

The State Council of Ceylon.

No. 63.

November 17, 1942.



DEBATES

SESSION OF 1942.

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STATE COUNCIL OF CEYLON.

Tuesday, November 17, 1942.

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

MESSAGES FROM THE GOVERNOR.

Mr. Speaker: The following Messages have been received from His Excellency the Governor:

To the State Council of Ceylon

A MESSAGE UNDER ARTICLE 22 OF THE CEYLON (STATE COUNCIL) ORDER IN COUNCIL, 1931, AS AMENDED BY THE CEYLON (STATE COUNCIL) AMENDMENT ORDER IN COUNCIL, 1937.

I, ANDREW CALDECOTT, Governor of Ceylon, in the exercise of the powers in me vested by Article 22 (1) of the Ceylon (State Council) Order in Council, 1931, as amended by the Ceylon (State Council) Amendment Order in Council, 1937, do by this Message inform the State Council that I consider that provision should be made by legislation for the purpose set out in the draft Ordinance attached heretof which will be enacted by me under paragraph (a) of Clause (1) of that Article.

2. The circumstances which in my opinion render such legislation necessary are as follows:—

The Secretary of State has decided that the existing regulations relating to the grant of holiday warrants shall remain unaltered. It is estimated that, in order to implement this decision, financial provision, in addition to that made by Ordinance No. 23 of 1940, will be necessary for the financial year 1940-41 as specified in the schedule to the attached Ordinance.

Signed at Colombo, this Seventh day of November, 1942.

(Sgd.) A. CALDECOTT,
Governor.

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

† Not reproduced.

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I, ANDREW CALDECOTT, Governor of Ceylon, in the exercise of the powers in me vested by Article 22 (1) of the Ceylon (State Council) Order in Council, 1931, as amended by the Ceylon (State Council) Amendment Order in Council, 1937, do by this Message inform the State Council that I consider that provision should be made by legislation for the purposes set out in the draft Ordinance attached heretof which will be enacted by me under paragraph (a) of Clause (1) of that Article.

2. The circumstances which in my opinion render such legislation necessary are as follows:—

The Secretary of State has decided that the existing regulations relating to the grant of passages and holiday warrants shall remain unaltered. It is estimated that, in order to implement this decision, supplementary provision will be necessary for the financial year 1942-43 as specified in the Schedule to the attached Ordinance.

Signed at Colombo, this Seventh day of November, 1942.

(Sgd.) A. CALDECOTT,
Governor.

PAPERS TABLED.

(Financial Secretary): Classified summary of approximate expenditure under New Head 43, Emergency Expenditure up to September 30, 1942.

(Minister of Home Affairs and Leader of the State Council): Rule made by His Excellency the Governor under section 31 of the Excise Ordinance re Labelling and Accounting of Denatured Spirits.

Four Supplementary Estimates for 1942-43.

(Minister of Agriculture and Lands): Report of the Executive Committee of

† Not reproduced.

Agriculture and Lands under Article 45 (4) of the Ceylon (State Council) Order in Council, 1931.

Regulations made by His Excellency the Governor under section 9 (2) of the Plant Protection Ordinance (Cap. 307).

Regulations made by the Executive Committee of Agriculture and Lands under sections 53 and 61 of the Control Ordinance, No. 63 of 1938, and published in *Gazette* No. 9,030 of November 6, 1942.

(Minister of Local Administration) :

Regulations made by the Executive Committee of Local Administration under section 16 of the Omnibus Service Licensing Ordinance, No. 47 of 1942.

Regulations made by the Executive Committee of Local Administration under section 174 of the Motor Car Ordinance, No. 45 of 1938.

NOTICES OF MOTIONS.

Mr. S. Abeywickrama (Udugama) : I give notice, Sir, of the following motion:

That in the opinion of this Council all Minor Headmen who are due to retire on account of age limit should be given an extension of service till the duration of the war.

I also give notice that I shall move the suspension of all relevant Standing Orders to enable me to move this motion at an early date.

**SUPPLEMENTARY ESTIMATES,
1942-43.**

The following item stood upon the Orders of the Day:

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

(Financial Secretary.)

(1) Supplementary Estimate, 1942-43.

Head 30, Financial Secretary.

Sub-head 2, Travelling.

Amount: Rs. 108.

Observations of the Financial Secretary.

A sum of Rs. 300 has been provided under Head 30, Sub-head 2, in the current financial year's estimates, to

meet the travelling expenses of the Financial Secretary and his staff during this financial year. During the latter half of September, 1942, the Financial Secretary went on an official circuit in connection with the official circuits made by the Ministers of Agriculture and Lands and Communications and Works. It was not possible to meet the travelling claim of the Financial Secretary from last year's vote as there was not sufficient provision under that vote, and it was too late to take a supplementary estimate to make the payment before the close of the financial year on September 30, 1942. Supplementary provision in a sum of Rs. 108 is therefore required to pay the claim.

Report of the Board of Ministers.

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

(2) Supplementary Estimate, 1942-43.

Head 43, Emergency Expenditure.

Amount: Rs. 4,000,000.

Nature of Service: To meet emergency expenditure.

Observations of the Financial Secretary.

A sum of Rs. 20 million was voted by the State Council for 1941-42 for Emergency Expenditure. Of this amount approximately Rs. 15 million was spent as shown by a statement now tabled in the State Council. For 1942-43 a small sum of Rs. 1 million was inserted in the Estimates.

2. It is now found that the completion of emergency work started from the vote of Rs. 20 million in 1941-42, and fresh needs for emergency expenditure which are arising daily, will make the vote of Rs. 1 million quite inadequate. In these circumstances Council is asked to agree to a supplementary estimate of Rs. 4 million which will make the total vote for 1942-43 approximately equal to the amount unspent out of the sum already provided by the State Council for 1941-42.

Report of the Board of Ministers.

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

(Communications and Works.)**(3) Supplementary Estimate, 1942-43.**

Head 123, Post Office and Telegraphs.
Sub-head 1, Personal Emoluments—
Inspector, Class I.

Amount: Rs. 120.

Nature of Service: For the appointment of a temporary additional Inspector, Class I.

*Observations of the Minister of
Communications and Works.*

The Trincomalee area was controlled by the District Inspector of Telegraphs, Anuradhapura (South); but due to the heavy increase in work in Trincomalee and China Bay areas an additional Inspector, Class I., was sanctioned by a supplementary estimate in 1941-42, under Head 123, Post Office and Telegraphs, Sub-head 1, Personal Emoluments, which was submitted by me to the State Council at the meeting held on July 7, 1942, and duly approved. The application is now made to continue the appointment during 1942-43.

Observations of the Financial Secretary.

The Financial Secretary concurs.

Report of the Board of Ministers.

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

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

(1) Financial Secretary: Travelling.

The Hon. Mr. D. S. Senanayake (Minister of Agriculture and Lands): On behalf of the Financial Secretary, I beg to move that the following Supplementary Estimate standing in his name be passed:

Head 30, Financial Secretary.

Sub-head 2, Travelling.

Amount: Rs. 108.

The amount of money provided last year for travelling was not sufficient to meet the expenditure incurred by the

Financial Secretary in visiting certain places, and this vote is therefore necessary.

Supplementary Estimate (1) was passed.

(2) Emergency Expenditure.

The Hon. Mr. Senanayake: This is a Supplementary Estimate under:

Head 43, Emergency Expenditure.

Amount: Rs. 4,000,000.

Nature of Service: To meet emergency expenditure.

It is more or less a revote. You will remember, Sir, that Rs. 20,000,000 was voted last year; and there was a sum of Rs. 5,000,000 unspent. This year we have voted Rs. 1,000,000 in the Estimates, and this Rs. 4,000,000 will bring it up to the amount unspent last year.

Mr. B. H. Aluwihare (Matale): I hope this does not mean that the Executive Committees will be wholly ignored, because under the pretence of emergency I feel that a good many matters that can be brought before Executive Committees are not brought before them.

As an example, I will give you one instance that I discussed with the Hon. Minister this morning, and that is with regard to tea purchases. The Tea Controller is the Commissioner for purchases of tea on behalf of the English Ministry of Food. Now, he seems to have acted quite independently of the Executive Committee. He issued conditions on which tea would be purchased, and advertised the conditions in the papers and invited tea proprietors to enter into contracts on the basis of those conditions, without so much as informing the Executive Committee of the conditions which he was setting out. He went even further. He went along and stipulated that a certain percentage of the produce of every estate should be sold for local consumption; and presumably he means to market that tea through some agency.

It is impossible for me to conceive, Sir, how all that could be regularly done except by the permission of, and after the report has been approved by, the Executive Committee. I discussed the matter with the Hon. Minister; he said that it was an oversight and that he had been consulted, but yet I mention it on the Floor of this House because it is most important that Executive Committees should not be lost sight of.

[Mr. Aluwihare.]

Further, apparently Rs. 16,000,000 out of this emergency vote has been spent, but the House has not been told how the money has been spent.

The Hon. Mr. Senanayake: There was a statement tabled today.

Mr. Aluwihare: Then might I suggest that this Supplementary Estimate be taken up after we have been given a little time to study the statement?

The Chairman: Was it tabled today?

Mr. Aluwihare: Yes. Now, the statement is tabled today, but before we have seen it we are asked to pass another Rs. 4,000,000.

The Hon. Mr. Senanayake: I shall explain it.

Mr. Aluwihare: We do like to be informed of what is happening. Once this money is voted, I do agree that we are in the waste-paper basket. But if you mean to pull us out again, do inform us of at least what you have done with the money you have had; otherwise it is impossible to continue passing these votes.

The Hon. Mr. Senanayake: With regard to the first point, as I explained to my hon. Friend this morning, the Tea Controller has not taken action ignoring the Executive Committee. Negotiations with regard to purchase of tea went on for some time, and I must say that by an oversight, I gave the Executive Committee not the details but only the decision. I explained the circumstances to the hon. Member; and I certainly feel that if anyone is to blame, it is not the Tea Controller but myself. I believe my hon. Friend accepted that assurance, and only mentioned this matter as an instance to show the possibility of Ministers perhaps forgetting their responsibilities.

With regard to the expenditure of this money, although the money is allotted to the Financial Secretary, I may explain that any money required by a Committee is decided on by them; the matter comes to the Board of Ministers, and the Board decide on the allocation. Of course, there are certain emergency works like

A. R. P. work, and so on, that are in the charge, not of an Executive Committee, but the Chief Secretary, and he goes into those matters. The persons responsible go into these questions. I can give the hon. Member that assurance.

With regard to the statement that has been tabled today, I should like to tell my hon. Friend that a vote of Rs. 20,000,000 was granted by this Council in December, 1941, and a statement of expenditure incurred on that vote has been provided at various times. When the Budget for this year was considered, the amounts allocated from this vote were indicated to this House and all the relevant information given. I believe the allocations made came to about Rs. 23,000,000. By the end of last month, the amount spent was Rs. 15,000,000. We have provided Rs. 1,000,000 in the Budget, and we are now asking for the balance of the amount that was anticipated to be spent during last year, the amount that lapsed to revenue; we want the balance to be revoted.

Particulars regarding this vote will be given at any time they are required. I believe the opportunity can be taken at any time to raise questions on this vote. I think the statement tabled covers a wide field of activity; and perhaps it will take a long time to discuss it in detail.

It is only a revote that the Council is asked to provide.

Mr. H. W. Amarasuriya (Galle): I should like to get some information on one or two matters concerning this vote. Before I ask for that information, I should like to endorse the remarks that were offered by the hon. Member for Matale (Mr. Aluwihare).

Hon. Members will remember the circumstances under which the *bloc* vote of Rs. 20,000,000 was passed by this Council in December last, when soon after Japan entered the war this Council voted the money to meet emergency expenditure. The Board of Ministers and the authorities who administer these funds have been operating on this vote throughout the last financial year. We have provided a further sum of Rs. 1,000,000 in the Budget this year. On the statement just made by the Hon. Minister of Agriculture and Lands, I can

see no real urgency for providing this money.

The Board of Ministers have Rs. 1,000,000 already to meet any emergency. I do not know whether that sum has already been exhausted. If the Ministers came to this House and told us that that money had been exhausted and further funds were needed, I think it would be the duty of this House to provide such money as was necessary for the protection of this Island and for the successful prosecution of the war. We are not told that the further sum of Rs. 1,000,000 provided has been exhausted.

The only argument advanced by the Hon. Minister of Agriculture and Lands in support of this vote is that it is in the nature of a revote. He said that Rs. 20,000,000 was voted by this House, and the authorities had spent up to the end of last month a sum of Rs. 15,000,000; that a further sum of Rs. 1,000,000 had already been provided in the Budget; and he then asked that a blank cheque—authority to expend up to Rs. 4,000,000—be issued by this House.

If hon. Members go through the statement of expenditure, they will see that there are certain items which are open to criticism. I do not like to take the time of the House in offering any criticism on such items at this stage. If we grant the Ministers a further sum of Rs. 4,000,000, we would be reducing to a farce the powers vested in this House.

The Ministers want the State Council to exist only for the purpose of providing money. Once the money provision is made, they lose sight of the Members of their Executive Committees. The Ministers have formed themselves into a Cabinet, and they have taken to themselves extraordinary powers which were never contemplated by the Constitution or granted to them by this House. Therefore this House should be very cautious in voting money even for the purpose of meeting emergency expenditure. It is true that we have a certain amount of confidence in the Ministers, but the Ministers, at the same time, must play the game by this House. In my opinion there is really no urgency for providing the Rs. 4,000,000 asked for. The Ministers say that they want to

complete certain works, but we are not told what the works are. They simply say that in course of time they will acquaint this House of what the items are.

In the statement tabled, under "Active Defence," there is an item of Rs. 500,000 put down for coast-watching service. I believe we were told when the Defence vote was under consideration that the Treasury and the authorities here were in communication with the Imperial Government with a view to charging this item to the Imperial Government. I should like to know whether any decision has been arrived at on that matter.

Coast-watching is being done at the present moment by the Excise Department. Excise officers have been taken away from their normal duties with the result that illicit sales of liquor are rampant in this country. For want of staff, the Excise Department has not been able to solve the problems that face it. I should like to know from the Hon. Minister of Agriculture and Lands, who moved this vote, what his attitude is with regard to the coast-watching service. Does he propose to continue the present system whereby the Excise Department is asked to render this service, or does he propose to have a separate Department for the purpose staffed by men who can undertake that work? I should like the Hon. Minister to tell this House what he proposes to do with regard to that important matter.

Under "Passive Defence," a sum of over Rs. 5,000,000—nearly Rs. 6,000,000—has been spent on the A. R. P. scheme, including air-raid protection to Government hospitals. That is a very large sum of money indeed. I do not think very much has been spent for giving necessary protection to the civilian population in towns outside Colombo. There we see nothing, except A. R. P. Controllers and other people strutting about the streets in uniform.

The Hon. Colonel J. L. Kotalawala (Minister of Communications & Works): Why?

Mr. H. W. Amarasuriya: There is also the Department of Food Control. We gather from the Press that 4 gentlemen have been sent to India for the purpose of purchasing food. Up to now this Council has not been made aware of that

[Mr. H. W. Amarasuriya.]
fact in an official way. We have not been told that owing to an emergency 4 officers have been sent to India and that a central organization has been established in that country for the purchase of food. I do not see the reason why Ministers should adopt that sort of attitude.

Even after taking such an important step, which is certainly a departure from ordinary practice, we are not told why these officers have been sent out and from what vote they are to be paid. Four Civil Servants have been sent to India for this purpose. I am not for the moment arguing that they should not have been sent, or whether the officers sent have the capacity to carry out the work. My grouse is that this House has not been told a word about it as yet. We are not given any particulars as to what these 4 gentlemen are expected to do in India and what the cost of that central organization in India would be to this country. Even whilst this Supplementary Estimate was being presented, we were not told one word about that matter.

I should like to know whether their personal emoluments and other expenses would be charged to "Food Control". I should also like to know why this Council was not consulted either before or after those officials were sent to India.

There is also another item, amounting to Rs. 2,600,000, for food production. That is also a very large sum of money. Perhaps out of that money planting material and manure have been distributed throughout the country, but there too we have noticed a certain amount of waste taking place. I make bold to say that a large sum out of the Rs. 15,000,000 spent has been wasted. Those of us who see the works that are in progress in the country, such as, the construction of new aerodromes, earth-work, etc., are in a position to realize the amount of waste that is going on at the moment.

Even when expenditure is incurred under the pretext of Defence or for the prosecution of the war, there should be some sense of proportion. Those responsible for the expenditure of the money should see that the country received some return for the money spent. I do not suggest that there should be a 100 per cent. return on the expenditure

incurred, but surely there should be some consideration given to the fact that this money is provided by the taxpayer and that the taxpayer's interests should be safeguarded as well as possible. That criticism, I think, will be supported and endorsed by every Member of this Council. We are getting accustomed to waste. We are getting accustomed to spending money recklessly and the whole burden of such reckless expenditure would undoubtedly fall on the poor taxpayer of this country.

Before this vote is passed, I would like the Hon. Minister to give us some information as to the expenditure of this money and also some information with regard to the particular points I have raised in the course of my remarks.

The Hon. Mr. Senanayake: I shall try my best to give the hon. Member as much information as is available to me.

The first complaint that the hon. Member made was that he felt that the Board of Ministers were ignoring, so to speak, the Council and treating hon. Members as if they did not exist. The very fact of this vote being brought before the House would indicate to my hon. Friend the anxiety and the desire on the part of the Board of Ministers to consult the House at every stage.

Although in September a statement was laid on the Table giving all the allocations and setting out the manner in which the sum of Rs. 20,000,000 was to be spent, and an opportunity was given to hon. Members for discussing the matter, the Board of Ministers were still not content to let that statement be the only information given to this House about details of expenditure, and so on. We thought it just as well at the end of the year not to regard the Rs. 20,000,000 as money voted and at our disposal.

So far only Rs. 15,000,000 has been spent. Although it is a block vote, we felt that it would be just as well to come to this House and inform the House that the expenditure we intended to incur at the end of the year could not be incurred and that a further sum of Rs. 4,000,000 was necessary to make up the total of Rs. 20,000,000.

Mr. H. W. Amarasuriya: Make up the Rs. 20,000,000 that has not been spent?

Nov. 17, 1942]

Debates.

The Hon. Mr. Senanayake: To make up the sum that was allotted. A certain sum was allotted, but expenditure had not been incurred up to that extent.

The House will see that that was the object we had in view. We are anxious, as far as we possibly can, to give information to the House. We know that the procedure that has to be adopted during the present emergency is not at all satisfactory. But we all realize that when there is an emergency, when there is a war on, it is necessary to give authority to someone to utilize money to meet emergency expenditure. That fact was recognized by this House, and I feel certain that this House cannot complain of our being too reckless about expenditure. If anything, the House might complain of our being too careful with the money that has been allotted to us.

With a war on, and with threats of raids and invasions and all that sort of thing, precautions were taken to protect the people of this country. Yet, in spite of all that, it is just as well to remember that not even Rs. 15,000,000 has been spent during the year on all these precautions. This sum includes expenditure incurred on food production and even rice control.

It has been pointed out that steps have been taken to protect patients in hospitals. [*Interruption.*] My hon. Friend says, "Yes, but the general public will not be protected". Of course, we cannot make the public patients so that they can have the benefit of the protection that has been afforded to hospitals. The hon. Member must realize that hospitals have to be protected; not only that, he must also realize that in the event of a raid Surgeons might have to work underground, performing urgent operations. All these things cost money. If my hon. Friend wants to go into details of expenditure, I am sure he will be allowed to do so.

The hon. Member raised a point about the Excise vote, and said that a sum of Rs. 500,000 has been spent on coast-watching. He referred to some arrangement that had been made with the Military authorities with regard to expenditure. But I am sure that my hon. Friend would realize that Military expenditure was to be incurred from the beginning of this year. A settlement

was reached under which payment has to be made from this year onwards. So that any expenditure that was incurred previously has to be paid for from this vote.

I am sure that we are all in agreement with my hon. Friend that the Excise Department must be made to do its normal duties. I believe the Hon. Leader of the House who is in charge of that Department did make an order with regard to this matter. People are now being recruited to replace the Excise officers. As soon as the recruits have been trained, they will replace the Excise officers who will revert to their normal duties. I understand that about 50 Excise officers have been released and that very soon the other officers will revert to their posts.

With regard to the expenditure of a sum of Rs. 2,500,000 on agricultural activities, I can assure my hon. Friend that I would have wished to spend more than that sum. It is very necessary for us to go in for intensive cultivation rather than extensive cultivation, and to supply manure. We would have exceeded the vote if it was possible for us to obtain more manure than we were able to obtain. I am trying to obtain more manure, and as soon as I am able to import a large quantity I am sure that the sum of Rs. 2,500,000 will be exceeded and that we would require about Rs. 4,000,000 for this expenditure.

My hon. Friend the Member for Udugama (Mr. Abeywickrama) wanted 70 tons of manure which unfortunately I could not supply him. I am trying my very best to buy more manure. So far it has been a case of distributing small quantities all round. Just at this time when we find that there is less chance of food coming from abroad, we must somehow or other increase our yield of food crops. I feel that if I had spent more money for that purpose alone, I would not have been blamed. If I consulted the views of each and every Member, I am sure that they would have felt that I had not spent enough on this item. I feel that I should have spent more than the amount I have already spent.

We have spent Rs. 2,500,000 this year on food cultivation. We have another sum of Rs. 1,000,000 for that purpose. If hon. Members consider that

[The Hon. Mr. Senanayake.]

Rs. 4,000,000 is not sufficient for this purpose, I would have to come to this House for more money.

There is a misunderstanding with regard to the officers who have been sent to India. There seems to be an impression that we have somehow or other gone behind the House and sent officers to India, that we have not taken the House into our confidence. I can tell hon. Members that all steps taken by my Ministry have been according to the decisions of this House.

The House will remember that some time ago it was decided that an officer who was in the Irrigation Department should go to India and arrange for the purchase of rice—that was a decision of the House—and a vote was passed for the purpose. Now there is a Civil Servant who has taken the place of that gentleman in India. Some time ago the decision was reached that certain agents should be appointed for purchasing rice and other foodstuffs in Madras and elsewhere. There was Mr. Linton who did very useful work for us in this connexion. But that gentleman had other work to attend to, and he was not in a position to do the work expected of him. There is another officer who has taken his place now. [Interruption.] My hon. Friend the Member for Galle (Mr. H. W. Amarasuriya) laughs. He does not believe me. But let him examine the facts and not listen to rumours that he hears. If he examines the situation, he will realize that instead of our incurring heavy expenditure we are reducing expenditure.

In fact, according to the arrangements that have been made, we find that we have saved, before the completion of a month, much more than was anticipated. I do not think that the total expenditure on the transport of the foodstuffs that we have purchased would cost more than a fraction of the amount previously estimated. We have been informed that we would have to pay more if agents were engaged for transporting foodstuffs. I am sure that there would not be any person who will applaud our action more than my hon. Friend the Member for Galle (Mr. H. W. Amarasuriya) if he will only examine the facts. But I want to impress on the House that we have

not departed from any procedure that has been followed in the past.

As explained, we have filled certain posts that were created some time ago, by the appointment of officers from Ceylon. We have appointed certain Civil Servants to do that work; that is all.

There was one other point raised. We were told that there was some money unspent and that we should wait till it had been expended before we asked for more money. Actually that was the very point that this House decided. The procedure laid down could not be followed. A sum of Rs. 1,000,000 is not voted as expenditure for one item. It is not like a sum that is provided in the Budget. All we can do is to provide expenditure or allot a certain sum which will be expended during the course of the year. It would not be going very far if you adopt a policy of that kind now. If you do that, you will not be able to purchase manure in sufficient quantities for large-scale distribution. We have to purchase a great deal of foodstuffs. As regards that, there would not be any charge at all on the sum voted because any expenditure incurred in purchase and transport will be passed on to the consumer.

I can assure my hon. Friend that the expenditure incurred is carefully watched. My hon. Friend is not only a financier, but a large capitalist as well. He looks after his business very carefully. But still he cannot say that in the management of his estates and his business there is not a certain amount of waste; I am sure that he cannot say that. None of us can say that that does not happen even in our households—that there is not some waste. To say that there should be no waste at this time is absurd. When there is an emergency and expenditure has to be incurred, there is bound to be waste. But we are trying as far as is humanly possible, to reduce waste to a minimum.

Dr. A. P. de Zoysa (Colombo South): There is no doubt that in times of emergency the Ministers should have an opportunity of spending. But to ask for large sums of money on grounds of emergency expenditure, and to give no information to the House except to table a statement when expenses are incurred

is to deprive the House of an opportunity of criticizing certain policy. I say that that is fundamentally against our Constitution, because you are removing the necessary check that is left to hon. Members to examine items of expenditure which it is proposed to incur.

As admitted by the Hon. Minister of Agriculture and Lands, there is a feeling in the country that a great deal of the expenditure incurred is unnecessary. They might be incurring expenditure with the best of intentions. I dare say the Ministers very often can make a mistake, or they can honestly believe that they are doing the right thing. But we may be given details of what they intend spending the Rs. 4,000,000 on, not the pleasure of accepting a resolution after they have spent the money.

Glancing over the items of expenditure incurred, I think some of them should have been brought before this House in the form of Supplementary Estimates. The Board of Ministers might as well ask for a vote of Rs. 100,000,000 and do away with all the other Estimates and spend money as emergency expenditure. Will that be in order?

When we say that the proposals should be put before the House before they incur the expenditure, it should not be taken to mean that we have no confidence in the Ministers. What we do ask is that the House be given the opportunity of exercising a right that has been given to it.

With regard to the Food Exhibition that it is proposed to hold in Colombo, may I know from the Hon. Minister of Agriculture and Lands whether the expenditure incurred will be met from the emergency vote or from some other vote?

The Hon. Mr. Senanayake: It will be charged to an Advance Vote; and we have to give an account of that Advance Vote. A certain amount of the profits we expect to make will cover the expenditure. We do not expect that expenditure to be heavy expenditure or expenditure for which a regular vote will become necessary.

I will give the reason why the Exhibition has become necessary. The normal food that we are accustomed to eat may not be available to us, and it has

therefore become very necessary for us to teach the people to try and make the best use of other foodstuffs. We had one of these Exhibitions in Kandy; and we are going to have them all over the Island as propaganda to try and induce the people to take to other foodstuffs than they have been accustomed to in the past.

Mr. G. G. Ponnambalam (Point Pedro): Mr. Chairman, I should like to make a few observations on this Supplementary Estimate. When in December last year Japan entered the war, it was stated that the Government of this country would have to undertake expenditure in respect of Defence and in respect of other items which may be of such an urgent nature that the normal Constitutional procedure of bringing the matter before the appropriate Executive Committee and getting its sanction, and in some cases by way of a Supplementary Estimate and obtaining the sanction of this House, would involve such a great deal of time that the emergency demanded a sort of blank cheque being given to the Ministers to incur this expenditure in advance and thereafter either to make a report to the Council or obtain covering sanction for such expenditure.

Now, I regret to observe that that undertaking has not been honoured at all by the Ministers; and if anything, the statement now tabled would indicate that the block vote of Rs. 20,000,000 has been availed of in respect of a number of items which normally would have been brought before this House and the prior sanction of the House obtained. What I mean is this: supposing, for instance, by reason of Military necessity a bridge had to be constructed, or work on the construction of a bridge had to be undertaken within a day or two, and the matter could not appropriately or properly be brought before the House, the work would have been carried out as a matter of urgency, but at least subsequently the expenditure on that work should have been reported for the approval of this House.

Now, in point of fact, what is happening is that we are replacing the ordinary system of budgeting by way of an annual Appropriation Bill and by Supplementary Estimates by a system of pass-

[Mr. Ponnambalam.]
ing block financial votes, leaving the entire disbursement of money in the hands of Ministers even without their reporting to Executive Committees. I feel it my duty to say that in doing so we are completely reversing all known financial policies that have been adopted in any part of the British Empire; and in view of the fact that the sum of Rs. 20,000,000 or Rs. 15,000,000 is reported to have been spent upon measures for which the prior sanction of this House could have been obtained, I feel reluctant to support this vote.

I will take one item under "Food and Prices"—heading 3. I find that a sum of Rs. 1,221,808 has been spent on Food Control. Now, the expenditure of that sum of money involves a very definite working out of points for which this House is responsible. Questions of food control, food prices, and food distribution are matters which very definitely concern the representatives of the people in this House, and it would not do for us silently to acquiesce in a financial procedure which is going to take questions of this importance outside our purview and criticism.

I invite the attention of the House to this aspect of the question, namely, that the further acquiescence of Private Members in the passage of block votes would be a complete negation of parliamentary life and parliamentary institutions. We are doing what is not being done in England, because at least on financial questions the prior approval of the House of Commons is obtained; and it strikes me as unthinkable that, although we have been drawn fairly close to one theatre of war, this House should continue to exist and Members should continue to draw their allowances and allow Ministers to incur expenditure as they like, because by one other step no financial provision for any matter may be brought before this House, and that is, by the common device of Advance Accounts.

I think it is a very appropriate occasion, Mr. Chairman, if I may say so, to raise this question. For instance, very recently the whole question of the organization for the purchase of foodstuffs and other supplies in India has been brought into being, the personnel

chosen and appointed, and the actual organization set on foot without the least intimation to the Members of this House. The obvious cover for such a procedure was this, that the Government had money advanced for urgent works for emergency purposes, and such appointments and such organizations, including the appointment of personnel and increase of salaries, could all be explained away by an Advance Account. [Interruption.] I understand that there was even a better explanation. I have no doubt that the ingenuity of the spokesman of the Board of Ministers is not completely exhausted on this or on any other subject.

Now, when Hon. Members are called upon to sanction expenditure such as this, I want to ask them whether, for instance, in the matter of rice, in the matter of an essential commodity like foodstuffs, this House and the representatives of the people are prepared to abdicate in favour of the Ministers, because the expenditure on the present organization, involving, as it does, an increase of salaries for the personnel who have been recruited, is bound to be transferred to the consumer. What the precise financial implication in the matter of the actual cost to the retailer and to the consumer is we do not know. I ask hon. Members whether it is fair for us to contribute as Members of this House and have questions of such importance decided without prior consultation with us.

I do not want to be understood as opposing any kind of emergency expenditure. But what I mean is this. If the present Constitution is to continue, if it is to continue in anything but in name, I do not think we are doing justice to ourselves or to the electors who have returned us, or the country at large, if we go on deceiving ourselves and deceiving everybody else. In point of fact, what is being done is this: the passage of one block money vote, the expenditure of the money being left in the hands of the Board of Ministers, and this Council having no further powers. If that is the case, I do not really see why we should continue to sit.

Mr. S. Samarakody (Narammala): I must join the hon. Member for Point Pedro (Mr. Ponnambalam) in protest-

ing against the manner in which the Board of Ministers propose to spend another Rs. 4,000,000 under the emergency scheme. Some time back, when we agreed to a block vote being granted for emergency expenditure, we were convinced that it was no time then to indulge in much debate. In fact, we were listening almost to our death knell. Today, however, we are hearing church bells.

So, Sir, times have changed. Now, instead of giving the House an opportunity of discussing various items of expenditure, it is proposed to continue the same scheme. We did place a certain amount of confidence in the Board of Ministers at this time. We do not suggest that we do not have any confidence in them now. But what we do want is normal parliamentary procedure to be resorted to, and if any other urgent situation arises, we will vote, not Rs. 20,000,000, but Rs. 50,000,000 if necessary.

I wish to make this suggestion to the Ministers. As far as the present situation is concerned, the Ministers should come to this House, place their schemes before us and obtain the approval of this House. Then we will know the extent of our financial commitments, and whether, as was pointed out by other hon. Members, the expenditure is properly chargeable to our exchequer.

Now, for instance, there is one item in the statement tabled today which ought not to have been charged to our funds. I refer to the item "Sanitary measures around Welisara Hospital, Rs. 26,465." This hospital, as far as I remember, is an institution run by the Australian Government. The Australian Government has been given this hospital for the use of their Military personnel. Now our taxpayer's money, to the tune of Rs. 26,000, has been spent in connexion with the improvement of sanitary conditions at Welisara. All these years the people in that area lived quite uncared for, and a sum of Rs. 26,000 was never intended to be spent for the benefit of the local residents. That is a vote that should really be charged either to Imperial funds or to the Australian Government.

So, Sir, if an opportunity is given to us, we can criticize certain proposals. I

do hope the Ministers will accept my suggestion and withdraw this Supplementary Estimate and come in the usual manner to this House with their financial proposals.

Dr. de Zoysa: I wish to bring one matter to your notice, Sir. The Hon. Minister of Agriculture and Lands said that the money advanced for food exhibitions would be met from the funds voted for emergency expenditure.

The Hon. Mr. Senanayake: From an Advance Account.

Dr. de Zoysa: It has something to do with emergency expenditure.

The Hon. Mr. Senanayake: It will be from an Advance Account—token votes.

Dr. de Zoysa: Is it to be taken out of the emergency votes?

The Hon. Mr. Senanayake: It will come out of the profits—the working expenses.

Mr. Ponnambalam: If there is a loss?

The Hon. Mr. Senanayake: We will have to come here, under Head 73 of the Estimates.

There seems to be a great deal of misunderstanding among Members who say that we are acting outside the procedure adopted in ordinary circumstances. If any expenditure has to be incurred, we have to come to this House; there is not the slightest doubt about that.

The expenditure on the drainage of the Welisara Hospital was referred to. That hospital is to be used by us, and it is only on the drainage of that hospital that we have had to spend money. The hospital is worth about Rs. 1,000,000 or so. If we are going to use it, we would have to put in the drains.

With regard to Food Control, this is a proposal that has already been accepted. By the action we have taken lately, we have not incurred fresh expenditure but have saved money. We try to do our best.

We would rather that we had not a single cent to spend without the prior sanction of this House. If that were possible, there would be no responsibility cast on us, as we would have had the approval of the House to every item of

[The Hon. Mr. Senanayake.] expenditure. But when a certain sum of money is entrusted to us, we know that if we misuse that money we would have to explain matters to this House, and naturally we have to be more careful than we might otherwise be.

The present state of affairs has been brought about by the necessities of the war situation. The hon. Member for Narammala (Mr. Samarakody) said that we now hear the church bells rung in joy, but he must also know that many belts have had to be tightened in this country.

Mr. Ponnambalam: Belts or screws?

The Hon. Mr. Senanayake: There are some screws that have to be tightened up; I realize that. But that is another matter altogether!

There is a shortage of food in this country, as everybody knows. I hope no one imagines that we are now completely free from danger from enemy action. I hope we are now quite safe in that respect, but we are not yet free from a scarcity of food. We should not delay in these matters. With all our efforts, with all our endeavours, we find that we are not able to supply the necessary food. We have to obtain supplies from all available sources.

I feel that this Council which last year gave us Rs. 20,000,000 for emergency expenditure in that year should not grudge this Rs. 5,000,000 for this year. Does the House really think that we can do without this expenditure of Rs. 5,000,000 this financial year? I would require more than this sum for manure alone!

Mr. H. W. Amarasuriya: It is not fair to say that the House wants to deny this sum to the Board of Ministers. We say that the Council has already voted Rs. 1,000,000 for expenditure this financial year, and that we should not be asked for another block vote in this manner barely a month after the close of the last financial year.

The Hon. Minister gave us some very plausible excuses, but I am not convinced that a further sum of Rs. 4,000,000 is really urgently required.

The Hon. Mr. Senanayake: In the statements that we have furnished, in

September alone the allocations came to Rs. 23,000,000. We have spent Rs. 15,000,000 and there is a saving on the allocation. So, to imagine that we are going to spend anything like Rs. 4,000,000 on new works, is wrong. There will be a certain amount available, but the works that have been started have to be completed this year. We have not got the money to begin new works. On how many items can we spend that Rs. 1,000,000 that was voted for this year? To imagine that we are going to spend Rs. 5,000,000 and begin a new page is all nonsense.

Mr. H. W. Amarasuriya: If that is so, the Ministers should have asked for the necessary provision in the Budget for this financial year. They have asked for only Rs. 1,000,000 and my argument is that as the Rs. 1,000,000 has already been provided in the Budget, we should be told by the Ministers whether this vote has been exhausted. If this sum has in fact been exhausted, then further moneys would be required.

The statement tabled enumerates six heads of expenditure—"Active Defence" "Passive Defence," "Food and Prices," etc. With regard to the item "Food and Prices", funds have been provided in the Budget.

The Hon. Mr. Senanayake: Where?

Mr. H. W. Amarasuriya: You have the Food Control Department, and money has been provided for the personnel of the Department as well as for the purchasing scheme, and purchasing schemes are being carried on on an Advance Account.

The Hon. Mr. Senanayake: That is last year's expenditure.

Mr. H. W. Amarasuriya: I am speaking of this year. This is a Supplementary Estimate for 1942-43.

The Hon. Mr. Senanayake: If the hon. Member reads this statement carefully, he will find that it is for the period ending 30th September, 1942. He knows that our financial year ends on that date. The expenditure, details of which are given in this statement, is not expenditure that is to be incurred this year.

Mr. H. W. Amarasuriya: That is what I am saying. This money has already been spent. There is no provision in the Budget for 1942-43 for "Passive Defence," "A. R. P. Personnel," "A. R. P. Works," etc., but with regard to other items like "Food and Prices," "Additional Staff," "Equipment," "Emergency Staff," etc., we have provided for them in the Budget. Under "Miscellaneous Expenditure, also we have provided certain items of emergency expenditure. So that, except for certain items like, "Active Defence"—we do not know what the "active" defences are—the others have already been specified in the Budget, and provision made in it.

There is therefore really no urgency for this vote of Rs. 4,000,000. As suggested by several Members, I do not see why the Ministers should not come to the House with a supplementary Estimate for the different items. When they bring up a Supplementary Estimate, it can be carefully scrutinized, and all information obtained by the House, but when a block vote of Rs. 4,000,000 or Rs. 5,000,000 is asked for by the Ministers, we are none the wiser. They say, "Give us your confidence, and we will furnish you with an account of every cent we spend", but our difficulty is that after the money has been spent we shall find it practically impossible to criticize the expenditure, or refuse the vote.

The Ministers have not made out a case for this block vote of Rs. 4,000,000. The only argument put forward by the Minister of Agriculture and Lands is that last year this Council gave them Rs. 20,000,000 "We have spent Rs. 15,000,000 out of it, to the end of the last financial year, and there is Rs. 1,000,000 provided in the Budget for this year. Therefore, give us another Rs. 4,000,000 to make up the Rs. 20,000,000 originally passed." I do not see any reason why the Ministers should not come to the House with the necessary supplementary votes for the different items of expenditure required for all the various services. When a block vote is given, they can spend the money on anything they like under the pretext of emergency, and we would be none the wiser.

I hope the Ministers will appreciate our difficulty. We are not putting obstacles in their way; but are quite prepared to help them. But they must realize that it is the duty of this House to scrutinize expenditure. That is one of the main duties of the representatives of the people. They have been sent here for that purpose—to maintain control over the public purse.

I would like to ask the Minister of Agriculture and Lands whether, as a back-bencher in the old Legislative Council, he would have given his sanction to the Colonial Treasurer—

The Hon. Colonel Kotalawala: Certainly not.

Mr. H. W. Amarasuriya: "Certainly not," says the Minister of Communications and Works.

The Hon. Colonel Kotalawala: This is a popular Board of Ministers!

Mr. H. W. Amarasuriya: Whether it is the Board of Ministers, comprised of white men or black men, the duty of the back-benchers remains the same. When a request like this for a block vote is made, it is their duty to elicit all the information that can possibly be obtained.

The Minister of Agriculture and Lands told us that this money is required for continuing the work. Can he give us a statement as to what these continuation works are, and whether they are under "Active Defence", or "Passive Defence"? My submission is that except for those two items, which are not specified in the Budget for the current financial year, all other items have been specified in the Budget, and money has already been provided. That being so, there is no reason why the Ministers should come at this stage, barely a month after the close of the last financial year, and ask for another blank cheque for Rs. 4,000,000. There is no reason why the Ministers should make this application.

The Hon. Mr. Senanayake: Apparently all the arguments I have urged have not penetrated the cranium of my hon. Friend. He asked me whether if I were a back-bencher I would have agreed to this vote. I would tell him that I

[The Hon. Mr. Senanayake.]
would not ask anybody to do anything which I myself would not agree to do. The very fact that I am asking for the consent of this House to this vote is proof that I myself would agree to it if I were a back-bencher.

The hon. Member wanted to know about the continuation works. I would ask him to compare this list of expenditure with the other list; the difference will represent the cost of the continuation works.

Mr. Ponnambalam: I am afraid "the Acting Financial Secretary" is on a weak wicket—

The Chairman: The Hon. Minister is not Acting Financial Secretary.

Mr. Ponnambalam: As he is sponsoring the Financial Secretary's votes, I should have thought that the Minister of Agriculture and Lands would have tried to meet some of the arguments urged by Members. Instead, he spoke of the Welisara Hospital and of the congenial task of tightening belts and screws. He has not met the main criticism that we have levelled against the whole policy underlying this vote.

The original block vote of Rs. 20,000,000 was asked for on grounds of emergency, on the ground that the normal procedure could not be adopted—that these questions could not be brought before the Executive Committees concerned and their prior approval obtained, and subsequently the approval of the House, before expenditure was incurred. One can completely and fully sympathize with that view in a time of emergency.

But I ask the House whether it is fair, having got that money, upon that excuse—or shall I say, upon that pretext?—to present to us a bald skeleton of a statement of expenditure involving nearly Rs. 15,000,000—of whose money?

Mr. Chairman, the thing seems to be incredible. I have known of occasions—I am sure the Minister of Agriculture and Lands has known of occasions—when two or three hours, even two or three days, of the time of this House has been taken over a vote of Rs. 5,000, or

Rs. 10,000, over some potty little appointment—if you will pardon that expression. This House has in fact encouraged back-benchers to scrutinize Supplementary Estimates. If there is, for instance, some Supplementary Estimate involving expenditure which we consider big, I am sure the Hon. Minister himself would have been at one with us in criticizing it.

Now, what I do not understand, and what I certainly want hon. Members to appreciate is this: take the sum of Rs. 5,875,147 which has been spent on A. R. P., including air-raid precautions at Government hospitals. My point is this: air-raid precautions are a very urgent matter. That is granted. The work might have been commenced. There might have been no time for the appropriate Minister or Officer to come to this House and obtain its sanction for expending money on the work. Make a start with the work, by all means. But I am asking you why, over a period of nine or ten months, this expenditure has not been brought to the notice of the House by means of either a report or a request for covering sanction for an Estimate.

I say that the block vote was asked for on that definite understanding. I hope the Hon. Minister will appreciate that point. Supposing you have to start work on building a number of air-raid shelters, we say, "Start the work." We have given you the right to start the work without consulting us. You start the work and incur a certain amount of expenditure. But, surely, a week later, a fortnight later, or a month later you can come before us and say, "Here is the scheme for erecting air-raid shelters. These are the structures we propose to put up. This is the approximate cost of each of the structures. This will be the cost of providing air-raid precaution to hospitals," and so on, itemize the expenditure and obtain our approval.

What is intolerable is for hon. Members of this House to be told, "Well, up to the end of one year, a sum of Rs. 6,000,000 had been spent." We have not got the foggiest notion as to how that sum of money has been spent. We hear the most amazing statement that a sum of Rs. 6,000,000 has been spent on air-raid shelters.

Nov. 17, 1949]

Debates.

Mr. Chairman, if we are to take ourselves seriously and continue as Members of this House, we should like to know the precise cost of these shelters, whether they are effective, and so on. There is not even a report submitted. I do not know whether in a Court of Law this expenditure would not be considered completely illegal, because it is well known that the authority—the executive's authority—for expending money is an Ordinance, namely, the Annual Appropriation Bill. If there is any money to be spent, that amount can be brought up by way of a Supplementary Estimate and it will be passed by this House. Now, we have, by resolution, given the Board of Ministers power to undertake this expenditure—giving them practically Cabinet powers—but on the definite understanding that, as soon as possible thereafter, there should be a report to the House and covering sanction obtained from it.

I will refer to one matter which has raised a great deal of public opinion in this country. It is a small item—"The Controller of Textiles, Rs. 8,000." I have nothing against either the person who has been appointed Controller—I do not think it is necessary for me to say so—or even against the question of the creation of the department which would be in control of textiles. That is irrelevant to the question I am raising now. Here is a proposal to spend Rs. 8,000 on the creation of a department, involving additional personal emoluments under emergency expenditure. We know that the matter came up here. That is not the point, however. What I am getting at is that under cover of "Emergency Expenditure"—the vote of Rs. 20,000,000—a department has, in point of fact, been created.

The Hon. Mr. Senanayake: Certainly not.

Mr. Ponnambalam: Yes, without the prior approval or consent of this House.

The Hon. Mr. Senanayake: Certainly not.

Mr. Ponnambalam: I might sit down; the Hon. Minister seems to be very impatient. If he is so impatient to deliver himself of his views, I am prepared to give way; otherwise, I should like to be

allowed to proceed without being interrupted.

What I say is that on the ground of Defence so very many things are done, in respect of which we are consulted neither with regard to policy nor expenditure.

Take the establishment of the Department of Textile Control. It involves two things: it involves policy, and the question of the money to be spent for the maintenance of such a department, in regard to neither of which matters was this House consulted. I would ask what the tremendous, overpowering necessity and urgency for this move was that the matter should not have been brought before this House and sanction obtained. What has the Department done? I believe the Controller was appointed some time ago. There could not have been such an impelling necessity, such overriding emergency, that the matter should have been so started without our being consulted.

So, I do again most earnestly appeal to hon. Members of this House to give their attention to the question that by our continuing to acquiesce in these block votes we are abdicating from the position of being the elected representatives of the people on whom final financial responsibility must rest. If we are prepared to do that without any control over the expenditure, under the guise of emergency, Mr. Chairman—I say this with the fullest responsibility—we will be completely and absolutely failing in our duty to the country.

The Hon. Mr. Senanayake: It is surprising to hear what my hon. Friend says for the simple reason that some of the remarks he made were quite different from those which he made some time ago on the very subjects he was dealing with. I have a memory which sometimes may be very discomfiting to some people who forget the very utterances they have made in this House.

If my hon. Friend will remember rightly, he came here and said, "We want expenditure incurred to turn the whole of Colombo out of the place; find shelters and spend all that money". But what he has said now is, "Come within a week, and get an Estimate ready." At one time he said, "What are you doing?"

[The Hon. Mr. Senanayake.]

Why do you not send the people out? Why do you not send the school-children out? Why do you not do this and that"? He said, "Where are the shelters? Why have they not been built? And today, the very hon. Member who spoke in that strain, says that we should have brought all these items before this House within a week.

He thinks that within a week we were going to shift Colombo's population to another shelter or locality. Did he think that within a week we were going to build all the shelters that were necessary for Ceylon? Did he think that within a week we were going to spend the Rs. 20,000,000 voted and come to the Council for covering sanction?

He tells us that we should have done or started the work and secured covering sanction. I wonder, when it becomes necessary to incur expenditure and it is to be left to the discretion of the people who have to incur it, how anyone can incur that expenditure when there are any doubts whether the expenditure will be sanctioned or not. Surely we did not want a block vote of Rs. 20,000,000 to do that.

If we wanted, we could have gone to the Governor and got a Special Warrant, and then we could have come here for sanction. Special Warrants are provided for emergency expenditure, but we realized that there was going to be such emergency expenditure incurred over a long period. That was not a desirable procedure at all, but, unfortunately that is what is done even in England. They incur the expenditure, and that is final. There is no vote at all. You cannot carry on in the usual way when there is a war going on.

The hon. Member for Point Pedro (Mr. Ponnambalam) picked out one item and told us, "Here is an item of Rs. 5,000,000. Why was the matter not brought before the House?" He said that he had heard that a certain number of shelters had to be put up. Does he really tell us that the number of shelters that have been put up are sufficient and that further expenditure should not be incurred? Does he realize that there are workmen who have to work in dangerous places? Even in the last raid there were a certain number of people killed although there were

shelters put up. Does the hon. Member think that more shelters should not be put up?

Mr. Ponnambalam: Surely that is not what I said. I have never said one word against the construction of shelters. I cannot make myself more clearly understood. What I did say was that the matter has not been reported to us in detail. Why should I be misrepresented like this?

The Hon. Mr. Senanayake: The hon. Member said this: "Why not start the work and come here within a week and obtain the necessary sanction?" Is that misrepresentation? That is why I asked him whether he expected the work to be completed within a week. Would you say that all these shelters are to be put up at such-and-such places, as pointed out by my hon. Friend? I am not so certain whether he himself knows when shelters were put up in Jaffna. The people there wanted certain shelters put up for their protection. This Rs. 5,000,000 was required for all shelters and not only for those to be erected in Colombo.

Sir, the hon. Member is inconsistent in his utterances. This Rs. 5,000,000 is not only for hospitals but for all these works all over the Island: and, I believe, just now there has been an amount of Rs. 8,000 spent on textiles control. I thought that that would be the only item that would appeal to the hon. Member, if he was not trying to argue a case without conviction. He said, "Why did you not begin the work and come here for sanction?" What did we do? We spent the Rs. 8,000; began the work, and came here and got the House to agree to the expenditure. We have adopted the procedure that he has suggested.

Mr. Ponnambalam: In a matter of emergency?

The Hon. Mr. Senanayake: There is no emergency. Rs. 8,000 was spent in making inquiries and defraying the expenditure involved; and we have come here within the shortest possible period to get the approval of the House. That is the method he himself has prescribed, but he tells us that we should not do anything.

If my hon. Friend had listened to the hon. Member for Galle (Mr. H. W. Amarasingura), he would have noticed

that his criticism was that most of these items are included in the Budget and have been approved of. What does that mean? We incurred the expenditure; we started the work, and then came here and obtained the approval of this House for the very expenditure that was included in the Budget. That is the procedure we have adopted; and that is the procedure that he wants us to adopt.

All this expenditure is not ordinary, normal expenditure, but is continuous expenditure during the war. All that has been included in the Budget, but still although we did foresee a number of items last year, we cannot say that we are not going to incur other expenditure. There are the continuation works. The hon. Member wants to know what the continuation works are. Well, shelters are necessary. Shelters are a continuation work. Food production is necessary; that is a continuation work.

Mr. H. W. Amarasuriya: There is Rs. 2,000,000 provided in the Budget, for food production. For air-raid shelters, there is money provided under the Head "Defence"—Rs. 8,000,000-odd for air-raid shelters.

The Hon. Mr. Senanayake: Yes; much of this expenditure represents the balance of that money. When we come before the House, very often we are asked, "Why do you not provide for these things in the Budget?" We estimate the expenditure to be incurred up to a certain date, and when the whole of that expenditure is not incurred, the normal practice is to come here and ask for a revote. That is what we are doing now. And there is a certain amount of new expenditure as well.

Mr. H. W. Amarasuriya: I do not see how the Ministers can deal with this expenditure as a revote. If we voted a certain sum of money and they were unable to spend the whole of it, then the balance lapses to revenue. Now in the Budget for 1942-43 practically all those services have been included.

The Hon. Mr. G. E. de Silva (Minister of Health): No.

Mr. H. W. Amarasuriya: Yes. Take Food Production, for instance. There is a vote of Rs. 2,000,000 for food production, under the Minister of Agriculture

and Lands, for the year 1942-43. That expenditure was not foreseen last year, and therefore they spent money out of the emergency vote, which is perfectly in order. But this year nearly every service which the Hon. Minister of Agriculture referred to, has been provided for in the Budget, and a further Rs. 4,000,000—

The Hon. Mr. Senanayake: That is for continuation works which were started last year.

Mr. H. W. Amarasuriya: Then they must come forward with Supplementary Estimates for those particular items. In short, here they are asking for a blank cheque—for Rs. 4,000,000 to spend in whatever manner they like. That is the long and short of it. That is hardly fair, because for every item of continuation works, money is provided for the current financial year and if further money is required the Ministers should come before the House with supplementary votes instead of asking for a block vote of Rs. 4,000,000 on the ground that they have spent Rs. 2,000,000 and therefore another Rs. 4,000,000 must be spent. It is like Shylock asking for his pound of flesh. It is hardly fair by this House.

There is no case made out for a supplementary vote of Rs. 4,000,000. If the Ministers say that they have exhausted the Rs. 1,000,000 we have given for emergency expenditure, then there is provision to increase it. But in the absence of such a statement, I do not think it is fair or proper that this House should vote another Rs. 4,000,000 at this stage. When funds are necessary, we shall be prepared to support such a request.

Mr. Ponnambalam: I am afraid the shoe is on the other foot. I do not know about short memories, but I must confess that in this case the Minister of Agriculture, deputizing for the Financial Secretary, has forgotten the undertaking given by the Leader of the House as recently as 17th December, 1941. I am reading now with your permission, Mr. Chairman, from HANSARD. This is what he said:

" . . . His Excellency has emphasized the need for swift decision, prompt action and absolute secrecy . . . "

[Mr. Ponnambalam.]
—in which we acquiesce.

“He also pointed out the necessity for adjusting the normal administrative machinery to the present abnormal conditions.”

Then he goes on to say:

“The Board of Ministers have, after careful consideration, proposed to effect this necessary adjustment in two ways. In the first place, the Board of Ministers asked the Executive Committees to agree to authorize their Chairmen to act on their behalf in regard to all matters connected with the war without obtaining their prior approval. I am glad to say that the Executive Committees have readily accepted this proposal”

with this qualification, Mr. Chairman, each Executive Committee made it absolutely plain that a report must be made and their approval obtained.

The Hon. Mr. Senanayake: This is the report.

Mr. Ponnambalam: I would like to know in how many instances such approval has been obtained. Quite apart from that, the Order in Council has not been suspended. Even thereafter the matter must come by way of a report and some kind of estimate placed before the House.

This is what the Leader of the House said:

“The second thing which the Board of Ministers decided was to ask this Council for a block vote of money for defensive and other connected measures” —

not questions of textile control—“defensive and other connected measures”; that is where the catch comes: —

“This vote, if granted, will be strictly under the control of the Board of Ministers, and from time to time statements regarding this vote and the expenditure will be placed before this Council.”

Now, except for this very bald half sheet of paper on which you have expenditure enumerated which totals Rs. 15,000,000. I would like to know what statement has been brought before this House, at what stage, and what approval has been obtained for any single item of expenditure that you have here.

Mr. Chairman, I am really alarmed to see the Hon. Minister of Agriculture either not understanding the arguments adduced—that is of course beyond our help—or refusing to understand the arguments adduced. Surely, we have made

it abundantly clear that what we regret, what we oppose, what we will not tolerate is this: under the guise of this emergency expenditure, two irregularities are being committed—one is that on non-emergency work, on work of a kind where there is no emergency and which certainly was not contemplated when this excuse was given and reasons adduced for getting a block vote of Rs. 20,000,000—for such non-emergency expenditure, if I may coin that word, certain sums of money from that block vote of Rs. 20,000,000 have been allocated.

Mr. Samarakkody: Large sums of money.

Mr. Ponnambalam: Fairly large sums of money. And the example I give is one such, the last item on the sheet tabled, “Controller of Textiles.” There is no imaginable reason why money should have been expended from that block vote for the creation of that Department without the matter coming up by way of a report to this House and the prior sanction of this House being obtained.

Secondly, in a matter of very genuine emergency expenditure, such as construction of air-raid shelters, buying of food supplies, and so on, the procedure of sending a report to this House itemizing and giving details of such expenditure, has not been resorted to. The whole matter is really baffling, Mr. Chairman, for the Minister to turn round and say that the sum of Rs 5,000,000 is being spent, not only in Colombo, but also in Jaffna—in a fit of absent-mindedness probably—is neither here nor there; and to try and attribute to me the sentiment that I have changed in respect of the desirability and the necessity for the construction of these shelters, is to do violence surely even to his conscience.

I have certainly advocated evacuation, and I am glad to say that certain sections of those in whom entire wisdom rests seem belatedly to have come to the same conclusion, and willy-nilly evacuation was resorted to; only it was not co-ordinated. The Hon. Minister will agree that subsequently schools were evacuated. I have not for one moment, I am glad to say, changed my sentiments and the view I held on the matter.

But the thing is so childish. The Minister quoted me as saying, "Start the work, and report within a week." When you start a major irrigation work, do you wait to report to the House only when the cement has been weighed, or the bricks have been counted, or the salaries have been paid? Or, do you come here and say, "Well, upon this work of irrigation we contemplate an expenditure of this extent, itemized as follows: personal emoluments, so much; subordinate labour, so much; technical assistance, so much," and so on? Is that not how estimates are presented? That is all I ask. If that is beyond his understanding—well, I cannot supply it. That is all I say.

By all means undertake your construction of shelters. If you have decided on the construction of fifty shelters, do not wait for two or three weeks. That time may be important so as to prepare for an attack by the enemy. One can understand that. But in the meantime you can come before the House at the next meeting and say, "In anticipation of an enemy attack, we have undertaken this expenditure. We expect your approval. We have undertaken the construction of so many shelters at the cost of so much per shelter, and the estimate is so much."

That is the point which the Hon. Minister has, after five repeated efforts, failed to meet. That is what the Ministers have not told us up to date, up to now—what the cost of a single shelter is, how that cost is worked out. That is what we would like to know. Instead of giving us the information, the Minister makes a rather facetious, supercilious reference to shelters being constructed not merely in the South but in the God-forsaken North—[*Interruption*].—God-forsaken in so far as the petty gods have forsaken it.

Now we would like to have an answer as to why the undertaking given by the Leader of the House has not been honoured, because there is a complete breach of faith between those who obtained the vote and the rest of the House.

The Hon. Mr. R. H. Drayton (Chief Secretary): I would like to deal with this question of breach of faith or breach of an undertaking, without relying on my memory or anybody else's but by just

reading from one or two contemporaneous documents. I will read, in the first instance, the Supplementary Estimate under which the Rs. 20,000,000 was voted by this Council.

"Nature of Service: Block vote for all emergency measures necessitated by the war, whether new services or services partly covered by existing votes."

I think the hon. Member for Point Pedro (Mr. Ponnambalam) will agree that the description of those services is pretty wide—

"all emergency services necessitated by the war, whether they are new services or services partly covered by existing votes."

Then, Mr. Chairman, I would refer to the second paragraph in the Observations of the Financial Secretary:

"The vote will be used for all measures which may be taken for the security of the Island, for supplementing existing provision for Naval and Military Services, for assisting food supply, for promoting the continuance of trade and communications, for relief of distress, and generally for expenses arising out of the existence of a state of war."

I think, the hon. Member will agree that the Board of Ministers phrased that statement very widely. Now what did they say in the last sentence?

"Expenditure from the vote will be controlled by the Board of Ministers, and a statement of expenditure from the vote will in due course be laid before the State Council."

Now where is this undertaking to come to the State Council for authority to spend some part of the Rs. 20,000,000 on one of the many services on which that Rs. 20,000,000 could be spent when once it has been voted by the State Council?

Mr. Ponnambalam: In the words of the Leader.

The Hon. Mr. Drayton: Where in either the Observations of the Financial Secretary on the Supplementary Estimate or in the speech made by the Leader of the State Council in introducing the Supplementary Estimate is there any statement from which it can be inferred that the Board of Ministers gave an undertaking that in regard to some matter on which they spent any part of that Rs. 20,000,000 voted by this Council, they would come back to this Council for subsequent authority? That is one of the statements that the hon. Member has made, and made as the basis of the allegation that there has been some breach of faith.

[The Hon. Mr. Drayton.]

The hon. Member said two things one of which was that the Board of Ministers must come back for subsequent authority. I know not what he means. When once a Supplementary Estimate is passed for a specific service, however widely that service may be described, there can be no question of coming back to this Council for any further authority. They have got it once that estimate is voted. But he said that there is some undertaking somewhere. No, Mr. Chairman; there cannot be found in any statement that the hon. Member has quoted, any undertaking given by the Board of Ministers to come back, when once a vote is passed, for authority for something that they have already spent.

Nor can I find anything to justify the hon. Member's other statement, namely, that there is an obligation to report immediately any expenditure is incurred, as soon as possible thereafter, in regard to any particular item of expenditure, immediately, shall we say, something is spent on food production, or something is spent on an air-raid shelter—that there is an obligation to report back to say, "We have spent 'X' rupees" or "We are in the process of spending 'Y' rupees". Now, it may be that the hon. Member would like such an undertaking to be given by the Board of Ministers; it may be that he would like such a procedure to be followed in future. But that is not the way the hon. Member put his case. The way in which he put his case is that there is an existing undertaking which the Board of Ministers has broken. No, Mr. Chairman. There is nothing the hon. Member has produced to show that there is in existence any undertaking which has been broken by the Board of Ministers in regard to this vote.

Mr. S. Abeywickrama (Udugama): After going through the items on the list, I can challenge the Hon. the Chief Secretary to state whether an item like item 9—"Miscellaneous: Painting white lines on certain roads of Colombo, Rs. 12,000"—is a very necessary work. After all, that is something that the motorists do not observe at all. In like manner, there are many other items which, whatever explanation may be given by the various Ministers, have been smuggled into this

vote in the way of getting the work done. The only exception in regard to the matter, I find, is the Minister of Education who has not taken any advantage of this vote. The rest of the Ministers are all guilty, in a small way, of getting various items smuggled into this vote as an easy way of getting things done. And I do not blame them.

The reason why I rose is this: after going through the list I find that in the matter of food production only a sum of Rs. 3,000,000 has been spent. The main purpose for which this money was voted by hon. Members was for Food Control, Food Production and A. R. P. measures. That was also the impression of the public at large. Those were the three purposes for which this money was voted, but I find that the required sum of money for food production has not been released or expended.

The cry to-day is that there is not sufficient food in the country. Various missions in the past have ignominiously failed, and similarly we feel that any missions that may be contemplated in the future will not be successful. The only salvation for us is to produce more food in the Island, and I must confess that I am somewhat disappointed at more money not being spent on food production.

If the Hon. Minister of Agriculture and Lands can give an assurance to the House that an adequate sum of money will be spent immediately on State farms and food production, then I shall be prepared to support this vote. The man in the street is not concerned with white lines and sanitation and various kinds of nonsense; he is only concerned with A. R. P. Measures, Food Control and Food Production. If something more is spent on those three items, they will have not only the approval of this House, but the approval of the country as well. So far two items, such as A. R. P. and Food Control, are progressing quite well, but we would like to see more money being spent on food production. If I can get an assurance from the Hon. Minister to that effect, I shall be prepared to support this vote.

The Hon. Mr. G. E. de Silva: I would ask the indulgence of the House to place

one or two facts before it. At the time that the vote of Rs. 20,000,000 was asked for, hon. Members were informed of the emergency which impelled the Board of Ministers to come before this House and ask the permission of the House to spend up to that amount. Now, the question that I would like to ask the House is, are we satisfied that the period of emergency has ended, and are we living in ordinary times?

If hon. Members will consider this question for a moment, they will realize that we are in the same position as we were in at the time that they authorized the expenditure of Rs. 20,000,000. It is strange that hon. Members should think that the period of emergency has ended, and that whatever little power we have with regard to this expenditure should not be exercised by us because we had withheld some information that hon. Members were legitimately entitled to get.

I want hon. Members to bear in mind what happened during the course of the year. This is the information supplied to hon. Members by the Hon. the Financial Secretary when he introduced this motion:

"A classified summary of allocations made under Head 43 up to 3rd July, 1942, amounting to Rs. 16,916,183.32 was placed by the Board of Ministers on the 12th of July, 1942. Since then further allocations have been made amounting to Rs. 3,000,000 bringing the total to Rs. 19,916,183.32 leaving a balance of Rs. 59,256.68".

Now, why should not hon. Members consider these questions.

Mr. H. W. Amarasuriya: Will the Hon. Minister please give us details of the allocations?

The Hon. Mr. G. E. de Silva: If hon. Members do not carry their papers with them, if they do not keep a file, or if they do not have the papers before them they should not say that this must not be done or that must not be done.

The Chairman: The sitting is suspended till 4.30 P.M.

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

The Hon. Mr. G. E. de Silva: I believe hon. Members now realize that on 3rd July last a full statement of the expenditure of the Rs. 15,000,000 allocation was supplied to hon. Members, and

with regard to expenditure incurred later on, another statement has been given to them.

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

The Hon. Mr. G. E. de Silva: Hon. Members will realize that no information has been withheld from the House; and therefore to say that the Ministers had wittingly or unwittingly withheld information would not be correct.

Besides, I would appeal to hon. Members to bear this in mind: we have not spent the Rs. 20,000,000 voted last year; we are only asking for the balance unspent to be voted now. Some hon. Members think that the Defence vote has been increased by Rs. 8,000,000 and it could be used for all purposes. I would ask hon. Members to bear the fact in mind that though the vote has been raised by Rs. 8,000,000 I, as Minister of Health, cannot touch a cent of that money. I must be allowed to operate on a vote without let or hindrance from any other Minister. If anything happens to a hospital, I cannot be going with begging bowl to the Chief Secretary asking him for money out of the Rs. 8,000,000. It is impossible to think of such a thing even. If patients have to be evacuated from a hospital, or if anything happens to a hospital, I have to take all the necessary steps to see that the patients are looked after; and there must be money available for me to do these things.

The Rs. 1,000,000 provided in the Estimates has already been exhausted, having been spent on other purposes, and that is why we have come and asked the House to vote this Rs. 4,000,000. I could have understood the position of hon. Members if the emergency had come to an end. Then we would not have come to the House with this vote. As long as the war continues, and as long as the emergency exists, it would not be correct for hon. Members to refuse this lump sum vote. This is the only vote we can operate on. I would call upon hon. Members to pass it as it is, because we have come here for their guidance, and they must vote this money if we are to carry on this work satisfactorily to the benefit of everyone concerned.

Mr. S. Natesan (Kankasantural): The Hon. the Chief Secretary in putting up

[Mr. Natesan.]
a defence on behalf of the Board of Ministers has unwittingly, I think, resorted to a very dangerous argument. Of course, he thought he was effectively disposing of the arguments of the hon. Member for Point Pedro (Mr. Ponnambalam) by referring to HANSARD and the report of the Financial Secretary on that block vote. He denied that there was an undertaking given.

But I ask the House whether it is right to deny responsibility, to repudiate responsibility in that way? That line of argument cuts at the very root of responsibility. We might not be enjoying full responsible government, but yet in this Council we have a certain responsibility. The Ministers have a certain responsibility to discharge, and hon. Members are bound to see that certain responsibilities are discharged.

According to the Chief Secretary, because there was no undertaking given, putting the best construction upon his argument, we have no right to ask that a report should be submitted. It amounts to that. So I think, in view of the argument adduced by the Chief Secretary, we ought to be extra cautious about agreeing to this vote. I for one am not prepared to support this vote;—I shall be very reluctant not to support it, but unless an undertaking is given definitely, this time at least, that hereafter we shall get an account rendered to us of how the money has been spent, I do not think the House will be wise in unconditionally agreeing to this vote.

The Hon. Mr. Senanayake: As far as any undertaking is concerned, what the Chief Secretary said was that there has been no breach of any such undertaking. As far as we are concerned, we have always given as much information as we could.

Mr. Aluwihare: Hon. Ministers say that they have put these items before us, but what we want is really an explanation of these items. There is provision under our Order in Council for laying a report before the House. Why should not the Board of Ministers follow that procedure and tell us something in explanation of these items?

For instance, take item 7 on page 2—“Transfer of Relief Labour to P. W. D., Rs. 87,706.” What on earth does that mean? Does it mean that labour which

was considered casual and temporary was transferred on to the permanent cadre of the P. W. D., or what does it mean? Then take item 8—“Protection of Ancient Monuments.” Is that part of the vote to be passed for the Minister of Home Affairs to go to New Delhi? Or what exactly does it mean? What are the ancient monuments that had to be preserved?

What I want to know is whether this is really emergency expenditure? It might very well prove that some kind of covering had to be put on, but tell us what it is. Then there is an item for alterations to prisons; another, for conversion of railway wagons for local use. Now one would have believed that the Railway was never meant to be used in Ceylon, because how is it that so late in the day you have to convert railway wagons for local use? Item 2 on page 2 is for conversion of railway wagons for local use—Rs. 36,000. Does that lend colour to the belief that the Railway was never meant for the natives of this country?

If you go through these items, you will be able to pick out various things that will make you wonder what on earth this account means. What the House wants is information with regard to the way in which the money is spent. After all, that information is information we can legitimately demand, because we are not merely legislative but also executive. It is not good enough merely to put down an item and then say that Rs. 36,000 has been spent and expect us to ask questions, because in all conscience there are so many items that if one started asking questions on every item one would never finish one's work. I am certain that the Board of Ministers will consent to give us some explanation on each of these items.

This statement might do for the schedule, but it certainly cannot be the report. There should be a report dealing with the various items of expenditure that have been incurred.

I should like to give one instance. Under head 5, there is an item for the Port Controller and his staff. As you know, the House has passed a Supplementary Estimate to meet the expenses of the Port Controller and his staff. Then, why is this sum of Rs. 30,091 spent on that item out of the money set apart for emergency expenditure? I can

guess at the reason. Perhaps they had to make certain payments before the Supplementary Estimate was passed. But that may not be the correct explanation.

The Hon. Colonel Kotalawala: That is correct. Every one of the items has an explanation.

Mr. Aluwihare: We want to know what it is. It is difficult to explain these matters to the Hon. Minister of Communications and Works, but I am certain that you will see the difficulties we are up against. Take item 6, "Director of Transport." Again, we are up against the same difficulty. We have passed a supplementary vote for that purpose, and therefore why has it been necessary for you to spend Rs. 4,600 from the emergency vote? An answer might be given or perhaps I may not get an answer. We would like to have some kind of explanation along with this schedule.

Mr. Ponnambalam: If any reason was necessary to convince hon. Members of this House that the present Supplementary Estimate should be turned down, it was provided by the speech of the Hon. the Chief Secretary. He is not usually naive, but I am sorry to say that this is the most naive utterance I have ever heard him make.

His claim is that a sum of Rs. 20,000,000 has been approved by this House by way of Supplementary Estimate covering a vast range of services at present contemplated, services then contemplated and others not contemplated but the need for which might arise as a result of the emergency, and that therefore we have completely chartered our financial conscience to the Board of Ministers and we have no further questions to ask. If that were the interpretation to be placed upon that demand, then there is no reason for two utterances on this question to be made, one by the Leader of the House and the other by the Financial Secretary.

I say again that the *raison d'être* of that demand was swift decision, prompt action and absolute secrecy. It was for that reason that the House acquiesced in passing that vote. The House felt that there were subjects arising out of the emergency about which most of us would be in the dark; that there were many

things that had to be done without consultation, in fact without giving any information to the public. We therefore thought that we should not stand in the way of the war effort, and we passed that vote. But it was clearly understood that the Board of Ministers undertook to place certain information before us regarding the expenditure incurred under that vote.

If the Hon. the Chief Secretary wants illumination on that point, I should like to quote what the Hon. Leader of the House said on that occasion. He said:

"From time to time statements regarding expenditure on this vote will be placed before the House."

I do not for a moment say that there should be a double sanction. This is all that they can point to for that statement. If this bald schedule of figures is to be accepted according to the interpretation given by the quasi-Legal-Chief Secretary, then I say that this Council knows precisely where it stands. If in point of fact it had given authority to vary the financial procedure that was obtaining in this country, it has had enough of it up to now to go back on that decision. I invite hon. Members, in all earnestness, to reverse that decision vesting authority in the Board of Ministers if we are going to be treated with such scant courtesy, if that block vote granted is to be used for incurring non-emergency expenditure. At page 3263 of HANSARD, the Financial Secretary says this:

"It is not proposed that ordinary peace-time expenditure should be incurred out of this vote."

My respectful submission to the Chief Secretary, to the Minister of Agriculture and Lands and to this House is that even this statement, bald as it is, reveals a number of instances where peace-time expenditure has been incurred out of this vote, and that it was intended to lay on the Table of this House particulars of expenditure under the vote. I say that that undertaking given in express terms by the Leader of the House and reinforced by the Financial Secretary has not been adhered to. What is more—I hoped the hon. Member for Matale (Mr. Aluwihare) would refer to them, as he referred to certain items—highly intriguing items of expenditure, of which not a single Member of this House is aware, occur in the schedule.

[Mr. Ponnambalam.]

At page 1, Head 5, Sub-head 8, there is an item for a "Combined Security Bureau." I really wish to know whether, there is one single Member of this House who knows what this Combined Security Bureau is; what it is to combine; what the Security Bureau is, what the personnel of the Security Bureau is, and which two things it is sought to combine.

The Hon. Colonel Kotalawala: It is strictly private!

Mr. R. C. Kannangara (Morawaka): The North and the South!

Mr. Ponnambalam: Already there is evidence of discomfort among the Ministerial benches.

I remember the time when hon. Members wanted to turn down the Internal Security Scheme. Now there is not only the Internal Security Scheme, but there is going to be a Combined Security Bureau as well. I should like to know what the Security Bureau is, and what are sought to be combined. For a combination there must, at least, be two things. Is this not going to be a sort of local Gestapo? I posit that question deliberately. Are we not today having in this country a local Gestapo composed of people whose identity is not known but who are influencing high policy in this country? I should like to know whether hon. Members are prepared to vote a further Rs. 4,000,000 in order to bring questionable bodies into being.

The Chairman: I will now put the question.

Mr. Ponnambalam: I want an answer to my question about the Combined Security Bureau.

Mr. G. A. H. Wille (Nominated Member): I hope provision will appear in the next allocation for emergency expenditure for air-raid protection in schools. You will see that a sum of Rs. 6,000,000 has been spent on air-raid protection to hospitals, but nothing has so far been awarded to schools. At the beginning of this year the schools adopted rough and ready methods to meet the emergency. The children have come back to school and the managers of schools feel that they have to renew or repair the equipment they have provided. I think the

Hon. Minister of Education is going to take steps in the matter, and I hope the Board of Ministers will grant a very generous allocation for this purpose.

The Chairman: I will now put the question.

Mr. Ponnambalam: Hon. Members are entitled to know what the Combined Security Bureau is; who is responsible for it, who is to administer it. Apparently the blow has gone home. Nobody seems to recognize the infant. Who is the parent?

The Chairman: I will now put the question.

Mr. Ponnambalam: No, Mr. Chairman; I want a reply to my question.

The Chairman: Order, please. I have been waiting to see whether anybody would rise to answer the hon. Member's question, but nobody rose.

Mr. Ponnambalam: Because there is no answer, might I move a reduction of the vote?

The Chairman: Is the hon. Member's question going to be answered?

Mr. Ponnambalam: That is what I want to know.

The Hon. Mr. Senanayake: If more information is required on that matter we are prepared to give it. All that I know is that there are liaison officers between the Military and the civil population, and there are liaison officers to the Government Agents. I do not know what information the hon. Member has. I am not aware of any understanding—

Mr. Ponnambalam: Mr. Chairman, this is again one of those pieces of masterly, not inactivity, but evasion on the part of Ministers. I have no information about the matter. I am only asking for information with regard to the Combined Security Bureau. Who constitute this Bureau? What are the functions of the Bureau? Who is the Minister in charge of that particular department of activity? The hon. Minister asks, "Has the hon. Member any information to give?" I want to know who is the Minister in charge of this Bureau. Is there no Minister in charge of it?

Nov. 17, 1942]

Debates.

The Hon. Mr. Drayton: The hon. Member wants to know what the Combined Security Bureau is. I think if he will cast his memory back, on which he relies so strongly at times, to a certain memorandum that was circulated at the time that the Estimates were considered, of which he received a copy, he will remember that it was a secret document and that there were full details revealed to hon. Members therein as to what the organization was.

Mr. H. W. Amarasuriya: I want to know from the Hon. Minister whether the Board of Ministers will give us an undertaking that money voted under this Head will not be utilized for purposes specified under "Other Defence Expenditure". There is already in the Estimates a sum of Rs. 8,000,000 under "Other Defence Expenditure." I wish it to be put on record that this money will not be utilized for items that have been specifically provided in the Budget, if this vote is passed.

The Hon. Mr. Senanayake: If it is specifically provided for in the Budget, we will use that money. This money will not be used for items specifically provided for in the Budget.

Mr. H. W. Amarasuriya: Unless an undertaking is given by the Ministers, there is nothing to prevent their using this money—

The Hon. Mr. Senanayake: No. If there is money provided in the Budget, we will use it.

Mr. H. W. Amarasuriya: This money will be at the disposal of the Ministers.

The Hon. Mr. Senanayake: We say that we will not spend it on other items.

Mr. H. W. Amarasuriya: I want to know whether they give an undertaking to that effect.

The Hon. Sir D. B. Jayatilaka: We would not do anything so absurd.

Mr. Abeywickrama: I would like to have an assurance that when details of expenditure are given the different items of expenditure will be put down under the various Ministries. This whole list

is so camouflaged that we do not know which Minister is responsible for certain items. For instance, there is "Passive Defence", "Propaganda," "Food Control"—the Government Press also comes in under that item. I would like to have an assurance from the Hon. Minister that this list will be so tabulated that we will be able to find out which Minister is responsible for a certain item; otherwise the Board of Ministers will be blamed for nothing at all.

The Hon. Mr. Senanayake: We will bear in mind what the hon. Member for Matale (Mr. Aluwihare) said and try to give effect to his proposal.

Mr. Abeywickrama: May I have that assurance?

The Hon. Mr. Senanayake: Yes.

Question put, "That Supplementary Estimate (2) be passed".

The Committee divided—Ayes, 30; Noes, 7:

AYES.

| | |
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| Jayatilaka, The Hon. Sir D. B. | Griffith, Mr. F. H. |
| Kannangara, The Hon. Mr. C. W. W. | Hewavitarna Mr. Rajah Jayah, Mr. T. B. |
| Senanayake, The Hon. Mr. D. S. | Kannangara, Mr. R. C. |
| Bandaranaike, The Hon. Mr. S. W. R. D. | Mahadeva, Mr. A. |
| Corea, The Hon. Mr. G. C. S. | Newnham, Mr. H. E., C.M.G., Y.D. |
| Kotalawala, The Hon. Colonel, J. L. | Parfitt, Mr. H. F. |
| De Silva, The Hon. Mr. G. E. | Razik, Mr. A. R. A. |
| Abeywickrama, Mr. Simon Aluwihare, Mr. B. H. | Senanayake, Mr. Dudley |
| De Silva, Mr. G. R. | Siriwardana, Mr. H. de Z. |
| Freeman, Mr. H. R. | Sri Pathmanathan, Mr. R. |
| Goonesekera, Mr. H. A. | Tambimuttu, Mr. E. R. |
| | Tennakoon, Mr. R. S. |
| | Villiers, Mr. E. C. |
| | Vytilingam, Mr. S. |
| | Wanigasekera, Mr. D. |
| | Wille, Mr. G. A. H. |

NOES.

| | |
|------------------------|------------------------------|
| Amarasuriya, Mr. H. W. | Pereira, Diwan Bahadur I. X. |
| De Zoysa, Dr. A. P. | Ponnambalam, Mr. G. G. |
| Kalceel, Dr. M. C. M. | Samarakkody, Mr. S. |
| Natesan, Mr. S. | |

Supplementary Estimate (2) was passed.

(3) Post Office and Telegraphs:
Temporary Additional Inspector,
Class I.

The Hon. Colonel Kotalawala: I beg to move that the following Supplementary Estimate standing in my name be passed.

Head 123, Post Office and Telegraphs.
Sub-head 1, Personal Emoluments—Inspector,

[The Hon. Colonel Kotalawala.]

Class I.

Amount: Rs. 120.

The details of this item appear in the Observations.

Supplementary Estimate (3) was passed.

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

The Council having resumed—

MR. SPEAKER took the Chair.

The Hon. Sir D. B. Jayatilaka: I move that Supplementary Estimates (1) to (3), passed in Committee, be approved.

Question put accordingly, and agreed to.

Supplementary Estimates (1) to (3) were approved.

HYDRAULIC RESEARCH ENGINEER.

The following item stood upon 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 as a Hydraulic Research Engineer in the grade of Assistant Irrigation Engineers on a four years' agreement at an appropriate point in the scale Rs. 4,200—360—6,360 and with the allowances and conditions of service at present in force for officers recruited from India for fixed terms of years.

Observations of the Minister of Agriculture and Lands.

The Hydraulic Research Branch of the Irrigation Department requires the services of an Assistant Engineer with specialized knowledge in the construction and use of scalar models with particular reference to the solution of problems con-

nected with rivers and hydraulic structures and to operate a Hydraulic Laboratory and river research station in Colombo specially equipped for the study of river problems and structures by the use of scalar models.

2. The Assistant Irrigation Engineer who was filling this specialist post—the late Dr. G. Gangadharan, M.Sc (Hydro) Iowa, B.E. (Elec.) Iowa, Dr. Ling, (Hydro.)—terminated his agreement some time ago on grounds of ill-health.

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. D. S. Senanayake (Minister of Agriculture and Lands): I move the resolution standing in my name, appearing as item 9 on the Order Paper.

The position is this: there was an Indian Engineer who was brought out to Ceylon as an Assistant Engineer to do research work. He suddenly fell ill and terminated his agreement. We have to replace him.

Question put, and agreed to.

†EXCISE (AMENDMENT) BILL.

The Hon. Sir D. B. Jayatilaka (Minister of Home Affairs): I beg to move that the amendments made by Standing Committee "A" in the Bill intituled "An Ordinance further to amend the Excise Ordinance", be taken into consideration.

Question put, and agreed to.

CLAUSE 1.—(Short title.)

Amendment made by Standing Committee "A" accepted and Clause 1, as amended, ordered to stand part of the Bill.

CLAUSE 3.—(Insertion of a new Section 17A in the Principal Ordinance).

† Report of Standing Committee "A" presented August 14, 1942.

Mr. H. F. Parfitt (Nominated Member): I move that the Clause be reinstated.

You will notice the amendment I have moved to have this Clause reinstated in the Bill. It is really for the reasons I have set down in my dissent. It seems to me that it is only right that anybody dealing in excisable articles should come under the control of the Excise Commissioner; otherwise people can go about the country selling liquor without anybody having control over them. I think that for the good of the Excise policy of this country the control suggested by this Clause should be exercised.

Mr. Speaker: The Standing Committee has recommended that Clause 3 be omitted. Now it is moved that the Clause be retained. I will put the question.

Question put, "That Clause 3 proposed to be deleted stand part of the Bill."

The Council divided (under Standing Order 68): Ayes, 8; Noes, 13.

Amendment made by Standing Committee "A" accordingly accepted; and Clause 3 ordered to be deleted.

CLAUSE 4—(Replacement of Section 29 of the Principal Ordinance).

Amendment made by Standing Committee "A" accepted, and Clause 4, as amended, ordered to stand part of the Bill.

CLAUSE 5—(Replacement of Sub-Sections (1) and (2) of Section 34 of the Principal Ordinance).

The Hon. Sir D. B. Jayatilaka: I move that the original Clause be retained.

Question, "That Clause 5 proposed to be deleted stand part of the Bill", put, and agreed to.

Amendment made by Standing Committee "A" accordingly rejected; and Clause 5 (renumbered 4) ordered to stand part of the Bill.

Clause 6 (renumbered 5) ordered to stand part of the Bill.

CLAUSE 7—(Amendment of Section 43 of the Principal Ordinance).

The Hon. Sir D. B. Jayatilaka: These are consequential amendments. Now that Clause 5 has been accepted, there may be further consequential amendments.

Mr. Speaker: Does the Hon. Minister then move that the further consideration of the amendments be deferred?

The Hon. Sir D. B. Jayatilaka: Yes, Sir; consideration of the amendments may be taken up on Thursday.

Question, "That the further consideration of the amendments made by Standing Committee "A" be deferred until Thursday, November 19, 1942", put and agreed to.

†LAND REDEMPTION BILL.

Mr. Susanta de Fonseka (Deputy Speaker and Chairman, Standing Committee "A"): I rise, Sir, to present,—

The Report of Standing Committee "A" on the Bill intituled "An Ordinance to make provision for the acquisition by the Crown of certain lands sold in execution of mortgage decrees or transferred by their owners in satisfaction of mortgage debts, for the alienation of such lands by the Crown and for matters connected with or incidental to the matters aforesaid."

The Hon. Mr. Senanayake: I move, Sir,—

That the amendments made by Standing Committee "A" in the Bill intituled "An Ordinance to make provision for the acquisition by the Crown of certain lands sold in execution of mortgage decrees or transferred by their owners in satisfaction of mortgage debts, for the alienation of such lands by the Crown and for matters connected with or incidental to the matters aforesaid", be taken into consideration.

CLAUSE 5—(Disposal of Lands acquired under Ordinance. Cap. 320).

Mr. H. E. Newnham (Nominated Member): An amendment is required to the amendment on page (2). It is to insert the word "and" instead of the word "an" after the words "protection of the land" in Sub-clause (2).

Amendment made by Standing Committee "A" accepted, and Clause 5, as amended, ordered to stand part of the Bill.

† For the Observations of the Financial Secretary and the Report of the Board of Ministers, see HANSARD of July 31, 1942.

SECOND SCHEDULE

Amendment made by Standing Committee "A" accepted, and Second Schedule, as amended, ordered to stand part of the Bill.

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

Question proposed from the Chair and debated.

Mr. G. A. H. Wille (Nominated Member): I move an amendment. I move that the third reading of this Bill take place six months hence as even at this late hour I think this whole Bill should be reconsidered. It is a very important and far-reaching Bill, and I oppose it on three grounds: that it is based on wrong data and assumption; that it violates a very important principle, namely, respect for existing rights; and thirdly, that it is a very unworkable Ordinance and will be very costly.

Now, when I spoke on the second reading of this Bill, I anticipated a good deal of light to be thrown on it, but it engendered a great deal of heat. I do not see any reason why there should be so much indignation against those who take an opposite view to the sponsor's of this Bill, because, after all, we think of the good of the country in general and we speak and vote according to our lights.

At the second reading of this Bill, I said a good deal which I do not want to repeat, but I find that this Bill has been put forward behind the shelter of the Banking Commission Report—at least, the Banking Commission Report is quoted in support of this Bill. I should like to quote a few sentences—I do not want to take up the time of the House—to show what background really is afforded by the Banking Commission Report in regard to this Bill.

Members in favour of this Bill spoke as if moneylenders were a very rapacious and hard-hearted set of people and that their conduct made this Bill necessary. I should like just to show what really this Banking Commission, which went so thoroughly into all these matters, thought of creditors, that is to say, the moneylenders and mortgagees.

Referring to the Chettiars—and if anything favourable is said about the Chettiars, I think *a fortiori* that may be assumed of other moneylenders—

The Hon. Mr. Senanayake: Is that a slur?

Mr. Wille: Yes, because traditionally they have been considered a very hard-hearted lot of people. But you will see that the Banking Commission lends no support to that view though that view has been brought forward in this House in support of the Bill. They said, "We shall describe later the lending business of the Chettiars and the great part they have played in the economic progress and development of Ceylon by supplying the country with capital and other resources."

Then, they went on to say—as I said, I have to omit a good deal of the report because I do not want to take the time of the House:

"The Ceylonese had no such external support or own savings to help them. They turned to the Chettiar and found a ready response. It is gratifying to note that several of the witnesses have paid an ungrudging tribute to the Chettiar's share in the building up of Ceylon, in the absence of which foreign penetration might have been greater and more serious."

Then again they say:

"Large acreages of Ceylon jungle and waste lands have been opened up and cultivated with coconut with the aid of money borrowed from the Chettiar community."

I was not speaking in particular in favour of the Chettiar, but I did say something on behalf of moneylenders who had lost during the depression, and therefore I was dubbed a sort of advocate for Shylocks. For that reason I think it very relevant for me to quote these passages from the Banking Commission Report.

Then, I urged another argument against this Bill, and that is, in trying to repair the ravages of the depression, no heed was paid to the unfortunate moneylenders.

The Hon. Colonel Kotalawala (Minister of Communications and Lands): What about the unfortunate legal advisers?

Mr. Wille: All right; it seems to be taken for granted that I am speaking here on behalf of moneylenders. Unfortunately they have not been, to a large extent, my clients. As a matter of fact, I do not think I have a single Chettiar as my client. I was only pointing out that, if the depression was to be given so much attention, there were other people whose cases also ought to have been considered. This is what the Banking Commission said:

"The losses incurred during the present crisis make them doubt whether it is worth while continuing lending operations."

So that there were losses on both sides and, as I said, this Bill was one-sided in trying to make provision only on behalf of mortgagors. I think one of the strongest supporters of this Bill in this House said that the landowners lost their all, and that they must be sympathetically considered, whereas moneylenders lost hardly anything.

Take a case like this, which is a typical one. A man had a coconut estate, valued at Rs. 50,000. He borrowed Rs. 30,000, not a very unusual thing, because a man usually borrowed a little more than half, and sometimes two-thirds of the value of the property. Now, let us say that during that depression the land had to be sold, and it fetched only Rs. 200,000. What really happened? Almost an equal fraction of their money or property was lost both by the moneylender and the landowner. It is not only one side that suffered. If you take the figures in the hypothetical case I quoted, the landowner lost 6/15ths and the moneylender 5/15ths. Is it owing to this slight difference that this discrimination is made only in favour of the mortgagors?

There was another statement made by the Minister of Agriculture and Lands—based on the assumption that during the slump these moneylenders hastily put their bonds in suit and in an acquisitive spirit got possession of the mortgaged lands. The lie is given to that by the Banking Commission. You will remember that the Commission wrote their report at the depth of the depression. I will not read the whole paragraph on this point, but just the end of it:

"The conclusion that he has been forced to take over the property in the interest of preservation of his asset seems to be irresistible."

That was because there were always delays in connexion with the realization of mortgages. "It is a general complaint that it took four and five years before a suit can be decided." I can endorse that from personal experience:

"There was danger of considerable depreciation in the security during the period. It was brought to our notice that persons had to wait for two years for the hearing of a mortgage action."

I have had occasion to handle a trust case, where it has taken 18 months to serve summons, although the owners were enjoying the profits of the land. I had to resort to the special procedure of substituted service, after special representation to the Judge. This is a common thing. So that, to say that the moneylenders rushed to the Courts during the depression and acquired property is certainly, to say the least, not fair.

After taking evidence to a large extent, the Banking Commission came to the conclusion that moneylenders, almost without exception, did not want to take over lands. They were not interested in this way of doing business; neither was it their predilection. They wanted their money back, and they only wished that their securities should not depreciate.

One argument is that this Bill is the direct result of what the Banking Commission recommended. I want to say that that is far from the truth. Even where the Banking Commission recommended the debt conciliation measure, they distinctly laid this down:

"Such conciliation should not be made compulsory or obligatory to the creditors but voluntary, and to be effected only in such cases where the debtors and creditors would agree."

The Banking Commission all along took a very fair view of the matter, as between the creditors and the debtors.

To come to something more relevant. When you examine what the Banking Commission really suggested, you will find that what they suggested was very different from what is provided in this Bill. They wanted an Ordinance brought forward to reduce the rate of interest on existing debts to a reasonable figure. They also went on to suggest that Government might lend to the extent of the mortgage debts and so relieve the debtors, on condition that they gave a mortgage to the Government and paid the interest and instalment regularly.

[Mr. Wille.]

There was nothing in the Banking Commission's Report to justify a Bill of the kind that we have before us today.

Mr. Speaker: We have to deal with the contents of the Bill now before us.

Mr. Wille: This is a very far-reaching measure—

The Hon. Mr. G. E. de Silva (Minister of Health): That is why it has been introduced!

Mr. Wille:—and there are a large number of people who think that this Bill ought not to pass. The proprietors of the paper called *Social Justice* made a suggestion once with regard to relieving debtors, and so I understand an attempt was made to father this Bill on them, but even they repudiate the paternity of the Bill. They are very much against it.

The Hon. Mr. G. E. de Silva: The father of this Bill is this House!

Mr. Wille: I read in the latest number of the paper that they repudiate this Bill as having received any encouragement from them.

Now, I want to take some of the figures to show how this Bill will work. Only, before I come to that I would like to refer to the figures from another aspect, that is, as to the justification for this Bill. It is very difficult to get exact figures, but the Banking Commission went out of their way to find out how much of the landed property of the country was under mortgage, specially coconut property, how much had been taken over by outsiders, and they came to the conclusion that 75 per cent. of the coconut land was under mortgage.

The Hon. Colonel Kotalawala: The question might be put now.

Mr. Wille: They also had evidence to point to the fact that 35,000 acres had been taken over by the Chettiers. Considering that the cultivated area of the country is about 3,000,000 acres, that represents only 1 per cent. of the cultivated lands. If you limit your purview to coconut lands, then the 35,000 acres taken over by Chettiers represents

3 per cent. of the land cultivated with coconut. That is hardly an astounding figure, calling for such a drastic remedy as that provided in this Bill. I could understand the need for this Bill if a very much larger proportion of the coconut lands cultivated—

The Hon. Mr. Senanayake: The hon. Member refers only to the Chettiers.

Mr. Wille: They are the people most aimed at in this Bill, and I am dealing with them as representative of mortgagees generally.

I now come to the figures relating to the working aspect of this Bill. According to the Low-country Products Association investigations, they have also ascertained that about 75 per cent. of the land cultivated with coconut is under mortgage. But they also ascertained this—I do not know how: according to them, nearly 80 per cent. of these lands have been appropriated by outsiders. That is clearly an incorrect figure. We will assume what the Banking Commission says, and that is, that only 35,000 acres have been appropriated by outsiders—I am putting my case low, for the moment.

The Financial Secretary in working out the cost of this Bill, provides not for 35,000 acres being taken over, but for 25,000 acres being taken over.

Mr. Speaker: Is that in the contents of the Bill?

Mr. Wille: I am speaking of the cost of working this Bill.

Mr. Speaker: That has nothing to do with this motion; it was dealt with at the second reading.

Mr. Wille: I want to refresh the memory of the House. According to the Financial Secretary, the acquisition of 10,000 acres will mean over Rs. 6,000,000.

Mr. Speaker: We must deal with the contents of the Bill.

Mr. Wille: It is all implied in this Bill.

Mr. Speaker: At the third reading, we have to deal with the contents of the Bill.

Mr. Wille: I have to point out the defects of the Bill. Very well, as to the working, the Land Commissioner is going to be called upon to perform a very invidious task. He has been vested with powers to distinguish between cases where he should, and where he should not, acquire the land. I do not think that a very severe duty such as that should be put upon him. It is almost impossible to discharge such a duty with satisfaction to the public.

Sir, this Bill, though it was intended to meet a special emergency, that is the circumstances that arose out of the well known slump, is so dated that it can go on working for ever. The Bill is to affect any land that was sold after 1st January, 1929. I do not know why that date has been adopted. In the earlier part of 1929, there was no slump, no shadow of a slump to affect prices.

That is not all. Even under the present circumstances, when lands have gone up in price, when they are sold the results are to be revised by the Land Commissioner. So that, the whole question of mortgage law is being ultimately affected. One of the important arguments against this Bill is that existing rights will be violated. Who will now care to buy land under a mortgage decree when that unfortunate thing occurs when the man knows that he will not have possession of the land?

The Hon. Mr. Senanayake: I move, Sir, that the question be now put.

Mr. Speaker: I accept that motion.

Mr. Wille: I want to make one final remark.

Mr. Speaker: It has been moved that the question be now put, and I have accepted it.

Mr. S. Samarakkody (Narammala): On a point of order. The hon. Member is moving that this Bill be read a third time six months' hence. That motion has not been seconded, and no opportunity has been given to other Members to speak on it.

Mr. Speaker: Will the hon. Member resume his seat. Has the motion been seconded?

Mr. H. F. Parfitt (Nominated Member): I rise to second the motion, and I wish to give my reasons for doing so; which will take about 3 minutes.

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

EXCISE RULES.

The following item stood upon the Orders of the Day:

The Minister of Home Affairs to move,—

That the following rule made by His Excellency the Governor under section 31 of the Excise Ordinance be confirmed:—

Rule.

The rules published by Excise Notification No. 338 in *Gazette* No. 8,435 of February 24, 1939, are hereby amended in rule 1. by the substitution, for the words "and pyridine bases in the proportion of half-a-gallon of the former and half-a-gallon of the latter", of the words "in the proportion of one gallon of light caoutchoucine."

The Hon. Sir D. B. Jayatilaka: I move the motion standing in my name.

Question put, and agreed to.

EDUCATION: CODE OF REGULATIONS.

The following item stood upon the Orders of the Day:

The Minister of Education to move,—

That the following regulation made by the Executive Committee of Education under section 32 of the Education Ordinance, No. 31 of 1939, be approved.

Regulation.

The Code of Regulations for Assisted English Schools published in the Supplement to *Gazette* No. 7,728 of August 16, 1929, is hereby amended as follows:—

(1) in Appendix A by the substitution, for the heading "class

IV.—Vernacular Teachers (clause 30 (b) and (c)), of the following:—“class IV.—Vernacular Teachers”;

- (2) in Appendix B—(a) by the substitution, for the heading “class IV.—Vernacular Teachers. (clause 30 (c))”, of the following:—“class IV.—Vernacular Teachers”; and (b) by the insertion at the end of “Class IV.”, of the following:—

“No manager’s contribution shall be reckoned in respect of Vernacular teachers in Sinhalese and Tamil primary classes attached to English schools, in cases where the quota of pupils per teacher is the same as in Sinhalese and Tamil schools.”

Observations of the Financial Secretary.

The purpose of the amendments is to regularize the existing practice. They will cause no additional expenditure by Government.

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 motion standing in my name.

Question put, and agreed to.

INCOME TAX (AMENDMENT) BILL.

The following item stood upon the Orders of the Day:

The Financial Secretary to move,—

That the Bill intituled: “An Ordinance to amend the Income Tax Ordinance”, be now read the first time.

Observations of the Financial Secretary.

The amount of tax involved in the exemptions proposed in Clause 2 of the Bill is not likely to exceed Rs. 100,000 per annum. The exemptions will operate only for the duration of the War. Clause 4 is likely to produce a very variable amount of additional tax, fluctuating between nil and Rs. 100,000 per annum.

Report of the Board of Ministers.

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

The Hon. Mr. J. H. B. Nihill (Legal Secretary): I rise, on behalf of the Financial Secretary, to move the resolution standing in his name.

I am sure it will be a matter of regret to the House that the Hon. the Financial Secretary is not in his place to move this motion, and I am sure we all hope that his indisposition will prove to be a very short one. I received instructions only late this morning to move this motion on his behalf, and I therefore hope that the House will concede to me a certain measure of indulgence. I see that the hon. Member for Point Pedro (Mr. Ponnambalam) is just entering the Chamber, and I hope he will not mistake me this afternoon even for a quasi-Financial Secretary.

The objects of this Amending Bill are set out very fully in the Objects and Reasons which hon. Members have read, and I feel therefore that I need not say very much about the scope and intention of this measure.

The main part of this Bill is to extend the exemption Clause of the main Ordinance, that is the Income Tax Ordinance itself, by extending the exemption to certain classes of people who are now in Ceylon. The main class of beneficiaries under Clause 2 of this Bill will be members of the regular Navy, Military and Air Force of His Majesty who are now in Ceylon for the purpose of defending this Island, and I do not think there will be any controversy on that particular Clause. It is felt, of course, that they are here today and that they may be gone tomorrow, and it is not thought expedient or just that they should be made to pay Ceylon income tax. There is also provision for the same exemption for the forces of friendly Powers allied with His Majesty.

The opportunity is taken in Clause 3 to make consequential Amendment to Section 45 (4) of the Principal Ordinance, and that, Sir, is necessitated by an amendment which was made by this House to Section 20 of the Income Tax Ordinance by Amending Ordinance No. 12 of 1942. That is really

No. 12 of 1942. That is really consequential, and the opportunity is taken to insert it at the present time.

The only other point in the Bill to which I think I should draw the attention of the House is the amendment of Section 52 (1) of the Principal Ordinance. That Section is one which deals with an Assessor's powers to regard the undistributed assets of a company which is limited to 5 members or less as being dividends for the purpose of income tax. As the law is at present, difficulties have arisen, and the object of the new Clause which is introduced by this Bill is this. Where an Assessor discovers that after a company of that character has paid its tax there is still 60 per cent. left of the declared profits of the company, he can regard those assets or a portion of them as if they have been distributed to the members as dividends which have in fact been paid to the members of the company, and, of course, that hypothetical dividend would be then liable to income tax as a dividend pertaining to each member of the company.

That, I think, covers the whole scope of this Amending Bill, and I move that it be now read the first time.

Question put accordingly, and agreed to.

Bill read the first time.

The Hon. Mr. Nihill: Pursuant to Standing Orders, I beg to give notice that it is my intention on Thursday to move the second reading of this Bill, and after that, with the approval of the Board of Ministers, it is my intention to move that the Bill be referred to a Committee of the whole Council.

COLOMBO RATING ASSESSMENTS (EMERGENCY PROVISIONS) BILL.

The following item stood upon the Orders of the Day:

The Minister of Local Administration to move,—

That the Bill intituled "An Ordinance to enable the Colombo Municipal Council to make new rating assessments in cases where rentals have diminished in consequence of the present emergency", be now read the first time.

The Hon. Mr. S. W. R. D. Bandaranaike (Minister of Local Administration): I should like to withdraw this motion. I am informed that the circumstances which necessitated the bringing forward of this Bill have now ceased to exist. I shall bring this Bill forward if the need arises in the future.

Mr. Speaker: Does the House give permission to the Hon. Minister to withdraw this motion?

Members: Aye.

Mr. Speaker: Item 15 is withdrawn.

Dr. M. C. M. Kaleel (Colombo Central): No, Sir; we oppose its withdrawal.

The Hon. Mr. Bandaranaike: I do not wish to proceed with this Bill because the very body which wanted it has made the strongest possible representations that it is not necessary now, and that the circumstances which originally necessitated it have ceased to exist. The Mayor of Colombo as well as other officials saw me this morning and wanted me not to proceed with this Bill.

Mr. G. G. Ponnambalam (Point Pedro): The Minister may not proceed with the Bill, but he cannot move to withdraw the motion.

Mr. Speaker: He can withdraw it and bring it up at any time.

Mr. Ponnambalam: As long as it is on the Orders of the Day, nobody can compel him to take it up, but he cannot withdraw it as long as there is even one dissident.

Mr. Speaker: When he says that he does not want to take it up, it goes out of the Orders of the Day. I think he can withdraw it.

The Hon. Mr. Bandaranaike: I will bring it up the moment the need for it arises, but I have been told and good reasons adduced—

Mr. Speaker: I think the Hon. Minister can withdraw it.

Mr. Ponnambalam: If there is anybody opposing it?

Dr. Kaleel: The Bill is absolutely necessary at the present moment. An emergency may arise—

Mr. Speaker: The Minister can bring it up then.

Dr. Kaleel: My contention is that it is absolutely necessary now.

Mr. Speaker: The Minister does not move it, and he does not want to move it. It lapses or goes out of the Orders of the Day; it is practically withdrawn.

Order made: Motion to lapse under Standing Order 56 (2).

SMALL TOWNS SANITARY (AMENDMENT) BILL.

The Hon. Mr. Bandaranaike: I move:

That the Bill intituled "An Ordinance to amend the Small Towns Sanitary Ordinance", be now read the first time.

This Bill merely makes provision for the change of the names "Provincial Engineer" and "Provincial Surgeon" in the Principal Ordinance.

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

Bill read the first time.

The Hon. Mr. Bandaranaike: In pursuance of notice given, I move that leave be granted to enable me to move forthwith that the Bill be now read a second time.

Question put, and agreed to.

Leave being granted—

The Hon. Mr. Bandaranaike: I move that the Bill be now read a second time.

Question put accordingly, and agreed to.

Bill read a second time.

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

Question put accordingly, and agreed to.

In Committee—

MR. SPEAKER presided as Chairman.

Clauses 1 to 3 ordered to stand part of the Bill.

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

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

The Council having resumed—

MR. SPEAKER took the Chair.

The Hon. Mr. Bandaranaike: I move that the Bill be now read the third time, and passed.

Question put accordingly, and agreed to.

Bill read the third time, and passed.

VILLAGE COMMUNITIES (AMENDMENT) BILL.

The following item stood upon the Orders of the Day:

The Minister of Local Administration to move,—

That the Bill intituled "An Ordinance to amend the Village Communities Ordinance", be now read the first time.

Observations of the Financial Secretary.

The financial implications are negligible.

Report of the Board of Ministers

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

The Hon. Mr. Bandaranaike: I move Sir,—

That the Bill intituled "Ordinance to amend the Village Communities Ordinance" be now read the first time.

This is a Bill which makes certain somewhat formal amendments in most

matters, but there are one or two more important matters, in regard to which it has been found desirable, as a result of the working of the main Ordinance to amend the provisions of that Ordinance.

Except the purely formal amendments, the amendments to which I need refer are those that are referred to in the Objects and Reasons, and they are these.

There is the question of a Chairman who is removed from office by the Governor for some kind of malpractice or negligence, provision for which exists now in Section 62 of the Principal Ordinance, but he can come back to office immediately and stand for election to the office of Chairman. We are providing, in the case of a person so removed, that he shall not be eligible to come forward for four years; otherwise the whole purpose of his removal is lost if within a week he is back in his old place, which he is able to do as the law stands as at present.

Then, with regard to a man vacating his seat by absence at three consecutive meetings of the Village Committee, sometimes the matter is not reported in due time to the Government Agent, and it is not possible to hold an election for the particular vacancy and no provision is made for filling it. The Committee continues during its lifetime without a member for that ward. We are remedying that by giving power to fill that vacancy by way of nomination when that difficulty arises.

Then, Sections 43 and 45 of the Principal Ordinance are amended so that the Village Committee, with the approval of the Government Agent, could make certain payments. They have to come to the Kachcheri where the Government Agent summons meetings of representatives of the area, and the amendment is to enable the payment of travelling expenses, and so on. Also, in respect of a ferry established or maintained between any place within the village area and any place within any other village area or the limits of any other local authority, provision is made to distribute the tolls that may be imposed, to divide suitably the tolls that are levied at a ferry.

Another point is with regard to the animals and vehicles tax. Vehicles can be taxed by a Village Committee. They impose a tax. There is some other local

authority into which area a vehicle may go, and the difficulty arises as to which is the area in which it should be licensed, and whether, once it is licensed in one area, there should be a requirement that it should be licensed in a number of other areas also into which it may go. That is a little anomaly that exists at present, and it is put right.

A most important change has been made in consequence of the need or rather the decision to hand over a certain number of these Small Sanitary Board towns to Village Committees. That decision has been reached; a number of them have already been handed over to Village Committees, and some are in the process of being handed over. Provision has to be made with regard to the funds of those particular towns when they are handed over to the Village Committee. A number of provisions are made regarding that matter; for instance, the provision that the funds of the Local Board or Sanitary Board town which is handed over to the Village Committee shall be utilized for the purposes of the town that is handed over. That is one provision. Another is, the declaration by the Governor of that area as a built-up area under the Village Communities Ordinance, so that its existence as a small town is continued though under Village Committee jurisdiction.

Then also there is the power to levy a water rate and a conservancy rate. Village Committees have no power to do that in purely rural areas, but in these small urbanized areas handed over to them, the power to levy such rates is very necessary.

The next amendment is of Section 48 so as to enable grants allocated to the Village Committee by the Executive Committee of Local Administration and sums appropriated to the Village Committee by the State Council to be paid into the communal fund. There is no provision now for grants paid to Village Committees by us to be paid into a communal fund, and we have therefore kept them under separate account at the Kachcheri; it was an omission under the Village Communities Ordinance. We are now providing that they be paid into a communal fund of the Village Committee for the purposes, of course, for which grants are made.

[The Hon. Mr. Bandaranaike.]

Those are the main amendments to the Bill. The others are of a purely formal nature. I move that the Bill be now read the first time.

Question put accordingly, and agreed to.

Bill read the first time.

The Hon. Mr. Bandaranaike: I give notice, Sir, that I shall move the second reading—

Mr. Newnham: Do it now.

The Hon. Mr. Bandaranaike: If the House agrees. Some of these amendments are urgent. Some of the difficulties we want to meet should be met, however small they may be, rather quickly, particularly before the end of the financial year of the Village Committees, that is December. If the House will agree—

Mr. Speaker: If the second reading is opposed, we cannot do it.

Mr. B. H. Aluwihare (Matale): I shall oppose it.

The Hon. Mr. Bandaranaike: I give notice that I shall move the second reading of the Bill on Thursday this week.

RENT RESTRICTION BILL.

The following item stood upon the Orders of the Day.

The Minister of Local Administration to move,—

That the Bill intituled "An Ordinance to restrict the increase of rent and to provide for matters incidental to such restriction" be now read the first time.

Observations of the Financial Secretary.

The Bill provides for the establishment of a Rent Assessment Board for each area that may be proclaimed by the Governor under section 2. The expenses of the Board will be met from monies provided by the State Council for the purpose. Against this expenditure must

be placed the fees which will be recovered from persons making applications to Boards.

2. It is not possible to form at present an accurate estimate of the cost to Government of the administration of the proposed Ordinance. It is unlikely that the fees charged to applicants will cover the full expenses of administration, but even so the net cost should not be great.

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. Bandaranaike: I move the motion standing in my name.

Before dealing with the Clauses of the Bill itself, I would like to make a few preliminary remarks as to the need for such a Bill. It will be observed that in most countries, in view of the emergency that has arisen, namely, the war, some form of legislation dealing with rent restriction exists. Sir, in Ceylon we do not have any legislation for the purpose yet. I will show how the need for this type of legislation has arisen in Ceylon.

Representations have been made to me from many areas outside Colombo, e.g., from Matale, Kandy, Badulla and from a number of other areas such as Gampaha, that tenants have been ejected by their landlords where ejection became necessary, and the house rented out at very high rents particularly to evacuees, people who have evacuated from target areas. In Colombo itself, the difficulty has arisen in this way. A certain number of people who evacuated their premises, particularly business premises, which were handed over after April last to others to be rented at a time of emergency when the actual people who had been carrying on their business ran away, are now returning and are offering very high rents for those buildings not merely for the purpose of going in, but actually for regaining business which they had given up and which is in the hands of others.

It is true that the position in Colombo is not altogether even, in the sense that

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there are certain types of buildings the rents of which have not gone up—they may have actually gone down; in such cases of course the provisions of this Bill will not apply—but there are other classes of houses or buildings in Colombo the rents of which have gone up, and there are a number of places outside Colombo where the difficulty has arisen in a very acute form. It has, therefore, become necessary to have some Bill dealing with the situation for the period of the emergency. That is what this Bill is intended to secure—reasonable rents as well as reasonable security of tenancy.

This Bill has been drawn up partly following the English Act and partly also similar Bills that were passed recently, particularly in countries like Malaya.

I would now refer briefly to some of the more important Clauses of this Bill. It will be seen from Clauses 3 that,—

“ It shall not be lawful for the landlord of any premises to which this Ordinance applies—

(a) to amend, receive or recover as the rent of such premises in respect of any period commencing on or after the appointed date . . . ”

—that is, the appointed date under the Ordinance—

“ any amount in excess of the authorised rent . . . ”

“ Authorised rent ” has again to be considered with certain exceptions which I will refer to as standard rent, that is, the rent that actually obtained on 1st November, 1941. That date has been fixed as the date just prior to the time when the difficulty actually arose in Ceylon, after the entry of Japan into this war.

Now it is not permissible,—

“ to increase the rent of such premises in respect of any such period to an amount in excess of such authorised rent.”

I need not refer to Sub-section (2) of that Clause. It deals with any transfer to a tenant of any burden or liability previously borne by the landlord, and how that position is to be dealt with.

Clause 5 is important.

“ The standard rent of any premises remains—

(a) The rent at which the premises were let on the first day of November, 1941.”

Sub-clauses (b), (c), and (d) deal with premises that were rented either before

that date or subsequent to that date, and between that date and the appointed date under the Ordinance.

Clause 6 gives various circumstances in which rent may be permitted to be increased beyond that standard rent such as, for instance, certain repairs that are done, and so on, or any rates which are levied by any written law, the burden of which is now on the tenant, being transferred to the landlord. Sub-clause (c) of Clause 6 states that the standard rent may be increased,—

“ Where the rates levied under any written law first became payable or first become payable in respect of any premises after the date by reference to which the standard rent of the premises is determined . . . ”

and, there are certain other exceptions like that which more or less include all the circumstances which normally permit of an increase of rent.

Clause 7 prohibits a hidden increase of rent, by taking a premium or additional commission or payment for some other similar consideration for particular buildings being rented.

Clause 8 contains provisions which specify the restriction of the right to institute proceedings for ejection except, of course, where the rent is in arrear for one month or the tenant has given notice to quit or the premises are reasonably required for occupation as a residence for the landlord or any member of the family of the landlord or for the purposes of his trade, business, profession, vocation or employment.

Clauses 9 and 10 need no particular reference.

Clause 11 is important. As to the administration of this Bill, it is suggested that Assessment Boards should be set up.

“ The Assessment Board for any proclaimed area which is a Municipality shall consist of (a) the Mayor as Chairman of the Board, and two Members of the Municipal Council elected for the purpose by the Council, (b) the Municipal Commissioner, (c) the Municipal Assessor, if any, (d) the Government Valuer or an officer of his Department nominated by him, and (e) not more than two other persons appointed by the Minister.”

That is to say, the Ministry will appoint from outside people who may be useful for the purposes of assessment. One

[The Hon. Mr. Bandaranaike.] slight variation in regard to Urban Councils is mentioned in Sub-section (3), and, in regard to Sanitary Boards and rural areas, in Sub-section (4).

The Ordinance, of course, will be applied to any areas that are specified from time to time by proclamation in the *Gazette*. It is true that there will not be any appeal from the decision of the Assessment Board, but the reason for it, although it may appear rather unusual, is that the Assessment Board will be more qualified to make many of the detailed inquiries than a Court of law. The proceedings before a Court of law will be both more expensive and more difficult and dilatory than any proceedings taken before such an Assessment Board.

Clause 13 refers to certain necessary financial provisions; and the other Clauses are purely formal. The purposes of the Bill will, I hope, be clear to the House. No doubt there may be certain

amendments which Members may wish to suggest in the Committee stage but, I think, on the whole this Bill is a piece of legislation which must be on our Statute Book to be used as required in various areas at the present time.

I move that the Bill be now read the first time.

Question put, accordingly and agreed to.

Bill read the first time.

The Hon. Mr. Bandaranaike: I give notice that I shall ask the permission of the House to move the second reading of this Bill on Thursday.

ADJOURNMENT.

It being 6 p.m., MR. SPEAKER adjourned the Council without Question put, pursuant to Emergency Standing Order 2 (3), until 2 p.m. on Wednesday November 18, 1942.