

The State Council of Ceylon.

No. 58.

September 24, 1942.



DEBATES

SESSION OF 1942.

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STATE COUNCIL OF CEYLON.

Thursday, September 24, 1942.

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

PAPERS TABLED.

(Acting Leader of the State Council) :
One Supplementary Estimate for 1941-42.

NOTICES OF MOTIONS.

Mr. Dudley Senanayake (Dedigama) :
I give notice of the following motion :

That in view of the large scale destruction which has been caused and which continues to be caused to this country in the way of soil erosion, the silting of rivers, malaria and floods, by the indiscriminate clearing of land in the upcountry areas in the past, this House is of opinion that the Government should proceed to acquire these lands under the Land Acquisition Ordinance for the purpose of reforestation and other soil conservation measures.

BUSINESS OF COUNCIL.

The Hon. Mr. D. S. Senanayake (Acting Leader of the State Council) : I move, under Standing Order 38, to take the time of the Council this week for the consideration of the business appearing in the Addendum to the Orders of the Day issued on September 23 and 24, 1942.

Question put, and agreed to.

SELECT COMMITTEE ON BUDDHIST TEMPORALITIES ORDINANCE.

The Hon. Mr. Senanayake: I move that Emergency Standing Order 6 be suspended to enable Private Members' Motion No. 3 of September, 1942, to be considered this day. It refers to the Buddhist Temporalities Ordinance. We want to add a Member to the Select Committee.

Question put, and agreed to.

Mr. D. M. Rajapaksa (Hambantota) :
On behalf of the hon. Member for Dumbura (Mr. Ratnayake), I move.

(i) That the number of members of the Select Committee of the State Council appointed to inquire into the working of the Buddhist Temporalities Ordinance, No. 19 of 1931, be increased to 8.

(ii) That Mr. B. H. Aluwihare be appointed a Member of the Select Committee appointed to

inquire into the working of the Buddhist Temporalities Ordinance, No. 19 of 1931.

Question put, and agreed to.

SITTINGS OF COUNCIL.

The Hon. Mr. Senanayake: I move,—

That the resolution of the Council passed on September 22, 1942, that at the conclusion of business this week Council do adjourn till 2 p.m. on Tuesday, November 3, 1942, be rescinded.

The reason for this motion is that we will not be able to get through with our business this week. Besides, there has been a desire expressed by hon. Members that a certain time be allowed for representations to be made to the Standing Committee on the Omnibus Service Licensing Bill. The Hon. Minister is anxious to give an opportunity for any representations to be made by those who wish to do so. So that, instead of going through with the Bill in all its stages today, and knowing that the Hon. Minister wants to get through with the second reading of the Bill today and have the Bill referred to a Standing Committee, I thought I should move the motion which I moved just now. It is very necessary to get the Bill through at an early date.

Question put, and agreed to.

INSPECTOR-GENERAL OF POLICE.

The following items stood upon the Orders of the Day.

The Acting Minister of Home Affairs to move,—

Pursuant to the resolution relating to new appointments of non-Ceylonese to the Public Service passed by the Council on March 1, 1933, and appearing as item 3 (1) in the minutes of that day's meeting, this Council agrees to make such provision as may be necessary to permit of the appointment of a non-Ceylonese to the post of Inspector-General of Police on agreement for a period of three years on a salary of £2,000 per annum with the allowances and conditions of service applicable to European officers recruited from overseas for fixed terms of years.

Observations of the Minister of Home Affairs.

With the impending retirement of Mr. P. N. Banks a vacancy will occur in the post of Inspector-General of Police. It is proposed to fill the vacancy by the recruitment of an officer from outside the Ceylon service and, on a request being made to the Secretary of State, he has intimated that the services of an officer

with high qualifications from the Home Office, London, can be placed temporarily at the disposal of the Ceylon Government on the terms and conditions set out above. The approval of the Council is therefore sought for the making of this appointment.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The financial implications are as explained in the motion of the Minister of Home Affairs. The Board of Ministers approves.

The Hon. Mr. A. Mahadeva (Acting Minister of Home Affairs): I move the resolution standing in my name.

Mr. Banks, the Inspector-General of Police, has asked for the permission of His Excellency the Governor to retire under Article 88 of the Order in Council, and His Excellency has granted him the necessary permission. It therefore becomes necessary to appoint an officer to succeed him.

The position is that after a consideration of the circumstances in Ceylon, we felt that it would be the desire of everyone in this House and outside it to obtain the services, if possible, of an officer from England if he was highly qualified and was available. Consequent on that wish, which had been expressed by several people, His Excellency the Governor got in touch with the Secretary of State and inquired whether an officer was available. We have received a very favourable reply—that the Secretary of State is prepared to release, but only for a period of three years, one of the officers attached to the Home Office in England.

We feel that he is an eminent policeman who has seen considerable service in England for the last 12 years. He is officially known as one of His Majesty's Inspectors of Constabulary; that is to say, he is entrusted with the duty, I believe, of supervising all the Police in the various Countries. In fact, he would be having under him several men practically of the status of an Inspector-General of Police who are in charge of Countries and he would be controlling and supervising their work.

I do not think that I need say anything more, but I would commend this resolution to this House because at this juncture the introduction of a little fresh blood into the Police Force—

Mr. E. H. Aluwihare (Matale): We are getting plenty of that!

The Hon. Mr. Mahadeva:—from abroad would appear to be desirable. If this officer is a capable man, I think his appointment will meet with the approval of the House.

I ought to say that the Secretary of State has informed us that the officer he has in view will be unable, in consequence of his commitments, to accept a salary less than £2,000. His term of employment will be for a period of three years, after which he will revert to his substantive appointment in England. If the war ends sooner, and if we ourselves are willing to release him considering our own requirements, we will be in a position to allow him to go. But I trust that that will not materialize—that the officer who comes here will serve his full term of three years.—[*Interruption*].

The Hon. Acting Leader of the House asks me to give a few more particulars about this officer. Not merely has he, since 1934 I believe, been one of His Majesty's Inspectors of Constabulary, but he was for three years in charge of the Metropolitan Training School, which trains all Police officers. For a man to hold that post, he must possess certain outstanding qualities, which will make him very suitable as an officer and as the Head of the Police in Ceylon.

Question put, and agreed to.

†OMNIBUS SERVICE LICENSING BILL.

The Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration): I move,—

That the Bill intituled "An Ordinance to provide for the introduction of a system of exclusive road service licences for omnibuses and for the regulation and control of the use of omnibuses on highways, and to effect consequential amendments in the Motor Car Ordinance, No. 45 of 1938" be now read a second time.

Question proposed from the Chair, and debated.

† For the Observations of the Financial Secretary and the Report of the Board of Ministers, see HANSARD of September 22, 1942.

Mr. D. P. Jayasuriya (Gampaha): I move, as an amendment, that the Bill be read a second time six months hence—delete the word 'now' and insert the word 'six months hence' at the end of the motion.

Dr. A. P. de Zoysa (Colombo South): I second the amendment.

I should like to bring to the notice of the House certain matters which perhaps hon. Members have not heard of so far. The House approved of a certain principle being followed in this matter. Even in the course of the debate on the motion of the Hon. Minister in July last, it was pointed out clearly that there were certain difficulties especially with regard to routes. Now, what has the Hon. Minister done? In the course of his speech on the first reading of this Bill, he said that the applicants should apply for licences to ply their buses on routes, and that the Government were not going to fix routes. That is a serious matter.

The Hon. Mr. D. S. Senanayake (Minister of Agriculture and Lands): For my information, might I know whether we are discussing the motion or the motion and the amendment?

Mr. Speaker: The motion and the amendment.

Dr. de Zoysa: I shall quote from page 1215 of HANSARD of July 9, 1942, to show that the Minister forecast last July this difficulty of fixing routes. The Hon. Minister, quoting from another document said:

"Except for harping on the formation of limited liability companies, Mr. Nelson has given no details of that scheme. It is difficult to get behind the ramifications of Mr. Nelson's mind when he is delightfully vague."

The Minister then said:

"Now, the objection raised is that details with regard to the particular route, termini, the number of buses plying, the fare to be charged, and the precise number of buses to be used on that road are not given.

I would very respectfully submit to the House that it is not possible to work out every such single detail with reference to every route prior to the approval of the general principle."

The general principle has been approved. After the approval of the general principle, the Minister says, "We cannot fix the routes". I do not know whether hon. Members realize the real diffi-

culty that people are faced with when they are asked to form limited liability companies and they do not know what the routes on which they are to ply their buses are. It is a serious matter, because the people in business may incur heavy expense and ultimately find that the companies they formed with the object of obtaining licences had been formed in vain.

Then, I must also refer the Hon. Minister to the procedure adopted in respect of the Motor Car Ordinance. That was in 1938; it was to be brought into operation on 1st October, 1938, but the actual date on which it was brought into operation was 1st July, 1939. Then there were several amendments made to that very Ordinance. That was also a Bill which was rushed through, and the Hon. Minister had to bring in several amendments to make it workable.

After that Ordinance was passed, the Commissioner of Motor Transport published in the *Gazette* of November 18, 1938, a list of routes then available. That list was published with the approval or on the recommendation of the Motor Traffic Advisory Board, and it gave details as to what the routes were, and people were asked to apply for licences. That is quite regular and is practicable.

But what does the Minister do? Neither in the Motor Car Ordinance nor in the Bill before us does he define what a route is. So we have to take it for granted that the routes as defined in the *Government Gazette* which I referred to just now are the routes for which people must apply for licences. If that is so, no fewer than 300 bus companies will have to be formed in the Island, taking for granted that the people who ply buses on each route form themselves into companies.

According to the *Gazette* notification there are 9 main routes, 215 subsidiary routes, 13 local routes and 12 town routes. Now the question is, if this Bill is passed, are the owners to form themselves into companies imagining how they should combine themselves, or should they take the routes as given in the *Gazette* of November 18, 1938, as the defined routes? The Hon. Minister and hon. Members will understand the difficulty of forming limited liability companies whose applications may be

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turned down by the Commissioner because they are not for routes visualized by him.

The most practical thing would have been for the Hon. Minister, before introducing this Bill, to have defined the routes and published them in the *Gazette* as the new routes for which he proposed to issue licences. He is now distinctly creating hardship by asking people to form companies which in the end will not receive licences to ply buses, and unless people know the exact details of the routes, how can they know how many buses they could ply and the amount of capital required for plying these buses.

According to Clause 4 of the Bill, the financial position of the applicant, in so far as it may affect the efficient operation of the proposed service, will also be taken into consideration by the Commissioner when he decides to grant a licence. I wish to point out that unless the owners of buses know what the routes are, they cannot decide how many buses they will propose to ply. Unless they know those details, how can they know what capital will be required? Until they form companies, they cannot obtain licences.

Evidently the Minister has not thought of it. I know that even the Director of Transport is in a difficulty with regard to the defining of routes. For instance, take the Colombo-Galle route. There are branches, and the Director thinks that there should be areas in which buses can ply, that it should be not merely routes but areas. Then the principle will be entirely different. It is not so easy.

I quite agree with the Hon. Minister with regard to the person who applies for a licence to ply buses on a new route. But with regard to routes where there are already services, to ask them to form companies without their knowing within what limits they will be allowed to ply buses is asking for the impossible. Of course, if the Hon. Minister thinks that they can blunder along until they come to the correct thing, it is a different matter. The Hon. Minister must think of the hardships that will be caused.

I would like to draw the attention of the House to the services in the Jaffna

Peninsula. There are 10 services there. One service or one route is from Jaffna to Point Pedro; another from Jaffna to Nalaveli; yet another from Jaffna *via* Manipay to Karaingar; and so on. The question is, are all these people on these 10 routes to form themselves into one limited liability company or are they allowed to ask for licences for each route forming a company for each route? The Hon. Minister has not made the matter clear. He says that the Government is not going to fix routes, but I say that the Government has already fixed routes for the purposes of the Motor Car Ordinance of 1938.

Previously those who wanted a certain route were asked to apply, and that was how the Commissioner of Motor Transport was guided. But now, what is the method that the Hon. Minister seems to adopt? He says, "No. The Government will not fix routes" although he promised it in July. According to his speech in July, he said, "Yes. These details will be considered when the principle has been accepted." The principle has been accepted, but he has neglected these details which are essential details for the formation of bus companies. And he wants to rush this Bill through in a day.

I think the hon. Member for Gampaha (Mr. D. P. Jayasuriya) is quite reasonable in asking that this Bill be read a second time six months hence, because there may be certain very important details which may have to be cleared up and which will not be known to us before companies have been formed or partnerships entered into in order to obtain licences.

Even an experienced person like the Director of Transport finds it difficult to define these routes. He thinks that in certain cases direct road services will not do, but that licences should be issued to buses to ply within certain areas. Then if buses are to be allowed to ply within certain areas, how are they going to treat long-distance services—for instance, the service from Colombo to Jaffna? What about services from Panadure to Ratnapura, or from Colombo to Batticaloa, or from Colombo to Tissamaharama? Now each route has to pass through certain sections of the road on which there will be other services plying and the result

will be that there will not be any exclusive service as approved by this House.

My opinion is that this Bill actually asks the owners to obtain their licences by forming themselves into companies for their respective routes. If that is so, the Hon. Minister has entirely forgotten the question of the exclusiveness of the road licence.

The Colombo-Galle route, not to mention the other services in the towns, consists of routes like Colombo-Panadura; Colombo-Kalutara; Colombo Alutgama; Kalutara-Ambalangoda; Galle-Elpitiya. Like that, there are 8 such routes known as "A" routes. Then there are 23 "B" routes, like Panadura-Ratnapura, Panadura-Ingiriya. All these routes come under the Colombo-Galle route.

What I want to convince hon. Members of is this: supposing a route has been decided upon for the Colombo and Kalutara owners, the Alutgama owners, (thinking that they can also join in it, take shares in the Colombo-Kalutara Company and ask for a licence, and the licensing authority says, "No. Only Colombo-Kalutara buses will be allowed to ply", then the Alutgama owners who had joined the Kalutara Company would feel that they ought to have joined some other company instead of the Kalutara Company.

There will thus be a great deal of trouble created and hardship caused to people. I do not think the Hon. Minister takes a delight in creating unnecessary difficulties, but the weakness of the Hon. Minister—it is not that I am impeaching him of the atrocious crime of being a young man—is that he is rash.

In the case of the original Motor Car Bill, he has had to bring in three or four Amending Bills. In fact, every Ordinance he brings forward is followed by an Amending Bill before six months has elapsed. That is because he has been anxious to get the Bill passed. I perceive his anxiety and his enthusiasm, but surely there must be some consideration shown to people who have been running this service for such a long time? At least he should point out that he does not mean to crush them, but that he is, in a certain way, going to help them.

Now, without going into the details, he simply says, "Form companies". He says, "Form companies, and ask for licences". Some people might think of forming a company for the whole Island, or for a whole district, or for a long route—from Colombo to Jaffna, or Colombo to Trincomalee.

When the Commissioner of Motor Transport, Mr. Arndt, defined the routes, it was, I think, the bounden duty of the Hon. Minister to have got his Department to give publicity to those routes and to say, "These are the routes for the present which we are going to license. If you want to ply buses on those routes, you should form companies". Then these people would have been able to decide what capital they should invest. Further, he says that if the capital is not sufficient, it would be looked upon as a ground for denying a licence.

Having all those facts before him, I think he is doing a great deal of injustice not only to himself, but also to the people who are interested in omnibus services.

Then again, the exclusive licence disappears when he wants to make an allowance in the case of, say, newspapers. Personally I agree that newspaper companies should be given certain facilities to transport newspapers to different parts of the Island. But then why have this sham idea of exclusiveness? The Hon. Minister ought to have bluntly said, "I will give all exclusiveness except for the *Daily News* bus service".

The Hon. Mr. Senanayake: What about the *Times*?

Dr. de Zoysa: The *Times* do not run a bus service. They transport newspapers by van.

What I want to impress on the House is that the Hon. Minister has been very rash in trying to get this Bill through. If my information is correct, he has not even included such an important item as this in the Agenda for the meeting of the Executive Committee. He wanted simply to rush it through. He wanted to make the Director of Transport a sort of dictator in these matters but the Members of the Executive Committee

[Dr. de Zoysa.]

saw through it and they deleted that provision. There are a number of other amendments which will have to be made before a Bill of this nature can be rushed through.

I agree with the hon. Member for Gampaha (Mr. D. P. Jayasuriya) that this is not a Bill which should be rushed through. If the Hon. Minister still insists that it is the war that has made a Bill of this nature essential, then there can be an Emergency Ordinance enacted, or else he should have brought up a Bill saying that it is for the purposes of the war. If that had been done, I believe, all the bus owners would have agreed, given sufficient time, to form the desired companies.

Even if this Bill is passed now, I challenge the Hon. Minister to say whether he can grant licences for these buses to run their service from January. I cannot expect the Minister to know all this, but I would like to find that out.

Again, with regard to these routes, how many appeals does the Hon. Minister expect to be heard and decided? Does he expect these appeals to be finished with within a month or two? He should have referred the question to the Commissioner of Motor Transport who would have enlightened him. Therefore if we pass this Bill now in our anxiety to pass it, instead of putting it off for six months, it will be another year before the Bill is made workable. I hope hon. Members will, therefore, vote for the amendment.

Mr. H. W. Amarasuriya (Galle): I want to make some observations on this Bill. I am not opposed to the Bill at this late stage, because it is based on a resolution that was passed by this House on 29th July. The hon. Member for Colombo South (Dr. de Zoysa) has pointed out the difficulties that are likely to be experienced in the application of this Bill to buses plying in the country.

You will remember, Sir, the two motions that were passed in this Council. To those two motions Observations had been appended by the Minister so as to give the Council an idea of the scheme that he proposed to introduce

in regard to this matter. The motion was in two parts:

"Bus services shall not be operated along any road except under exclusive licences subject to such conditions as may be attached to the licence, including a condition that the grantee shall compensate any persons at present operating buses under licence along the route who are displaced."

To a great extent the implications of that motion have been incorporated in the Bill. But with regard to the question of compensation, in the Observations appended to the motion the Hon. Minister told us that it would even be necessary for the Government to step in and buy up certain buses which were unroadworthy and which, in his opinion, it would not be profitable to consider as the assets of a company.

For some reason or other, I cannot find that particular provision anywhere in either the main text of the Ordinance or in the Schedules. I wonder whether the Hon. Minister has now abandoned that position and expects these companies that are likely to be floated to buy in the old buses and compensate the owners. I think it is a little too much to expect of these companies, because if the venture is over-capitalized, these companies will not be in a position to pay attractive dividends or even a reasonable dividend to make those companies attractive as an investment. I hope the Hon. Minister will tell us why he has changed his attitude with regard to that particular proposal that emanated from the Executive Committee of Local Administration a little over two months ago.

The object of this Bill is to put into legal form the motion that was passed by the Council. The reason for this scheme, we were told, was the present emergency. In the midst of a war, if road transport were to become disorganized, it would be very difficult for the Government to control buses that were run haphazard, and one of the reasons which necessitated this change of policy was that they would like to have these buses under control within a reasonable period. We were also told that it was expected to have these buses garaged at particular spots, so that the Commissioner of Motor Transport or the Director of Transport would be in a position to requisition them at short notice if

necessary. I do not know whether that idea has been incorporated in this Bill or in the Schedules to the Bill, or whether it will be a condition precedent to granting licences for the plying of these buses. In the Clause dealing with the granting of licences I do not find that condition incorporated as a condition which would apply to these bus-owners.

The main difficulty, to my mind, is the question of routes. If I remember rightly—I am speaking from memory—the Hon. Minister told us on the last occasion that there were no fewer than 355 routes at the present moment.

The Hon. Mr. Bandaranaike: Quite a large number.

Mr. H. W. Amarasuriya: Now, on these 355 routes there are 1,200 buses plying at the moment, and there are 759 bus-owners. So that on an average on any particular route there will be about two bus-owners plying—not necessarily having a monopoly—on the route. The whole country will have to be mapped-out, and the question of the co-ordination of road transport, railway transport and other methods of transport also will have to be very carefully considered when giving effect to the scheme that is contemplated in this Bill.

The question we would like the Hon. Minister to answer is, does he propose to adhere strictly to the present routes given to owners of buses? Are those routes going to be expanded or contracted? It is very necessary to know that, because those who are now plying buses on those routes will naturally expect, even if small companies are floated, that they would be given the exclusive right to ply on those routes.

The question of routes is therefore an important one. There are many practical difficulties that present themselves in the solution of this vexed and most important problem. In the Bill itself there is provision for the formation of thirty or thirty-five routes. Are we to understand that the present 350 routes would be reduced to thirty-five routes, and, if so, are we also to understand that there will be floated altogether only some thirty-five companies under the proposed scheme?

This is an important detail, if the Minister considers it to be a detail. It presents a fundamental difficulty. It is not a mere detail. I trust that the Minister, before he calls upon owners of buses to form themselves into companies, will first lay down his scheme of routes. He should have this scheme cut and dry, so that the present owners of buses would be in a position to apply for the particular route in which they are interested and where their buses have been plying for a number of years.

There is another difficulty, which is worth consideration. It is not an easy matter to float a company. In the first place, the prospectus has to be published and a certain amount of propaganda has to be carried out to sell the shares. There is also the difficulty of determining the capital of the company: firstly, the authorized capital; and secondly, the subscribed capital. And here, the question of compensation to be paid to owners of buses plays an important part. There is provision in the Bill to the effect that if there is dissatisfaction over the compensation offered, the parties can appeal to a board of appeal or some such tribunal, whose award is to be accepted by the owners of buses. In these circumstances, it would be rather difficult, under the existing laws governing the formation of companies, for any company to make an accurate estimate of the capital necessary. Then there is the question of depreciation and various other points, like hire-purchase payments, repairs, and so on, all of which will have to be taken into consideration.

I am referring to these difficulties so that the Hon. Minister may realize that it is not possible for the people concerned to form companies overnight. The task requires considerable time, thought and careful planning. The companies will not prove to be a success if they are not formed in a business-like manner, and unless the directors are in a position to pay remunerative dividends. The directors will have to make the companies attractive.

The provision has been incorporated in this Bill that only Ceylonese domiciled in this country would be allowed to float companies for running bus services. Several methods are laid down for the granting of licences, and preference is to

[Mr. H. W. Amarasuriya.]

be given first to those already plying on the particular route at present. If they are not prepared to take the licence, it will be offered to others, and if no one now engaged in the industry is willing to take up the licence under the present conditions, authority is given to the Commissioner of Motor Transport to grant the licence to a company newly-formed for the purpose of plying buses on any given route.

Although, in the first instance, participation in such a company is limited to Ceylonese, there is no guarantee that in course of time the shares will not be sold to non-Ceylonese or to foreign capitalists. The Hon. Minister wants to protect the interests of Ceylonese in this industry. I congratulate him on his endeavouring to attain that very laudable object, but the point I have referred to appears to have escaped his attention. These are not to be private companies; but are to be public companies, and in the case of public companies, transfers of shares are not controlled by the directors. Sufficient safeguards should, therefore, be introduced either when the prospectus is issued, or when the company is actually formed, against the possible transfer of shares to foreign capitalists. If that is not done, a time may come when the whole business which to-day is largely conducted by Ceylonese of moderate means, will have passed into the hands of outside capitalists. Out of the present 759 bus-owners, a large number own only one bus. If the safeguard I have suggested is not introduced, in course of time ownership of all the buses will pass into the hands of foreigners who can command the necessary capital. It is important that some safeguard should be introduced to make it difficult, if not impossible, to transfer shares in these companies to non-Ceylonese.

I have referred to some of the difficulties that owners of buses will be faced with when they proceed to float companies under this scheme. The main difficulty centres round the question of time. I do not know why this measure is considered to be so very urgent at this juncture. As I stated when speaking on the motion of the Hon. Minister on this subject two months ago, this scheme is going to be a permanent feature of the

road transport system of this country. It is not as if the present proposals were meant to cover a short period, or the duration of the war.

It would therefore be imprudent on our part to rush through this Council legislation which affects the very livelihood of thousands of workers and hundreds of small capitalists who own the buses. Large numbers of people are employed as drivers, conductors, cleaners, and so on in these buses. Then there is the work connected with the servicing of these buses. There are a very large number of workshops and garages established along the main roads of the Island. If there is any restriction of the bus services of this country, it would affect not merely the bus-owners but also the workers connected with the industry.

This is an important matter, and I would depreciate any attempt to rush through this Council legislation affecting this industry. I hope the Minister will give an opportunity to owners of buses and those interested in the road services of this country, to place their points of view before this Council, or before a Standing Committee of this Council, or even before a Select Committee of this Council. I trust that the Minister will not ask us to refer this Bill to a Committee of the whole Council, as then it would not be possible for deputations to come forward and present their views.

I do not think the bus-owners are attempting in any way to defeat the objects of this Bill. It is true that they were gravely concerned over the two previous motions placed before this Council on the subject, but now that the policy has been accepted by this Council, I think they are quite willing to abide loyally by the decision of this Council. But they are anxious that they should be given an opportunity to place their points of view before the body that will consider the Bill in the Committee stage.

The Hon. Mr. Senanayake: The Standing Committee.

Mr. H. W. Amarasuriya: The Acting Leader of the House says that the Minister of Local Administration who sponsored this Bill has now changed his attitude. I am very pleased to hear that——

The Hon. Mr. Bandaranaike: I am not changing any attitude; I never had any objection to bus-owners or anybody else making any representations they liked to any Committee that would consider this Bill. I was not aware that a Committee of the whole Council was not in the habit of hearing such representations.

Mr. H. W. Amarasuriya: The Hon. Minister is aware of the fact that if this Bill is referred to a Committee of the whole House, it would not be possible for bus-owners to make representations, except through Members of Council. The desire of bus-owners is that they themselves should be able to place their views before the Committee and an opportunity should be given to them to do that. That is why I said that the Minister has changed his attitude. I think it is a change for the good. He should be complimented for being more reasonable and for taking a more rational view of things.

The Hon. Mr. Bandaranaike: I again object to that statement. I was always reasonable and rational.

Mr. H. W. Amarasuriya: I am paying the Minister a compliment! True to his conviction that the bus services of this country should not be stifled, he should give every opportunity to bus-owners to make their representations. Now that he proposes to give them that opportunity, I am convinced that he is really interested in the welfare of the road motor services. He is now willing to give those concerned an opportunity to make their representations.

That being the case, I need not labour the point.

3.05 P.M.—

Mr. Speaker: The House will kindly excuse my absence. The hon. Deputy Speaker will now preside.

MR. SPEAKER *thereupon withdrew, and MR. DEPUTY SPEAKER [MR. SUSANTA DE FONSEKA] took the Chair.*

Mr. H. W. Amarasuriya: I support the present attitude of the Hon. Minister of Local Administration. I hope the hon. Member who moved the amendment to postpone consideration of this Bill is now

satisfied that such a step is now unnecessary, because an opportunity will be given to bus-owners to place their points of view and their difficulties before the Standing Committee which will consider this Bill. As far as possible, we should solve their difficulties.

In these circumstances, I am not in a position to support the amendment to defer consideration of this Bill. Even if this Bill is postponed for six months, it will take many more months before the companies are floated. My own view is that even if this Bill is passed into law now, it will take many months before the Minister can really get the Ordinance working successfully. The routes would have to be laid down, and various appeals would have to be disposed of. All that will take time. I would therefore ask the Hon. Minister to consider the difficulties that I have mentioned. He should as far as possible deal with them and find practical solutions to those difficulties.

Mr. F. H. Griffith (Nominated Member): Sir, it is as well that I should follow the hon. Member for Galle (Mr. H. W. Amarasuriya), as he raised a point about which I would like to make one or two observations, and that is, in regard to paragraph 1 (vi.) of the First Schedule.

Before I touch on that paragraph, however, I would like to congratulate the Hon. Minister and his Committee on having introduced legislation of this type. I think it is admitted on all sides that the bus service in this country requires a thorough overhaul, and it is hoped that by this legislation we shall have a first-class bus service. I gather that it is the Hon. Minister's belief that co-operation from all quarters will be forthcoming, or that he expects the co-operation of all communities to try and make this legislation a success. I ask him, therefore, why he makes such a point about this paragraph 1 (vi.) in the First Schedule. The paragraph reads:

"an application not falling within any of the preceding sub-paragraphs, being an application from a Ceylonese, or from a partnership of which all the members are Ceylonese, or from a company incorporated or deemed to be incorporated under any written law in force in Ceylon.

In this paragraph 'Ceylonese' means a person domiciled in Ceylon and possessing a Ceylon domicile of origin."

[Mr. Griffith.]

In the original draft, that was not mentioned. I do not say that Europeans are likely to rush into the bus business and start buses. But it might so happen that some European who had been here for some time and had been interested in the motor industry might possibly have some financial interest in a particular route, and, for that reason, I do ask the Hon. Minister to see, in the Standing Committee stage of the Bill, whether it is not possible to leave out that paragraph, as it was, in the original draft, and, by doing so remove any question whatsoever of racial discrimination.

That is all I have to say.

Mr. B. H. Aluwihare (Matala): Sir, in regard to this Bill, the first point I wanted to make is really of the administrative powers contained in the Bill. If you read the Bill, you will find that it is provided that the Commissioner is to administer the whole Ordinance subject to an appellate board which is to be set up.

I think we have, in the light of past experience, to be careful of vesting absolute statutory authority in the Head of a Department. Residuary powers must remain in the Hon. Minister and the Executive Committee to issue instructions to the Commissioner of Motor Transport. I do not see anything in this Bill which retains for the Hon. Minister and his Committee those residuary powers, and I would suggest, in the first instance, that the Hon. Minister consent to an amendment under which the residuary powers would remain in him and his Executive Committee to issue general or particular instructions with regard to any matter to the Commissioner of Motor Transport.

I make that suggestion because we have had some controversy over the matter with regard to the Police Department. Somehow, we have forgotten the controversy. But the danger exists, and in any new legislation we pass, I think we must take the elementary precaution of maintaining the control of this House over the administration of any particular department. The control of this House can only be maintained by retaining for the Hon. Minister and his Executive Committee, who are responsible to this House, the ultimate powers of control.

That is the first point I would like to make.

The second point is that touched on by the hon. European Nominated Member (Mr. Griffith). You will remember, Sir, that when the original motion was discussed in July last, many of us raised the question whether there would be safeguards against this industry passing away into the control of non-Ceylonese. The reason for such questioning was not that we wanted to keep any class of person out, but that we wanted to maintain, for the people of this country, the maximum opportunities of investment and employment.

Now, I do not think the hon. Nominated Member will quarrel with me if I say that the air-raid, for one thing, has shown beyond any manner of doubt the right of the people who live in this country to have preference to the means of livelihood in his country. All foreign traders in this country were able to go to their homes if they wanted to, and leave the Island to its fate. Certain Europeans went to South Africa; others evacuated to India. The Indians, of course, went back in large numbers to their homes in India. And we were left, to a large extent, to our own resources. I think, it is not wrong that advantages also should accrue to us under this Bill, for the simple reason that Ceylon is the only country in which we can earn a living and in which we can live. That is one reason why we sought that guarantee from the Hon. Minister.

I am glad that the Hon. Acting Leader of the House is present in the House at the moment, because it was he, on behalf of the Board of Ministers, who gave us the assurance that the Board of Ministers would take all necessary steps to see that this industry was preserved for the Ceylonese and that there was no loophole left by which Ceylonese would be pushed out. Sir, I want hon. Members to examine the first paragraph of the First Schedule in the light of that guarantee. Has that guarantee been honoured? Hon. Members will see that it has not. In the first place, if you take paragraph 1 (i.) you will find it laid down that, although the original subscribers to a company or partnership may be those who hold licences at present, yet, there is nothing to prevent

those people from selling their shares to non-Ceylonese. That is the first loophole that I can see.

Then, there is much talk of Ceylonese. I believe, in some other sub-paragraphs of that section. But I would ask hon. Members carefully to read sub-paragraph (vi.). It says:

"an application not falling within any of the preceding sub-paragraphs, being an application from a Ceylonese, or from a partnership of which all the members are Ceylonese, or from a company incorporated or deemed to be incorporated under any written law in force in Ceylon."

Now, you must remember that the danger really of Ceylonese being pushed out does not arise from competition by individual Europeans most of whom will retire to England to die. They will remain for the greater part of their lives in this country, just as the old proprietary planter did. I would not go to the extent of saying that those people should be holding a plough, although, if I were pushed to it to make a choice, I would distinguish between the two types that I would have to keep out. But the danger is the company. Most Europeans who trade in this country trade as a company, and the company-habit is also to some extent followed by other foreigners.

The question is whether the last words of sub-paragraph (vi.) does not leave the door open to any foreigner, who wants to come in and compete in this trade, to do so on equal terms with Ceylonese. The words are:

"from a company incorporated or deemed to be incorporated under any written law in force in Ceylon."

Further, I would refer the Hon. Minister to the relevant Section in the Companies Ordinance. He will find that Section 295 of the new Companies Ordinance reads:

"With the exceptions and subject to the provisions contained in this section, any company formed, whether before or after the date of the commencement of this Ordinance, in pursuance of any Act of Parliament or of letters patent, or being otherwise duly constituted according to law, and consisting of seven or more members may at any time register under this Ordinance as an unlimited company, or as a company limited by shares, or as a company limited by guarantee and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up."

Therefore, you have the position that a company incorporated in England can

be registered under the Companies Ordinance in Ceylon, and if that is done in all possibility it will have to be deemed to be a company incorporated under our law.

Sir, I can see the Hon. the Legal Secretary shaking his head. But that is the effect of Section 295 of the New Companies Ordinance. It came out of his own Department.

The Hon. Mr. J. H. B. Nihill (Legal Secretary): Is it not registration as a non-resident company?

Mr. Aluwihare: The words of paragraph 1 (vi.) reads: "from a company incorporated or deemed to be incorporated". Many London companies are deemed to be incorporated in Ceylon in virtue of certain Sections of the Companies Ordinance. I would like to ask the Hon. the Legal Secretary to read that Section.

Anyway, whatever my interpretation of the law may be, whether it is right or wrong, it should be made clear that in the first place no company incorporated in a foreign land and incorporated and registered also under our Companies Ordinance should be allowed to compete in the bus business.

The trouble, however, does not end there. The Hon. the Legal Secretary and the Hon. the Financial Secretary will remember that in England cases very often arose of companies being incorporated in England whose shareholders are, most of them, foreigners. In England, the cases that I have come across are mostly cases that have arisen as a result of the last war. The question then was whether those companies should be considered foreign or domestic companies, and the rule enunciated there was that the test was whether the control of the company was in the hands of foreigners or in the hands of native Britishers; and it was held that the nationality of the company had to be decided by the degree of control exercised over the company. Where the control was mainly foreign, it was a foreign company; where the company was mainly native, it was a native company.

Here again, when you say "a company incorporated in Ceylon", there is nothing to prevent your having a com-

[Mr. Aluwihare.]
pany incorporated in Ceylon but subscribed to by foreigners. Now, if you want to prevent this business going out of the hands of Ceylonese, you must ensure that the companies incorporated in Ceylon who are allowed to run this business would be mainly Ceylonese.

But even that is an insufficient guarantee, because you may have one shareholder, who is a foreigner, owning most of the shares, whilst there are an enormous number of Ceylonese owning just one share each. The proper way, and the way in which I believe the Indians control companies, is to limit the share capital that can be controlled by foreigners in companies incorporated in India.

Therefore, Sir, what I would suggest is that paragraph 1 (vi.) be altered in such a way as will ensure that a large share of the capital is subscribed by Ceylonese. I believe what the Indian Congress suggested with regard to the cotton mills was 85 per cent. of Indian capital. I would suggest the same here. [*Interruption.*] The hon. Member for Galle (Mr. H. W. Amarasuriya) says "75 per cent." I do not know; we can discuss that with the Hon. Minister. But I should say that these companies incorporated in Ceylon must have a prescribed amount of Ceylonese share capital so as to ensure that the nationality of the company is undoubtedly Ceylonese; otherwise, Sir, we shall not be preserving the Ceylonese character of this enterprise.

I do not think, as I said once before, that one needs to apologize to anybody because we do this, but I think most of our friends will be able to understand the reason for it.

There is another matter—and in that respect I regret I have not examined the Bill very carefully—and that is, how far the provisions of this Bill actually overlap the Motor Car Ordinance, No. 45 of 1938. I think there is a great deal of overlapping.

I would ask hon. Members to look at Clause 4 of this Bill and to compare with it Section 47 of Ordinance No. 45 of 1938. Section 47 sets out matters to be considered by the Commissioner before he shall grant a licence; and Clause 4 also sets out matters to be considered by the

Commissioner before a licence for a route is granted. You will find, on an examination of the two Sections, that there is a certain amount of overlapping.

The same might be said of routes and conditions of licence. I think you will find that that is partly true of some of the other sections. I hope some examination of that matter will be possible in the Committee stage.

Now, I do not know whether we realize what exactly we are doing. First, we aimed at co-ordination of transport; then we have come to the stage of granting monopolies to certain individuals on certain routes, because every new licence will, I presume, be a monopoly; and now we have come to the stage of very close Government direction of all transport, without any Government financial responsibility.

There again we are up against the question of how far the Government should take upon itself a liability in tort. I think in the Committee stage I shall move an amendment to the Bill which creates a liability for tort on the part of the Government, because we have to realize that this enterprise has thrived because the Government failed to render adequate service to the community in the matter of transport. Now Government steps in and takes over the control of that transport, partly for Defence purposes, partly for other reasons, but as the Hon. Minister said when he moved the resolution, mainly for Defence purposes.

We are casting, in some cases, a heavy burden on some of these owners. I think it is right that Government, having undertaken the duty of interference, should also take upon itself some kind of responsibility, and that responsibility will be a live responsibility only if the Government will take upon itself financial liability on account of faults committed—faults which result in damage to the bus companies or the bus proprietors.

Those, Sir, are the lines on which I feel that the matters set out in this Bill could be improved, and I hope the Hon. Minister will find himself able to accept the amendments I suggest.

Mr. G. A. H. Wille (Nominated Member): The last speaker spent a great deal of time over companies and the danger of this business falling into the hands of

Europeans and foreigners. I do not know why he was so afraid. After all, a company incorporated or deemed to be incorporated under a law in force in Ceylon will be allowed to come in without any limitation as to the complexion of its shareholders, only as a last resort. Chances are given to the present licensees and other Ceylonese to come into this business, and it is only if they do not come in that any company, whatever be the shareholdership, may apply for a licence.

Of course, Sir, there is the possibility of even Ceylonese in a company transferring their shares to outsiders. But I do not know whether we are going to prevent that, whether we need take any steps towards that end, because it seems to me that this enterprise in the hands of the Ceylonese will be a success now that it is going to be controlled in a proper way. If, of course, the business proves a failure, then I do not see why others who may be able to carry it on successfully should not step in for the good of the country. I do not know whether the hon. Member for Matale (Mr. Aluwihare) thinks that it is preferable that if Ceylonese cannot carry on this business successfully, Government should step in. I certainly see grave objection to that. At the rate at which we are going, if Government steps in at every turn we shall fast become a Fascist Corporate State; and Heaven save us from that state of things, whatever our present difficulties may be.

That was only in passing. I got up merely to state that I object to the amendment that has been proposed, because the principle of this Bill has been approved by the Council, and it is high time that we disposed of this matter one way or the other. I think the public generally and those immediately interested in carrying on the 'bus services would like to know how they stand, what the future of the bus industry is going to be. If we are going against what we have decided on, the sooner we come to a final decision the better it will be for everybody concerned.

Certain suggestions have been made especially by the Member for Galle (Mr. H. W. Amarasuriya) but all these can be considered in Committee. I know, the Hon. Minister will have a very diffi-

cult task, what with settling of routes between the Commissioner and the intending licensees, and also on the question of compensation. But I think we must all wish him success so that this enterprise, which is an important one and which is in the hands of Ceylonese, may prosper well.

I only wish to call the attention of the Hon. Minister to a Clause of this Bill which deals with newspaper proprietors who have their own bus services for the carrying of newspapers. I do not know why they have been brought into this Bill at all. The object of this Bill was to prevent competition, and I do not see that newspaper proprietors who carry on a bus service solely for the purpose of distributing newspapers come into competition at all. If they are not left alone to carry on their business to the satisfaction of their constituents, I am afraid the public will suffer.

The newspaper service, especially in the outstations, is a very important one, and I am afraid that there will be a great deal of friction, and also disappointment to the public, especially in the outstations, if the present proposals in the Bill are allowed to stand. For instance, there is a provision that the Commissioner may fix rates and other conditions under which newspaper bus services may be carried on. I do not see any necessity for that. It is purely a business of the newspaper proprietors. I do not think the newspapers will welcome this provision. So far as I can see, there will be a great deal of difficulty, and trouble will arise. The newspaper service is now going on very satisfactorily, and newspaper proprietors will feel it in their own interest to satisfy their constituents. If a general bus service is engaged in this work, it may be that owing to a sudden breakdown in the service on a particular day or perhaps for a longer period the newspaper service will be interrupted.

Everything considered, I feel very strongly that newspaper bus services should be left alone. They will not interfere with the general 'bus services at all and will carry out their special functions more efficiently if not interfered with.

Mr. E. W. Abeygunasekera (Nuwara Eliya): I do not think I could agree with the suggestions made by the hon. Mem-

[Mr. Abeygunasekera.]
ber for Matale (Mr. Aluwihare). If I may say so, I would call them insane suggestions.

Whatever we do, Sir, we must expedite action. By delaying it, as the hon. Nominated Member (Mr. Wille) has said, we are only putting the people into great inconvenience. In Up-country areas you will see that if there are 30 passengers inside a 'bus, there are about 20 on the hood, and 20 on the mudguards. Of course, the Police only help the 'bus drivers by taking a little money!

The sooner these evils are ended, the better it will be. I want the Hon. Minister and the Commissioner of Transport to take immediate steps, and I want all Members of this House to support this Bill and have an end of this trouble. Bus drivers and people of that type now earn a livelihood by rowdiness and by oppressing the people, but once this Bill is passed, they will be powerless. It is the only way of protecting the general public.

I would therefore appeal to hon. Members not to waste our precious time, but to support this Bill.

Diwan Bahadur I. X. Pereira (Nominated Member): When the scheme for reorganizing the bus service was discussed in this House in July last, I was one of those who supported the proposal. Even to-day I am in favour of the Bill before the House, except in regard to one point which I consider important from the point of view of a section of the population in this Island. The point on which I wish to address the House has already been touched upon by some previous speakers, particularly by the hon. Nominated Member (Mr. Griffith), and the hon. Member for Matale (Mr. Aluwihare). I refer to the provision made in paragraph I. of the First Schedule with regard to the order of preference to be observed by the Commissioner in allotting route licences.

In the first place, I wish to make it perfectly clear that I am not at all against the bus industry being conserved for the nationals of this country. There is nothing wrong in any such step taken. I certainly wish to see the Ceylonese getting the maximum benefit from this

Ordinance. I would, however, like to be made clear as to what is precisely meant by the term "Ceylonese". I ask that question not with the intention of raising an old controversy—we have been asked to hush up all controversial questions during this war. I believe that even when the last Indo-Ceylon talks were held, the two Delegations came to a certain agreed conclusion on that point. I believe it was agreed that the *status quo* should be maintained at least for the duration. I would therefore appeal to the Hon. Minister of Local Administration to try and substitute something more acceptable in place of the present definition of the term "Ceylonese". If that is done, I think it will satisfy me and the people whom I have in view.

The hon. Member for Matale (Mr. Aluwihare) said that the last air-raid clearly demonstrated who the people who have an abiding interest in this country were. Even after that air-raid, there are Indians and Europeans living in this country. That indicates the fact that they have made Ceylon their permanent home. I should like to know whether such people are included in the definition of the term "Ceylonese". I think, even in spite of war conditions, a courageous attempt should be made to define who a Ceylonese is. I know as a matter of fact that there is a certain feeling of insecurity as to the rights that the section of the people I have in view will enjoy in this country. I should like to take this opportunity to say that I cannot justify the action taken by some of my own countrymen immediately after the air-raid. By going away from their posts of duty, they have clearly set aside all ideas of their duty by this country. What I now say equally applies to every Ceylonese, because it is only in a time of emergency that a person is expected to show his civic obligations as a citizen. The last air-raid has nevertheless demonstrated that there are a number of Indians in this country—and they form a large number—who have for all practical purposes made Ceylon their home.

The definition of the term incorporated in this Bill, hon. Members will remember, was the one originally inserted in the Land Development Ordinance. It was copied later into the Fisheries Ordinance.

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Hon. Members are also aware of the fact that the Indian section of the population has always been complaining about the iniquity of that definition. I would therefore appeal to the Hon. Minister to consider the desirability of suitably altering that definition in the Committee stage of this Bill.

I fully support the proposal made by the hon. Member for Galle (Mr. H. W. Amarasuriya) that as this is an important Bill, the parties concerned, particularly the bus-owners, should have the opportunity to appear before the Committee in deputation and point out what their wishes are with regard to the Bill. Therefore instead of this Bill being discussed by a Committee of the whole House.

The Hon. Mr. Senanayake: That suggestion has been agreed to.

Diwan Bahadur I. X. Pereira: I am glad that it has been agreed to. I think that undertaking will satisfy our friends in the trade.

To come back to the other point. I would earnestly request the Hon. Minister and the Members of Standing Committee "A" to consider the point of view I have raised, namely, not to shut out to a section of the population who have made Ceylon their home the benefits conferred by this Bill. I am entirely in favour of giving the maximum possible opportunities to the sons of the soil, but there are also others who may not come strictly under the definition of the term "Ceylonese", as they were not born in Ceylon, but who can conclusively prove by their long residence in this country and factual evidence that they have made Ceylon their home. I think that consideration ought to weigh with the Hon. Minister and the Members of the Standing Committee and I hope that they will make a suitable amendment in the definition of the term "Ceylonese" to bring in that class of people.

As regards the share capital of limited liability companies, which the hon. Member for Matale (Mr. Aluwihare) mentioned, I think it would be sufficient if the predominant interest was preserved for Ceylonese. I know that in many cases, when limited liability companies are formed, 51 per cent. of the shares are reserved for the people in India

Mr. Aluwihare: That is in India.

Diwan Bahadur I. X. Pereira: The idea behind that provision is that non-nationals should not dominate over the nationals. That is a principle over which nobody can quarrel. I think that predominance of national interest in any concern can be preserved if provision is made to the effect that in any limited liability company formed for this purpose, not more than 49 per cent. of the share capital shall be allotted to non-nationals. I think such a provision ought to satisfy hon. Members. The bus industry particularly is a specialized one, and it would be to the advantage of the country to invite non-nationals to join in this scheme wherever it is possible to do so.

Mr. R. C. Kannangara (Morawaka): I was surprised at the preposterous amendment that has been brought forward by the hon. Member for Gampaha (Mr. D. P. Jayasuriya). Certain other Members have spoken on behalf of the bus-owners. They do not seem to care what happens to the travelling public who patronize the bus service. Those Members little realize the inconvenience and insults the travelling public have to put up with at the present moment. The Bill provides certain safeguards and conveniences for the travelling public, and I can see no provision in this Bill which will do any harm to the present bus-owners.

We find, from a letter we have received from an influential bus company, that people are asked not to allow buses to run to scheduled time. It is urged that the bus-owners should be allowed to run buses as they do now. But what is the present position? For instance, a bus takes a passenger from Colombo to Gampaha. The passenger on entering the bus pays his fare. The bus stops half-way, and the conductor or driver says that it will not proceed further that day, or that the bus will not go to Gampaha till the next day. That passenger will more or less, be a stranger to the place, and he will have no place to stay the night. He is put to great inconvenience by the bus stopping short of its destination. That is the sort of thing that is happening everywhere in Ceylon today. Nobody seems to care what happens to the people who are subject to such inconvenience. Some people, when they are

[Mr. R. C. Kannangara.]
dropped on the way, hire motor cars at Rs. 40 or Rs. 50 and reach their destination. Some bus conductors stop half-way and tell their passengers to take train to their destination if they cannot afford to wait till the next day. That is how the travelling public is treated by the bus people.

We have already agreed to the co-ordination of the bus service, and this Bill seeks to give effect to the report that was accepted by this House. I really cannot understand why there should be this opposition to this Bill, why its second reading should be postponed for six months. I trust that that suggestion will not be accepted by this House.

The hon. Nominated Member (Mr. Wille) said that we should not interfere with the present arrangements made by newspaper companies for the conveyance of their newspapers to outstations. I certainly agree with him in that point of view, but there are certain routes on which newspaper companies do not run their vans. I think in the Committee stage we can make certain amendments that would be acceptable to newspaper companies.

Those of us who come from outstations formerly received the newspaper the day after its publication. Now, thanks to the enterprise of the Lake House Press, we get it the same day. But of late owing to the irregularity of the buses say, for instance, on the Galle-Deniyaya route—very often we get the newspaper not at noon, as previously, but in the evening; sometimes at night, and at other times the day after. That is because the buses that run on that route do not take an interest in the prompt delivery of newspapers. The *Daily News* have no bus service of their own on that route, and therefore they have to depend on the road service along that route for the delivery of their issues. This Bill could be improved to overcome such difficulties. Instead of agreeing to the suggestion made by the hon. Nominated Member, I would ask the Hon. Minister to accept certain amendments which I will move in the Committee stage in that respect.

I do not think there is very much more for me to say on this motion, except to ask the House to accept this Bill which

has been brought forward in the interests of the public at large.

The Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration): There are certain points raised—

Mr. Deputy Speaker: Would the Hon. Minister like to begin his reply to the debate at 4.30 p.m.?

The Hon. Mr. Bandaranaike: Yes, Sir.

Mr. Deputy Speaker: The sitting is suspended till 4.30 p.m.

Sitting accordingly suspended until 4.30 p.m. and then resumed MR. SPEAKER [THE HON. SIR WAITIALINGAM DURAI-SWAMY] in the Chair.

BUSINESS OF COUNCIL.

The Hon. Mr. D. S. Senanayake (Acting Leader of the State Council): I want to give notice that at "Interruption of Business" time I will move that the Council do continue until 6 p.m. and proceed to take up Government business. There is a possibility of business being concluded today.

Mr. Speaker: The Hon. Acting Leader can move the motion at 5.30 p.m.

The Hon. Mr. Bandaranaike: I wish to express my appreciation of the points raised by hon. Members which, I am sure, was done in a helpful spirit. Even most of the hon. Members who opposed the idea underlying this Ordinance when I moved the motion referring to this matter some time ago, are now prepared to accept the verdict of the House and are only concerned with certain amendments which they consider desirable.

There are one or two points to which I have to refer briefly. My hon. Friend the Member for Colombo South (Dr. de Zoysa) restricted himself, quite rightly at this stage of the proceedings, to one or two difficulties which he envisaged. It is unnecessary, therefore, to go through all that ground which was explored originally in the discussion on the motion I referred to just now. The point he really stressed at some length was the question of these routes.

It will be remembered that when this matter was mentioned when I moved my

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resolution in July last, the point was made that we should first specify the routes and call for applications for licences to ply on those routes. I pointed out that that was not a very desirable course to take from the point of view of the bus-owners themselves, because if we rigidly fix the actual routes, either legally by this Ordinance or by means of a Schedule or a regulation, sufficient elasticity will not be there to enable certain changes to be made on the representations of the applicants themselves. That idea has been embodied in this Ordinance in that the applicant is entitled to state what the route for which he is making the application is. That matter can be considered; and there may be a few deviations or small changes that the Commissioner may wish to suggest which, if they are not acceptable to the applicant, may themselves form the subject-matter of an inquiry by the Board of Appeal.

The only difficulty at the present moment, which the hon. Member felt—it is really based on a misconception of the present situation—was that if they go to the trouble of forming a company without knowing the precise route that will eventually be allocated to them, they will be put into a difficulty, by not knowing what the route is beforehand.

It was pointed out that there are a large number of routes now and that it is proposed, under the new scheme, greatly to reduce that number—from 300 to 30, at least, we will say. My answer is that already the Director of Transport has gone round the country, after the passage of the motion in question, and has interviewed all or, almost all, the bus-owners on these routes, and out of a possible thirty-two routes, already in the case of twenty-eight the owners have agreed to form companies with an understanding of what the route is going to be.

Mr. Aluwihare: That is for tyres to be supplied to them.

The Hon. Mr. Bandaranaike: No; it is not so. Out of thirty-two routes, twenty-eight have more or less now been fixed, and those plying on the routes have agreed to form the companies necessary for obtaining the licence. Therefore there are only four left, and I will tell you what the four are. The owners in the owner

question have refused even to discuss the matter. They are the following:

The Colombo-Kandy route;
The Kandy-Nuwara Eliya route;
The Nuwara Eliya-Udapussellawa route; and
The Colombo City Service.

That is all. Out of all the numerous routes in the country, there are only these four routes where agreement has not been reached, and in this case, at least if they had discussed the matter, an indication could have been made to them of what the routes are going to be so that there would have been no misunderstanding when the applications came in as to what the routes that would eventually be allocated would be. Therefore all I have to say is that in practice the difficulty which the hon. Member envisaged simply does not arise.

Another important point that was raised was by the hon. Member for Galle (Mr. H. W. Amarasuriya)—he also mentioned the question of these routes—and it was the question of compensation. I am sorry that I was looking at some papers at the moment and I did not quite grasp what the difficulty that he envisaged was. But if he will refer to the First Schedule, he will observe the question of compensation is quite adequately dealt with.

Mr. H. W. Amarasuriya: The question of compensation by the Government. In the original scheme there was provision that Government might purchase buses.

The Hon. Mr. Bandaranaike: I see. All I said was that if the Government, for the purpose of State transport, needed any of these buses, and if any of the companies that are being formed did not wish to take them over from the persons who owned them now, the Government might well take them over. That is not provision which it is necessary to embody in legislation.

Mr. Aluwihare: Supposing no one wants the bus?

The Hon. Mr. Bandaranaike: If nobody wants the bus, then the compensation will have to be paid by the company that is formed, provided that the owner of the bus does not become a

[The Hon. Mr. Bandaranaike.]

shareholder. If there is an owner who now plies on a route and he does not join the company or become a shareholder, and if the State does not want to buy a bus, then, of course, the company will have to pay whatever is the fair compensation to remove the rights which that man now has upon that route. I think that is a very remote possibility—that anybody at all will want to take over those interests and the person concerned will not desire to take shares even in the company.

But the principle is accepted that if the company is formed, or whatever the entity may be that applies for the licence, they must be prepared to pay the necessary compensation for the other interests, to all licensees on that route. That is quite clear. Therefore, I do not think that any difficulty arises about the matter.

I explained at the first reading the provisions regarding the payment of compensation which I think the House will find quite satisfactory. At least from the point of view of those who are to be compensated, there will be no unfair treatment of them in that way.

There was another important point raised by the hon. Member for Matale (Mr. Aluwihare). It was also referred to by the hon. Member for Galle (Mr. H. W. Amarasuriya) and I think the European Nominated Member (Mr. Griffith). That was the question of priority mentioned in Schedule I. Certain Members, particularly the hon. Indian Nominated Member (Diwan Bahadur I. X. Pereira) objected to the restriction contained in sub-paragraph (vi.) of the first paragraph of the First Schedule.

The restriction was included in view of the expression of opinion of many Members when my motion was originally discussed in this House, and also in pursuance of the undertaking we gave the House with regard to the order of priority. It is a matter that might be looked into further in the Committee stage, particularly from the point of view of the hon. Member for Matale (Mr. Aluwihare) who says, quite rightly, that even a company that may be incorporated in Ceylon may not necessarily consist of either Ceylonese wholly; or even the majority of the shareholders may not be Ceylonese.

The hon. Member also raised the question of the sale of shares to non-Ceylonese by companies on other routes, even companies formed of those at present plying on the routes. I hope the Standing Committee will consider those matters.

As far as the definition of "Ceylonese" goes, I would merely like to say this: The hon. Nominated Member (Diwan Bahadur I. X. Pereira) wanted a new definition of the word "Ceylonese", but I would like to point out to him that a casual occasion such as this is hardly suitable for an enunciation of a new definition of "Ceylonese" which is a most difficult problem in dealing with the status of people in this country, and particularly one of the most difficult and thorny questions that has arisen in connexion with the Indo-Ceylon negotiations. We can hardly now, for the purpose of this Ordinance, evolve a new definition of "Ceylonese". Therefore, following his own principle of preserving the *status quo*, the definition of "Ceylonese" such as it occurs in certain Ordinances that already exist was also incorporated in the present Bill. That was the reason why that was done; it was not done with the idea of creating a new discrimination or any hardship that might be considered repugnant to the feelings of those who may be non-Ceylonese.

There was another point raised by the hon. Member for Matale (Mr. Aluwihare) which I think was due to a misunderstanding. He referred to overlapping as between the present Bill and the Motor Car Ordinance. If he refers to the Second Schedule he will find that every Section of the Motor Car Ordinance has been carefully looked at and such overlapping has been prevented. For instance, the very point which the hon. Member raised—you will notice it on page 9—about Section 47 has been dealt with by a suitable amendment of Section 47 of the Motor Car Ordinance. Therefore, I do not think that difficulty will arise.

There is one other point that I would like to mention. It seems to me that there is a general atmosphere of entirely unjustifiable suspicion created with regard to any matter concerning buses or lorries that is brought before this House. The latest example is this measure. Apparently I am accused of wishing to

prevent bus interests from making representations to the Committee that will consider this Bill by proposing that it should be brought before a Committee of the whole House. I do not know whether anybody really takes the suggestion seriously. But my only intention in proposing that this Ordinance be referred to a Committee of the whole House was to try and get through with this Ordinance during this session which would not be possible if the Bill was referred to a Standing Committee. I did not, for one moment, imagine that a Committee of the whole House could not hear representations.

As a matter of fact, a number of bus-owning interests referred the matter to me and I said, "Oh, yes; I shall be very happy if you make representations. I have no objection at all". One of them, I formally referred to the Clerk of the Council because the Clerk arranges for hearing these representations. It was only later that I understood that although there was nothing in Standing Orders or the Constitution to prevent a Committee of the whole House from hearing representations, it was apparently not the custom in England for the whole House of Commons to hear representations. I was not aware of that. I shall only be too happy if representations are made, and if it is not the custom for a Committee of the whole House to hear representations, I have not the least objection to this Bill being referred to a Standing Committee, which I shall myself move at the conclusion of the second reading.

I move that the Bill be now read a second time.

Mr. Speaker: Does the hon. Member for Gampaha (Mr. D. P. Jayasuriya) press his amendment?

Mr. D. P. Jayasuriya: Yes, Sir.

Question put, "That the word 'now' in the last line be deleted, and that the words 'six months hence' be inserted at the end of the motion."

The Council divided (under Standing Order 68): Ayes, 2; Nocs, 13.

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

Bill read a second time.

The Hon. Mr. Bandaranaike: I move that this Bill be referred to Standing Committee "A", the following Members being co-opted:

The Hon. Mr. G. E. de Silva.
The Hon. Col. J. L. Kotalawala.
Mr. H. E. Newnham.

Mr. H. W. Amarasuriya: I move that the hon. Indian Nominated Member (Diwan Bahadur I. X. Pereira) be co-opted to the Standing Committee.

Mr. Speaker: Only 3 Members can be co-opted.

Mr. H. E. Newnham (Nominated Member): I shall stand down in his favour.

Question put, and agreed to.

Bill allocated, under Standing Order 77 (b), to Standing Committee "A", the Hon. Colonel J. L. Kotalawala, the Hon. Mr. G. E. de Silva and Diwan Bahadur I. X. Pereira being temporarily added to the Committee.

Mr. Susanta de Fonseka (Panadure): I understand that it is the intention of the Board of Ministers to summon a meeting of the State Council for Thursday, the 1st of next month, and a meeting of Standing Committee "A" for Tuesday, the 29th September. As you are aware, Sir, there is the procedure whereby Members are given 3 days, after a Bill has been given a second reading to submit amendments, and Members are given notice of those amendments 3 days beforehand.

In the circumstances, it is rather difficult for me to call a meeting of Standing Committee "A" unless Members of Standing Committee "A" agree to forgo the 3 days' notice. I for one am prepared to post all amendments of which I receive notice at noon on Saturday, so that Members will have notice of those amendments on Monday next. Further, in order to help any Member who has not been able to submit his amendment, if the Committee approves I am also prepared to receive amendments without notice on Tuesday. It is only on that understanding that I can summon a meeting for Tuesday next.

The Hon. Mr. Badaranaika: That would be all right, I think.

WAR DAMAGE (IMMOVABLE PROPERTY) BILL.

The following item stood upon the Orders of the Day:

The Minister of Labour, Industry and Commerce to move,—

That the Bill intituled " An Ordinance to authorize payment in respect of war damage to immovable property and the collection of contributions towards the cost of such payments: and to make provision for matters connected therewith or incidental thereto", be now read the first time.

Observations of the Financial Secretary.

The Ordinance makes provision for payments for War Damage to immovable property in respect of which contributions have been made to the Commissioner.

2. Contributions will be compulsory in respect of properties situated within the limits of the Colombo and Galle Municipal Councils and of the Dehiwala-Mt. Lavinia, Kotte, Kolonnawa and Trincomalee Urban Councils and voluntary in respect of properties in any other part of the Island.

3. The contributions will be paid into a Fund to be known as the War Damage Fund from which will be paid amounts due on account of War Damage. If the amounts due to be paid exceed the amount to the credit of the Fund, benefits will be scaled down proportionately. Provision has also been made that monies provided by the State Council may be paid to the Fund from time to time; i.e., if the Fund is found to be insufficient to meet all claims, the question will be considered of making up the whole or part of the deficiency by means of a grant from general revenue, but no such grant will be payable without the prior approval of the State Council.

Report of the Board of Ministers.

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

The Hon. Mr. G. C. S. Corea (Minister of Labour, Industry and Commerce): I rise to move the motion standing in my name.

This Bill really completes the Bills required to give protection to properties which might be damaged as a result of the war. The Ordinances now in force, that is, the War Risks (Goods) Insurance Ordinance and the War Damage (Personal Movable) Ordinance provide for the insurance of movable property against war risks. This Bill that I now bring before the House affords a similar kind of protection for immovable property.

This matter was considered by my Executive Committee for some time, and it was decided to introduce legislation on the following lines. I think it would help Members to follow this Bill if I explained very shortly the main features of the Bill as decided upon by the Executive Committee. The first scheme will be on a pool basis; that is, all contributions will be put into one fund; second, compensation will be paid after the war, but payments will be authorized for urgent repairs at any time before the war is over; third, the scheme is to be compulsory within the limits of the Colombo Municipality, the Urban Councils adjoining Colombo, the Galle Municipality and the Urban Council of Trincomalee, owners of property outside these areas will be permitted to come under this scheme on a voluntary basis; fourth, the scheme is to be retrospective so as to cover war damage which occurred before the scheme was put into operation, provided the owners of property within a non-compulsory area came into the scheme within a fixed time after it became operative.

I made reference to that matter some time ago. When the War Damage (Personal Movables) Ordinance was introduced, the House wanted a guarantee to the effect that any contributions would be on a certain percentage of the value. I said that that was going to be the basis on which the premium would be calculated, and more—that the Government would give no undertaking to contribute to the pool. Since I made that statement, a Clause has been introduced in the Bill that is before the House providing that the Government may decide to

contribute if there is any deficiency; but there is no obligation definitely on the Government to contribute, if the amount in the pool is insufficient to pay the full amount of damage.

This Bill follows fairly closely the War Damage Act of 1941 which is in force in Great Britain, but there are one or two differences to which I think it is necessary to draw your attention. The scheme, in England, is compulsory throughout the whole country, whereas here it is compulsory only in the danger zone; that is, in the areas which I have already referred to. In the other areas the scheme is voluntary and a person who wants to come into it will have to apply to the Commissioner appointed under the Ordinance and pay him a contribution fixed on the annual value of the property. Here we propose, unlike in England, to make use of the machinery of the local authority for the purpose of collecting the contributions, where such machinery exists, on the basis of the annual rental value. In cases where there is no such machinery, the Commissioner appointed to administer this Ordinance will, with the assistance of the Valuation Department, make the necessary collections.

You will see that this Bill has been divided into four parts. Part I. deals with payments under the Ordinance and contains certain provisions for securing the public interest by imposing conditions, subject to which payment will be made for the purposes of this Ordinance. Immovable property and land have been divided into two units called holdings, and sub-divided into two, that is land with buildings, and undeveloped land, that is land without buildings.

Three classes of payments have been specified, as follows:

" temporary works payments;
cost of works payments; and
value payments."

I mention these details because there might be some difficulty in understanding them. "Temporary works payments" will be made in suitable cases to meet the cost of any urgent repairs which may be necessary to make a building habitable and prevent it from deteriorating: "Cost of works payments" are the cost of necessary repairs to restore the building to the condition in which it

was before the damage; and "Value payments" represent the difference in the value between the property as it was before the damage and as it was after the damage, the date fixed for valuation being 31st March 1939. That is the explanation of those three terms.

There is provision in Part II. of the Bill for the assessment and levying of contributions, and as I said the local authorities will be utilized for that purpose. Then Part III. contains provisions for making certain exemptions; that is, land held for charitable purposes, other than orphanages, for instance, will be exempt from contributions but will be entitled to benefits under the Ordinance; land held for educational purposes will pay only one-third rate of contributions. So these exemptions are provided for.

Then, I have some figures here of the actual annual value, but I do not think I need refer to them. If it is wanted at any time, I can give the information. The whole proposition of this Bill is to enable people who have immovable property, that is buildings, or land with buildings and without buildings, to have some means of obtaining certain compensation for any damage that may be done to such property. They will have to pay the premium, whatever amount may be fixed, as the annual rate, and out of the amount in the pool compensation will be paid after the war, except in cases of any urgent repairs, and so on, when early payments may be made.

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

Bill read the first time.

†WAR GIFTS (EXEMPTION FROM ESTATE DUTY) BILL.

The Hon. Mr. H. J. Huxham (Financial Secretary): I move, Sir,—

That the Bill intituled "An Ordinance to exempt from Estate Duty gifts made for war purposes or to War Funds during the period of the present emergency", be now read a second time.

Question put accordingly, and agreed to.

Bill read a second time.

† For the Observations of the Financial Secretary and the Report of the Board of Ministers, see Hansard of September 22, 1942.

The Hon. Mr. Huxham: With the approval of the Board of Ministers, I move that the Bill be referred to a Committee of the whole Council.

Question put, and agreed to.

In Committee—

MR. SPEAKER took the Chair.

Clause 1 ordered to stand part of the Bill.

CLAUSE 2.—(*Exemption of War Gifts from Estate Duty*).

Mr. B. H. Aluwihare: Will the Hon. the Financial Secretary tell us what gifts have been made since 1939? Why is he making this Bill retrospective?

The Hon. Mr. Huxham: I am glad to say that there have been a few quite substantial gifts made for war purposes by persons in Ceylon. One, I remember, was a valuable house in Nuwara Eliya. If the donor of that gift should die and this Bill is not passed the value of that house would have to be aggregated with his other properties and might very well make the whole of his estate liable to a higher rate of duty than would otherwise be the case.

Clause 2 ordered to stand part of the Bill.

Clause 3 ordered to stand part of the Bill.

Enacting Clause and Title ordered to stand part of the Bill.

The Hon. Mr. Huxham: I move that the Council do now resume.

The Council having resumed—

MR. SPEAKER took the Chair.

The Hon. Mr. Huxham: I move that the Bill be now read the third time.

Question put accordingly, and agreed to.

Bill read the third time, and passed.

EDUCATION: EMERGENCY PROVISIONS SCHEME.

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

The Minister of Education to move,—

That the following scheme prepared by the Executive Committee of Edu-

cation under section 2 of the Education (Emergency Provisions) Ordinance No. 24 of 1942, be approved:—

Scheme.

In the Scheme—

“affected Assisted School” means an Assisted School which is situated outside a declared area, but which in the opinion of the Director is affected by the present emergency; “Certified School”, “Recognised School”, and “Registered School” have the same meanings as in the Code of Regulations for Assisted English Schools, and the Code of Regulations for Assisted Vernacular and Bilingual Schools;

“declared area” means any of the following areas:—

- (a) the area within the administrative limits of the Colombo Municipal Council,
- (b) the area within the administrative limits of the Galle Municipal Council,
- (c) the area within the administrative limits of the Dehiwala-Mount Lavinia Urban Council,
- (d) the area within the administrative limits of the Kolonnawa Urban Council,
- (e) the area within the administrative limits of the Kotte Urban Council,
- (f) the area within the administrative limits of the Trincomalee Urban Council together with
 - (i.) that part of the village of Uppaveli that lies outside those limits, and
 - (ii.) the harbour villages bounded as follows:—
 - on the north, by Tampalakamam pattu,
 - on the east and south by the Inner harbour, Sea and Tampalakamam Bay, and
 - on the west, by Palampoddam,
- (g) any area within a circle having a radius of one mile from any aerodrome, and

- (h) any area that may be declared, by resolution of the State Council, upon motion made in that behalf by the Minister for Education with the approval of the Board of Ministers, to be a declared area for the purpose of this scheme;
- “ Department ” means the Department of Education;
- “ Director ” has the same meaning as in the Education Ordinance, No. 31 of 1939;
- “ eligible staff ” means the staff in respect of whom grant is paid;
- “ Emergency School ” means any school which has been declared by the Director to be an Emergency School;
- “ excess salary ” means that portion of the salary of any teacher which exceeds the salary specified for him in the Code of Regulations for Assisted English Schools or the Code of Regulations for Assisted Vernacular and Bilingual Schools;
- “ excess teacher ” means any teacher on the staff of an Assisted School in respect of whom grant is not paid;
- “ Government School ” has the same meaning as in the Code of Regulations for Government schools; and
- “ Superfluous teacher ” means
- (a) any teacher who on or after March 1, 1942, was on the eligible staff of an Assisted School situated in a declared area and who becomes superfluous in view of a decrease in attendance of pupils;
 - (b) any teacher on the eligible staff of an affected Assisted School who becomes superfluous in view of a decrease in attendance of pupils;
 - (c) any teacher on the eligible staff of an Assisted School who becomes superfluous upon the closure of the school, or any department, or class thereof, in consequence of possession being taken on behalf of His Majesty of the whole or any part of the premises of that school.
2. (1) Where possession is or has been taken on behalf of His Majesty of the premises of a school, or where a school is situated in a declared area, or is an affected Assisted School, such school may open one or more temporary branch schools in areas in which the Department is unable in view of the present emergency to provide adequate facilities for education.
 - (2) The branch school or schools and the parent school, if the parent school remains open, shall be deemed to constitute one school for the purpose of calculating the average attendance of pupils and the number of teachers in respect of whom grant may be paid.
 - (3) A branch school which admits pupils from a school of the same grade in the locality shall not be eligible for grant in respect of those pupils.
 - (4) A branch school which admits pupils from an Assisted or a Government School of a lower grade in the locality shall not be eligible for grant in respect of those pupils, unless those pupils have completed their full course of instruction in that Assisted or Government School.
 - (5) No certified school shall be considered as a branch school.
3. (1) Any superfluous teacher may be taken over with the approval of the Director by some other Assisted School by mutual arrangement between the Manager of that school and the Manager of the school in which he was last employed.
 - (2) Any superfluous teacher may be appointed temporarily by the Director to the eligible staff of any Assisted School after consultation with the Manager of that school.
 - (3) The Director may arrange to provide any superfluous teacher who cannot secure employment under the provisions of sub-paragraphs (1) and (2) with work in a Government School, or in an Emergency School, or in the Air Raid Precautions Service, or in nursing, first-aid or other emergency work, on the salary last received by such teacher in the Assisted School in which he was employed immediately prior to his present employment.
 - (4) Grant in respect of any superfluous teacher who secures employment in a Certified or Recognized School may be paid on the basis of the salary last drawn

by such teacher in the Assisted School in which he was employed immediately prior to his present employment, if the Director is satisfied that the Manager's contribution in respect of such teacher's salary has been paid.

(5) Where a superfluous teacher is unable to secure employment under the preceding provisions of this paragraph, he may be paid the salary that he last received in the Assisted School in which he was employed immediately prior to his present employment.

(6) Where any superfluous teacher has, without sufficient cause, refused to accept any work offered by the Director, such teacher shall be placed on no-pay leave.

(7) Every superfluous teacher who becomes entitled to a salary under this scheme may be paid that salary monthly by the Department.

4. The number of teachers in respect of whom an Assisted School affected by the present emergency shall be eligible for grant shall be determined by the Department on the basis of—

- (a) the attendance of pupils; and
- (b) the number of classes provided by that school.

5. Where the increase in the average attendance of a school during the course of the school year is directly or indirectly due to the evacuation of families or the closing of the schools, the Director may

- (a) allow additional teachers, in respect of whom grant may be paid, to be appointed to that school during the course of that year; and
- (b) relax, in respect of that school, the requirements relating to accommodation set out in the Code of Regulations for Assisted English Schools or the Code of Regulations for Assisted Vernacular and Bilingual Schools.

6. (1) Where a teacher who loses his employment either through a fall in attendance owing to the evacuation of pupils or through the closing of the school, secures on the eligible staff of a school, a post, to which is attached a lower salary scale than the scale attached to the post which he held immediately prior to his present employment, such

teacher shall be paid according to the scale attached to the last-mentioned post.

(2) Where the salary of a teacher referred to in sub-paragraph (1) is above the maximum salary fixed for his grade in the school to which he is appointed, he shall be paid that maximum salary, and the difference between that maximum salary and his previous salary shall be met out of the general revenue. The Manager's contribution to that salary shall be equivalent to the contribution in respect of a teacher of the same grade in that school.

(3) Where a teacher who loses his employment either through a fall in attendance owing to the evacuation of pupils or through the closing of the school, secures on the eligible staff of a school, a post, to which is attached a higher salary scale than the scale attached to the post in the Assisted School which he held immediately prior to his present employment, such teacher shall be paid according to the salary scale attached to the last-mentioned post. The Manager's contribution to that salary shall be determined by the salary scale according to which such teacher is paid.

7. No school shall be eligible for grant in respect of any teacher appointed after this scheme comes into operation unless that teacher is a person who—

- (a) was on the eligible staff of a school on March 1, 1942; or
- (b) was appointed after all superfluous teachers educationally qualified to be appointed had been offered, and had refused, the appointment.

8. Where night schools have ceased to function in consequence of any Lighting Restriction Order made under the Defence (Miscellaneous) Regulations, proportionate grants may be paid, calculated on the average attendance in such schools and the number of days on which they were in session during the current school year.

9. Where the Director declares that the provisions of regulation 15 (1) of the Code of Regulations for Assisted English Schools or the provisions of regulation 17 (1) of the Code of Regulations for Assisted Vernacular and Bilingual Schools, shall not apply to any school, those provisions shall not be taken into ac-

count for the purpose of calculating the grant payable to that school.

10. Where the Director declares that the provisions of regulation 16 (vii.) of the Code of Regulations for Assisted English Schools (inserted in that Code by regulation published in *Gazette* No. 7,866 of July 3, 1931), or the provisions of regulation 18 (vii.) of the Code of Regulations for Assisted Vernacular and Bilingual Schools (inserted in that Code by regulation published in *Gazette* No. 7,866 of July 3, 1931), shall not apply to any teacher, those provisions shall not be taken into account for the purpose of calculating the salary payable to that teacher.

11. (1) The Director may require, as a condition precedent to the payment of any grant in respect of any Assisted School, Branch School, or Certified School that such school shall be amalgamated with any other school situated in the same locality or that a class in any such school shall be amalgamated with a class of a corresponding grade in any other school in that locality.

(2) Where a Manager fails or refuses to comply with any requirement of the Director referred to in sub-paragraph (1), the Director may withhold payment of the whole or any part of any grant in respect of such school.

12. (1) The provisions of regulation 31B of the Code of Regulations for Assisted English Schools (inserted in that Code by regulation published in *Gazette* No. 8,100 of January 18, 1935) shall not apply to any Assisted English School that is governed by this scheme.

(2) The provisions of regulation 39B of the Code of Regulations for Assisted Vernacular and Bilingual Schools (inserted in that Code by regulation published in *Gazette* No. 8,100 of January 18, 1935) shall not apply to any Vernacular or Bilingual School, referred to in that Code, which is governed by this scheme.

13. (1) An additional grant may be paid monthly to —

- (a) any school in a declared area,
- (b) any affected Assisted School, and
- (c) any school, premises of which have been wholly or partly taken possession of on behalf of His Majesty

in case the total fees due from pupils is less than the Manager's contribution and other expenses referred to in 13 (2) (b).

(2) The grant referred to in sub-paragraph (1) in respect of any month shall be equivalent to the sum of

- (a) the amount representing the difference between the total fees due from pupils for that month, and the Manager's contribution towards the salaries of an approved number of teachers determined under the provisions of paragraph 4; and
- (b) the amount representing the money spent on certain other expenses for which previous approval from the Director has been obtained.

For the purposes of this sub-paragraph "certain other expenses" shall not include

- (a) any excess salary;
- (b) any salary payable in respect of an excess teacher; or
- (c) capital expenses.

14. No school shall be entitled to be benefited by this scheme, if the average attendance for the school is the same as that school's average attendance for 1941, and if that attendance justifies the recall of all the teachers on the eligible staff of that school.

15. (1) The Director may give to any school which is entitled to a grant under this Scheme, a loan of such amount as may be determined by him, having due regard to the amount of the grant payable to that school in respect of the year in which the loan is given.

(2) Any such loan may be given at monthly, quarterly, or other intervals, as the Director may in the circumstances of each case decide.

(3) Interest shall be recovered on such loan at the rate of four per centum per annum.

(4) The amount of every loan, together with the interest due thereon, shall be deducted from the grant, payable to that school in respect of the year in which the loan is given.

16. The scheme constituted under section 4 of the Education (Emergency Provisions) Ordinance, No. 24 of 1942, is hereby revoked.

Observations of the Financial Secretary.

The cost of the Scheme during 1942-43 is estimated at Rs. 700,000, of which Rs. 300,000 will be saved in 1943-44 by way of reduction of grants which would otherwise be due in that year.

It is assessed that loans under paragraph 15 will be granted only when they are found to be necessary to enable a school to continue.

When an Assisted School whose premises have been requisitioned applies for assistance under the Scheme, the rent and dilapidations which will be made for its premises should be taken into account.

Subject to these observations the Financial Secretary concurs.

Report of the Board of Ministers.

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

The Hon. Mr. C. W. W. Kannangara (Minister of Education): I move the resolution standing in my name.

The Council passed a Bill on May 21, 1942, and to put it into operation there was a scheme prepared and accepted by the Council on the same date. That scheme has been put into operation and will be in operation until September 30, 1942. We have been advised that it is necessary to have another scheme for next year. This scheme is practically the same as the present scheme, with only one slight alteration, to which everyone has agreed, including my Executive Committee; that is, in place of there being monthly or quarterly grants, the money is to be advanced monthly or quarterly.

Question proposed from the Chair.

Mr. Aluwihare: May I know how much this scheme will cost, and whether this extra amount has been included in the Budget?

The Hon. Mr. Kannangara: The amount that is payable to the schools by

way of grant is provided in the Budget, but owing to the system of monthly payments a certain amount of additional expenditure will be necessary—Rs. 700,000 is the estimated amount—but this amount will be given by way of a loan, to be deducted when the grants are due at the end of the year.

Mr. Aluwihare: Any interest?

The Hon. Mr. Kannangara: Four per cent.

Question put, and agreed to.

FOOD CONTROL ORDERS.

The Hon. Mr. Senanayake: I move,—
That the Order No. 31 dated August 26, 1942, made under section 4 (7) (a) of the Food Control Ordinance (Chapter 132) and published in *Gazette Extraordinary* No. 8,996, of August 27, 1942 be approved.

Question put, and agreed to.

WAR DAMAGE (BUSINESS AND PERSONAL MOVABLES) REGULATIONS.

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

The Minister of Labour, Industry and Commerce to move,—

That the following regulations made by the Executive Committee of Labour, Industry and Commerce under section 25 of the War Damage (Business and Personal Movables) Ordinance, No. 9 of 1942, be approved.

Regulations.

1. For the period commencing on October 1, 1942, and ending on March 31, 1943, the premium in respect of any policy of insurance issued for the purposes of the business movables scheme shall be at the rate of one per centum, so however that the amount of any one premium shall not be less than Rs. 10.

2. For the period commencing on October 1, 1942, and ending on March 31, 1943, the premium in respect of any policy of insurance issued to any person for the purposes of the personal movables scheme shall be—

(a) in respect of the first Rs. 2,000 of the sum insured by that person, at the rate of one-half per centum; and

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(b) in respect of the remainder of the sum insured by that person, at the rate of one per centum,

so however that the amount of any one premium shall not be less than Rs. 5.

Observations of the Financial Secretary.

The rate of premium for policies under the Business Movables Scheme for the period ending on September 30, 1942, has been $1\frac{1}{2}$ per cent. The rate of premium for policies under Personal Movables Scheme for the same period has been $\frac{3}{4}$ per cent. for the first Rs. 2,000 and $1\frac{1}{2}$ per cent. for the remainder of the sum insured up to Rs. 10,000.

2. The amount collected in premia is approximately Rs. $4\frac{3}{4}$ lacs. The approximate amount covered is Rs. 320 lacs. It is considered that in present circumstances this amount together with future collections at a lower rate will be sufficient to meet possible claims. The Regulations accordingly provide that for the next period ending on March 31, 1943, the premium for policies under the Business Movables Scheme shall be one per centum, and for policies under the Personal Movables Scheme $\frac{1}{2}$ per cent. for the first Rs. 2,000 and one per cent. for the remainder up to Rs. 10,000.

Report of the Board of Ministers.

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

The Hon. Mr. Corea: I move the motion standing in my name.

Question put, and agreed to.

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

The Minister of Labour, Industry and Commerce to move,—

That the following War Damage (Personal Movables) Insurance Regulations, made by the Executive Committee of Labour, Industry and Commerce, under section 25 of the War Damage (Business and Personal Movables) Ordinance, No. 9 of 1942, be approved.

Regulation.

The War Damage (Personal Movables) Insurance Regulations, 1942, published in *Gazette Extraordinary* No. 8,907 of April 9, 1942, are hereby amended in regulation 8 by the addition, at the end of that regulation, of the following:—

“ Any such policy may, before the date of its expiry, be renewed, without a further application, for a period of six months commencing on the day after that date, if the insured pays the prescribed premium for that period, and if the particulars given in the original application for such policy are correct in relation to that period ”.

The Hon. Mr. Corea: I move the resolution standing in my name.

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

The Minister of Labour, Industry and Commerce to move,—

That the following War Damage (Business Movables) Insurance Regulations, made by the Executive Committee of Labour, Industry and Commerce under section 25 of the War Damage (Business and Personal Movables) Ordinance, No. 9 of 1942, be approved.

Regulation.

The War Damage (Business Movables) Insurance Regulations, 1942, published in *Gazette Extraordinary* No. 8,907 of April 9, 1942, are hereby amended in regulation 9 by the addition, at the end of that regulation, of the following:—

“ Any such policy may, before the date of its expiry, be renewed without a further application, for a period of six months commencing on the day after that date, if the insured pays the prescribed premium for that period, and if the particulars given in the original application for such policy are correct in relation to that period ”.

The Hon. Mr. Corea: I move the resolution standing in my name.

Question put, and agreed to.

Food Control Orders: Defence (Food and Price Control) (Transfer of Powers) Regulations.

The Hon. Mr. Senanayake: I move the resolution standing in my name on page (12)

[The Hon. Mr. Senanayake.]
of the Addendum to the Orders of the Day:

That the Order No. 32 dated August 30, 1942, made under section 4 (1) (a) of the Food Control Ordinance (Chapter 132), read with Defence (Food and Price Control) (Transfer of Powers) Regulations, 1942, and published in *Gazette Extraordinary* No. 8,999 of August 31, 1942, be approved.

Question proposed from the Chair, and debated.

Mr. S. Natesan (Kankesantural): The House will remember that some time ago I moved that certain areas of the Jaffna district should be treated as forming part of the Jaffna Revenue District for the purpose of the Food Control Ordinance. This Council accepted that motion, and I wish to know from the Hon. Minister of Agriculture and Lands the reason for the reversal of that decision. There was a decision here in this Council that the division known as Pachchilaipali-Karachi-Pooneryn should form part of the Revenue District of Jaffna.

Mr. Aluwihare: Do you want to steal their paddy?

Mr. Natesan: I wish to know—

The Hon. Mr. Senanayake: This is not Question time.

Mr. Natesan: Evidently, that decision has been reversed, and I wish to know why it has been reversed.

I remember, the Minister of Agriculture and Lands mentioned in this House some time ago that the farmers removed the paddy from that part of Jaffna district to their own homes, and that some people who were working as labourers there did not have sufficient paddy there for their consumption. I pointed out at that time that the farmers provided sufficient food for the labourers working under them, for their tenants and for their lessees, but that there were some others working under the Agricultural Department, and for the Military, and these people, who had come from other parts of the Island, had not sufficient rice for their consumption. I moved in this Council that for the benefit of the people who had come there as labourers to work under the Government, there should be

sufficient paddy or rice kept in some Government store.

I wish to make it clear that if it is the policy of the Government that the distinction between self-sufficient areas and non-self-sufficient areas should be done away with, and that the farmers should keep some paddy for their own consumption, and should sell the rest to Government—if that is the policy of Government—then there would be no necessity for the division of the Island into self-supporting and non-self-supporting areas. In that case, along with the other self-sufficient areas, the distinction between one part of the Jaffna district and another can be done away with. If that is going to be the policy of the Minister of Agriculture and Lands or of the Food Controller, there is no objection to it, but if there is going to be this distinction drawn between one part of the Jaffna district and another, I say that it is not reasonable.

A person in a non-self-sufficient area must have access to the paddy which he grows in his fields. The areas comprised in the Pachchilaipali-Karachi-Pooneryn Division form part of the Jaffna district. It is one Revenue District for administrative purposes. When you speak of a self-sufficient area, you think of an area where there are a large number of people who want the rice produced in that area for their own consumption.

But in this area, it must be pointed out that there are about 10,000 acres cultivated by people who cleared the jungle and who spent considerable sums of money and who are now getting the fruits of their labour. The people actually living in this area consist of a floating population of about 300 to 400 people. The others come from the Jaffna Peninsula, either as lessees or workers. They work here for a certain period and then go away. Most of the people actually working on these farms are people who come from the Jaffna Peninsula. They come as lessees; they work there during the appropriate seasons and when the season is over, when they have harvested the paddy, they take it away.

What the Hon. Minister wants the people to do is this: he says that they should not remove the paddy from that part of the district, but that they should reserve it for the small population of the

area. [*Interruption.*] What happened at that time was not due to the fault of these cultivators, or of the landlords. It was due to the fact that there was a floating population of labourers who had come to work under Government, who had come there to carry out some contract work for the Military. They were not working for the farmers. It was these labourers who suffered owing to want of precaution on the part of Government which employed them. But on that account you cannot make out a case for bringing into existence the distinction I referred to. If some labourers go there for a certain period and then disappear, it is not right that the distinction I referred to should be retained permanently.

That is why I say that this order should not be approved at the present moment. If the Minister of Agriculture and Lands is going to do away with the distinction between self-sufficient and non-self-sufficient areas, then there is no need for this order.

Mr. S. Abeywickrama (Udugama): I understand that the Hon. Minister has passed some regulation to the effect that cultivators are to be allowed 25 bushels of paddy for their own use. Has that regulation been gazetted or brought into operation—that the cultivator is allowed to take away 25 bushels per head for himself and his dependants? There seems to be some doubt about the matter, and I shall be glad to have a reply from the Hon. Minister on the point. Very often people come to us for advice regarding these matters.

My hon. Friend the Member for Kankasanturai (Mr. Natesan) referred to paddy-fields that are situated outside the places where the cultivators actually reside. Very often the fields are situated outside the areas where the cultivators live. If a cultivator produces paddy outside the district in which he lives, will he be given a permit to remove, for the use of himself and Members of his family, paddy at the rate of 25 bushels per head and keep the paddy in the place where he lives? It is desirable to make that concession. When paddy is produced outside the area in which the cultivator resides, he should be allowed to keep 25 bushels per head, taken from his own land.

The Hon. Mr. Senanayake: The grievance of the hon. Member for Kankasanturai (Mr. Natesan) is that an area in the Jaffna District has been declared self-supporting when there are portions of the district that are not self-supporting. I would have expected him, when he objects to any area being declared self-supporting, to indicate that that area is, in fact, not self-supporting. But what did he say? He says this particular area is more than self-supporting. If that is so, what is his objection to my declaring that area to be self-supporting? I have done nothing more than declare an area self-supporting. The hon. Member says it is more than self-supporting; and therefore I was wrong in declaring the area as self-supporting! I cannot understand his logic at all.

Mr. Natesan: The point which I raised was that in a non-self-supporting area a person who owns fields should have access to the fruits of his labour. What I say is that the Jaffna District forms one unit.

The Hon. Mr. Senanayake: Is that a personal explanation?

Mr. Natesan: Yes. Because the Hon. Minister has raised the point, I want to offer some explanation. What I maintained is that those people who own lands in one part of Jaffna District, though they live in another part of it, should have right of access to the fruits of their labour.

The Hon. Mr. Senanayake: I was going point by point.

The first point which the hon. Member made is that if one part of the district is self-supporting, no part of that area should be declared as self-supporting; he takes the Jaffna District as one area. I do not know why he takes the Jaffna District alone. Why does he not take Ceylon as one area? Take for instance the Matale District. One part of it is self-supporting, but the other part is non-self-supporting. It is the same with the Kandy District. It has been declared so; it is a fact. In the case of this area in Jaffna according to my hon. Friend it is a fact that it is self-supporting. Therefore what I have done is justified.

[The Hon. Mr. Senanayake.]

Of course, there is one contention he makes; that is, if the owner lives somewhere else and the fields are situated in a self-supporting area, the owner has the right to remove his paddy anywhere without any let or hindrance. As far as we are concerned, I can say that that is allowed by permit. There is nothing to prevent anyone who owns any land outside the area in which he resides from obtaining a permit to remove paddy according to his requirements; "requirements" does not mean that it is according to the ration. His requirements include his household requirements, his dependants' requirements. For all that a permit is given.

Suppose I live in a non-self-supporting area but I own fields in a self-supporting area. Do you think that I should, merely because I live in a non-self-supporting area, have an opportunity of bringing my rice or paddy from a self-supporting area and enter the black-market there? If all my requirements are provided surely it is not for the purpose of looking at the article or keeping it on my head that I want it? I want it for some other purpose. I do not attribute any motives to anybody, but there is a possibility of some people making use of this paddy in the black-market. The necessary permits will be issued by the Government Agents.

As it is now nearly 5.30, Sir, I move, with your permission that Emergency Standing Order 2 (4) be suspended to enable the consideration of Government business to be continued beyond 5.30 P.M.

Question put, and agreed to.

The Hon. Mr. Senanayake: With regard to the question of allowing twenty-five bushels for a person who cultivates his land, and supplies for his dependants, I believe this will be allowed when requisitioning, if the application is made in time. There is such a shortage of rice that it may become necessary to requisition paddy; in that case this allowance will be made and the balance will be requisitioned. But there is no proposal just now to requisition paddy.

If it becomes necessary to requisition paddy, there will be many circumstances which we will have to go into; it is not only the consumption that we will have

to consider. We will have to consider the next cultivation; the seed-paddy requirements will have to be taken into consideration; then we will have to take into consideration the cultivation of paddy and rice and so on, and the quantities that will have to be given to the cultivators during the period.

It is only after all those matters have been considered that requisitioning will take place. So, there will be a liberal allowance, and I do not think that at any time requisitioning will go to the extent of taking away paddy from producers. Most likely, if paddy is taken away it will be from absentee landlords who own huge acreages.

With regard to the other question put by my hon. Friend, I may explain that a person can remove paddy from the field to his threshing floor or to his barn or residence within the area. If he wants to remove his paddy from there to any place outside the area, he has to obtain a permit, but the quantity will not be according to the ration. The question of the 25 bushels does not arise.

Mr. Abeywickrama: According to the statement of the Hon. Minister, it is only at the time of requisitioning of paddy that the twenty-five bushel limit will be applied. But as it is now, even if a person has, say, 100 bushels, can he keep the paddy?

The Hon. Mr. Senanayake: Yes.

Question put, and agreed to.

FOOD CONTROL ORDERS.

The Hon. Mr. Senanayake: I move,—That the Order No. 33 dated September 14, 1942, made under section 4 (7) (a) of the Food Control Ordinance (Chapter 132), read with the Defence (Food and Price Control) (Transfer of Powers) Regulations, 1942, and published in *Gazette Extraordinary* No. 9,066 of September 15, 1942, be approved.

Question put, and agreed to.

†APPROPRIATION BILL, 1942-43.

Pursuant to order, the Council resolved itself into a Committee of the whole House further to consider in detail the Bill intituled "An Ordinance to

† 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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make provision for the Public and Railway Services and the Electrical Undertakings for the financial year 1942-43, to authorise the payment by way of advance out of Revenue of moneys required during that financial year for specified purposes, and to provide for the refund of such moneys to Revenue". the draft Estimates of the Revenue and Expenditure of the Island for the financial year 1942-43 (Second Print tabled on July 10, 1943), and the amendments to those Estimates tabled on August 13, 1942.

In Committee—

MR. SPEAKER presided as Chairman.

Schedules I to III, as amended, ordered to stand part of the Bill.

Schedule IV ordered to stand part of the Bill.

Schedule V, as amended, ordered to stand part of the Bill.

Clauses 2 and 3, as amended, ordered to stand part of the Bill.

Enacting Clause and Title ordered to stand part of the Bill.

The Hon. Mr. Senanayake: I move that Council do resume.

Council having resumed—

MR. SPEAKER took the Chair.

The Hon. Mr. Senanayake: Sir, I beg to move that the Bill be now read the third time and passed.

I may add that the Hon. the Financial Secretary will make a statement which will show that our position is a little better than we expected it to be, and that we need not be so anxious of the future as we have been.

The Hon. Mr. Huxham: Sir, in seconding the motion of the Hon. Acting Leader of the House, I wish to carry out a promise which I made—that I would indicate to the House how financial matters are turning out. I am both glad and sorry to say that the position is much better than was contemplated when the Bill was introduced in the House in July. I am glad because we are much better off; and sorry because my figures have proved to be inaccurate.

I should not like at the present moment to give a precise figure of the improvement in the outturn of 1941-42.

but I may say that it is very considerable. The principal item is the Railway which has done enormously better during the last three or four months than we thought possible. Customs revenue is also better, because the Hon. Minister of Labour, Industry and Commerce and the Hon. Minister of Agriculture and Lands have succeeded, or we hope will have succeeded by 30th September, in bringing into the Island greater quantities of foodstuffs than we had anticipated. Then, the sale of arrack and toddy tavern rents have produced much more money than we expected.

As regards Customs again, the very heavy increase in tobacco duty, which we thought would result in greatly reduced consumption of cigarettes, has done nothing of the kind; more cigarettes than ever seem to be smoked, with great advantage to the public revenue.

The net result is, Sir, that all these factors have worked one way, and as I indicated just now, 1941-42 is likely to show a result several millions better than we anticipated.

As regards 1942-43, I think revenue is likely to be more than the estimate; but on the other hand, I am quite sure that expenditure will be more. I do not think there is the slightest justification for anticipating that the net result of 1942-43 would be any better than that anticipated in the Budget estimates—a deficit of Rs. 17,000,000.

Mr. Susanta de Fonseka: Is there any need for an Excess Profits Duty Bill after that, Sir?

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

Bill read the third time, and passed.

TELEPHONE SERVICES TO GOVERNMENT DEPART- MENTS.

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

The Minister of Communications and Works to move—

That this Council approves the allocations for telephone services to Government Departments for 1942-43 specified in Appendix 2 of the draft Estimates 1942-43 (Second Print).

Observations of the Minister of Communications and Works.

This resolution is submitted in terms of the procedure approved by the State Council for the introduction of a scheme of paper allocations to Government Departments for telephone services in order to exercise control over the cost of these services. No cash payment as in the case of "votes" is involved. The Postmaster-General renders bills to Departments for their telephones at the same rates of rental as are charged to the public. Charges for trunk calls and removal charges are also included in the bill. In the case of Departments in Colombo message fees payable as a result of the introduction of automatic telephones are also included under Trunk Fees. Each Department keeps a separate account of its allocation and debits against its allocation the amount of the bills rendered by the Postmaster-General.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

The Board of Ministers approves.

The Hon. Mr. Senanayake: On behalf of the Minister of Communications and Works, I rise, Sir, to move the motion standing in his name.

Question put, and agreed to.

LECTURER IN AGRONOMY AND CULTIVATION

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

The Minister of Agriculture and Lands to move,—

Pursuant to the resolution relating to new appointments of non-Ceylonese to the Public Service passed by the State Council on March 1, 1933, and appearing as item 3 (1) in the Minutes of that day's Meeting, this Council agrees to make such provision as may be necessary to permit of the appointment of a non-Ceylonese to the post of Lecturer in Agriculture, School of Agriculture, the designation of which post has since been altered to Lecturer in Agronomy and Cultivation, School of

Agriculture, on a four years' engagement on a fixed salary of Rs. 4,800 per annum and with the allowances and conditions of service at present in force for officers recruited from India on agreement for fixed terms of years.

Observations of the Minister of Agriculture and Lands.

The vacancy in the post of Lecturer in Agronomy and Cultivation, School of Agriculture, Peradeniya, has been created by the resignation of Mr. P. M. Gaywala, an officer under agreement, before the term of his agreement expired.

2. The Lecturer in Agriculture must have an intimate knowledge of rotational farming and there is no Ceylonese available at present with both that practical knowledge and the necessary Scientific Education.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

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

The Hon. Mr. Senanayake: I move the motion standing in my name.

Mr. Gaywala, who was the Lecturer and whose agreement was to have been extended as approved by this Council, has since resigned in order to accept an appointment in India. Now we have to get another man.

Question put, and agreed to.

ADJOURNMENT.

The Hon. Mr. D. S. Senanayake (Acting Leader of the State Council and Minister of Agriculture and Lands): I move that the Council do now adjourn until Thursday, October 1, 1942. If we meet at 10 o'clock in the morning, I think we would be able to finish all our business on that day itself.

Mr. S. Natesan (Kankesanturai): Trains arrive late, and outstation Members may not be able to attend at 10 o'clock.

The Hon. Mr. Senanayake: Then we will make it 2 o'clock.

Mr. S. Abeywickrama (Udugama): Sir, on the adjournment motion—

Mr. Speaker: It is not an adjournment motion on which other matters could be raised. Anyway, what is the matter which the hon. Member wishes to raise?

Mr. Abeywickrama: It is regarding the rule for recovery of seed paddy which has been issued. Recovery has been suspended now. People are in doubt as to whether payment has to be made or not.

The Hon. Mr. Senanayake: There was a motion moved by my hon. Friend with regard to the suspension of the collection of moneys due on seed paddy given to some people in his district. The Committee have considered the matter and is submitting a report to the effect that they do not recommend the waiving of those amounts except in the case of paupers or people who cannot really pay the money, or people whose crops have failed. That is the usual procedure.

Mr. Abeywickrama: Am I correct in saying that needy cultivators will be exempted?

The Hon. Mr. Senanayake: The Assistant Government Agent will go into that question.

Mr. T. B. Jayah (Nominated Member): I wish to draw the attention of the Hon. Minister of Food and the House to a matter which has caused a great deal of dissatisfaction among the members of the Muslim community, that is, over the question of supply of rice. This is a month of fasting for Muslims, and they have to fulfil certain religious obligations. It has been customary every year for Muslims to perform what is called "Fithra", that is, distribute among the poor rice, or money, or whatever they can give.

It was in this connexion that the Muslim Members of this House approached the new Minister of Food and placed the whole case before him. We suggested that we were in a position to get sufficient rice from India outside the quota, even outside the rationing scheme. We thought the Hon. Minister would be in a position to help us, because it is not a matter which the Muslims can lightly

thrust aside. We have to fulfil our religious obligations, and we find that a large number of Muslims, particularly the poor, are suffering a great deal of hardship during this month because they are not able to obtain a sufficient quantity of rice to enable them to fast. [A MEMBER: Do they want rice to fast?] The well-to-do may be able to obtain rice, but the poor people have only one good meal at night, and unless they can obtain sufficient rice, it would be very difficult for them, particularly in the case of workmen, to do their work the following day.

After all, we were prepared to secure rice even outside the quota, and we feel that our case is so strong that we would be able to convince the Government across the water, but unfortunately we are not able to convince the Government of this country. What is more, a leading Muslim who wanted to supply rice from his own farm has been refused permission.

So that, Sir, our grievance is very real. I am sure the House will consider it with sympathy, and the Hon. Minister who feels that he is helpless in the matter, will take into consideration the representations we make. After all, the people are greatly troubled. They feel that nothing is being done and they blame us for not taking a sufficient interest in the matter. If the Hon. Minister refuses to carry out our wishes, let him do so openly so that the Muslims might know that they can expect no help from that quarter.

The Hon. Mr. Senanayake: If the object of raising this question, Sir, is to inform the Muslim community that their representatives in this Council have done all that is possible to secure for their co-religionists a quantity of rice in excess of the normal quantity that is allowed, for the purpose of a fast, I may say at once that I do not think any member of any other community could have taken the interest that has been taken by these three hon. Members. They have seen me often and even made representations to other people and tried their very best to obtain this rice. So no blame could be attached to those Members, because in spite of the fact that they recognize the weakness of their case, in spite of the difficulties we have, these Members have persisted in trying to obtain this rice.

[The Hon. Mr. Senanayake.]

Of course, I had to consider the case myself, and I found that it was not possible for me to give any rice to anyone in excess of the amount that he was entitled to have. Although these Members are under the impression that they could obtain rice from India in excess of the quota, being more familiar with the facts of the situation I might say that I am certain that the Indian Government is not able to give us even the quota that was promised. So that, the Muslims being able to get rice in excess of the quota is only a hope that would not be realized.

It is not from a want of sympathy that I have acted in this manner. I quite sympathize with the request of the Muslims, and if there was a possibility, I would certainly have given the extra rice, but the situation is such that we have to limit the quantity of rice that is given to each person.

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

Adjourned accordingly at 5.47 P.M. until 2 P.M. on Thursday, October 1, 1942.