what happens? We are linked to India, and India is linked to England. If India breaks away, I suppose there will be a break with sterling too, and then there will be a tremendous slump in the value of the Indian rupee. Should the Hon. the Financial Secretary, in spite of the powers he has, hazard such a contingency?

I know, this is a thing that has happened very recently. But as he knows, the Cripps proposals are the least that can happen at the end of the war; and even before the end of the war much more might happen. So is it worth our hazarding our financial position by relying on Indian investments and Section 14 of the Ordinance?

The Hon. Mr. Huxham: Sir, the House may remember that the Currency Bill which I originally introduced was different in principle from the Currency Bill which the House eventually passed. I wanted there to be a provision in our Currency Bill whereby we could, if we so desired, break away from the Indian rupee and base our rupee on sterling. But the House would not have it and insisted that our currency should be firmly tied hand and foot to the Indian rupee, and I cannot get away from that position.

As regards investments, they are divided between India and other countries. As we are bound to pay Indian currency for our notes on demand, we must have a certain amount of investments in Indian rupees.

But the main point of the hon. Member's remarks was that the Currency Commissioners should consider seriously the question of refusing to comply with the clear duty imposed on them by the

Ordinance of giving Ceylon notes to anyone who tenders Indian rupees. Under the law as it now stands we have absolutely no option; we are bound to give Ceylon notes for Indian rupees.

If it is suggested that the law ought to be amended, we have to consider what would result from a denial of Ceylon notes to the Bank or other person tendering us Indian currency. There would immediately be a scarcity of our main notes, and when a big employer goes to the Bank and wants Rs. 10,000 or Rs. 20,000 to pay his labour, the Bank would say, "It is true that you have to the credit of your account Rs. 200,000, but the Treasury cannot supply us with notes; so instead of Rs. 20,000, we will give you Rs. 15,000". Then the employer will have to go to his labour and say, "I have a big Bank balance, but they cannot give me notes; so I have to pay you 25 per cent. short". I would like the hon. Member to consider what would happen then. I think our economy would get into a very bad tangle.

So it is a basic principle that in the case of currency like ours, exchange must always operate both ways. We must give Ceylon notes for Indian rupees and we must give Indian rupees when Ceylon notes are presented to us. The moment we get away from either of those positions, we are in the realm of an independent managed currency, which is almost an impossibility in a small Territory like this Island.

Mr. Mahadeva: The explanation does not seem quite conclusive. Does the Hon. the Financial Secretary mean, irrespective of the extent of notes circulating in the Island—"A" may have Rs. 100,000 in notes in his iron safe; "B" may keep another Rs. 100,000 in notes somewhere else—merely because some Indian or other produces Indian notes or Indian rupees, we are bound to give Ceylon notes?

You know what will happen then. The explanation takes no notice whatever of the existing currency available. Suppose the banks are short of money. Suppose some private individuals draw a great deal of money and keep it apart. According to the Financial Secretary anyone producing Indian rupees will have to be paid in Ceylon notes. The fact that there is quite a sufficient number of notes that can be put into circulation, is entirely

ignored by the Financial Secretary, and he is prepared to use the Government Printing Press to issue notes. Is that the position? Does he take into consideration the unused notes which could be put into circulation but are not put into circulation?

The Hon. Mr. Huxham: The hon. Member is quite correct. No account is taken of the quantity of notes in circulation. When the legal demand is made by a person that he shall be given Ceylon notes in place of Indian rupees, actually he has placed that amount to our credit in the Reserve Bank in Bombay. If he gives us a lakh credit there, he gets a lakh here. Our lakh is invested in such a form that it can be realized so that if at any time he brings us back a lakh in our notes we can hand him back a lakh of Indian rupees.

Mr. Mahadeva: And will you destroy those notes?

The Hon. Mr. Huxham: Yes. When our notes are tendered here and we give out Indian rupees in exchange, those notes are withdrawn from circulation, so that our total circulation at any moment is always represented by solid securities.

Mr. Aluwihare: Sir, the position seems to be this, that before the war—anyway in 1939—there was a note circulation of very nearly Rs. 50,000,000—Rs. 49,000,000—and there were notes in the vault—I do not suppose you count that—to the value of Rs. 39,000,000. Anyway, Rs. 49,000,000 was in circulation. Then you had coins to the value of Rs. 14,500,000, which was below the statutory amount, I think, under the old Currency Ordinance.

Now what is our position with regard to note circulation? I suppose our note circulation now must be nearer Rs. 150,000,000; and what is our cover for that Rs. 150,000,000?

The Hon. Mr. Huxham: The note circulation is in the neighbourhood of Rs. 140,000,000, and against that we have Rs. 140,000,000 of investments—long-term, medium-term, short-term (Treasury Bills, and balances in the Banks.

Mr. Aluwihare: What will happen if India becomes free? How much of these investments are Indian?

The Hon. Mr. Huxham: Somewhere about half the investments are Indian. And surely if there is a change of Government in India, we do not contemplate the new Government repudiating its liabilities. It is something quite unimaginable as far as I am concerned. I do not think it has occurred to anyone in India to dream of such a thing.

Mr. Aluwihare: I am sorry, but England did it to America. Why are you saying that you cannot imagine it? Other Governments did it to England, and England did it to America, and America nearly did not come into the war on account of that.

The Hon. Mr. Huxham: England has never repudiated British Government securities.

Mr. Wille: Does the hon. Member mean that India free means India dishonest?

Mr. H. W. Amarasuriya: Is it security against the issue of notes, or is it security against solid investments? These investments, I think, are investments for the redemption of the Public Debt. Is it for the redemption of the Public Debt, or is it collateral security against the note circulation? The Financial Secretary's statement raises that question.

The Hon. Mr. Huxham: Currency investments have nothing whatever to do with the sinking fund of our Public Debt which is entirely separate.

Mr. Aluwihare: Will the Hon. the Financial Secretary explain this matter to us when at least the Budget is being discussed, because what is the use of our discussing the Budget if a printing press will cover the whole show? It was startling to most of us to find that the money in circulation had increased by 250 per cent., with no one any the wiser. So why should we not meet the deficit of the Budget in that way?

The Hon. Mr. Huxham: An increase in note circulation can only be made in return for Indian rupees—

Mr. Aluwihare: I did not mean that seriously.

The Hon. Mr. Huxham: So how this Government is going to meet its expenditure by printing notes in respect of which it has to tender Indian rupees, I do not follow.

Mr. H. W. Amarasuriya: What is the value of the currency investments?

The Hon. Mr. Huxham: It is almost equal to the value of currency in circulation.

Supplementary Estimate (1) was then passed.

(2) Mine Sweeping Trawlers.

The Hon. Mr. Huxham: Supplementary Estimate (2) is as follows:

Head 42, Miscellaneous Services.
New Sub-head 15, Loss in connection with purchase of Mine-sweeping Trawlers.
Amount: Rs. 142,222.
Nature of Service: To meet loss incurred in connection with the purchase of 2 Mine-sweeping Trawlers.

The State Council provided a sum of, I think, Rs. 1,500,000 for the purchase of 2 Mine-sweeping Trawlers, and we entered into an agreement accordingly with a firm in Burma to supply these trawlers; and in accordance with that agreement we made certain payments on account. The question of war risk was raised; Government is not insuring against any war risk for one thing, and for another thing, we could not have insured these trawlers even if we wanted to do so because there was no Government insurance scheme and no private insurance enterprise would have undertaken the risk. Therefore we inevitably stood to lose if these trawlers were lost through circumstances arising out of the war.

As the House knows, Burma is in occupation by the enemy. These trawlers had just been commenced and could not possibly be removed as they were still on the slips. The result is that the amount we have paid is not represented by any asset and cannot possibly be brought in to our balance sheet at the end of the war.

I can assure the House that the Treasury will not lose sight of this item. If, at the end of the war, it is possible to get back this sum or any part of it from anybody, we shall try to get it. I ask the House for permission to write this amount off our books as expenditure in

respect of which there is no asset which can properly be brought into our balance sheet.

I move that this Supplementary Estimate be passed.

Mr. Aluwihare: How often is it necessary to mine sweep the sea around the Island?

The Hon. Mr. Huxham: It is done at least once a day off Colombo.

Mr. Susanta de Fonseka (Panadure): Are there any further payments due to the company in respect of these trawlers, apart from the first instalment paid for work already done on them?

The Hon. Mr. Huxham: No, except that at a later date, very possibly at the end of the war, we hope to have a full account from the Company which undertook this contract. We might have some claim against them, and I think it is not unlikely that they might have some claim against us. The payments in question were due to them under the agreement in respect of work completed at the time the payments were made.

Supplementary Estimate (2) was then passed.

(3) Extraction of Firewood.

The Hon. Mr. D. S. Senanāyake (Minister of Agriculture & Lands): I move that the following Supplementary Estimate standing in my name be passed:

Head 67, Forest Department.

Sub-head 8, Extraction of Firewood.

Amount: Rs. 4,100.

Nature of Service: Payment of Wages of Overseers employed in connection with the emergency supply of firewood.

The activities of the Forest Department have been enlarged to a great extent.

Supplementary Estimate (3) was passed.

(4) Workshop and Storage Accommodation for Tractors.

***The Hon. Mr. Senanayake:** I move that the following Supplementary Estimate standing in my name be passed:

Head 71, Irrigation Extraordinary.

New Sub-head 96, Provision of Workshop and Storage accommodation for Tractors.

Amount: Rs. 16,000.

Against corresponding under-expenditure on: Sub-head 32, Improvements to spill tail channel of Iranamadu Tank, Karachchi Scheme.

We have ordered machinery to the value of Rs. 1,500,000 from America. A part of that machinery has been received, and we have to store it till the rest of the machinery is received.

Supplementary Estimate (4) was passed.

(5) Hikkaduwa-Dodanduwa Electric Lighting Scheme.

***The Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration):** I move that the following Supplementary Estimate standing in my name be passed:

Head 78, Commissioner of Local Government.

New Sub-head 18, Grant-in-aid to the Sanitary Board, Galle, towards the Hikkaduwa-Dodanduwa Electric Lighting Scheme.

Amount: Rs. 4,359.12.

Nature of Service: To give a grant to the Sanitary Board to pay the balance due to the contractors for executing the Hikkaduwa-Dodanduwa Electric Lighting Scheme.

A rather unfortunate situation has arisen in connexion with the electric lighting scheme of the two Sanitary Board Towns mentioned. In 1936 they received a loan from the Local Loans and Development Fund in connexion with the electric lighting scheme, and just about that time the cost of material connected with electrical work was increased. A further loan of Rs. 20,000-odd was sanctioned, but there is still this small amount due to be paid. They simply have not the funds to pay this amount, and they cannot raise any further loans because the highest sum they could raise under the Ordinance has already been exceeded. They are now levying the highest rate that is possible under the Small Towns Sanitary Ordinance. In the special circumstances of the case it is not unfair to give this small sum of Rs. 4,359.12 as a grant.

Mr. Aluwihare: The Minister says that these local authorities have levied the maximum they can levy under the Ordinance. Am I correct?

***The Hon. Mr. Bandaranaike:** That is correct.

Mr. Aluwihare: And the Financial Secretary states:

I do not consider that they should have been deprived of the benefits of electricity if they are prepared to pay for them; the proper remedy is to increase very considerably the maximum rate which they are permitted to levy.

[Mr. Aluwihare.]

Has the Board of Ministers considered that point, or are we going to be asked to come here every time to vote money on account of miscalculations such as this? I wonder whether the Minister has considered amending the Ordinance.

***The Hon. Mr. Bandaranaike:** As a matter of fact, the House may know that the Sanitary Boards will before long cease to exist altogether. The very small ones will become urban areas within Village Committees and the larger ones will be converted into Urban Councils. As Urban Councils, they will have the power to levy rates at any figure they may consider necessary. Those steps are delayed at present owing to the war conditions.

Mr. Aluwihare: As Village Committees?

***The Hon. Mr. Bandaranaike:** No. Village Committees will be extremely small bodies. The areas under them could hardly be considered towns.

Mr. Aluwihare: Like Aluwihare?

***The Hon. Mr. Bandaranaike:** Yes, like Aluwihare.

Supplementary Estimate (5) was then passed.

(6) Resthouse for Minneriya.

***The Hon. Mr. Bandaranaike:** I move that the following Supplementary Estimate standing in my name be passed:

Head 78, Commissioner of Local Government.
New Sub-head 19, Building and equipping a resthouse at Minneriya.

Amount: Rs. 15,000.

Nature of Service: Building a resthouse at Minneriya and for equipping it.

It has been felt necessary to have a Resthouse at Minneriya for various reasons, and the request has been put forward by the Minister of Agriculture and Lands that it would be very desirable to have a Resthouse there if possible. Unfortunately the Provincial Road Committee, whose duty it is to carry out a work of this nature, has not at its disposal funds for this work and therefore the award of a grant has become necessary.

Mr. Aluwihare: Has this matter come up before the Executive Committee of Agriculture and Lands?

***The Hon. Mr. Senanayake:** No.

***The Hon. Mr. Bandaranaike:** The Minister of Agriculture and Lands wrote to me about it.

Mr. Aluwihare: Is there not some kind of circuit bungalow there?

***The Hon. Mr. Senanayake:** No.

Supplementary Estimate (6) was then passed.

(7) Expenses of administering Match Ordinance.

***The Hon. Mr. G. C. S. Corea (Minister of Labour, Industry & Commerce):** I move that the following Supplementary Estimate standing in my name be passed:

Head 103, Director of Commerce and Industries.
Sub-head 11, Expenses of administering the Match Ordinance.

Amount: Rs. 350.

Nature of Service: Administration of the Match Ordinance.

Under Head 103, a sum of Rs. 200 was provided in the current year's Estimates to meet the expenses of administering the Match Ordinance, but owing to additional advertisements and other things which occurred in the course of the year, there has been an excess expenditure of Rs. 350.

Mr. Susanta de Fonseka: I move a cut of Re. 1 in this vote as a protest against the use of Defence Regulations to legislate on matters which are not strictly of a Defence nature. I have already given notice of a motion on the subject, and as I do not want to anticipate that motion I shall be very brief in my comments.

As the House is aware, some months ago a Defence Regulation was passed—it was published in *Gazette* No. 8,931—giving the Minister and his Committee the power to fix the price of matches from time to time. I am personally aware that the question of the price of matches had been engaging the attention of the Minister and his Committee at least eight months prior to the passing of that Defence Regulation. The question came before his Executive Committee on one or two occasions long before Japan came into the war. Especially in a matter of this nature I think the Minister should not have taken powers under the Defence Regulations to fix the price of matches.

The Hon. Minister of Agriculture and Lands will be aware that on the Floor of this House, on two occasions when Private Members' Motions were discussed, he strenuously opposed an increase in the price of matches. I for one was in favour of an increase, but my opposition to-day is based on the ground that in taking powers under the Defence Regulations, the Minister is side-tracking this Council altogether. I feel that in matters which are not strictly of a Defence nature, this Council should be very firm in its attitude and prevent any Minister or Ministers from taking powers under those Regulations.

It is not only that. About two months subsequent to that, by virtue of the powers the Minister had already taken, he changed the price of matches from two cents to three cents a box. The notification was published in *Gazette*, No. 8921. An assurance was given on the Floor of this House, when the Emergency Regulations were passed, that His Excellency will as far as possible act on the advice of the Ministers and I know that in this matter and in certain other matters the Governor has acted in a very Constitutional manner. But for the request made by the Minister of Labour, backed, I believe, by the Board of Ministers, His Excellency would not have consented to this piece of emergency legislation—*[Interruption]*. I may be wrong when I say that the Board of Ministers was consulted, but I know that in this matter the initiative for passing the Defence Regulation came from the Minister. I also know, judging from His Excellency's own utterances, that in a matter like this, unless the Minister concerned moved for those powers, His Excellency would never have passed an emergency regulation.

I therefore move, as a protest, a cut of Re. 1, namely, that the vote of Rs. 350 be reduced to Rs. 349.

The Chairman: The amendment is also before the Committee for comment.

***The Hon. Mr. Corea:** If the hon. Member had just mentioned to me that he was raising this question of an amendment, it would have been very helpful. This matter was discussed such a long time ago that I have not all the facts in mind. It may be necessary to put

before the House the whole position, and it would be helpful if this item is put off for about half an hour till I can get at the papers.

In the meantime, I should like to tell the House that it became necessary to take powers under the Defence Regulations because the whole industry—I am speaking from memory—had stopped production. As the hon. Member himself knows, my Committee considered the matter fully, and we were not willing to increase the price of matches until we were satisfied that the demand made was reasonable, after examining the reasons adduced for such increase. Well, the manufacturers put their case before us and said that the price of chemicals required for the manufacture of matches had increased by 300 per cent.; that the timber had to be brought over long distances—from districts like Matale and Anuradhapura—that the cost of transport had increased, and they also adduced various other reasons. All those reasons were very carefully considered by the Director of Commerce and Industries and by the Executive Committee, and we decided that it was necessary to increase the price of matches.

We attached two conditions to the increase in the price: that a box of matches should contain, instead of the former number of match-sticks, at least fifty-five to sixty sticks; that every match box produced should bear the stamp that it was priced at three cents and that such box should contain fifty-five to sixty match-sticks. That was one condition, and the other condition was that the duty payable to Government would be increased by a certain percentage. I now forget the details, but if I refer to the papers I might be able to enlighten the House as to the increased duty to Government and the increase in the number of sticks. Formerly a box of matches had something like forty to forty-two sticks but that number has now been increased to fifty-five or sixty.

***Mr. S. Abeywickrama (Udugama):** Now the number of sticks is less and they do not even light.

***The Hon. Mr. Corea:** There must be fifty-five to sixty sticks in a box bearing a banderol. To put in a fewer number of sticks is an offence.

[The Hon. Mr. Corea.]

Those were the considerations which led us to come to that decision. It is a fact that at the time we came to that decision production had ceased. The manufacturers were not prepared to produce matches unless the price was increased. At the time Council was not sitting—I am now speaking without notes—and there was no possibility of bringing forward a motion to effect that increase in the price of matches. In the circumstances that increase had to be effected by means of Defence Regulations.

I can confirm those facts if the House will postpone consideration of this vote for half an hour to enable me to obtain my file.

Mr. Aluwihare: We will accept those facts.

Mr. Susanta de Fonseka: The Hon. Minister apparently is not fully aware of the fact that the industry had closed down about 6 months prior to the Defence Regulation in question being passed.

***The Hon. Mr. Corea:** Not the whole industry; some section of it.

Mr. Susanta de Fonseka: Three-fourths of the large firms, except the "Two Elephants" Co—

***The Hon. Mr. Corea:** That is the biggest firm.

Mr. Susanta de Fonseka:—which alone had bought, I believe, the sulphur and chemicals that were required.

The Ministry was confronted with this situation from, I believe, last September almost a year ago. Representations were frequently made, and this matter came before the Ministry on several occasions. It must have been clear to the Hon. Minister that he would have, at some stage or other, either to increase the price of matches or to reduce the number of sticks per box.

My grievance is this: the Hon. Minister also stemmed the force of my remarks by saying that one of the conditions imposed was an increase in the duty payable. Apparently it was a revenue measure. To what extent can you, by an emergency regulation of this type, introduce financial legislation? Surely it is most unheard of!

***The Hon. Mr. Corea:** Under the Ordinance.

Mr. Susanta de Fonseka: It may be "except under the most extraordinary circumstances". Surely no responsible Minister should take action of that type.

***The Hon. Mr. Corea:** It is under the Ordinance.

Mr. Susanta de Fonseka: The Hon. Minister has not made out a case at all. It is true that at the time the emergency regulation was passed we had adjourned. But we had adjourned only for a fortnight. And the Hon. Minister had been considering this matter for seven months.

Mr. Aluwihare: I thought the Hon. Minister gave himself away badly when he said that the match manufacturing industry had to function and that he had to take some steps. These are not Defence of Matches Regulations; they are Defence of the Realm Regulations, and it is absurd for the Hon. Minister to say that he used the Defence of the Realm legislation because the match manufacturing industry had stopped functioning.

The Hon. Colonel J. L. Kotalawala (Minister of Communications & Works): Matches were required.

Mr. Aluwihare: It should be easy to see the extent to which the Ministers can misuse their powers. Here is a situation which had been threatened for six months. If the statement of the hon. Member for Panadura (Mr. S. de Fonseka) is correct, some manufacturers had gone out of production; the Hon. Minister knew that. And then the Hon. Minister chooses the two weeks that we had taken for a hard-earned holiday and gets the Defence of the Realm Regulations passed. Why? to defend the match industry.

***The Hon. Mr. Corea:** That is not quite correct. The point that has to be remembered is this, that although this matter was being considered for several months we had always consistently felt—and the Committee had held—that there was no case for an increase until about the time when practically everybody who was manufacturing matches ceased production and the country was

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absolutely short of matches. When we were faced with that situation, and when we came to consider the situation in the light of known figures with regard to the price of chemicals, we decided that it was imperative that some action should be taken immediately in order to bring these factories into production. Therefore we took the step that we did take in order to enable the country to obtain matches. There was a time when you could not obtain a box of matches anywhere. That was the reason why we acted; it was not because we had any peculiar desire to make use of these Defence Regulations. The Executive Committee was faced with a situation which required some immediate and urgent action in order to bring the factories into production, and we did the only thing possible. If we had not taken that action there would have been no matches in the country. That would have caused greater difficulty and criticism. We took that action because it was absolutely necessary to do so at the time.

Mr. Aluwihare: That is not the point. We only want to show the Hon. Minister that he is misusing his powers. Suppose this happened in peace-time; suppose there were no Defence Regulations. How would he have acted? It is very easy for a Minister to manœuvre himself into a difficulty and then use Defence Regulations on the excuse that we are not in session. That is the point we are making.

After all, were the regulations brought before this House even after this Council met? Did the Hon. Minister get our sanction or bring the matter up in the House, until this question was raised? That is exactly the kind of thing we want to avoid, because on this question of fixing the price of matches, on this question of fixing the prices of commodities the gravest accusations are made in the country. It is for that reason alone that we do not want these things done behind the back of the House.

Mr. R. Sri Pathmanathan (Mannar-Mullaitivu): The hon. Member for Matale (Mr. Aluwihare), living in a world of his own, has suddenly awakened and finds that we have used the Defence Regulations for different matters. He forgets the fact that the whole country is governed by Defence Regulations;

three-fourths of our daily affairs are mixed up with Defence Regulations. So, suddenly to get up and say, "These are Defence Regulations. Why do you use them?" is not an argument which should carry weight under the war conditions obtaining in this country.

The Hon. Minister of Labour, Industry and Commerce was forced under the circumstances—because the time was very short; the factories had no work and there were hardly any stocks of matches at all in the country—to act in this manner. Is the Hon. Minister going to fold his arms and allow the hon. Member for Matale (Mr. Aluwihare) to come here and say, "Where are the matches? There are no matches at all. Where are the producers of matches? Why do they not produce matches? Why, there is emergency legislation. Why do you not legislate under emergency legislation if the matter is so urgent?"

What I want to impress on the House is this, that the hon. Member is quite out of touch with conditions. Actually we are living under war conditions, and very often we are forced, in spite of ourselves, to bring in regulations and pass them. The hon. Member forgets the fact that the whole country is practically under martial law. [MEMBERS: No.] There is the Commander-in-Chief. Has he a place in this Constitution?

Mr. Susanta de Fonseka: No.

Mr. Sri Pathmanathan: No. The Hon. Minister of Labour, Industry and Commerce is fully justified in acting as he did. The first thing is to take the Commander-in-Chief away. Then we should discuss law and order and other things in this House.

Mr. Aluwihare: I am accustomed to the hon. Member snoring at meetings. But I am not accustomed to being accused of not realizing the situation that we are in. It is exactly what the hon. Member says is the state of affairs that I want to avoid.

I do not see how the situation with regard to the "Defence" of matches arose from any sudden development due to the war. The Hon. Minister had six months notice of the matter, and he cannot, under the pretext of the Defence of the Realm Act, legislate for purposes such as these without even informing us of

[Mr. Aluwihare.]

what has been done directly we meet in this House. I must confess that but for the hon. Member for Panadure (Mr. S. de Fonseka) I would not have known that this had been done. Yet that is no reason why the Hon. Minister should act as he does.

***The Hon. Mr. Corea:** In order to support what I said, you will find that on this Agenda there are a number of regulations under the Matches Ordinance which we have put before the Council. Various regulations are framed, and they come up and are submitted to this Council.

I explained the reason why we had to act in the manner in which we did act in that instance alone. On this Agenda there are certain regulations; and they have been there for some time. We have always reported them and put them on the Agenda. I gave you the peculiar circumstances under which we had to act on that occasion.

Mr. Aluwihare: That is not an answer to the hon. Member.

***The Hon. Mr. Corea:** I did not say so.

Mr. Aluwihare: Even if the hon. Member for Panadure (Mr. S. de Fonseka) is willing to let this matter pass—

Mr. Susanta de Fonseka: No.

Mr. Aluwihare: We do not want the Minister in any circumstances to act under Defence Regulations in a matter which has nothing to do with Defence. That is the point we are making.

The Hon. Mr. G. E. de Silva (Minister of Health): If there are no matches the whole country will be in darkness and the smokers will have to give up smoking.

Mr. Aluwihare: I think the Hon. Minister of Health shows a serious deterioration after he became Minister.

The Hon. Mr. G. E. de Silva: From your point of view. I am not mad as you are.

Mr. Aluwihare: No, Sir. He is not quite as mad; he is only more ignorant. But that is not the point. We cannot allow a matter of this nature, small as it

is, to pass because of the principle involved.

As a matter of fact, we found that in a great many matters the Ministers would use the Defence Regulations even to a greater extent than His Excellency the Governor would, and we have to avoid it.

The Hon. Mr. G. E. de Silva: I do not think hon. Members of this House ought to take the hon. Member for Matale (Mr. Aluwihare) very seriously, because he has said that he just picked up one or two points on this question from the hon. Member for Panadure. He does that, and he gets up and opposes this Supplementary Estimate. If he was opposed to the steps taken, how is it that he did not bring in a motion to reduce the price of matches? All the Members of the Executive Committee of Labour assented to the recommendation of the Hon. Minister. I can understand it if the Hon. Minister had submitted the matter and obtained the support of the War Council without the backing of the Executive Committee. Once he has obtained the backing of his Committee, I cannot understand why there should be a grouse.

I would ask hon. Members to consider the fact that the Hon. Minister of Labour, Industry & Commerce thought that this was an urgent matter and acted promptly. Was he to have delayed this matter? He had to have recourse to this expediency and set the matter right.

We had to consider the question whether 3 cents is a reasonable price or not for a box of matches.

Mr. Susanta de Fonseka: We are not concerned with the price.

The Hon. Mr. G. E. de Silva: The hon. Member says that he is not concerned with the price. Then is it a just imposition?

Mr. H. W. Amarasuriya: No; it is not.

The Hon. Mr. G. E. de Silva: Really, this is not a debating society. We are expected to carry on our work under most difficult conditions, and I would ask whether hon. Members who have some sense of responsibility should get up and say that the Hon. Minister took this step in order to defy the Council. I can understand it if this step is unjust, if it is not warranted by the facts.

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But that is not the case of the hon. Members who have spoken. Simply because the Hon. Minister thought it expedient to do a certain thing with the concurrence of his Committee, is it fair for us now to sit in judgment over him? What he did saved this country a great deal of trouble, and surely hon. Members must treat the Hon. Minister with some courtesy. Moreover, I would tell hon. Members that these are difficult times that we are living in, and if you go to pick holes like this and pass a vote of censure on the Hon. Minister of Labour, Industry and Commerce, would it be possible for him to carry on his duties?

Mr. Susanta de Fonseka: There is no censure.

Mr. G. R. de Silva (Colombo North): It seems to me that the Hon. Minister of Health is getting rattled at the slightest criticism from any hon. Member of the House to-day.

The Hon. Colonel Kotalawala: George for George!

Mr. G. R. de Silva: It appears to me that any ordinary measure which a Minister finds it difficult to pilot through this House is brought in under Defence Regulations. As the hon. Member for Panadure (Mr. S. de Fonseka) said, a few weeks ago the Hon. Minister of Local Administration had the courage not to use the Defence Regulations in regard to another matter. It seems to me that when a Minister finds that here is a debatable subject which, if brought before the House, will create a difference of opinion, he thinks that it must be brought in under Defence Regulations. Anything can be said to come under Defence Regulations; somebody might say that matches are a necessary article for the country and that therefore the control of matches must be brought in under Defence Regulations.

I do not think it is right and fair for the Hon. Ministers to introduce, under Defence Regulations, legislation which would ordinarily be passed by this House. I believe that was the point which the hon. Member for Matale (Mr. Aluwihare) urged, and I think that is what most of us feel in respect of this matter. It is not our purpose to pass a vote of censure on the Ministers, but we hope they will

realize that legislation which should ordinarily be brought before the House ought not to be introduced under Defence Regulations.

The hon. Member for Panadure (Mr. S. de Fonseka) has pointed out that this matter was discussed for months, and a controversial subject of this nature should not be dealt with under Defence Regulations. After all, they had to wait only a short time in order to consult this Council. It seems to be the habit all round to deal with all kinds of matters under Defence Regulations, and I would ask the Hon. Minister of Labour, Industry and Commerce and the other Ministers in general kindly to recognize the fact that there are Members of this House who represent the people and who would like to know what is happening. The Ministers should not assume that something must be done and nobody need know anything about it until long after it has been done.

***The Hon. Mr. Corea:** I agree entirely with hon. Members that unless it is absolutely necessary it is not correct to act in this way, and I would not do it myself. There are many matters that have been brought before this House. I only explained the position I and my Committee were placed in, and I exercised a discretion. It had to be done. That is the only explanation I can give.

Dr. A. P. de Zoysa (Colombo South): Is there no provision in our Constitution for emergency matters to be dealt with except under Defence Regulations? These Regulations were brought into force recently. Previously the Ministers could have got matters certified if they were urgent. [A MEMBER: No!] Supposing even that was not possible, surely there is a method by which Ministers could act in an emergency. If there is no such method, would a Minister make use of a Defence measure and create a precedent? Next time he will not even consult his Committee. It is I think highly objectionable.

Mr. Sri Pathmanathan: The hon. Member for Colombo South (Dr. de Zoysa) has misapprehended the whole situation. He probably does not know that the matches industry could not obtain any chemical or wood, and there were chemicals on the seas which were lost. The industry was in such a parlous

[Mr. Sri Pathmanathan.] position that nothing could be done to improve it; and would the hon. Member for Matale (Mr. Aluwihare) wait till he obtained new matches from some unknown place to smoke his hookah with hashish? No, he would not wait. We could not wait to come to the House and say, "This is the state of affairs. There are no matches for people to light lamps, and fires in their homes to keep the pot boiling". We had only one alternative, and that was to get the emergency legislation through.

I would never be a party myself to an emergency order if there was a possibility of doing it in any other way. Under these circumstances it was impossible to use other legislation. We had to get the measure through quickly and put matches on the market. In fact, the hon. Member for Matara (Mr. Hewavit-arne)—he owns a large factory—came and told us all the circumstances. Perhaps he controls the whole matches industry in Ceylon. He said, "We cannot put matches on the market". We had to take the opinion of an expert and we had an expert in our own Committee. Under the circumstances it was up to the Minister to get the legislation through. It is useless for the hon. Member for Matale (Mr. Aluwihare) like Rip Van Winkle once in thirty years to get up and say these things.

Mr. Susanta de Fonseka: Surely the hon. Member does not suggest that as a result of the Defence Regulations being passed no ships were sunk subsequent to that or that the prices of chemicals were controlled. I will say something which up to now I did not mention to the House. It is true the industry ceased production somewhere in September, 1941, but it is absolutely incorrect to infer from that statement that there were no matches—prepared matches or boxes of matches—in the hands of manufacturers.

Mr. Sri Pathmanathan: Question!

Mr. Susanta de Fonseka: They had large stocks, but they refused, on very good grounds, to put the matches on the market unless the price was increased. I do not say, Sir, that the producers blackmailed the Ministers or the Members of his Committee. The question of matches was one which required careful investigation, but, as I said, the matter

had been under consideration for eight months and the Minister knew that for some time previously the manufacturers were hoarding the matches and not putting them on the market. I challenge the Hon. Minister of Agriculture and Lands, who knows something of this matter, to deny that statement of fact. That is so. There were matches in the country; only they were not releasing the matches. Then they came forward and got the price increased, and collared the country.

***Mr. Abeywickrama:** May I know from the Hon. Minister how many days' delay there would have been if he had adopted the ordinary procedure of coming before the Council? The Council had adjourned only for two weeks, and if the manufacture of matches had been stopped for seven or eight months, I wish to know whether any calamity would have occurred if there was two weeks' delay and the normal procedure of placing the matter before the Council had been adopted?

***The Hon. Mr. Corea:** That is a matter on which I would have wished to enlighten the House, but I said that I have not the *Gazette* notification or the file of papers with me. I know as a fact that we found that there was a big interval during which the Council would not be sitting.

It is perfectly true that this matter was considered for several months, but the point I am making is that after all that consideration, when we were in possession of all these facts we had to act at that time owing to the necessity to get the matches released to the market. The Council was not sitting at that time, so we took action on these lines. That is the only statement of the position I wish to make.

I cannot remember the period. If I had my papers I could say whether it was two or three weeks or a month. There was an interval, and we had to take this action. Our judgment might have been wrong. My judgment and the Committee's judgment might have been wrong in the sense that we felt that this had to be done at that time. Somebody might say now, after the event, that we might have waited, but we felt that it had to be done then.

Mr. Aluwihare: There is an attempt made by the hon. Member for Mannar (Mr. Sri Pathmanathan) to defend his

Committee which makes the position even worse. There was the proprietor or a shareholder in the matches industry in that Committee and he was the chief mover in this matter.

***The Hon. Mr. Corea:** I deny that, Sir—that he was the chief mover. I wish to say this with regard to that hon. Member, that when most of these matters come before that Committee, he never votes or speaks unless his opinion is asked for. I can tell that of that hon. Member. There are hon. Members here who would vouch for it.

Diwan Bahadur I. X. Pereira (Nominated Member): In fairness to the hon. Member for Matara (Mr. Hewavitarne), I must say that whenever this question of the matches industry is discussed by our Committee, he hesitates to press his claims and he refrains from voting.

Mr. Aluwihare: I went on the statement that the hon. Member in question came before the Committee and explained the whole position.

Mr. Sri Pathmanathan: As a personal explanation, I wish to say that it was only when he was asked his opinion as an expert that he gave it. He never gave his opinion of his own accord and never pressed his opinion.

Mr. Aluwihare: Sir, we have to take statements at their face value, and if I am told an hon. Member came before the Committee and stated all the facts, I have to take it.

Mr. Sri Pathmanathan: He is a Member of the Committee. He never came before the Committee. That is the whole point.

The Chairman: Order!

Mr. Sri Pathmanathan: Where things are impure, all things are impure. I sincerely object to motives being attributed to the hon. Member referred to.

The Chairman: The hon. Member should not continue to stand and speak when another Member is on his feet.

Mr. Aluwihare: The purity of the hon. Member has been proverbial after that timber contract.

Members: Order! Order!

Mr. Sri Pathmanathan: What about your tea-coupon contract?

Members: Order! Order!

Mr. Aluwihare: I am on my feet. I am sorry; the person to be called to order is the hon. Member for Mannar. It is absurd to expect me to be interrupted and preserve order in this House.

Sir, I am glad that the hon. Member for Matara (Mr. Hewavitarne) has come in. When I was told that he came before the Committee or was in the Committee and explained the whole position, without that statement being qualified in any way, I took it that he was one of the chief movers in this business.

Diwan Bahadur I. X. Pereira: Why assume?

Mr. Aluwihare: The hon. Member says, "Why assume it?" When a man in a committee states all the facts and urges his case, what are you to assume?

The Hon. Mr. G. E. de Silva: His case?

Mr. Aluwihare: Anyway the point I want to make is this: the Hon. Minister said that the matter was urgent and that he would not use the Defence Regulations ordinarily, but that this particular matter was urgent and therefore he had to use the Defence Regulations. The position we want to get at is that the Defence Regulations will not be used for anything but for the defence of the realm, for cases coming within that narrow definition; and I do not see that the Hon. Minister cannot give us that undertaking.

The Hon. Mr. G. E. de Silva: He said so.

Mr. Aluwihare: No. He has not said that. That depicts the deterioration I spoke of, Sir. All that the Minister has said is, "This was an urgent case. Therefore I used Defence Regulations." There are many urgent cases, but it is only in an urgent case affecting the defence of the realm that the matter must be brought under the Defence Regulations and nothing else. I do not think the Minister can possibly refuse to give us that undertaking.

Mr. Dudley Senanayake (Dedigama): Sir, in this confusion caused by the search for purity one seemed to lose the real issue raised by the hon. Member for Matale (Mr. Aluwihare), and that is a serious one. The urgency of the matter in itself does not suffice to warrant a Minister using the Defence Regulations. Many urgent things arise during peacetime.

What we want to stress is that the Defence Regulations are to be used only for purely Defence matters in connexion with the war and the conduct of the war. Because this matter seemed to be urgent and the Defence Regulations were handy at the moment, that is no reason for using the Defence Regulations. The Members of the House are quite right in protesting against the procedure adopted.

Mr. R. Hewavitarne (Matarara): I am sorry I was not here at the time the hon. Member for Matale (Mr. Aluwihare) spoke, but from what I was able to gather I understand that he mentioned something about my being present at a meeting of the Executive Committee as a member of the Match Manufacturers' Association and as a Member of the Committee.

I may say that for several months the match manufacturers had stopped work because they could not possibly, owing to present prices of raw materials, turn out the boxes at 2 cents; and as a result of it there were hundreds of people who were out of work. The 3 cents' box was not my suggestion but a suggestion which emanated from the Director of Industries. It was considered after several conferences with the match manufacturers at which a representative of the Director of Industries was present, and when this matter was finally discussed by the Committee, I may say, I asked the Minister to allow representatives of the match manufacturers to be present, but it was thought at that moment that it was not necessary.

The request that was made by the match manufacturers was that the price should be raised to 3 cents without delay, as the price of chemicals, paper and even timber had gone up. I think many of the people of Ceylon imagine that the match manufacturers are making a very big profit at this new price of 3 cents a box. I think everyone is aware that the

Excise duty that had to be paid on the old 2 cents' boxes of matches which contained about 30 to 40 sticks was Rs. 40 as against Rs. 70 Excise duty on the new 3 cents' boxes of matches which contains nearly twice as many sticks as the previous boxes contained. The enhanced duty was not hailed by the manufacturers, but rather than prolong the agony, they decided eventually to accept it because, as I mentioned earlier, the manufacturers had stopped work and the workers were idle.

Just one word more about this emergency vote. At the time that action was taken by way of emergency regulations this House was not sitting. We had gone into recess; and had we waited till the Council resumed, I am sure, the workers would have suffered a great deal, and the shortage in matches would have been very acute.

***The Hon. Mr. Corea:** I have one point to make. I am sorry to keep the House long.

The Defence Regulation was made on 27th April, and the House had adjourned on 2nd April till 19th May. I am glad that the file has now come into my hands. Sir, I have evidence here to prove that my Committee did not intend to proceed by way of Defence Regulations at all. We went into this matter for several months; different reports were called for; the balance sheets of certain people were called for; their price lists, etc. Anyway, the inquiry was concluded, and we had a meeting of the Committee a few days before 2nd April.

Several regulations were required; not only the price regulation but also other regulations fixing the wages of employees; quotas had to be granted to different people. All those were passed by my Committee at one meeting—on 18th March—and we decided to proceed through the State Council by introducing these regulations before the Council. The matter was referred in the formal way to the Board of Ministers and it was approved for submission to the State Council by the Board Ministers.

Then we wrote—after the Board had reached a decision—to the Legal Draftsman to have the regulations in draft form to be put before the State Council. The Member for Panadura (Mr. S. de Fonseka) is shaking his head. I do not

know why. But I am stating a fact—that the matter was referred to the Legal Draftsman for preparing the draft regulations.

The application for the preparation of the regulations was made to the Legal Draftsman with the request that they should be made available by 2nd April, before the Council went into recess. That special application was made in order to enable those regulations to be brought before the House because it was a matter of urgency. But the Legal Draftsman said that it was impossible for him to comply with that request, owing, very probably, to the short notice that was given.

So we could not get the draft regulations and put them before the Council. We then considered the matter, and the Director of Industries sent us a report saying that, as the Council was in recess at the time, it would not be possible to give effect to the amendments approved by the Executive Committee and the Board of Ministers, and that meanwhile the match manufacturers had virtually ceased work. He gave certain reasons, and suggested that certain immediate action should be taken in those circumstances, and we took that action.

In proof of that, I referred to the regulations which are now on the Agenda. Those were part of the regulations which were passed on the same day, on 18th March. We passed regulations about the price, about wages, and about quotas; all those regulations were passed by the Committee on 18th March. Then we sent them up to the Board of Ministers and they approved them. We then sent them to the Legal Draftsman to prepare the regulations, and he was specifically requested to have them ready so as to enable them to be brought before the Council on 2nd April, which was the last day before the Council went into recess; the Legal Draftsman could not do it within that time, perhaps because of the short notice. Hon. Members will fully realize that this document is the clearest proof of that.

Indeed we did everything to put the regulations before the House, and the Director of Industries drew the attention of the Committee to the very great importance of this matter and suggested a certain course of action. It was in those circumstances that we took that

action. As a Member of the House, I agree with hon. Members that ordinarily we should not have taken this course. I was not usual or proper, but we were compelled on that occasion to take that action. In fact, the regulations were almost ready to come before the House. They were passed by the Committee and the Board of Ministers, and we had to get them out.

I want to explain that, and to assure the hon. Member for Panadure (Mr. S. de Fonseka) that it was not because we wanted to evade coming to the House that we took action under the Defence Regulations. There is the clearest proof that we wanted to bring the regulations before Council on 2nd April. If the Council had met a week later, the regulations would have been got ready by the Legal Draftsman, and they would have come before the State Council.

When we were faced with the position that confronted us, in the discharge of the responsibilities of the Executive Committee we had to take action. We did not keep the regulations away from the Council; we were compelled by circumstances to act under the Defence Regulations.

***Mr. Abeywickrama:** What happened to the millions of boxes that had been made before the price was raised?

***The Hon. Mr. Corea:** Well, they came into the market.

***Mr. Abeywickrama:** They had large stocks, and people made lakhs. We have had information to the effect that the stocks disappeared.

***The Hon. Mr. Corea:** Some people may have had some stocks. But where the manufacturers are concerned, there are general distributors. It may be that the distributors may have had all the stocks from the manufacturers.

Mr. Dudley Senanayake: The Hon. Minister has not met the point. The charge is not that he tried to evade bringing the regulations before the House, nor that the matter was not urgent: The charge is that it was not a matter for a Defence Regulation. That is the whole charge. As far as I am concerned, that is my objection. The matter may have been urgent; certainly, I do feel that it was urgent, and from what the Hon.

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Minister stated just now, evidently he did desire to bring the matter before the House. But the point is, if this sort of conduct is allowed there will be many instances in which the Ministers, under the guise of an emergency, will take action under the Defence Regulations.

The Hon. Mr. J. H. B. Nihill (Legal Secretary): On that point, if that is the gravamen of the charge against the Hon. Minister, I think it should not be overlooked that one of the purposes for which Defence Regulations can be used is the maintenance of essential services, some essential service to the life of the community. It is a matter for consideration whether the provision of matches is not an essential service to the community. If the community was absolutely bereft of this common little household article which everybody needs to use two to three times a day, one can see that a serious position would have arisen, and a great deal of hardship would have been caused and a great deal of interference would have been occasioned to the life of the community.

Thus the maintenance of the life of the community and supplies to the community is one of the purposes pre-requisite to a Defence Regulation. Of course, I quite agree that in every instance of that kind there may be border-line cases; there will always be border-line cases, and, of course, I take it that in a border-line case the Minister who is responsible for recommending a regulation will always consider whether the matter is one of urgency or whether it is not. If it is not a matter of urgency, he will, of course, naturally, and particularly in a matter of this kind where a charge in one sense was imposed upon the public, go to the State Council. But, I think, the Hon. Minister has shown pretty conclusively, in the remarks which he has just made, that in this case there was real urgency, as the Council was not sitting, and that he felt that it was his duty to preserve this commodity to the public by the action which he took.

Mr. H. W. Amarasuriya: I am prepared to grant that matches are required by the public in their day-to-day life, but the fact is there was no serious shortage of matches.

***The Hon. Mr. Corea:** There was; we had ample evidence of it.

Mr. H. W. Amarasuriya: The other thing is that it has not benefited the public. On the other hand, the price of matches was put up by this action, and the public were made to pay more than they had been accustomed to previously.

Then, with regard to the urgency of the matter, anything could come within the description of essential service, and if the matter was so urgent the Hon. Minister could have used the Defence Regulations until the matter was ratified by this Council. If the matter was so urgent he could have done that, but the matter was never referred to the Council until it was raised to-day.

Mr. Aluwihare: The utmost that the Hon. the Legal Secretary has carried the Minister is to 19th May. It is true that we were not meeting till the 19th May, but the grievance goes rather further than that. The matter was never brought before the House. You have no business to enact laws except to cover the immediate urgency—that is the point—otherwise you are just kicking down the ladder on which you have climbed. That is the main grievance. Even if the Minister thought it fit to use the Defence Regulations during an interregnum, so to speak, he had no business to extend that period.

As a matter of fact the principle is much more important than merely this one case, because the argument of the Hon. the Legal Secretary and the Hon. Minister pushed to its extremest limits is that in any case where at any moment of time legislation by Defence Regulations is called for, this House need never be consulted even after it has met. No, Sir. I see the Hon. the Legal Secretary shaking his head, but the Hon. the Legal Secretary will see the extent to which this particular case goes. That is a point we are keen about. We shall be satisfied if at the earliest sitting of the Council a matter like this is brought before the House; otherwise, most of us will be in ignorance of some very important matter.

That is what we want from the Hon. Minister. We are not so much concerned with censuring him for something that is past, but we are anxious that he should acknowledge his responsibility to

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this House even in a matter of this sort, and the Minister seems to hesitate to go to that extent.

The Hon. Mr. Nihill: On a point of personal explanation, Sir. My remarks followed the speech of the hon. Member for Dedigama (Mr. Dudley Senanayake) who said quite specifically that the gravamen of the charge was that the Minister had acted in a way which was unlawful within the scope of the Defence Regulations.

Question put, "That the sum of Rs. 350 be reduced by Re. 1".

The Committee divided—Ayes, 12; Noes, 24.

AYES.

Abeywickrama, Mr. Simon
Aluwihare, Mr. B. H.
Amarasuriya, Mr. H. W.
Amarasuriya, Mr. Thomas
Batuwantudawe, Mr. U.
De Fonseka, Mr. Susanta

De Silva, Mr. G. R.
De Zoysa, Dr. A. P.
Kastel, Dr. M. C. M.
Ratwatte, Mr. H. L.
Senanayake, Mr. Dudley
Siriwardana, Mr. H. de Z.

NOES.

Jayatilaka, The Hon. Sir
D. B.
Kannangara, The Hon.
Mr. C. W. W.
Senanayake, The Hon. Mr.
D. S.
Corea, The Hon. Mr.
G. C. S.
Kotalawala, The Hon.
Colonel J. L.
De Silva, The Hon. Mr.
G. E.
Freeman, Mr. H. R.
Griffith, Mr. F. H.
Hewavitarna, Mr. Rajah
Jayah, Mr. T. B.

Jayasuriya, Mr. A. P.
Kotalawala, Mr. D. H.
Kuruppu, Mr. J.
Mahadeva, Mr. A.
Natesan, Mr. S.
Newham, Mr. H. E.,
C.M.G., V.D.
Nugawela, Major E. A.
Parfitt, Mr. H. F.
Pereira, Dinan Bahadur
I. K.
Razik, Mr. A. R. A.
Sri Pathmanathan, Mr. R.
Tambinuttan, Mr. E. R.
Whitby, Mr. G. R.
Wille, Mr. G. A. H.

Question, "That Supplementary Estimate (7) be passed," put, and agreed to.

Supplementary Estimate (7) was passed.

(8) Post Office and Telegraph: Stamps.

The Hon. Colonel Kotalawala: I move, Sir, that the Supplementary Estimate standing in my name be passed.

Head 123, Post Office and Telegraphs.
Sub-head 16, Postal Orders, Saving Certificates, Stamps and Stamped Stationery.
Amount: Rs. 100,000.

A sum of Rs. 100,000 is required to meet the anticipated excess on the vote for stamps. I do not want to delay the House by going through the Observations.

Supplementary Estimate (8) was passed.

The Hon. Sir D. B. Jayatilaka: I move that Council do resume.

The Council having resumed—

MR. SPEAKER took the Chair.

The Hon. Sir D. B. Jayatilaka: I move, Sir, that Supplementary Estimates (1) to (8), passed in Committee, be approved.

Question put accordingly, and agreed to.

Supplementary Estimates (1) to (8) were approved.

CATTLE (AMENDMENT) BILL.

The Hon. Mr. Senanayake: I move, Sir, that the Bill intituled "An Ordinance to amend the Cattle Ordinance", be now read the first time.

This is only a small Amending Bill brought forward as a result of the new Constitution. According to the Principal Ordinance, regulations have to be made by His Excellency the Governor. Now that power is to be given to the Executive Committee of Agriculture and Lands, and regulations so made will have to be brought before this House for approval.

The other amendment is in regard to prescribing areas, fees, and so on. The Executive Committee is to have the power to carry out any of those matters with the approval of this House.

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

Bill read the first time.

FOOD CONTROL ORDERS.

***The Hon. Mr. Corea:** I move, Sir,— That the Order No. 23 dated July 20, 1942, made under section 4 (7) (a) of the Food Control Ordinance (Chapter 132) (published in *Gazette Extraordinary* No. 8,972 of July 21, 1942) be approved.

Question put, and agreed to.

† APPROPRIATION BILL, 1942-43.

The Hon. Sir D. B. Jayatilaka (Leader of the State Council): I move, Sir,—

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

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

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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.

Question proposed from the Chair, and debated.

Mr. H. E. Newnham (Nominated Member): On this occasion last year, I ventured to congratulate the Board of Ministers on the success of their previous courageous and broadbased scheme of new taxation of income, petrol and sugar. I also congratulated Ceylon on the fact that there was still at that time no indication of any general increase in impoverishment and on the ready manner in which the revenue was coming in.

At the same time I ventured three criticisms of the Budget then presented: first, that expenditure was still unnecessarily high; secondly, that the excess profits duty should be more widely applied; and thirdly, that too great use was being made of loans. I notice that the first two of those criticisms have now been met but that the third still remains.

Now, Sir, before we turn to the future, it is as well to examine the ascertained facts of the past. The accounts for the last completed year as published up to the end of September last had one surprising feature. When the Hon. Leader of the House introduced the Budget last year he envisaged a deficit of Rs. 750,000 in 3 months' time. But it was a surprise to him, as much as it was a surprise to others, that there was no deficit at all. On the other hand, there was an actual surplus of over Rs. 8,000,000. Even up to then the country did not show any signs of general impoverishment. It may be recollected that the general increase of pay granted by private employers from early in 1940, and by the Government in March, 1941, must have helped to contribute to this result. So much for the last financial year.

Coming to the current financial year, the revenue is again coming in surprisingly well. The Hon. Leader of the House told us that he expects Rs. 2,000,000 more than had been budgeted for, and he attributed that to the new Customs

duties, although it appears that the Customs duties as a whole will in fact bring in a total of Rs. 6,500,000 less than was expected. However, it is true that tobacco is likely to produce Rs. 3,250,000 more than the estimate, but the increase of Rs. 2,000,000 on country liquor, Rs. 3,500,000 on income tax and Rs. 2,000,000 from excess profits might equally well get the credit.

On the ascertained facts, therefore, I think we can derive a certain amount of gratification from the condition of the country.

To come to the future and to examine the prognostications of the Board of Ministers. We see that they expect that the normal revenue in the next financial year will be Rs. 8,500,000 more than in this year, and in addition they hope for Rs. 15,500,000 from the widened excess profits duty. I see that they expect a still further increase of Rs. 2,500,000 from tobacco and cigarettes. If this amount is realized, it will come largely from the pockets of our militant guests whose duty-free supplies are not commensurate with their needs.

On the other hand, the Board of Ministers expect an increase of Rs. 700,000 on grain and Rs. 2,000,000 on tea. I doubt whether those extra amounts will come in. Rs. 2,000,000 from tea may not be realized. In any case it depends very largely on whether adequate shipping will be available.

That forecast of next year's revenue is definitely optimistic. It is based upon the assumption that there will be no future severe attack on Ceylon, but even so I do not think we can seriously quarrel with that portion of the Budget.

Turning to expenditure, there has been a very real effort at economy, and I do not think we can quarrel with that.

Then we come to the actual proposals made to fill the gap between revenue and expenditure. As usual, it is proposed to fill the gap by both taxation and loan. I am not prepared to quarrel with the extension of the excess profits duty to agriculture and plumbago. Those two industries are now to join that select band who are already privileged to pay that tax. They come marching with smiling faces, shoulder to shoulder, but, perhaps, not yet quite in step.

The Ministers envisage a deficit of Rs. 30,000,000 at the end of the year, and they propose to charge that to the Home Defence Loan. The House gave authority last February to raise Rs. 50,000,000 by a Home Defence Loan. I have not yet seen any statement about the success of that loan, the amount raised by it. But if you turn to the Estimates you will see that next financial year provision is made to pay interest on only Rs. 5,000,000 of that loan, which rather looks as though the Board of Ministers are not expecting to be able to raise a very great deal out of it.

In those circumstances, it seems to be ill-advised to charge Rs. 30,000,000 to a loan which in its first four months has only produced some Rs. 5,000,000. It does not look as if it is going to produce a great deal more.

On the other hand, there was the 1937 Loan. As far as I can calculate there is very little indeed left from what has so far been raised by that loan, and there is very little chance of raising any more in the future.

I venture to remind the House that the annual cost of the Public Debt at the present moment has risen to Rs. 10,500,000. It is a very serious amount to have to pay in interest and sinking fund, and that amount is still rising.

It would appear from such information as we can get about the Home Defence Loan that those who have resources in this country are not prepared to lend them. If that is so, I suggest that those who will not lend will have to pay; that those who will not lend their money will have to be taxed in order to provide the necessary money to carry on the Government. It seems that we are forced to the conclusion, however unpleasant it may be, that the Ministers would be well-advised to return to the policy of some two years ago and resort to a broadbased and courageous scheme of taxation for balancing the Budget instead of relying upon an easy recourse—to loans.

That is all I have to say for the moment with regard to suggestions to the Board of Ministers. On the other hand, I am not unmindful of the primary duty in these days of the House and of the country. The Board of Ministers is faced with the most difficult task that has ever confronted any Government in

this country. I submit that it is the duty of this House and of the country to do all it can to strengthen and sustain the Government in the very heavy responsibility that has been laid upon it.

Mr. B. H. Aluwihare (Matale): Sir, in a criticism of the Budget there are really three points from which I would like to look at it. In the first instance, there was the note on which the European Nominated Member (Mr. Newnham) ended his speech, that in the present circumstances, this country cannot very well refuse to find whatever money is required of it for the purpose of Defence.

I do not think that any of us in this House or outside it would seriously contest that position, on the basis on which we have entered this Council and on which we carry on the Government of the country. I for one feel with the Leader of the House that it is quite right that we should, as far as possible, bear an adequate share of the expenditure that falls on the Exchequer as a result of Defence measures.

In the last war, I believe, our contribution was somewhere in the nature of Rs. 6,000,000—at its highest. You start, Sir,—I will say, between Rs. 6,000,000 and Rs. 8,000,000, since you were in Council at the time and ought to know; but in this war we shall probably see a considerable rise—to over Rs. 37,000,000.

But, what worries one sometimes is our destiny at the end of this war. One sees various statements made in the Houses of Parliament, where Secretaries of State say that Colonies must be governed with ruthless efficiency. I think that was one of the statements made. "Ruthless efficiency" sometimes may mean, at the end of the war, such efficiency as will produce the utmost income for England to pay the war charges that she is bound to be burdened with and that we shall have to carry; "ruthless efficiency" may also mean something else.

There is a proposal amongst Members of Parliament and the Members of the Government of England to have a Central Colonial Administration, which will be in charge of the Administration of all the Colonies. Now, a Central Colonial Administration must necessarily mean diminution, rather than an increase, of autonomy. It is a pity that we have not

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sought, or have not got, some kind of assurance that the end of the war is not going to see the British Government adopting a system of "Centralized Colonial Administration" which denies all that it has fought for.

That is a matter which disturbs greatly those who read the utterances of English statesmen. I know that certain people have spoken otherwise, but the main fact remains that those in charge of Colonial Administration envisage a contraction of liberty rather than an expansion of it.

I mention this because I feel that there is not any attempt on the part of the British Government to increase our feeling that this is our war. As you know, at the beginning of the war, there was tremendous enthusiasm on behalf of England and an English victory, but I do not think that statements by English politicians, by English Members of the Government, and also certain subsequent events, are convincing enough to maintain the enthusiasm that was felt.

You will remember the revulsion of feeling when there seemed on the part of the Governor a very great desire to weigh the scales against us in the Indo-Ceylon conversations. As a matter of fact, I believe the Minister of Agriculture and Lands told us on the Floor of this House that there were telegrams sent to India which seemed to curtail even the power of negotiation of the Delegation that went from here.

From the point of view of my people, I must confess that it came as a very great surprise when—I have not seen the representations—in answer to whatever representations, we were told that the Kandyan treaty was in excess of the prerogative, that the Kandyan treaty could be altered unilaterally to meet the circumstances of subsequent events imposed on the Kandyans.

I want to make one point clear: the Kandyan treaty, so far as class privilege is based on it, will not be sponsored by any Kandyan to-day, but the Kandyan treaty conserves to the Kandyans, and I say to the population of Ceylon, much more than mere class privilege. The Kandyan treaty, you will find if you read the history of the times, is not a treaty between a conquered people and their conquerors. That is one of the facts I learnt, not from history books, but from the correspondence in the

between the then Governor and the Secretary of State. At that time, they would not, as a matter of fact, have dared the military ascent into the Kandyan provinces unless by arrangement and in agreement with the Kandyans.

Mr. Speaker: The sitting is suspended till 4.30 P.M.

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

Mr. Aluwihare: When we adjourned I was saying that so far as one was concerned, there were certain things that had occurred rather to prejudice one's belief in British post-war intentions and our hopes. The first was the declarations by the King's Ministers, in and out of Parliament, and the second was a certain amount of distrust as to British statements.

When we adjourned I was dealing with the Kandyan Convention. However to-day you may look upon it, however reluctant the British and other people may be to look upon it as a treaty, there was no doubt that at the time it was a treaty, it was a treaty between two parties, not on the basis of the conqueror and the conquered.

The British declaration by His Excellency the Governor, the statements by His Excellency the Governor in regard to that Convention were, first, that he was advised that it was against the prerogative. One cannot help feeling that that was a fantastic attempt to repudiate a solemn obligation undertaken by His Majesty the King; that treaty was signed here by the representative of the King and it was ratified by the Prince Regent, subject only to one condition, and that was with regard to the maintenance of the old courts. It was quoted in the first Kandyan Marriages Ordinance of 1859. It was recited as the authority which gave the British power to legislate for the Kandyan country. There was no question raised with regard to that, except when the Buddhist Temporalities Ordinance came into question. There was a suggestion that there should be a Council of the people to administer Buddhist temporalities, and then the Christians raised an objection. I believe one of the Secretaries of State had said that to give protection to a heathen religion was against the laws of God. That was the only time that anything was said about the prerogative.

To our mind, the position is that so far as the British are concerned, they have inestimable advantages as a result of that treaty. They have got wealth, they have got a whole country as a result of that treaty. And what have they given us in return?

As I said, I do not want the Kandyan treaty recognized as a piece of legislation that ensures the privileges of a class. I want the Kandyan treaty recognized on other points, and if that alone were granted, I for one would be satisfied. The Kandyan treaty guaranteed to the people their rights and property according to custom, and because that Article of the treaty was not observed, to-day in the Kandyan country, in the best part of the Kandyan country, there are villagers without land; they are literally without land on which even to have a lavatory. It literally is so.

I went to a village and found that a man was prosecuted by the Sanitary Inspector for not building a lavatory. He asked me to come and see his house, and said, "On this side is the estate and on the other side is my back wall. Where am I to build a lavatory? My only chance is to use the European estate as my lavatory. I can do that informally, but if I go and put up a building on it, I would be charged for trespass". That is our position, and I do say that there has been a breach of the treaty in that respect. Repudiation of that treaty on the ground that it is against the prerogative is a gross breach of faith. And the past indicates the future.

In certain areas at least we are a dying people. I believe the English administration does not realize that. Take the area from which the hon. Member for Badulla (Mr. D. H. Kotalawala) comes. Will he not agree that in most parts of the area he represents the village people are dying off? Take my own province, that of the hon. Member for Anuradhapura (Mr. Freeman) or certain parts of the Batticaloa District. Similar conditions prevail there. The only safeguard for us are the provisions in the Kandyan treaty which His Excellency the Governor seeks to repudiate.

I can understand him saying that when the country is under a free Ceylonese Government we cannot claim any special privileges. I will entirely agree with such a point of view. I think a free Ceylonese Government for the whole

Island will be an inestimable condition; but apart from the treaty, there can be no protection of the interests that have arisen against those of the Kandyan people through the alienation of the living space of the Kandyan villager. There has been a breach of treaty and that alienation is illegal.

Apart from the treaty we cannot maintain that position. Unless you are honest and just to us, specially the Kandyans, you will be satisfied that you have this country under you but you will only have it under you in the sense that you had Burma under you, with 10 per cent. of the population for you, 10 per cent. against you and 80 per cent. indifferent. You can have the people enthusiastic on your behalf if you give them a fair deal. In this war effort it is that desire to give a fair deal that seems to be lacking on the part of the British.

I do not know, Sir, whether you had ever the experience of having your clothes about to come down before the public. I had that experience the other day because I trod on the tail of my dhoti and for a moment I thought that I was completely undone. I soon adjusted myself and realized that I had a stupid grin on my face. I soon regained my dignity and was as composed as ever. That was I feel what happened to the British after Singapore. They really felt for one moment completely human and they wanted co-operation and enthusiasm, but gradually one has seen them again reverting to the old standard of a little pompousness, a little condescension.

I gave you an instance the other day: in Matale North, where 99 per cent. of the people are Kandyan villagers, to establish contact with them what the British troops could take with them was an English planter who knew Tamil. I must say that one does not feel that faith is being kept so that we can depend on a fair assurance for the future. I hope somebody will think it worth his while to take away that feeling in most of us. That is so far as the war effort is concerned.

There is a certain amount of submission that can be commanded, but I do not think enthusiastic co-operation can be secured unless there is a feeling of certainty about the future, based on faithfulness in the past. The British demand faithfulness from our people and our people are waiting to give it. The

[Mr. Aluwihare.]
 one thing is that British action very often makes us question their faithfulness to us. We do not want always to be looked upon as vassals of the Britisher. As I think about it, I feel that the one document on which I can base my freedom, the right to look an Englishman in the face, is the Kandyan treaty.

That is why I so often wage what seems to be a lost battle. The existence of the Kandyan treaty is freedom to me, and I know that it is freedom to my people; I also know that it is freedom to the whole of Ceylon because there is this, that in so far as you mix the British claim, whenever they mix the administration of the country and put the country under one administration, it cannot be to the disadvantage of any people. It must be to extend the advantages of any one part of the country to the whole of the country. You cannot use this co-mixture of the administration of the country to enslave a large part of the people; you can only extend freedom that that people retain for themselves to the country as a whole. And honestly I do want to be able, to be free, to look an Englishman in the face, both legally and in fact.

I shall now come to the Board of Ministers. That is the second aspect apart from the war. There is, so far as we are concerned, the financial aspect of these proposals—the policy as disclosed by these proposals.

I shall take, first, the question of policy. I think one realizes that, for a long time, the man-power of this country—the human beings who inhabit this country—were not thought worthy of preservation because there was plentiful labour from abroad, whether from India or from China or from, I suppose in the future, Africa. To-day, under our administration, every test of the Budget must be, how far is the man-power of our country served and how far is it helped to reach the stature of full manhood. That is the yard-stick by which I shall measure the Budget proposals.

I suppose, first must come the question of food. I am sorry the Hon. Minister of Labour, Industry and Commerce is not here. But possibly he feels that all the cursing he can receive on account of food he has received already and that he will be spared. But I must confess that there was something like devastating indifference, when the Hon. Leader said

in his opening speech something that amazed me. He said that the rationing scheme has been working smoothly!

The Hon. Sir D. B. Jayatilaka: Is working smoothly.

Mr. Aluwihare: Is working smoothly. And he seemed to infer from that that the rationing scheme was all that it should be.

Mr. H. W. Amarasuriya (Galle): One measure!

Mr. Aluwihare: I believe that a fearful outrage on humanity, backed with sufficient power, has a chance of working smoothly in this country or in most little countries if power is mercilessly exercised. The "working smoothly" of a thing is surely not the test.

I remember reading some time ago that the sterilization of females was taking place in Poland. The Germans would say that that was working smoothly. But is that a test of its correctness, of its justness?

In this rationing scheme there is only one standard that we can go by. Grant for a moment that rationing is necessary. The question is, is the food ration to the people adequate to maintain their working capacity, their full working capacity, without any kind of deterioration? That has got to be the test. Has the Hon. Minister ever told us that he has considered that point of view and, that his ration is based on a consideration of the absolute necessity to preserve the working capacity of the population?

You know, Sir, that it is said that in the last war one of the causes of the German collapse was the inadequacy of the rationing system. I do not suppose the collapse of anything depends on us—not the collapse of anything with regard to the war. But it can mean a retarding of the development of our nation as a whole; that is the important fact.

For the last ten years we have thought that we have expanded our efforts in rebuilding what was in places a decaying population and, in all places, an undernourished population. So that if your rationing scheme now is not based on some very careful analysis of the needs of human beings, you are going to cause the retarding of all our efforts in the past ten years; you are going to do more; you are going to retard or, at least, you are jeopardizing the whole of your next generation at least.

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I do not want to discuss the rice ration itself. But I do want to say one thing about it before I pass on. The Hon. Minister may say that he has not received adequate supplies from abroad. I do not agree with him that this House should be kept in ignorance of what food there is. It is absurd that we should be denied a knowledge of what the food position is. The Hon. Minister seemed to think, to assume, that food will always come from India and that food-growing need not be encouraged here. I have only discussed one aspect of the matter. But I would ask you to compare the prices at which the Hon. Minister asks the public to buy wheat flour to-day. I believe it is 15 or 18 cents a measure.

Mr. S. Natesan (Kankesanturai): 21 cents for whole wheat.

Mr. Aluwihare: 21 cents. That is, Rs. 6.30 at least per bushel. Take kurukkan. Kurukkan is more nutritious than wheat; there is an analysis of it made by the Government Medical Department; and you will find that kurukkan is more nutritious than wheat. But yet the Hon. Minister will not pay such a price as will encourage the growing of kurukkan for purposes of marketing. I cannot understand why it is so.

Apart from that, I was on the subject of the adequacy of food. The Hon. Minister thinks that it is his business mainly to ration rice and merely to put wheat flour on the market whether people eat it or not. People are very conservative in the matter of food. There is no attempt made to put on the market kurukkan flour which most people understand because they have seen it, they know it, and they will eat it. No attempt is made to buy it at an adequate price, and no attempt is made to see that flour is available everywhere. That is another grievance. Apart from that, has there been a careful analysis made by the Hon. Minister of the food needs of a person per day, and has he seen to it that these various foods are available in any area; he does not appreciate that we are up against one of the most vital factors that we can be up against.

Sir, I must confess that these are very unsatisfactory features in regard to the administration of food. The Hon. Minister of Labour, Industry and Commerce

and his Committee are supposed to be in charge of the administration of quotas and food, but he often comes to this House and says, "The Board of Ministers has ordered me to do this. The Board of Ministers has ordered me to do that. I am not allowed to pay so much by the Board of Ministers. I am not allowed to do this." That takes away from the Ministers their responsibility to this House and to that Committee. We have the Minister and his Committee, the Minister and the Board of Ministers, the Board of Ministers over-ruling everything and the Minister coming to this House saying, "My Committee and I can do nothing, it is the Board of Ministers." The Board of Ministers is not in charge of food. Then who is actually responsible?

On this question of our food needs, I do not think one can get very heated, because it is so vitally important, and one can only beg of the Hon. Minister, if he remains in office, to consider the position as a whole and to see that the physical capacity of the people does not deteriorate and that adequate provision is made for the growth of the children. Neither of these are provided for in the Hon. Minister's administration of food.

On the other hand, what I feel is that the Minister has left the door open for anybody who wants to cut at the root of his quota system by purchasing huge quantities of locally-grown grain to do so. As the cultivation of grain goes on from district to district, it means that any particular person within a district can buy from the adjacent paddy-field and hoard the grain in his barn and distribute it as he wishes. Even in the regulations which the Hon. Minister issued on 26th June he does not catch up that person. He seems to leave that person almost deliberately alone. It is only the man who grows paddy, it is only the man in the village whom the Hon. Minister touches. He does not touch the capitalist who buys an enormous quantity of grain and distributes it to his labourers, because section 6 of the regulations merely makes it an offence for a person who grows paddy to hoard the paddy, not for a person who does not grow and merely buys the paddy.

You can get people to consent to a rationing scheme only if it is equitable.

[Mr. Aluwihare.]

People in a town are going to be impatient of a ration when they find people on the adjoining estate being given much more than the ration; not more in kurakkan, not in maize but in actual paddy. The Minister has done nothing to equalize the rationing scheme. That is my main grievance on that head.

Then the other aspect of national reconstruction—a vital aspect—is the question of health. Here, Sir, I come to the Minister of Health who is my mortal enemy. [A MEMBER: Why?] He has declared himself so. But before I come to him, I am certain the House will forgive me and I am certain the Hon. Minister will appreciate it if I do remember at this time the services of the last Minister of Health. I must confess that of the products of this Constitution, and I suppose of the political life of Ceylon, the last Minister of Health was one of those people who struck me most as a person who thought of Ceylon as a whole. It seemed almost a mania with him to re-create the manhood of Ceylon in its full stature. It is said of an ancient king—I have forgotten the name; and it is best not to remember names I suppose—that his ambition was that there should be a Doctor and medical assistance available to every villager in the land; and that, Sir, was I think the ambition of the late Minister of Health too. In pursuance of that ambition, it was he I think who introduced the Cottage Hospital and the Maternity Home. There I can speak only for areas to which I have been. Fighting the Financial Secretary, sometimes cursing him like nothing on earth, and even I think sometimes fighting the Board of Ministers, the late Minister of Health set up these Cottage Hospitals and Maternity Homes in the most outlandish places, and if the people knew who was responsible for it, I am certain that they would worship his name. So far as my constituency is concerned, we shall remember him with very great affection. He always prided himself on having represented Matale himself.

The present Minister of Health also represented Matale once. I looked into this Budget to see if the Hon. Minister was carrying on the war, for war it is. Most people in this country and outside it—Englishmen and the Government—

speak of this war as the war for life. Sir, the war that the Medical Department is called on to wage in various parts of the country is much more a war for life than the present struggle, because the population has been dwindling for years without any succour, and the duty both of the Agricultural Department and the Medical Department is to rescue people who sometimes one believes are almost people whom one despairs of rescuing; not only to rescue them, but to create in the next generation at least a population that you can call able-bodied.

Now in execution of that policy—I regret to say it: I suppose because of the war expenditure—all the expansion of the last Minister has stopped. I regret that that should be so, and I feel that that is a fatal defect in this Budget in so far as it represents policy. I looked in the first place at "Personal Emoluments". I found under Personal Emoluments a small increase of Rs. 200,000, most of which must be due to normal increments of salary. Then I looked under "New Construction". You must forgive me for trying to pick out these policies from the Estimates, because there has been no statement of policy so far as one can see by the Hon. Leader of the House. All he says is that various reports have come in from the various Executive Committees, but there does not seem to be any co-ordination or any statement of the policy of each Ministry. So I must be forgiven for trying to glean the policies from the Estimates.

I looked at the list of new buildings which would indicate the extension of medical facilities. There I found that the Minister had confined himself merely to the continuation of buildings provided for in the previous Estimates. So that we have on the one hand a stoppage of the expansion of the employment of personnel in the Medical Department. I know that actually the Medical Department is hopelessly under-staffed. Even the hospitals that have been put up cannot be manned by medical men. I suppose war contingencies must, again, need the aid of our Doctors, and some effort should have been made—well, I suppose the Military have their own Doctors—to provide at least the existing institutions with Doctors. I regret to say, Sir, that that has not been done.

Secondly, one would have expected that at least the existing Doctors would be better distributed so that their services would be more easily available, but even that has not been done. You would be amazed to know that one Field Medical Officer is expected to administer 400 square miles, I think, of the Matale District—400 square miles!

***Mr. S. Abeywickrama (Udugama):** How many gallons of petrol is he allowed?

Mr. Aluwihare: 25, I think. But 400 square miles to be administered by one Doctor—and he is doing a Field Medical Officer's work. There is a hospital there which I am glad to say my enemy opened, and I think we received him with great joy. Now that hospital does not have a Doctor; it has an Apothecary. I have heard nothing against the Apothecary. I am glad that the Apothecary was provided and the hospital opened. But, it is time—it is now two years since the institution was opened—that we had a Doctor installed; I do not think the other hospital has a Doctor either. But I am grateful that there is an Apothecary.

The point I am trying to make is that the stoppage of the extension of medical facilities is a wrong policy. It denies an essential service to the building up of the manhood of the country. Ten years ago you were content to say that the common man did not matter very much, but to-day even the British Government has to depend to some extent on his prowess as a fighting man; he is important. Sir, your hospitals to-day decide the kind of manhood you are going to have ten to twenty years hence; and we are all fighting for independence. What is our independence or anything going to be worth if the main part of the population is going to be half-nourished, ill-fed and ill-grown? This stoppage of the extension of medical facilities is bound to mean that, and yet we have taken the risk of doing it. It is the same with the Maternity Homes.

It was with pride that I received last year the results of the extension of the medical services, which showed a reduction in the death-rate of mothers and babies, but yet this year, when actually the death-rate of children is one of the highest in the world, we have made no provision for the extension of these

Maternity Homes. I do not know whether the Hon. Minister has even made an attempt to increase the number of Midwives that are being trained. Midwives are needed all over the country. Well, I do not see any provision in the Budget for increasing the number under training. After all we want a statement of policy. Midwives for clinics and Midwives for these Maternity Homes are essential. Sir, I must confess that it is not good enough for us to look on complacently when a baby of eighteen months weighs 10 lb. instead of weighing much more than that.

I went to a place where the normal weight of a baby should have been 21 lb.

***Mr. E. R. Tambimuttu (Trincomalee-Batticaloa):** Where?

Mr. Aluwihare: The hon. Member thinks of a baby only immediately it is born, but he has never taken the trouble—perhaps he has too many babies—to watch them throughout the term of growth.

***Mr. Tambimuttu:** Baby elephants!

Mr. Aluwihare: I know, the Member for Trincomalee may have even experimented in baby elephants. What I mean is that a baby of a certain age—I have forgotten the number of months—should have been normally 21 lb. in weight, but actually in one of our most healthy areas no baby exceeded the weight of 12 lb. You cannot have an able-bodied population capable of doing a day's work when that is the condition of your babies in one of your healthiest areas.

The Hon. Colonel J. L. Kotalawala (Minister of Communications & Works): All depends on the father.

Mr. Aluwihare: I would ask you to make that allowance. It does depend on the father, both for the physical and mental capacity.

But what I do want to emphasize is that we have stopped the extension of medical facilities when medical facilities cannot possibly be stopped. I say that for us the rebuilding of our population is as important as winning the war. There is no question about it, and nothing should prevent us from going on with the policy of expansion.

[Mr. Aluwihare.]

In passing, I suppose, we have to congratulate the Hon. Minister of Education on having established the University. Much is said about research and all that kind of thing, but I think most of us expect from the University the type of man who will be able to look truth in the face and have the courage to discover it. That, I think, is the highest ideal, and I do hope that the University will produce that. But the Hon. Minister is making an attempt to extend education in areas where there has been no higher education, and I am grateful for that. I do not want to delay with the Minister of Education because, whatever cursing we have to do can be done in the Committee stage.

But there is one thing that I must take the Hon. Minister to task for, and that is his inconsistency. Whenever he is in a hole, he curses somebody. Last year he was in a terrible rage, and he turned to the hon. Member for Galle (Mr. H. W. Amarasuriya) and said that all the evils in his Committee were due to Members like the Member for Galle being in his Committee, and the Member for Galle fearfully rose in protest, exactly as he did when he was turned out of Congress—without malice. But, the Hon. Minister this year, when another manager has been returned to Council—I do not think I am flattering him when I say that most of us feel he is a very great addition to us in the sense that we are all bound to have an advantage by his being here—clasps him to his breast. There is that inconsistency; I do not know why. In a myriad instances half his troubles are due to that inconsistency, and I hope he will at least explain this last inconsistency to us.

Sir, the Ministry of Communications and Works are in a pretty bad mess, but then with the Minister what else can we expect?

To come to the Estimates such as they are. It is a curious thing that this year we should be asked to discuss part of the revenue proposals apart from the Budget. We have had the Excess Profits Duty Bill introduced before the actual Budget, and that has been divorced from the Budget itself. It is impossible to pass over the Excess Profits Duty Bill as happily as one would wish because you will remember that one of the first

speeches of the Hon. Minister of Health that I heard was the speech he delivered on the "Sunshine" Budget. I remember watching him from the Gallery and listening to him with delight; and he ended up with these words: "You are giving exemption from taxation. You are relieving the burden of the dead!"

There the Hon. Minister of Health was right, because very soon afterwards I believe we lost something to the extent of Rs. 10,000,000 in duties. That was a major financial blunder of the Board of Ministers. Last year they committed a similar blunder, and that was when they gave exemption to agriculture and plumbago from excess profits duty—an exemption which cost us something to the extent of Rs. 24,000,000. If we merely lost that money, I do not think it would have been so reprehensible, but when actually that money, even on the Financial Secretary's figures, would have turned a deficit of Rs. 12,900,000 into a surplus of at least Rs. 11,000,000 one begins to wonder whether that was not disastrous, because we must remember that that Rs. 12,000,000 not only represents a loss but also means a recurring interest charge on the future.

The hon. European Nominated Member (Mr. Newnham) said that our recurring interest charges on our debt were something like Rs. 10,500,000. So far as I can see every year of the war is going to add enormously to that. You will see the error of not taking that money when you had it, of being unable to create what I think the Hon. Leader of the House once called a nest-egg of another Rs. 10,000,000. Think of that Rs. 11,000,000 this year. It would have reduced a deficit of Rs. 17,000,000 to just Rs. 6,000,000. It would have enabled us to meet the expenditure of the next few years with some degree of calmness.

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

ADJOURNMENT.

The Hon. Sir D. B. Jayatilaka (Leader of the State Council): I move, Sir, the adjournment of the House till 10 o'clock to-morrow.

Question proposed from the Chair, and debated.

***Mr. S. Abeywickrama (Udugama):** I wish to ask the Minister of Labour, Industry and Commerce whether steps are being taken to control the prices of textiles. The situation is daily becoming more and more serious. That is one question to which I would like to have a reply.

Then, I wish to know, in connexion with the increase of 4 cents per measure in the price of rice which was brought into effect on Monday, 6th July, whether the Minister issued instructions to the Deputy Food Controllers to check the stocks of rice in the hands of wholesale dealers and whether those dealers were charged the extra price on the stocks that they had on 6th July. Lakhs have been made by wholesale dealers at the expense of the poor consumers because the Deputy Food Controllers, in addition to not checking the stocks in the hands of dealers, started issuing rice from their granaries on the previous Saturday knowing very well that the price was to be raised from Monday.

Mr. S. Natesan (Kankesanturai): It is reported in an evening paper that the Civil Defence Commissioner has been appointed the Head of the Food Control Department. I wish to know whether that information is correct. If it is correct, I should like to know whether the Minister and the Executive Committee were consulted before the appointment was made. I do not know whether the appointment has been made with a view to creating confidence in the public mind with regard to food supplies and food rationing. But it raises an important Constitutional issue, because if this information is correct, we shall have an officer who will be responsible to the Chief Secretary for Civil Defence and to the Minister of Labour, Industry and Commerce for Food Control. I do not know whether any ordinary individual with ordinary abilities would be able to cope with the work of two important departments of this nature. I am raising this question to find out whether this was done with the sanction of the Board of Ministers and whether this arrangement has had the approval of the Minister and the Committee of Labour, Industry and Commerce.

Mr. H. R. Freeman (Anuradhapura): I understand that a person from Minneriya was arrested by the Police at Maho and prosecuted in the Kurunegala Court for bringing 7 measures of rice for consumption. I would like to know whether anything is known about this.

***The Hon. Mr. G. C. S. Corea (Minister of Labour, Industry & Commerce):** I do not know anything about that. I shall make inquiries about it.

With regard to the second point made by the hon. Member for Udugama (Mr. Abeywickrama), I am not at the moment aware whether instructions have been sent by the Food Controller as the Head of that Department to the Deputy Food Controllers in regard to checking the stocks of rice in the hands of dealers before Monday, 6th July. I shall find out whether instructions were sent and whether they were carried out.

With regard to the first point, namely, about the control of prices of textiles, the matter is under consideration. Besides that I do not want to say anything. If the hon. Member will discuss the matter with me privately, I shall give him all the necessary information.

With regard to the point raised by the hon. Member for Kankesanturai (Mr. Natesan), the appointment referred to has been made with the approval of the Board of Ministers. I did not object to it; I agreed to it myself.

Mr. B. H. Aluwihare (Matale): I notice that the Hon. Minister of Health has passed certain regulations with regard to gonorrhoea. He has made it an offence for any lady who has this disease to communicate it to a member of the Forces, and also he has made it obligatory on those people to disclose their disease and to obtain treatment, which, I think, is very reasonable. But, Sir, the point is, why are not Island-wide steps being taken to prevent this disease from spreading, and why is it not made an offence for people to fish in troubled waters? Why do you make it an offence only for the woman?

The Hon. Mr. G. E. de Silva (Minister of Health): I think the hon. Member will forgive me if I had those regulations made without consulting other people, but I had to consult the only

[The Hon. Mrs. G. E. de Silva.]

people from whom I could get advice. There was a Medical Board appointed for the purpose of going into this question, and that Board included the Director of Medical and Sanitary Services, Dr. Spittel, Dr. H. C. P. Gunawardene and the Medical Officer in charge of the Forces. This Board's recommendations, which were made under the Quarantine and Prevention of Diseases Ordinance, have been *in toto* adopted. If I knew that other people outside the Medical Department were specialists and were interested in this question, I would have consulted them also and tried to safeguard the interests of all.

The hon. Member wanted to know why women have been singled out. That is a question that is left entirely to the medical men. I have to be guided by medical opinion. If the hon. Member wants further information, I would ask him to apply to the Doctors. [Interruption.] If the hon. Member feels that

it is an offence to prescribe for such cases, I cannot help it. We are only trying to do what is just necessary.

But I want hon. Members to bear this in mind: there are many thousands of Ceylonese troops serving in Ceylon today, and among them only 14 cases have been treated for this particular disease after these regulations were enforced. In the case of men, the disease can be controlled in a few days, but it is not so in the case of women. That is why these regulations were necessary. I would also ask hon. Members to remember that we are out to protect society, and we are doing it as efficiently as we can.

Question, "That Council do now adjourn", put, and agreed to.

Adjourned accordingly at 5.45 P.M. until 10 A.M. on Wednesday, August 5, 1942.